

File No. 231116 Committee Item No. 5  
Board Item No. \_\_\_\_\_

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date November 15, 2023  
Board of Supervisors Meeting Date \_\_\_\_\_

#### Cmte Board

<input checked="" type="checkbox"/>	<input type="checkbox"/>	Resolution
<input type="checkbox"/>	<input type="checkbox"/>	Ordinance
<input type="checkbox"/>	<input type="checkbox"/>	Legislative Digest
<input type="checkbox"/>	<input type="checkbox"/>	Budget and Legislative Analyst Report
<input type="checkbox"/>	<input type="checkbox"/>	Youth Commission Report
<input type="checkbox"/>	<input type="checkbox"/>	Introduction Form
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Department/Agency Cover Letter and/or Report
<input type="checkbox"/>	<input type="checkbox"/>	MOU
<input type="checkbox"/>	<input type="checkbox"/>	Grant Information Form
<input type="checkbox"/>	<input type="checkbox"/>	Grant Budget
<input type="checkbox"/>	<input type="checkbox"/>	Subcontract Budget
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Contract/Agreement
<input type="checkbox"/>	<input type="checkbox"/>	Form 126 – Ethics Commission

#### OTHER (Click highlighted text to be redirected to the Legislative Research Center to view voluminous documents)

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Port Commission Resolution No. 23-46 10/10/2023</u>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Board Resolution No. 36-18 2/13/2018</u>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u><a href="#">Recorded Disposition and Development Agreement 8/17/2018</a></u>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u><a href="#">Master Lease No. L-16417 8/15/2018</a></u>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Lease No. L-16703 10/6/2020</u>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Lease No. L16704 10/6/2020</u>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Lease No. L-16705 6/25/2020</u>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Lease No. L-16706 10/6/2020</u>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Recorded Memo of Parcel Lease A 10/7/2020</u>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Recorded Memo of Parcel Lease B 10/7/2020</u>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Recorded Memo of Parcel Lease F 10/7/2020</u>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Recorded Memo of Parcel Lease G 6/26/2020</u>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Port Commission Resolution No. 10-32 5/25/2010</u>
<input type="checkbox"/>	<input type="checkbox"/>	_____

Completed by: Brent Jalipa Date November 9, 2023  
Completed by: Brent Jalipa Date \_\_\_\_\_

1 [Real Property Lease Amendments - Seawall Lot 337 Associates, LLC - Mission Rock Parcels  
2 A, B, F, and G and Form Lease]

3 **Resolution approving certain amendments to the form of the Parcel Lease between the**  
4 **Port and Seawall Lot 337 Associates, LLC, a subsidiary agreement under the**  
5 **Disposition and Development Agreement for the Mission Rock Project; approving**  
6 **certain amendments to the Leases for Parcel A, Parcel B, Parcel F, and Parcel G with**  
7 **affiliates of Developer; adopting findings under the California Environmental Quality**  
8 **Act; and to authorize the Executive Director of the Port to enter into amendments or**  
9 **modifications to the First Amendment to Parcel Lease that do not materially increase**  
10 **the obligations or liabilities to the City and are necessary to effectuate the purposes of**  
11 **the Resolution.**

12  
13 WHEREAS, California Statutes of 1968, Chapter 1333 (as amended, the "Burton Act")  
14 and Charter, Sections 4.114 and B3.581, empower the City and County of San Francisco,  
15 acting through the San Francisco Port Commission ("Port"), with the power and duty to use,  
16 conduct, operate, maintain, manage, regulate and control lands within Port jurisdiction; and

17 WHEREAS, The Port owns approximately 28 acres of real property along San  
18 Francisco's Central Waterfront comprised of (1) Seawall Lot 337, bounded by Third Street on  
19 the west, a .3-acre strip of land immediately south of Seawall Lot 337 known as "Parcel P20"  
20 and Mission Rock Street on the south, Pier 48 to the east, and China Basin Park on the north;  
21 (2) Pier 48; (3) China Basin Park; (4) the marginal wharf between Pier 48 and Pier 50; and (5)  
22 Parcel P20 (collectively, the "Site"); and

23 WHEREAS, In May 2010, by Resolution No. 10-32, the Port Commission awarded to  
24 Seawall Lot 337 Associates, LLC, a Delaware limited liability company ("Developer"), through  
25



1 a competitive process, the opportunity to negotiate exclusively for the mixed-use development  
2 of the Site (collectively, the "Project" or the "Mission Rock Project"); and

3 WHEREAS, On March 8, 2013, by Resolution No. 13-10, the Port Commission  
4 endorsed the Term Sheet for the Project; and

5 WHEREAS, In May 2013, by Resolution No. 142-13, the Board of Supervisors found  
6 the Project fiscally feasible under Administrative Code, Chapter 29, and endorsed the Term  
7 Sheet for the Project; and

8 WHEREAS, Port and Developer entered into that certain Disposition and Development  
9 Agreement dated August 15, 2018 (as amended, the "DDA"), a copy of which is on file with  
10 the Clerk of the Board of Supervisors in File No. 180092 and is incorporated in this resolution  
11 by reference, and related transaction documents that are incorporated into the DDA and  
12 provide the overall process for development of the Project, including a Financing Plan, an  
13 Infrastructure Plan, a Housing Plan, a Transportation Plan, a Transportation Demand  
14 Management Plan, a Workforce Development Plan, an LBE Utilization Program, and forms of  
15 an interim Master Lease, a Vertical Disposition and Development Agreement, and a Parcel  
16 Lease; and

17 WHEREAS, The Port and Developer entered into the Mission Rock Master Lease -  
18 Lease No. L-16417, dated as of August 15, 2018, for portions of the Site comprising the  
19 Project (as amended, the "Master Lease"); and

20 WHEREAS, The form Parcel Lease sets forth the terms and conditions under which  
21 vertical developers may ground lease development parcels for a term of 75 years; the form  
22 Parcel Lease may be modified, as described in the DDA, to address circumstances unique to  
23 the development of individual parcels; and

24 WHEREAS, Parcel A, was removed from the Master Lease and leased to Mission  
25 Rock Parcel A Owner, L.L.C., a Delaware limited liability company, by that certain Lease No.

1 L-16703 (Mission Rock - Phase 1, Parcel A/Lot 1) dated as of October 6, 2020 (the "Parcel A  
2 Lease"), as evidenced by that certain Memorandum of Lease, dated as of October 6, 2020  
3 and recorded in the Official Records of the City and County of San Francisco (the "Official  
4 Records") on October 7, 2020 as Document Number 2020027130 (the "Memorandum of  
5 Parcel A Lease"); and

6 WHEREAS, Parcel B was removed from the Master Lease and leased to Mission Rock  
7 Parcel B Owner, L.L.C., a Delaware limited liability company, by that certain Lease No. L-  
8 16704 (Mission Rock - Phase 1, Parcel B/Lot 2) dated as of October 6, 2020 (the "Parcel B  
9 Lease"), as evidenced by that certain Memorandum of Lease, dated as of October 6, 2020  
10 and recorded in the Official Records on October 7, 2020 as Document Number 2020027137  
11 (the "Memorandum of Parcel B Lease"); and

12 WHEREAS, Parcel F was removed from the Master Lease and leased to Mission Rock  
13 Parcel F Owner, L.L.C., a Delaware limited liability company, by that certain Lease No. L-  
14 16706 (Mission Rock – Phase 1, Parcel F/Lot 4) dated as of October 6, 2020 (the "Parcel F  
15 Lease"), as evidenced by that certain Memorandum of Lease, dated as of October 6, 2020  
16 and recorded in the Official Records on October 7, 2020 as Document Number 2020027143  
17 (the "Memorandum of Parcel F Lease"); and

18 WHEREAS, Parcel G was removed from the Master Lease and leased to Mission Rock  
19 Parcel G Owner, L.L.C., a Delaware limited liability company (referred to collectively, with  
20 Mission Rock Parcel A Owner, L.L.C., Mission Rock Parcel B Owner, L.L.C., and Mission  
21 Rock Parcel F Owner, L.L.C., as the "Developer Affiliates" for purposes of this resolution), by  
22 that certain Lease No. L-16705 (Mission Rock – Phase 1, Parcel G/Lot 3) dated as of June  
23 25, 2020 the "Parcel G Lease"), as evidenced by that certain Memorandum of Lease, dated  
24 as of June 25, 2020 and recorded in the Official Records on June 26, 2020 as Document  
25 Number 2020-K944596-00 (the "Memorandum of Parcel G Lease"); and

1           WHEREAS, The Port and Developer, on behalf of Developer Affiliates, desire to amend  
2 the form Parcel Lease and to amend the Parcel A Lease, the Parcel B Lease, the Parcel F  
3 Lease, and the Parcel G Lease, to revise the definitions of "Net Refinancing Proceeds,"  
4 "Tenant's Purchase Price," and "Total Development Costs," each as set forth in the form of  
5 First Amendment to Parcel Lease (the "First Amendment to Parcel Lease"), a copy of which is  
6 in Board File No. 231116 and is incorporated in this resolution by reference; and

7           WHEREAS, On October 10, 2023, by Resolution No. 23-46, the Port Commission  
8 concluded that the amendments in the First Amendment to Parcel Lease are commercially  
9 reasonable and in the best interest of the Project, and approved the amendments; and

10           WHEREAS, The actions contemplated in this resolution are within the scope of the  
11 project for which the Board adopted Resolution No. 036-18 that affirmed the Planning  
12 Commission's certification of the Final Environmental Impact Report for the Seawall Lot 337  
13 and Pier 48 Mixed-Use Project ("FEIR") and mad findings in accordance with the California  
14 Environmental Quality Act (California Public Resources Code, Sections 21000 et seq.) and  
15 Administrative Code, Chapter 31; and

16           WHEREAS, A copy of Resolution No. 036-18 is on file with the Clerk of the Board of  
17 Supervisors File No. 171286 and is incorporated herein by reference; now, therefore, be it

18           RESOLVED, That the Board of Supervisors approves the First Amendment to Parcel  
19 Lease; and, be it

20           FURTHER RESOLVED, That the Board of Supervisors authorizes the Executive  
21 Director of the Port or the Executive Director's designee to revise the form Parcel Lease and  
22 to enter into a First Amendment to the Parcel A Lease, the Parcel B Lease, the Parcel F  
23 Lease, and the Parcel G Lease, as approved by the City Attorney and in substantially the form  
24 on file with the Clerk of the Board of Supervisors in File No. 231116, and to provide notice of  
25 such amendment by executing and recording amendments to the Memorandum of Parcel A

1 Lease, Memorandum of Parcel B Lease, Memorandum of Parcel F Lease, and Memorandum  
2 of Parcel G Lease; and, be it

3 FURTHER RESOLVED, That the Board of Supervisors authorizes the Executive  
4 Director of the Port to enter into any additions, amendments or other modifications to the First  
5 Amendment to Parcel Lease (including, without limitation, preparation and attachment of, or  
6 changes to, any or all of the exhibits and ancillary agreements) that the Executive Director, in  
7 consultation with the City Attorney, determines when taken as a whole, are in the best  
8 interests of the Port, do not materially increase the obligations or liabilities of the Port or City  
9 or materially decrease the public benefits accruing to the Port, and are necessary or advisable  
10 to complete the transactions contemplated and effectuate the purpose and intent of this  
11 resolution, such determination to be conclusively evidenced by the execution and delivery by  
12 the Executive Director of any such documents; and be it

13 FURTHER RESOLVED, That within thirty (30) days of entering into a First Amendment  
14 to the form Parcel Lease and to each Parcel A Lease, Parcel B Lease, Parcel F Lease, and  
15 Parcel G lease, the Port shall provide copies of each document to the Clerk of the Board for  
16 inclusion into the official file.

17  
18 RECOMMENDED

19  
20  
21 \_\_\_\_\_ /s/

22 Elaine Forbes, Executive Director  
23 Port of San Francisco  
24  
25



**CITY AND COUNTY OF SAN FRANCISCO  
LONDON N. BREED, MAYOR**

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**FIRST AMENDMENT TO  
LEASE NO. L- \_\_\_\_\_**

**(MISSION ROCK – PHASE \_\_, PARCEL \_\_/LOT \_\_)**

**BETWEEN THE**

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

**AS LANDLORD**

**AND**

**MISSION ROCK PARCEL \_\_ OWNER, L.L.C.**

**AS TENANT**

**DATED AS OF \_\_\_\_\_, 202\_\_**

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**ELAINE FORBES  
EXECUTIVE DIRECTOR**

**SAN FRANCISCO PORT COMMISSION**

**KIMBERLY BRANDON, PRESIDENT  
WILLIE ADAMS, VICE PRESIDENT  
GAIL GILMAN, COMMISSIONER  
ED HARRINGTON, COMMISSIONER  
STEVEN LEE, COMMISSIONER**

## FIRST AMENDMENT TO PARCEL LEASE

This **FIRST AMENDMENT TO PARCEL LEASE NO. \_\_\_\_\_** (“**First Amendment**”) dated for reference purposes as of \_\_\_\_\_, 202\_\_ (the “**Effective Date**”), 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 Mission Rock Parcel \_\_\_\_ Owner, L.L.C., a Delaware limited liability company, as tenant (“**Tenant**”).

This First Amendment 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 (Cal. Stats. 1968, Ch. 1333, as amended) 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 Tenant entered into that certain Lease No \_\_\_\_ (Mission Rock – Phase \_ Parcel \_\_\_\_/ Lot \_\_\_\_), dated as of \_\_\_\_\_, 2020 (the “**Original Parcel Lease**”), as evidenced by that certain Memorandum of Lease, dated as of \_\_\_\_\_, 2020, by and between Port and Tenant, and recorded on \_\_\_\_\_ as Document Number \_\_\_\_\_ (the “**Original Memo of Lease**”) in the Official Records of the City and County of San Francisco (the “**Official Records**”), under which the Tenant leases the Premises from the Port.

C. The Parties desire to amend certain provisions of the Original Parcel Lease to: (i) revise and restate the definition of Net Refinancing Proceeds to exclude the value of a prior loan that is being refinanced, (ii) revise and restate the definition of Total Development Costs to clarify how the Affordable Housing Fee will be treated, and (iii) provide for certain other Parcel Lease modifications, all as more particularly set forth in this First Amendment. The Original Parcel Lease, as amended by this First Amendment, is referred to as the “**Parcel Lease**”. All initially capitalized terms used in this First Amendment are defined in the Original Parcel Lease or have the meanings given when first defined.

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

1. **Net Proceeds.** As of the date of this First Amendment, Exhibit D and Attachment 1 to Exhibit D are deleted in their entirety and replaced by Exhibit D and Attachment 1 to Exhibit D, respectively, attached to this First Amendment as Exhibit A. References to Exhibit D and Attachment 1 to Exhibit D in the Parcel Lease shall mean Exhibit D and Attachment 1 to Exhibit D, respectively, as amended and restated by this First Amendment.
2. **Recordation.** This First Amendment will not be recorded by either Party. The Parties agree to execute and record in the Official Records a Memorandum of First Amendment in the form attached as Exhibit B. Promptly upon Port’s request following the expiration of the Term or any other termination of the 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 the Lease. Port may record such quitclaim deed at any time on or after the termination of the Lease, without the need for any approval or further act of Tenant.

**3. Miscellaneous.**

- a. Successors and Assigns. This First Amendment is binding upon and will inure to the benefit of the successors and assigns of Port, Tenant, and any Lender. Where the term "Tenant," "Port," or "Lender" is used in this First Amendment, it means and includes their respective successors and assigns, including, as to any Lender, any transferee and any successor or assign of such transferee. Whenever this First Amendment 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 First Amendment.
- b. No Third-Party Beneficiaries. This First Amendment 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 40 of the Parcel Lease with regard to any Lender.
- c. Counterparts. This First Amendment may be executed in counterparts, each of which is deemed to be an original, and all such counterparts constitute one and the same instrument.
- d. Entire Agreement. The Parcel Lease (including the Exhibits) constitutes the entire agreement between the Parties with respect to the subject matter set forth, and supersede all negotiations or previous agreements between the Parties with respect to all or any part of the terms and conditions mentioned herein or incidental hereto. No parol evidence of any prior or other agreement will be permitted to contradict or vary the terms of the Parcel Lease.
- e. Amendment. Neither the Parcel Lease nor any of the terms hereof may be terminated, amended or modified except by a written instrument executed by the Parties. Except as provided in this First Amendment, the Original Parcel Lease is unmodified hereby, and as modified by this First Amendment, the Parcel Lease remains in full force and effect.
- f. Governing Law; Selection of Forum. This First Amendment will be governed by, and interpreted in accordance with, the laws of the State of California. As part of the consideration for Port's entering into this First Amendment, Tenant agrees that all actions or proceedings arising directly or indirectly under the Parcel 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 in the Parcel Lease for the delivery of notices.

- g. Counsel. Each Party acknowledges that: (i) it was represented by counsel in connection with this First Amendment; (ii) it executed this First Amendment with the advice of counsel; and (iii) this First Amendment is the result of negotiations between the Parties and the advice and assistance of their respective counsel.
- h. Severability. If any provision of this First Amendment, or its application to any Person or circumstance, is held invalid by any court, the invalidity or inapplicability of such provision will not affect any other provision of this First Amendment or the application of such provision to any other Person or circumstance, and the remaining portions of this First Amendment will continue in full force and effect, unless enforcement of this First Amendment as so modified by and in response to such invalidation would be grossly inequitable under all of the circumstances, or would frustrate the fundamental purposes of this First Amendment.
- i. Authority. Each Party has the requisite power and authority to execute and deliver this First Amendment and the agreements contemplated hereby and to carry out and perform all of the terms and covenants of this First Amendment and the agreements contemplated hereby to be performed by Tenant and Port and upon execution, are legal, valid and binding obligations of Tenant and Port, enforceable against Tenant and Port in accordance with its terms; and do not violate any provision of any agreement or judicial order to which Tenant or Port is a party or to which Tenant or Port is subject.

[Signature Page Follows]



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

Tenant:

**MISSION ROCK PARCEL \_\_\_\_ OWNER, L.L.C.,**  
a Delaware limited liability company

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

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

Port:

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

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

APPROVED AS TO FORM:  
DAVID CHIU, City Attorney

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

Port Commission Resolution No. 23-46, adopted on October 10, 2023

Board of Supervisors Resolution No. \_\_\_\_\_, adopted on \_\_\_\_\_

**Exhibit A**

**AMENDED AND RESTATED  
EXHIBIT D**

**ARTICLE 3**

**RENT**

**3. Rent.**

**3.1 Prepaid Rent.**

The Parties acknowledge that this Lease is a **Fully Pre-paid Lease**, as that term is defined in the Financing Plan attached as Exhibit C1 to the DDA. On the Commencement Date, the **Prepaid Rent**, as set forth in the Basic Lease Information, will be applied by Credit Bid in accordance with Article 3 of the Financing Plan attached to the DDA (“**Credit Bid**”).

**3.2 Tenant’s Covenant to Pay Rent During Hold Over Period.**

During any Hold Over Period, Tenant will pay Rent for the Premises to Port at the times and in the manner provided in this Article 3.

(a) Definitions.

(i) “**Adjusted Gross Income**” means Gross Income less Adjustments.

(ii) “**Adjustments**” means the following items (without duplication):

(1) all Impositions paid by Tenant and allocated on a straight-line basis during the Lease Year in which the applicable Imposition was paid;

(2) all charges and bills for utilities, including, without limitation, charges for water, gas, oil, sanitary and storm sewer, and electricity paid by Tenant; and

(3) insurance premiums for insuring the Improvements in compliance with **Section 20** of this Lease and allocated on a straight-line basis during the Lease Year in which the applicable insurance premium was paid.

(iii) “**Gross Income**” means for each Lease Year or portion thereof, 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 (other than as set forth below with respect to tenant improvements), license fees,

parking charges, advertising revenues, event or promotional fees, charges and permit fees. Without limiting the foregoing, “**Gross Income**” also includes any and all payments made to Tenant from the Business Interruption or delayed opening insurance proceeds. “**Gross Income**” does not include any of the following: (i) proceeds from any sale, transfer, hypothecation or condemnation of all or any part of Tenant's interest in the Lease, (ii) any Refinancing Proceeds or any other capital proceeds, (iii) insurance proceeds arising from a Casualty at the Premises (provided that if such insurance proceeds exceed the actual cost incurred by Tenant to repair and restore the Premises, then the difference will be included in the calculation of Gross Income); (iv) payments from any Subtenant to Tenant to reimburse Tenant for actual costs paid by Tenant to an operator of a parking garage or surface parking lot within Mission Rock for the number of parking spaces paid by such Subtenant; or (v) payments from any Subtenant to reimburse Tenant for Tenant’s actual out-of-pocket costs related to materials, labor, and non-Affiliated general contractor fees for tenant improvement work performed by Tenant on behalf of Subtenant.

(b) Reporting of Gross Income.

(i) Commencing on the 72nd anniversary of the Effective Date, Tenant will deliver to Port a complete statement setting forth in reasonable detail its Adjusted Gross Income for each calendar quarter, including an itemized list of all Adjustments from Gross Income that Tenant claims and which are expressly permitted under this Lease substantially in the form of *Exhibit Z*, by the twentieth (20th) day of the immediately following calendar quarter. In addition, Tenant will furnish to Port, within sixty (60) days after the expiration of the 72nd Lease Year and each Lease Year thereafter, a complete statement, showing the computation of Gross Income, Adjusted Gross Income, including an itemized list of all Adjustments from Gross Income that Tenant claims and which are expressly permitted under this Lease substantially in the form of *Exhibit AA*.

(ii) Tenant will substantiate actual Adjustments with proof of expenditure, which may include: (i) copies of canceled checks, (ii) bills, contracts and invoices marked "Paid", and (iii) and such other proofs of expenditure as may be reasonably approved by Port.

(iii) If Tenant fails to deliver any rent statement required hereunder within the time period set forth in this Section 3.2(b) (irrespective of whether any 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 of the Premises) as may be necessary to determine the amount of 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 Rent due and payable for the period in question, including any Late Charge and interest at the Default Rate.

### 3.3 Intentionally Omitted.

### 3.4 Port Participation in Sale Proceeds.

(a) Distribution of, and Port's Participation in, Net Sale Proceeds before Early Transfer Date. Tenant will pay upon a Transfer occurring any time prior to the Early Transfer Date:

(i) One Hundred Percent (100%) of Net Sale Proceeds from such Transfer, less the following deductions in this Section 3.4(a), will be deposited into the DRP Fund.

(1) Tenant's Purchase Price;

(2) Port's Attorneys' Fees and Costs associated with Port's review of the Qualifying Early Sale;

(3) Costs of Sale; and

(4) If the work product that is the subject of the Certified Entitlement Cost is purchased by the Transferee and useful in the construction or entitlement of the Vertical Project, Certified Entitlement Costs related to such purchased work product, if any.

(ii) In addition to payment of Port's share of Net Sale Proceeds in accordance with Section 3.4(a)(i) of this Exhibit, Tenant will pay Port a sum equal to Seventy-Five Thousand Dollars (\$75,000) for each 12-month period following the Commencement Date until the effective date of the Sale. By way of example only, if the Sale occurs on the last day of the twenty-fourth (24<sup>th</sup>) month after the Commencement Date, then Tenant will pay Port One Hundred Fifty Thousand Dollars (\$150,000). If Sale occurs at any time after the first twelve-month period, then the Seventy-Five Thousand Dollar amount will be pro-rated for such shorter period.

(b) Distribution of, and Port's Participation in, Net Sale Proceeds and Reassessment Events after Early Transfer Date. (i) **Sale.** Tenant will pay Port one and one-half percent (1.5%) of the Net Sale Proceeds from each Sale occurring on or after the Early Transfer Date.

(ii) **Reassessment Event.** For purposes of calculating Net Sale Proceeds on a Reassessment Event, Tenant's Sale Proceeds from such Reassessment Event will be deemed to be an amount equal to (1) the total ownership interests in Tenant after the Reassessment Event held by the Person causing the Reassessment Event (expressed as a percentage of total ownership interests in Tenant), multiplied by (2) the value assigned to the Leasehold Estate, as evidenced by (A) the estimated fair market value of the Leasehold Estate provided to the Assessor-Recorder's in connection with the Reassessment Event, or (B) if no such estimate is provided to the Assessor-Recorder's, the appraised value of the Leasehold Estate established in an Appraisal Report reasonably approved by Port and Tenant.

(c) Manner of Payment. The estimated closing statement will be updated as of the date of closing of the Sale to show the actual (i) Sale Proceeds from such Sale, and (ii) line item description of the deductions and exclusions from Sale Proceeds to arrive at Port's share of Net Sale Proceeds. If escrow is opened for a Sale, then Port's share of the proceeds from such Sale must be distributed through escrow. If no escrow is opened for a Sale, Port's share of proceeds from such Sale must be paid upon the closing of any such Sale.

This provision constitutes notice to Tenant that Port is to be paid in full its share of Net Sale Proceeds through the close of escrow or the closing of the applicable Sale. If Port is not paid full by such closing date, the amount due Port will be subject to a Late Charge and will accrue interest at the Default Rate from and after the closing until paid in full to Port. Port may reference in any estoppel certificate or other representation requested from Port that payment to Port of Port's share of proceeds from a Sale is a material obligation under the Lease, due and owing upon the closing of any Triggering Event, provided, however, failure to reference such obligation will in no way negate Tenant's obligation to pay, and Port's right to receive, Port's share of Net Sale Proceeds.

Within forty-five (45) days after any Sale, transferor Tenant will submit to Port a statement prepared in accordance with sound accounting principles consistently applied, and certified by transferor Tenant's chief executive officer or chief financial officer (or equivalent position), as current, complete and correct, confirming the actual amount of proceeds received; line item description of the deductions and exclusions from proceeds to arrive at Port's share of Net Sale Proceeds. At Port's option, any overpayments may be either refunded to transferor Tenant or applied to any other amount then due and unpaid under the Lease. Tenant will accompany the statement of Net Sale Proceeds with the amount of any underpayments. The statements delivered to Port under this Section are subject to the audit provisions of Section 3.7 of this Exhibit for determination of the accuracy of Tenant's reporting of Port's share of Net Sale Proceeds.

(d) Survival. The provisions of this Section 3.4 will survive the earlier termination or expiration of this Lease for Sales occurring prior to such termination or expiration. Additionally, any release by Port of Tenant's obligations under this Lease in connection with any Sale is conditioned on Port's receipt of Port's share of Sale Proceeds.

(e) Additional Definitions. The following definitions apply for purposes of this Section 3.4:

**"Cash Consideration"** means (i) cash, or (ii) cash equivalents.

**"Certified Entitlement Costs"** means Entitlement Costs, as certified in accordance with *Attachment 1* to this *Exhibit D*.

**"Certified Total Development Costs"** means the Total Development Costs, as certified in accordance with *Attachment 1 to this Exhibit D*.

**"CofO Issuance Date"** means the date Port, in its regulatory capacity, issues a certificate of occupancy for the Initial Improvements.

**"Costs of Sale"** means only the following costs incurred by Tenant in connection with a Transfer: (i) brokerage commissions paid to licensed real estate brokers (provided, however, that in the case of brokerage commissions paid to Affiliate brokers, such commissions must be

commercially reasonable), (ii) finder's fees (provided that in the case of finder's fees to Affiliates, such finder's fees must be commercially reasonable), (iii) reasonable and customary closing fees and costs including recording fees and transfer taxes, title insurance premiums and survey fees, (iv) reasonable advertising and marketing costs, and (v) reasonable Attorneys' Fees and Costs. "**Costs of Sale**" excludes adjustments to reflect prorations of rents, taxes or other items of income or expense customarily prorated in connection with sales of real property.

"**Early Transfer Date**" means the date that Port issues a site permit and first building permit addendum to allow commencement of construction of the Initial Improvements.

"**Entitlement Costs**" means Tenant's reasonable out-of-pocket costs actually incurred from and after the effective date of the Vertical DDA until the effective date of the Sale and attributable to the following only: designing the Initial Improvements; costs related to all land use approvals and entitlements, including preparation and processing of design review applications under the SUD and the Design Control, subdivision maps specific to the Premises that do not impact the initial Final Map recorded for the first Phase, and costs of compliance with all conditions of approval and CEQA mitigation measures legally required by the City, Port or any other Regulatory Authority as a condition to obtaining the entitlements; architectural, engineering, consultants, community outreach, attorney and other professional fees reasonably necessary to obtain the entitlements; financing costs for loans obtained to finance the Entitlement Costs; and Impositions paid (and not reimbursed by the transferee or adjusted at the closing of the Sale) prior to the effective date of the Sale.

"**Hard Costs**" means reasonable out-of-pocket costs actually incurred by Tenant attributable solely to the cost of labor, materials and construction of the Initial Improvements.

"**Hard Costs**" do not include the cost of any improvements for any specific or speculative Subtenant or any costs incurred after the issuance of a Certificate of Completion in accordance with Article 13 of the Vertical DDA.

"**Initial Tenant**" means Mission Rock Parcel G Owner, L.L.C.

"**Net Sales Proceeds**" means Sale Proceeds less:

- (i) Costs of Sale; and
- (ii) Port's Attorneys' Fees and Costs associated with Port's review of the Sale or Reassessment Event; and
- (iii) if the transferor Tenant (x) constructed the Initial Improvements, Tenant's Purchase Price (but only if such amount is not included in Certified Total Development Costs) plus the Certified Total Development Costs, or (y) if transferor Tenant did not construct the Initial Improvements, Tenant's Purchase Price; and
- (iv) the total amount of any Net Refinancing Proceeds from any Qualifying Refinancing by the transferor Tenant where Port received its share in such proceeds in accordance with Section 3.5(a) below or any Net Sale Proceeds actually received by Port from any Reassessment Event prior to the last sale in accordance with Section 3.4(b)(ii) of this Exhibit.

"**Non-Cash Consideration**" means consideration received by Tenant in connection with a Sale that is not Cash Consideration.

"**Reassessment Event**" means a change in ownership of real property as described in Cal. Revenue and Taxation Code, Chapter 2 (Change in Ownership and Purchase), Section 64, as that law is in effect as of August 15, 2018 and attached hereto as **Exhibit BB**.

"**Sale**" means either a Transfer (other than an Excluded Transfer) or Reassessment Event.

"**Sale Proceeds**" means all consideration received by or for the account of Tenant in connection with a Sale, including Cash Consideration, the principal amount of any loan made by

Tenant to a purchaser as part of the purchase price, or any other Non-Cash Consideration representing a portion of the purchase price. “**Sale Proceeds**” do not include a commitment by an owner (whether direct or indirect) of Tenant to fund its share of future capital calls to construct the Initial Improvements or Capital Items.

“**Soft Costs**” means reasonable out-of-pocket costs actually incurred by the Tenant that actually constructs the Initial Improvements and attributable solely to architectural, engineering, consultant, attorney, and other professional fees, regulatory fees, CEQA mitigation measures, community benefits, Impact Fees (as defined in the DDA), Port Costs and Other City Costs (as defined in the Vertical DDA), builder’s risk insurance, performance and payment bonds, safety and security measures, and thirty party costs to prepare Certified Total Development Costs, in each case in connection with the Initial Improvements described in the Scope of Development. “**Soft Costs**” do not include costs associated with the design or construction any specific or speculative Subtenant improvements or any costs incurred after the issuance of a Certificate of Completion in accordance with Article 13 of the Vertical DDA.

“**Tenant’s Purchase Price**” means (a) in the case of the Initial Tenant, the “**Acquisition Price**” under the Vertical DDA, and (b) in the case of each subsequent tenant following the Initial Tenant, the Sale Proceeds paid by such Tenant to the immediately prior tenant for the Leasehold Estate, except for purposes of the first Sale after a Foreclosure, the amount paid by Lender or a Lender Affiliate at such Foreclosure shall not be used as Tenant’s Purchase Price and shall be replaced with either: (i) if the Tenant in possession of the Leasehold Estate immediately prior to the Foreclosure (the “**Foreclosed Tenant**”) was the Initial Tenant, then the “**Acquisition Price**” under the Vertical DDA, or (ii) if the Foreclosed Tenant was not the Initial Tenant, then the Sales Proceeds paid by the Foreclosed Tenant. For the avoidance of doubt, if a Person other than Lender (or a Lender Affiliate) acquires title to the Leasehold Estate in the event of Foreclosure, then the first Sale after such Foreclosure shall use the amount paid at Foreclosure for purposes of Tenant’s Purchase Price.

“**Total Development Costs**” means Soft Costs and Hard Costs, excluding costs incurred by Tenant (if any) that are reimbursed by Master Developer or Phase 1 Horizontal Developer, as applicable, in connection with the construction of an engineered vapor mitigation system if required by the Environmental Covenants. For the avoidance of doubt, Total Development Costs shall account for the Affordable Housing Fee under the Vertical DDA by attributing: (a) a reduction of approximately \$77.7 million to Parcel A, (b) an increase of approximately \$90.2 million to Parcel B, (c) a reduction of approximately \$103.6 million to Parcel F, and (d) an increase of approximately \$91.1 million to Parcel G, when calculating the Total Development Costs for each parcel, respectively.

### **3.5 Port Participation in Refinancing Proceeds.**

(a) Port’s Participation. In connection with any Qualifying Refinancing, Tenant will pay to Port an amount equal to one and ½ percent (1.5%) of Net Refinancing Proceeds.

(b) Reporting of Refinancing Proceeds. No less than fifteen (15) days prior to the close of escrow for each Qualifying Refinancing, Tenant will deliver to Port, an estimated closing statement that includes the best estimate of the following items:

- (i) Gross proceeds from the Qualifying Refinancing;
- (ii) The estimated Net Refinancing Proceeds including a separate line item for each of the costs permitted to be deducted from the gross proceeds from the Refinancing, as applicable to arrive at Net Refinancing Proceeds; and



(iii) The estimated Net Refinancing Proceeds allocated to Port and Tenant.

(c) Manner of Payment. The estimated closing statement will be updated as of the date for close of escrow under any Qualifying Refinancing to show the actual (i) gross Refinancing Proceeds, (ii) Net Refinancing Proceeds and Port's share thereof, as applicable, and (iii) with respect to any Qualifying Refinancing, line item description of the deductions and exclusions from Refinancing Proceeds to arrive at Net Refinancing Proceeds. Tenant must pay Port from the close of escrow of any Qualifying Refinancing, Port's share of the Net Refinancing Proceeds. Port may reference in any estoppel certificate or other representation requested from Port by a Mortgage lender, that payment to Port of Port's share of Net Refinancing Proceeds is a material obligation under the Lease, due and owing at close of escrow of any Qualifying Refinancing hereunder, provided, however, failure to reference such obligation will in no way negate Tenant's obligation to pay, and Port's right to receive, Port's share of Net Refinancing Proceeds. This provision constitutes notice to Tenant that Port is to be paid in full its share of Net Refinancing Proceeds through the close of escrow of any Qualifying Refinancing. If Port is not paid full by such closing date, the amount due Port will be subject to a Late Charge and will accrue interest at the Default Rate from and after the closing until paid in full to Port. Within forty-five days (45) after any Qualifying Refinancing, Tenant will submit to Port a statement, prepared in accordance with sound accounting principles consistently applied, and certified by Tenant's chief executive officer or chief financial officer (or equivalent position) as current, complete and correct, confirming the actual amount of Refinancing Proceeds, disbursed, permitted deductions made from such proceeds, and the amount of Net Refinancing Proceeds due to Port and actually paid to Port. At Port's option, any overpayments will be either refunded to Tenant, applied to any other amount then due and unpaid, or credited against Rent due. Tenant will accompany the statement of Net Refinancing Proceeds with the amount of any underpayments. The statements delivered to Port under this Section 3.5(c) will be subject to the audit provisions of Section 3.7 of this Exhibit for determination of the accuracy of Tenant's reporting of Net Refinancing Proceeds.

(d) Survival. The provisions of this Section 3.5 will survive the earlier termination or expiration of this Lease for any Qualifying Refinancing occurring prior to such termination or expiration.

(e) Additional Definitions. The following additional definitions will apply for purposes of this Section.

(i) **"Capital Items"** means replacements, repairs, and/or improvements to the Premises, the foundation and structural integrity of the Buildings, and all Material Systems serving the Improvements within the Premises that would be deemed capital assets under general accounting principles consistently applied.

(ii) **"Net Refinancing Proceeds"** means all gross principal amounts of any Refinancing occurring after the Effective Date hereof (plus, in the event of secondary financing, the original principal balance of any existing financing that is not repaid as a part of such secondary financing), after subtracting the following:



(1) amounts needed to pay the lenders' actual costs of such Refinancing paid by Tenant including application fees, closing costs, points and other customary lenders' fees such as lenders' Attorneys' Fees and Costs and title insurance costs paid at close of escrow for such Refinancing;

(2) amounts needed to pay Port's Attorneys' Fees and Costs associated with Port's review of the Refinancing;

(3) amounts needed to pay Tenant's Attorneys' Fees and Costs associated with the Refinancing;

(4) any portion of the Refinancing Proceeds that will be used for Capital Items approved in accordance with **Sections 10.2(d) and 12.1** of this Lease; and

(5) brokerage commissions paid to licensed real estate brokers to arrange the Refinancing (provided, however, if commissions are paid to Affiliate brokers, such commissions must be commercially reasonable); and

(6) in the case of any Refinancing following the First Permanent Loan, the outstanding indebtedness secured by a Mortgage to be paid off by the Refinancing.

(iii) **"Qualifying Refinancing"** means any Refinancing that results in positive Net Refinancing Proceeds that is not in connection with (1) a Sale; or (2) the first permanent financing following Completion of the Initial Improvements that is secured by Tenant's leasehold interest in this Lease (the **"First Permanent Loan"**)

(iv) **"Refinancing"** means any secured debt financing or refinancing incurred by Tenant and secured by any Mortgage, which may include secured financing from an Affiliate of Tenant and any refinancing or replacement of existing debt secured by a Mortgage (including any permanent take-out financing for financing the construction of the Initial Improvements (as defined in Article 47 of the Parcel Lease)); provided, however, the term "Refinancing" shall exclude any construction loan incurred by Tenant for the purpose of financing the construction of the Initial Improvements.

(v) **"Refinancing Proceeds"** means all sums actually disbursed by a lender in connection with a Refinancing.

**3.6 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 or in connection with any Sale or Refinancing. 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, including proceeds and costs incurred from any Sale and Refinancing. 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.

**3.7 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 matters identified in Section 3.4(b) of this Exhibit) 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, Adjusted Gross Income, Sale Proceeds, Refinancing Proceeds and Port's share of the foregoing, for a period of five (5) years after the applicable rent statement in connection with Rent during the Hold Over Period (or closing statement with respect to a Sale or Refinancing) 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 Sale Proceeds, Net Sale Proceeds, Gross Income during any Hold Over Period, Adjusted Gross Income during any Hold Over Period, Refinancing Proceeds, or Net Refinancing Proceeds 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. If Tenant understates its Adjusted Gross Income during any Hold Over Period, Net Refinancing Proceeds or Net Sale Proceeds, or Port's share of the foregoing proceeds 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.

**3.8 Manner of Payment.** Tenant will pay all 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. Rent and Port's share of Sale Proceeds and Refinancing Proceeds are 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.

**3.9 Interest on Delinquent Rent.** Rent not paid when due will bear interest from the date due until paid 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.

**3.10 Late Charge.** Tenant acknowledges and agrees that late payment by Tenant to Port of Rent 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 a rent statement required hereunder to Port within five (5) days following the date it is due, five percent (5%) of Rent due during a Hold Over Period for the subject period of such 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.

**3.11 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, except as expressly set forth in *Section 28.2* of this Lease.

**3.12 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.

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

## ATTACHMENT 1 TO EXHIBIT D

### PROCEDURES TO CERTIFY ENTITLEMENT COSTS AND TOTAL DEVELOPMENT COSTS

#### 1. PORT REPRESENTATIVE.

If Tenant fails to deliver either the Certified Entitlement Cost Statement or the Certified Total Development Cost Statement, as applicable, within the time periods set forth herein, and such failure continues for thirty (30) days after the date Port delivers to Tenant written notice of such failure, Port has the right, among its other remedies under this Lease, to have a Port Representative examine Tenant's books and records as may be necessary to determine all the information required in the Certified Entitlement Cost Statement or Certified Total Development Cost Statement, as applicable. The determination made by Port Representative will be binding upon Tenant, absent manifest error, and Tenant must promptly pay to Port the total cost of the examination.

#### 2. CERTIFIED COST STATEMENT.

(a) ***Certified Entitlement Cost Statement.*** Within thirty (30) days prior to a Transfer occurring before the Early Transfer Date or sixty (60) days following the Early Transfer Date for the Tenant that constructs the Initial Improvements, as applicable, Tenant will furnish Port with an itemized statement setting forth in detail the Entitlement Cost incurred by Tenant to the Building Permit Date or thirty (30) days prior to a Qualifying Early Sale, as applicable, certified as true, accurate and complete by an independent certified public accountant (the "**Certified Entitlement Cost Statement**").

(b) ***Certified Total Development Cost Statement.*** Within the earlier of one hundred twenty (120) days following the issuance of a Certificate of Completion or thirty (30) days prior to a Sale after the Early Transfer Date, the Tenant that constructed the Initial Improvements will furnish Port with an itemized statement setting forth in detail the Total Development Cost incurred by such Tenant to the CofO Issuance Date, certified as true, accurate and complete by an independent certified public accountant (the "**Certified Total Development Cost Statement**").

(c) ***Port Review.*** Port will notify the Tenant within sixty (60) days following Port's receipt of the Certified Entitlement Cost Statement or the Certified Total Development Cost Statement, as applicable, of Port's agreement or disagreement with such statement. If Port disagrees with any such statement, the Parties will meet to resolve the disagreement. If the Parties are unable to resolve their disagreement, either may Party exercise its rights under Section 3 (Audit Rights) of this Attachment 1 to Exhibit D.

#### 3. AUDIT RIGHTS.

If Port disagrees with either the Certified Entitlement Cost Statement or the Certified Total Development Cost Statement, Port may request that such records be audited by an independent certified public accounting firm mutually acceptable to Port and Tenant, or if the Parties are unable to agree, either Party may apply to the Superior Court of the State of California in and for the County of San Francisco for appointment of an auditor meeting the foregoing qualifications. If the court denies or otherwise refuses to act upon such application, either Party may apply to the American Arbitration Association, or any similar provider of professional commercial arbitration services, for appointment in accordance with the rules and procedures of such organization of an independent auditor. Such audit will be binding on the Parties, except in the case of fraud, corruption or undue influence. Port will pay the entire cost of the audit unless the audit discovers that Tenant has overstated the Entitlement Cost or the Total Development Cost, as applicable, by more than three percent (3%) of the lower amount, in which case Tenant will pay the entire cost of the audit.

#### **4. BOOKS AND RECORDS RELATED TO TOTAL DEVELOPMENT COSTS.**

Tenant must keep accurate books and records of the Entitlement Costs and Total Development Costs incurred to date, funds expended by Tenant, outstanding Tenant capital, Tenant capital return accrued, and debt or other third-party proceeds received by or on behalf of Initial Tenant in connection with the development of the Initial Improvements, all in accordance with accounting principles generally accepted in the construction industry. Port, including its Agents, has the right to inspect Tenant's books and records regarding the development of the Initial Improvements, the costs incurred in connection therewith, and all other Entitlement Costs and Total Development Costs, including funds expended by Tenant, return accrued on such funds, and debt or other third party proceeds received by or on behalf of Tenant in connection with the development of the Initial Improvements in a location within San Francisco during regular business hours and upon reasonable advance notice.

**Exhibit B**

**Form Memorandum of Amendment to Lease**

DRAFT



## MEMORANDUM

October 6, 2023

**TO:** MEMBERS, PORT COMMISSION  
Hon. Kimberly Brandon, President  
Hon. Willie Adams, Vice President  
Hon. Gail Gilman  
Hon. Ed Harrington  
Hon. Steven Lee

**FROM:** Elaine Forbes  
Executive Director

**SUBJECT:** Request approval of (1) Phase 1 Revised Final Budget; (2) Contribution of Port Capital; and (3) Parcel Lease Amendment, for the Mission Rock Project at Seawall Lot 337, bounded by China Basin Channel, Third Street, Mission Rock Street and San Francisco Bay.

**DIRECTOR'S RECOMMENDATION:** Approve Attached Resolution No. 23-46

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### EXECUTIVE SUMMARY

The Mission Rock Project's development is governed by the Disposition and Development Agreement ("DDA") and related agreements between the Port and the Developer, which were executed in August 2018. On September 24, 2019, by Resolution No. 19-39, the Port Commission approved the \$145 million Mission Rock Phase 1 budget. Subsequently, despite significant constraints due to the COVID-19 pandemic, the project team successfully obtained the Phase 1 Street Improvement Permit ("SIP"), Phase 1 Final Map, and Phase 1 Notice to Proceed. On August 10, 2021, by Resolution No. 21-33, the Port Commission approved the revised Phase 1 budget reflecting increased cost for construction and regulatory oversight, and cost-saving measures to ensure Phase 1 feasibility, including a revised schedule for the construction of China Basin Park inland and shoreline components.

On September 12, 2023, Port staff provided the Port Commission with an informational presentation including a Phase 1 budget update, an overview of a proposed Port Capital investment in the project, a discussion of City Cost increases, and a preview of additional Phase 1 cost increases expected to be required in order to complete Phase 1. The presentation also previewed a proposed amendment to the Parcel Lease template. The informational item on September 12<sup>th</sup> was accompanied by an informational item and action item seeking approval to authorize the issuance of bonds through the Board of Supervisors. Legislation was introduced to the Board of Supervisors on October 3, 2023 to seek such authorization.

Today, Port staff seeks approval of these items as highlighted in this staff report, with some of these required in order to seek final approval of the bonds. The specific items include an increase in the Phase 1 budget, approval of the Port Capital contribution (subject to future appropriation), and approval of the technical Parcel Lease amendment. Note that the following report includes all of the information from the September 12, 2023 informational presentation with all new information shown in underline and all deletions shown in strikethrough.

Despite numerous design, environmental, and economic challenges, the Mission Rock project team is nearing completion of a successful Phase 1. Phase 1 vertical construction includes four buildings: 2 primarily residential (totaling 537 units) and 2 commercial office/life science. Three of the four Phase 1 buildings have received a Temporary Certificate of Occupancy (TCO), an important milestone for the completion of the base buildings. The first residential building, The Canyon, received its first residents on June 1, 2023.

The utilities, streets, and sidewalks supporting the Phase 1 buildings have been substantially completed to support the achievement of the TCO and the waterfront park construction is ongoing, with construction completion anticipated in Q1 2024. While the project teams are proud of the progress made to date, there are anticipated budget increases required to complete Phase 1 Horizontal Improvements.

The project team has been expecting that due to several factors, the project budget would eventually need to be increased to account for the underestimated cost of City, Port, and consultant costs associated with such a large-scale, complex, and uniquely designed project. Specific to these City costs, through Phase 1 completion in 2024, including contingency to account for any carryover work in 2025, the project budget will need to increase by \$16.5 million to account for this work. Port staff has reviewed, approved, and subsequently projected the remaining balance of this scope as necessary and accurate. Port staff is proposing to exercise its option to fund this budget increase as a Port Capital contribution, which earns the Port a return on its investment once repaid.

~~Although not detailed in this report,~~ In addition to the increased City and Port costs mentioned above and, in order to eventually finalize the Phase 1 budget and complete construction, the Developer notified Port staff this past July of the other remaining cost increases it expects needed to complete Phase 1. The DDA sets forth an approval process for increases to horizontal development costs provided that the costs are reasonable to



fulfill the obligations of the DDA, and sufficient funding sources are anticipated to repay the Developer for these costs. These other remaining budget costs ~~are being~~ have been reviewed ~~by the Port and its consultant. will be presented in detail to the Port Commission at a subsequent meeting.~~ The Developer estimates these additional costs are expected to increase the budget by an additional ~~\$13.4~~ \$17.8 million. The funding of these other project costs is proposed to be covered through incremental developer capital, not Port Capital. Consistent with the August 2021 Phase 1 budget approval, this budget increase will rely on future phase repayment sources to repay both the Developer Capital and the proposed Port Capital.

The Developer is recommending proceeding with a total budget of \$218,470,335. This budget reflects an overall budget increase from the 2021 Approved Budget of \$34,374,872. Of the increase, \$13,368,598 is attributable to hard costs increasing from \$108,074,322 to \$121,442,920. In a prior analysis shared with the Port and the Port's consultant, Hollins Consulting Inc., the Developer presented a range of hard cost increases. After additional discussion with the Developer and confirmed by Port's consultant, Port staff recommends selecting an amount equal to \$13,368,598 from the range previously presented as \$12,335,002 to \$14,766,402.

In total, the Port staff expects the budget will need to be increased by ~~\$30.0 million~~ \$34.4 million to complete the Horizontal Phase 1 Improvements. This would result in a total Phase 1 Budget of ~~\$214.1 million~~ \$218,470,335 million as shown in **Table 1** below.

**Table 1 – Expected Final Budget**

Cost Item	2019 Port Approved Budget	2021 Port Approved Budget	Revised Budget (low)	Revised Budget (high)
<b>Hard Costs</b>				
Hard Costs	\$52,659,913	\$69,385,516	<del>\$77,240,266</del>	\$78,198,463
Inland CBP	27,397,300	33,395,979	<del>39,184,050</del>	40,657,253
Owner Costs <sup>1</sup>	9,688,437	5,292,826	<del>2,587,204</del>	2,587,204
<b>Total Hard Costs</b>	89,745,650	108,074,322	<del>119,011,520</del>	121,442,920
<b>Soft Costs</b>				
General	\$33,583,205	\$48,476,902	<del>\$49,463,907</del>	\$50,158,218
City Costs <sup>2</sup>	\$5,000,000	5,000,000	<del>19,577,000</del>	19,577,000
Developer Items	\$13,461,848	\$18,907,674	<del>23,774,409</del>	23,787,637
Open Space	\$1,652,500	\$1,652,500	<del>1,004,580</del>	1,004,580
Soft Cost Contingency	\$1,984,086	\$1,984,086	<del>1,250,000</del>	2,500,000
<b>Total Soft Costs</b>	\$55,681,639	\$76,021,161	<del>95,069,896</del>	97,027,435
<b>Totals</b>	145,427,289	184,095,483	<b><del>214,081,416</del></b>	<b>218,470,355</b>

1. Owner Costs include contingency funds for hard costs. As the project progressed, these funds were reallocated to the Hard Costs and Inland CBP line items, which is why Owner Costs decreased over time.
2. In the 2019 Approved Budget, City costs were included in the General Soft Costs line item.

Both the increased City/Port costs of \$16.5 million and the other estimated project costs increases are primarily attributable to 1) sequencing complexity and project time extensions, impacting both hard and soft costs; 2) unforeseen conditions related to soils,

dewatering and underground utilities; 3) enhanced security improvements and reinforcing of concrete in China Basin Park; 4) inflation and cost increases of labor and resources; and 5) increased Developer, City, and Port staff costs required to implement the project, including coordination of unique design features.

Vertical development has progressed faster than obligated through the Vertical Disposition and Development agreements. This has had a positive impact on the repayment sources available to the project, helping to partially offset the impact of the higher Phase 1 Budget. The in-place vertical development value has served as collateral for the issuance of \$108.2 million in CFD / IFD bonds issued to date, a future bond issuance of up to \$60M planned for fall 2023, and the earlier availability of tax increment to serve as repayment sources. The timing of the upcoming bond issuance is a key driver of project economics - for example, assuming an issuance with ~\$40 million in available bond proceeds, each month after issuance saves nearly \$500K of developer return accrual (and, conversely, each month of delay to a bond issuance would cause the project to incur \$500K of additional accrued return).

In addition to the focus on completing Phase 1, the Port and the Developer continue to evaluate the conditions for commencing the project's second phase. While acknowledging the current market creates challenges to a feasible Phase 2, important initial steps have been taken in pursuit of future development and the team is considering all available options that increase feasibility. These steps include the development of a Basis of Design for the infrastructure required to support the Phase, the preparation of a Garage Report defining the parameters of the Phase 2 parking garage, and the Vertical Developer investment in preliminary massing studies. These initial steps ensure the team is prepared to take swift advantage of forward momentum once key economic indicators again point to a rebounding market or upon the identification of unique demand drivers such as pre-leasing. The remainder of the staff report includes the following sections:

- Project Overview and Status
- Phase 1 Increased City Costs and Budget Increase
- Cost Management
- Port Capital Contribution
- Parcel Lease Technical Amendments
- Phase 2 Update
- Next Steps

## **PROJECT OVERVIEW AND STATUS**

### Project Overview

At full build-out, the Mission Rock Project will include up to 1,200 units of new, rental housing, 1.4 million square feet of new commercial and office space, and rehabilitation of historic Pier 48, as well as space for small-scale manufacturing, retail, and neighborhood services, eight acres of parks and open spaces, and public infrastructure. Forty percent (40%) of the residential units in Mission Rock will be below market rate.

Phase 1 of the Project includes four buildings: two primarily residential apartment buildings (Parcel A, “The Canyon”, and Parcel F) totaling 537 units, and two commercial office/life science buildings (Parcel B and Parcel G) totaling approximately 620,000 square feet. Parcel G will serve as Visa’s global headquarters. Phase 1 also features nearly five acres of parks and open spaces, including pedestrian paseos and China Basin Park. The Project’s district-scale private utility systems – a blackwater recycling system and a thermal energy system – have also been constructed in Phase 1.

### Project Status

Phase 1 horizontal and vertical improvements are nearing completion. **Table 2** below illustrates the construction progress milestones (Temporary Certificate of Occupancy) and expected occupancy dates of the four Phase 1 vertical buildings and the open space elements within the Phase.

**Table 2 - Construction Status**

Parcel	TCO Date	Occupancy Date	Comments
Parcel G	Jan-23	1Q24	VISA TI Work ongoing.
Parcel A	May-23	2Q23	Market rate and BMR leasing ongoing. BMR lottery occurred on 6/20/23.
Parcel B	Jun-23	TBD	Leasing ongoing.
Parcel F	Projected Jun-24	3Q24	The building is on schedule for delivery in 2Q 2024.
Horizontal - SIP	NOC: Projected Q2 2024	N/A	Improvements nearing completion and supported TCO of 3 vertical buildings.
Horizontal - CBP	NOC: Projected Q2 2024	1Q24	Park landscaping and flatwork progressing toward park opening in early 2024.

Following Port Commission approval of the Phase 1 budget in September 2019, as amended in 2021, the Project team has accomplished the following milestones:

1. Issuance of the SFPW Director’s Order authorizing the use of lightweight cellular concrete (LCC) in the project’s streets
2. Approval of project-wide Tentative Map and Phase 1 Final Map
3. Approval of China Basin Park Schematic Design
4. Issuance of Phase 1 Street Improvement Permit (SIP)
5. Issuance of Port Building Permit for China Basin Park
6. Issuance of Notice to Proceed with the installation of horizontal infrastructure
7. Secured Bond Financing for District Utilities
8. Closed on all four Phase 1 Parcel Leases
9. Approval of new street names honoring Dr. Maya Angelou and Toni Stone
10. Successful preparation, marketing, and sale of \$108.2 million CFD/IFD bonds through two (2) separate issuances
11. Awarded more than \$163 million in contracts to LBE partners on the project as of June 2023
12. Commenced construction of Phase 1 horizontal infrastructure, including streets, paseos, and the inland portion of China Basin Park
13. Commenced construction of all four Phase 1 vertical buildings

14. Successfully recruited, trained, and hired a diverse group for the first all women's cohort of building trade apprentices
15. Submitted Phase 2 Basis of Design to City Departments
16. Submitted Phase 2 Application to Port, including a Garage Report establishing the parameters for the Phase 2 garage structure
17. Received TCO for Buildings A, B, and G
18. Topped out structural elements of Building F and on track to receive TCO in June 2024
19. Commissioned district-scale thermal energy plant and blackwater recycling plant
20. Began market rate and BMR leasing, and welcomed first residents to The Canyon (Parcel A)
21. Signed first 5 Mission Rock retail leases
22. Signed a new office lease in Parcel A
23. Received Port Commission authorization to seek the Board of Supervisors's approval to seek a third bond issuance

The significant progress that has been made during the last four years has not come easily. The approval process for the use of lightweight cellular concrete to mitigate the settlement of the streets delayed the commencement of the horizontal infrastructure. The impacts of this delay continue to be felt today as horizontal and vertical construction has overlapped and created significant coordination challenges on the space-constrained Phase 1 site. The complexity of the ongoing public-private partnership and the infrastructure design and construction has contributed to schedule and cost impacts beyond what was originally anticipated by the project team. The site conditions, which are the product of the site's industrial history on land constructed by filling in the Bay, have also been more challenging than anticipated with soils, groundwater, and unknown underground utilities complicating construction. Most notably, construction continued throughout the entire COVID-19 pandemic, with impacts on labor and supply chains that have disrupted the construction of the project. The impacts of the pandemic have also been shocking to the real estate and capital markets, bringing commercial and residential development in San Francisco to a standstill.

Despite these conditions, the project team has outperformed the market and other comparable projects in the region. The infrastructure design and construction team has minimized design changes to the extent possible. The Port and Developer have efficiently managed park permitting and construction and were successful in cost-effectively mitigating significant groundwater impacts during the excavation of the park. The project team also started construction on Parcel F in March 2022 due to the unique financial structure of the project, including the payment of Jobs Housing Equivalency Fees by the office projects to subsidize the below-market rate housing.

Port staff and the Developer team are proud of the progress in delivering Phase 1 despite numerous headwinds and continue to work together on ways to support a successful commercial outcome in Phase 1. The success of Phase 1 directly impacts the ability to progress Phase 2 in the future. The team is actively working towards the successful occupancy and operation of the Phase and is excited for the anticipated opening of the public realm of the project - the park and paseos, streets and street rooms, and initial retailers by mid-2024.

### Contracting

The Mission Rock project was one of the City's first development projects to commit to a Local Business Enterprise ("LBE") participation goal. Throughout Phase 1, the project team has worked collaboratively with the different General Contractors, City agencies, Community leaders, and businesses, to both address and implement various barrier mitigation strategies to help identify and assist local and historically underrepresented businesses to be competitive during the bid and awarding process. The recent LBE report includes \$35,387,174.84 (21.6% of total LBE awards) in contracts awarded to women-owned small businesses based in San Francisco and \$71,306,252.64 (43.6% of total LBE awards) in contracts awarded to minority-owned small businesses based in San Francisco. In total, \$163,482,494.69 (18.3% of total awards) of contract dollars were awarded to LBE businesses. The project has awarded contracts to one of the first certified LGBTQ-certified LBE partners, Anco Iron and Construction, in addition to minority-owned partners: AJS Painting (Interior Painting), Min Design (Street room design), Montez Group Inc. (Engineering), Micro-LBE Southeast Electric (Electrical). The project team continues to invest in the LBE partners at Mission Rock beyond these contracts. There are micro-LBEs that have worked closely with the team and grown, and Mission Rock Partners continues to offer additional support through sponsorship of technical training and business consulting support.

### **PHASE 1 INCREASED CITY COSTS AND BUDGET INCREASE**

#### Phase 1 Increased City Costs

Throughout the Mission Rock project from the entitlement process continuing through today, the Port and Mission Rock Partners team has collaborated with the City agencies to help plan, review, and implement the project, particularly concerning the Project as follows:

- San Francisco Public Works ("SFPW")
- City Attorney's Office ("CAO")
- "Other" includes:
  - San Francisco Public Utilities Commission ("SFPUC")
  - San Francisco Municipal Transportation Agency ("SFMTA")
  - Misc. City Agencies

The Phase 1 Budget revision approved in 2021 included \$5M for costs from City agencies for their role in reviewing and approving project infrastructure design and related documents and agreements. Since 2021, as construction on Phase 1 progressed but as the delivery schedule and acceptance schedule were extended, the project team worked through numerous technical issues with City agencies, several of which were unanticipated, including the following:

- Unique project design and materials to address projected sea level rise including the use of Lightweight Cellular Concrete ("LCC") in the project's streets
- Infrastructure design modifications
- Unforeseen subsurface conditions
- Complex contract documents requiring extensive legal review, such as the Recycled Water Purchase Agreement and the forthcoming Park Lease

- Staffing and legal support for multiple bond issuances
- Coordination and agreements to allow for utility services and opening of streets prior to acceptance
- Additional staff review of unique project conditions and specifications
- Coordination and documentation for Notice of Completion and Acceptance of City and Port improvements
- Impact of Covid-19 (specifically, supply chain and labor issues)

This broad scope of technical challenges resulted in a significant increase in City and Port staff, including their consultants and legal resources, which are involved in the review and approval of Phase 1 infrastructure. The following tables show the cost impact of this additional required staffing and resources.

**Table 3A – City Agency Budgeted Amounts through Phase 1 Completion**

CITY / PORT COSTS								Total
City Agency	2019	2020	2021	2022	2023	2024	2025	Phase 1
SFPW	241,457	865,845	1,141,191	1,052,610	998,561	1,007,315	300,563	5,607,541
Port Staff	78,664	373,518	480,966	622,154	858,292	785,267	806,925	4,005,787
Consultants	276,323	668,254	559,909	513,473	1,052,271	626,977	236,320	3,933,527
City Attorney	666,304	262,979	1,222,911	367,420	199,976	341,463	282,961	3,344,014
Other	172,846	384,291	443,027	505,952	449,439	497,371	232,138	2,685,064
Annual Total	1,435,594	2,554,888	3,848,005	3,061,609	3,558,540	3,258,392	1,858,906	19,575,933

Note: FY' 23 is 3/4th actual vs. projected; FY' 24 & 25 is 100% projected

As shown in **Table 3A** above, through the completion of Phase 1 in 2024, City costs are now estimated to be \$19.6M, which is nearly four times greater than estimated in the 2021 project budget. The allocation by department/type is shown in **Table 3B**:

**Table 3B – Expense Allocation**

CITY AGENCY	PHASE 1 TOTAL	%
SFPW	5,607,541	29%
Port Staff	4,005,787	20%
Consultants	3,933,527	20%
City Attorney	3,344,014	17%
Other	2,685,064	14%
<b>Total</b>	<b>19,575,933</b>	

The project DDA contemplated Phase 1 costs potentially exceeding Phase 1 sources of funds. This is because Phase 1 is burdened with much more than its share of the project's overall horizontal costs. Phase 1 includes 4 of the 12 vertical parcels, but nearly 40% of the project's horizontal improvement areas, including the inland portion of the project's signature waterfront park. Phase 1 must also support sitewide entitlement costs, a sitewide infrastructure basis of design, a project-wide Tentative Map, approval of lightweight cellular concrete, and significant precedential documentation.

### Phase 1 Budget Increase

Since the Port Commission approved the updated Phase 1 budget nearly two years ago, costs anticipated to complete and close out the Phase 1 construction work have exceeded the previously approved contingency amount for the above reasons. The immediate budget increase request of \$16.5 million represents an increase of approximately nine percent (9%) above the prior approved budget.

As mentioned above, the Port expects the final budget request to require an increase of ~~\$30.0 million~~ \$34.45 million (inclusive of the \$16.5 million for City costs). The specifics of the balance of the remaining ~~\$13.4 million~~ \$17.8 million are presented below ~~will be presented in detail once finally~~ and have been reviewed and confirmed by Port staff and its consultants, ~~which is actively underway~~.

The Developer recommends proceeding with a total budget of \$218,470,335. This budget reflects an overall budget increase from the 2021 Approved Budget of \$34,374,872. Of the increase, \$13,368,598 is attributable to hard costs increasing from \$108,074,322 to \$121,442,920. In a prior analysis shared with the Port and the Port's consultant, Hollins Consulting Inc., the Developer presented a range of hard cost increases. After additional discussion with the Developer and as confirmed by Port's consultant, Port staff recommends selecting an amount of \$13,368,598 from within the range of \$12,335,002 to \$14,766,402. Additionally, Port staff has reviewed the proposed associated soft costs of \$4,480,899 and determined this is an appropriate projection of the necessary soft costs associated with the hard costs needed to complete the Phase. By taking the above budget increase of \$17,849,497 (hard plus soft costs) along with the \$16,525,375 previously presented to the Port Commission and in this staff report as the expected City Cost increase needed to complete the Phase, the Developer and Port project budget increase of \$34,374,872 is appropriate.

For both City costs and the other remaining project costs, the Developer team and Port staff are committed to continuing to manage the remaining construction activities efficiently and improving budget confidence over the months ahead.

### **PHASE 1 COST MANAGEMENT**

Throughout the design and construction of the Phase, Port staff and the Developer have worked together to evaluate potential cost reductions for delivering Phase 1, including the efforts summarized at the time of the 2021 Budget Approval. A summary of those efforts and outcomes is included in the following **Table 4**.

**Table 4 – Update of Phase 1 Value Engineering Efforts and Outcomes**

<u>Description</u>	<u>Projected Savings in Staff Report</u>	<u>Actual Savings</u>	<u>Notes</u>
<b><u>Reduce scope of improvements</u></b>			
<u>Reduced the interim improvements at Channel Street and south of Parcel F</u>	<u>\$300K-\$600K</u>	<u>\$50K</u>	<u>Given the delay of the Phase 2 improvements, approximately \$250K of interim improvements have been included in the 2023 budget update to provide for steps, ramping and repairs of the areas of the asphalt in Lot A.</u>
<b><u>Pursue lower-cost design alternatives</u></b>			
<u>Requested and got a State approved variance to allow LPW line to route below an existing NPW line rather than full reroute</u>	<u>\$100K</u>	<u>\$100K</u>	<u>Variance request was approved. The plan to route the LPW below an existing NPW line was acceptable, and the additional costs to fully reroute were mitigated. These savings were realized by excluding this scope from the GMP.</u>
<u>Developed a less expensive pavement design for the Toni Stone Crossing transition to Terry A. Francois Blvd.</u>	<u>\$75K</u>	<u>\$75K</u>	<u>Savings were realized by utilizing an all-asphalt pavement section, in lieu of a standard DPW section for the Phase 1 temporary transition from Toni Stone to Terry A. Francois Blvd. Some savings in Phase 1, and some savings in future phases with less demo to remove and rebuild permanent grade transition.</u>
<u>Redesign of Blackwater recycling plant sanitary sewer system discharge to existing City sewer in Third St.</u>	<u>~\$500k</u>	<u>~\$500k</u>	<u>The original sanitary sewer connection from the blackwater recycling plant in Building B to the sewer main in Third St. was originally planned to be a gravity system, but was in conflict with PG&amp;E existing high voltage electrical duct bank in Third St. Rather than incur a large electrical duct bank rerouting cost, the project design team worked with SFPUC to generate a workable sewer force main option and Mission Rock Utilities – the private district utility for Mission Rock – agreed to accept ownership of improvements to make the lower-cost option acceptable to SFPUC.</u>
<u>Convert some paver/site concrete to landscaping</u>	<u>\$30K</u>	<u>\$30K</u>	<u>Some areas of hardscape were converted to landscaping planter areas</u>
<u>Reduce structural soil extents while maintaining healthy growing conditions for trees –</u>	<u>\$100K-200K</u>	<u>\$0k</u>	<u>Final tree locations required some larger areas of structural soil, but to maintain load offsets the structural soil depth had to be reduced, so no net reduction in volume or costs.</u>



<u>Change streetscape finishes from unit pavers to decorative concrete</u> <ul style="list-style-type: none"> <li>• <u>Savings of \$2.0M for converting pavers to cast-in-place concrete</u></li> <li>• <u>Savings of \$1.0M for converting lifted grove wood decking to cast-in-place concrete</u></li> </ul>	<u>\$3.0M</u>	<u>\$1.5M (\$1M for paver to CIP concrete, and \$0.5M to remove wood decking at lifted grove)</u>	<u>Both VE decisions yielded savings, but the final cost of the cast-in-place paving was higher than originally estimated so cost savings were less than anticipated.</u>
<u>Eliminate stone columns and use permeable LCC at China Basin Park to reduce ground improvement cost</u> <ul style="list-style-type: none"> <li>• <u>Savings of \$2-3M for stone columns</u></li> <li>• <u>Savings of \$1-2 M for permeable LCC and related savings in earthwork excavation/disposal</u></li> </ul>	<u>\$3M-\$5M</u>	<u>\$3M-\$5M</u>	<u>The decision to not install stone columns in the Park saved \$2M+, and the reduced excavation and offhaul costs associated with the use of permeable LCCPLCC saved \$1M+. These savings were realized by excluding this scope from the GMP.</u>

While unanticipated issues arise during construction, the Port staff and Developer have worked collaboratively to mitigate cost impacts in select situations. One significant example is the China Basin Park groundwater management process. The tidal influences of the groundwater encountered during park excavation challenged the team's dewatering efforts and stalled construction. Extensive walls to block the inflow of groundwater were prohibitively expensive, so the Developer and Port worked together to instead reduce the depth of the required excavation and to incorporate a new lightweight fill material, Foamed Glass Aggregate, to allow a lightweight subgrade fill to be placed in the groundwater in lieu of the planned LCC fill that could not be poured in groundwater. While there were costs associated with the timing delays, this allowed the entire schedule to restart and saved extreme cost exposures involved with cutoff walls and an additional dewatering treatment plant. Another example where the Port and Developer have worked together to mitigate cost increases to the horizontal Phase 1 Budget is related to the security enhancement scope. The Developer worked with the adjacent Vertical Developer to directly cover up to \$1.1 million of cost associated with the security enhancements included in the paseo.

Drawing upon their extensive international experience in development projects, the Master Developer is poised to effectively tackle supply chain challenges. Their successful management of Phase 1 involved intricate coordination with a diverse global supplier network, and they are committed to implementing best practices and lessons learned in future phases of the project. As it relates to planning for future phases, we've incorporated an appropriately conservative amount of escalation on our hard cost estimates to account for either direct increases in costs or increases in costs due to supply chain issues (5%+ annually on top of current hard cost estimates).

At this point, well over 90% of the SIP scope had been completed and well over 60% of the China Basin Park scope has been completed, so relatively few opportunities remain for impactful value engineering. Nevertheless, the Developer and Port teams have identified

additional hard and soft cost management opportunities which are reflected in the budget request:

- \$325k - Defer Street Room #5 to Phase 2
- \$75k - Reduce the number of wayfinding signs
- \$30k – Do not add enhancements to the Third St. bike lane, and build to permit requirements (After the permit was issued, SFMTA requested the bike lane on 3rd Street to be striped green, different from the plans)
- \$100k – Resolve PG&E manhole/curb conflict without relocating the manhole (PG&E has currently rejected the request to install a curb/sidewalk plate cover over their 3rd street manhole in conflict with the curb line. The additional cost is not known to relocate the MH or the MH lid).
- \$50k – Efficiently manage roadway reconstruction in partnership with SFMTA (SFMTA has not approved the 3rd Street roadway reconstruction plans yet. They have mentioned that full lane closures potentially need a police officer or a traffic control guard to support overnight closures - this approach would materially increase costs for this work).
- Expedite City NOC and Acceptance process, including reduced warranty, punch work, and insurance/security costs. This includes the timely release of outstanding Payments and Performance bonds held by SFDPW as project improvements are completed. In addition, an efficient acceptance process could limit or reduce the City-reimbursable time billed to the Project.
- Expedite City review and approval of Traffic Signal IB13 design update and corresponding shop drawings. This would allow this work to proceed and reduce requirements for incremental contractor time, developer time, and insurance coverage periods.

Since the majority of the construction has been completed and the risk associated with permitting reviewing and timing is largely in the past, there is a higher level of cost certainty captured in the full budget request. A portion of the budget modification request addresses the uncertainty that remains in the completion signoff and acceptance process that will begin with the Port and City Agencies in early 2024 for the completed improvements. Developer soft costs such as insurance, legal/professional services and carry costs will be impacted by the timing and process associated with this acceptance of improvements by the City and Port. The City Reimbursable costs will also reflect the reasonable outcome of this process. The Port and Developer have been working diligently with the City to prepare for that acceptance process and improve the confidence it will be conducted within the anticipated timing.

The Master Developer will work closely with the General Contractor to proactively identify any potential deviations from the approved hard cost budget. The Master Developer will also track unanticipated scopes of work and schedule delays that may drive soft costs

higher. The Master Developer will dedicate a portion of weekly Port calls and meetings to discuss various budgetary concerns. This may include but is not limited to scope changes, schedule delays, interagency communication and strategy, and any other growing concerns. The Master Developer utilizes a cost management software called PMWeb to facilitate budget tracking and will utilize outputs from this software to inform the budget detail in addition to the quarterly reports. The Master Developer will provide commentary on budget exposures on a quarterly basis, as part of the current quarterly reporting package prepared for Port staff to share as appropriate with the Port Commission.

## **PORT CAPITAL CONTRIBUTION**

Under the terms of the DDA, both the Developer and the Port may invest at-risk capital to fund project costs. While the Port may elect to make this investment, the Developer must fund horizontal costs with Developer equity if public financing or land proceeds are not available.

~~Port staff is proposing to fund up to \$16.5 million of City Costs through investment of Port Capital. This will fully fund the necessary budget increase associated with the City Costs. The remaining proposed budget increase of up to \$17.8 million will be funded by Developer Capital. Each of these Port Capital Advances receives up to 10 percent interest from the effective date.~~

~~Staff is currently working with its third-party consultant to project a potential repayment schedule alongside other Phase 2 scenarios and will present that at the Port Commission meeting on October 10, 2023~~

Due to Phase 1 budget challenges, partially driven by City Costs, Port staff examined the potential benefits to the Project and Port revenues of a Port Capital investment of up to \$16.53 million. While that total amount may be made, through discussion with the Developer, it is currently expected only \$14.67 million will be needed to be carried as an ongoing Port Capital contribution, which is the amount already appropriated as an expenditure in Port budgets through June 30, 2024. It is expected the first \$1.86 million of the Port Capital contribution will be immediately repaid by existing project sources on hand at the time the Port Capital contribution has been made (likely available tax increment as the source). If so, that will avoid any potential opportunity cost in the upcoming FY'25 Port operating budget as that will be immediately reimbursed. However, if immediately repaid as intended, the \$1.86 million won't earn any return either.

The Port Capital contribution, which is expected to be made beginning in the summer of 2024, would fund the final costs to complete Phase 1 of the Project up to the approved budget of \$218.45 million. As part of the agreement to provide this funding, the Port and Developer agree that this Port Capital receives a return of 10 percent from the date the Port contributes the funds. The DDA currently provides for a return of "up to 10 percent" in some instances, so the Port and Developer may need to amend that agreement accordingly in favor of the Port to account for both the fixed 10 percent and the prioritization of repayment of the first approximately \$1.86 million of Port Capital. The balance of outstanding Port Capital and associated return will be repaid from project

sources prior to the reimbursement of expenses in subsequent phases. **Table 5** shows how and when the Phase 1 budget is expected to be funded.

**Table 5\***

Phase 1 Budget		
	Developer Payment	Port Capital
Jun-23	146,860,386	
Sep-23	7,899,086	
Dec-23	15,356,901	
Mar-24	2,802,352	
Jun-24	2,837,715	
Sep-24	26,164,974	13,869,314
Dec-24		796,730
Mar-25		711,294
Jun-25		600,425
Sep-25		271,832
Dec-25		275,780
	201,921,414	16,525,375

**Total: \$ 218,446,789**

\*Numbers and timing in the above table are approximate.

The Port Capital contribution has benefits for both the Project and the Port. Port Capital earns a lower return than Developer Capital (10% vs. 18% respectively), and therefore reduces overall return and costs for the Project. Additionally, the Port will earn a 10 percent return on this investment until it is repaid.

The following **Table 6** illustrates a potential repayment of Port Capital based upon a hypothetical Phase 2 start date of March 2026.

**Table 6**

Return on Port Capital				
Quarter	Port Capital Contributions	Beginning Principal	Distributions	Cumulative Interest
Sep-24	13,869,314	-		-
Dec-24	796,730	12,806,713	(1,859,331)	334,440
Mar-25	711,294	13,518,007		696,157
Jun-25	600,425	14,118,432		1,066,597
Sep-25	271,832	14,390,264		1,445,969
Dec-25	275,780	14,666,044		1,834,489
Mar-26	-	14,666,044		2,232,377
Jun-26	-	14,666,044	(2,639,861)	
	16,525,375			\$ 2,232,377
				+
	Amount Paid to Port 4 2024			1,859,331
	Amount Paid Port Q2 2026			16,898,421
	Port Capital + 10% Return			\$ 18,757,752

While the Port is earning a return of nearly \$2.64 million under this payback scenario, it is also beneficial to the Project as a whole. If Developer Capital were to be used and repaid accordingly in lieu of Port Capital, the interest expense to the Project would be approximately \$4.88 million. Thus, a Port Capital contribution also saves the Project an estimated \$2.24 million. If the start date of Phase 2 is later than the Developer assumption of March 2026, the return on Port Capital and the net benefit to the Project of using Port Capital vs. Developer Capital will also increase.

At this time, Port Development and Finance staff support a Port Capital Contribution of up to \$16.53 million, with an expectation that only \$14.67 million will be needed to be held as outstanding as the \$1.86 million is expected to be immediately repaid by available project sources. Upon approval by the Port Commission and to the extent necessary, Port staff will seek an appropriation (likely a supplemental appropriation due to timing constraints) of these funds through the Board of Supervisors.

## **PARCEL LEASE TECHNICAL AMENDMENTS**

Developer, on behalf of its vertical parcel master tenant affiliates, has requested and Port staff recommend approval of three issues to revise the existing and future parcel leases for the Mission Rock development. Because the proposed changes are material to the Port, the proposed changes can only be approved by the Port Commission and Board of Supervisors. Each proposed change is described below.

### a. Revised Definition of “Net Refinancing Proceeds”

Developer requests revising the definition of “Net Refinancing Proceeds” in each of the existing parcel leases so that new loan proceeds used to pay off prior loans are excluded from the definition of Net Refinancing Proceeds. The impact of the definition change is to decrease the Net Refinancing Proceeds; the Port is entitled to receive one and one-half percent of New Refinancing Proceeds under the parcel leases.

At the time the Parcel Lease was executed in 2020, ~~the~~ Port staff and Developer acknowledged the ~~need~~ desire to modify the Parcel Lease form in the future with respect to the Port Participation calculation. The revision to the Port Participation calculation requires approval by both the Port Commission and the Board of Supervisors, and there was no time for that process before Parcel Lease execution to occur in 2020. The current timing of this requested revision is tied to the ~~ability of the Developer and its affiliates to~~ seek permanent financing for completed Phase 1 Vertical Parcels, a process that is anticipated to begin in late 2023 in a challenging commercial real estate financing market. The Port ~~intends to seek~~ approval to revise the language to clarify that proceeds used to pay off the prior financing are not included in the definition of “Net Financing Proceeds”. The Port will ~~still already~~ participate alongside the Developer in the Net Refinancing Proceeds and thus, Port staff believe this amendment ~~technical~~ correction is appropriate.

b. Revised Definition of “Tenant’s Purchase Price”

Developer requests revising the definition of “Tenant’s Purchase Price” in the event that a project lender successfully forecloses on a parcel with a credit bid. In the case of such a foreclosure, the Tenant’s Purchase Price would revert to either the acquisition price under the Vertical DDA or the most recent sale price, whichever is greater.

Changing the definition of “Tenant’s Purchase Price” would impact the Port’s participation in sale proceeds under the parcel lease because the Tenant’s Purchase Price is deducted from the sale proceeds to determine before the Port’s one and one-half percent of the proceeds are calculated.

c. Revised Definition of “Total Development Costs”

Developer requests revising the definition of “Total Development Costs” for each Phase I parcel leases to account for the “Jobs/Housing Equivalency Fees” (referred to as the Affordable Housing Fee), which were paid or received by the applicable vertical master tenant.

Rent for each of the four vertical parcels in Phase I was fully prepaid at parcel lease execution. The prepaid rent for each parcel equals the appraised value of the parcel and each appraisal was performed in accordance with the DDA and accounted for the Affordable Housing Fee to be paid or received by the applicable vertical parcel master tenant.

The proposed amendment would count the payment of the Affordable Housing Fee as a cost for the non-residential parcels with a corresponding offset of costs for residential parcels. In other words, Total Development Costs would increase for Parcel B and Parcel G to account for the Affordable Housing Fee, and Total Development Costs would decrease for Parcel A and Parcel F by the same amount.

Changing the definition of “Total Development Costs” would impact the Port’s participation in future sales of the individual parcels because the Port’s participation in Net Sales Proceeds occurs after Total Development Costs are subtracted from Gross Sales Proceeds. In other words, the Port’s participation in Net Sales Proceeds for future transfers of (i) commercial parcel leases will decrease and (ii) residential leases will likely increase.

While these amendment requests were brought forward by the Developer for the Port’s consideration, Port staff is fully supportive of these as commercially reasonable or otherwise agreed to as to the intent of the parties.

Upon approval by the Port Commission, Port staff will seek authorization from the Board of Supervisors to amend the Parcel Leases.

In addition to this modification, throughout development and initial leasing, the Developer identified a few other recommended changes to provide clarity requested by commercial, retail, and residential subtenants and lenders. The Port is considering these requests and

~~to the extent any require Port Commission approval, Port staff will present those in detail along with the technical correction at a future Port Commission meeting and seek approval, which could be as soon as this October.~~

## PHASE 2 UPDATE

As required pursuant to the Port Commission's 2021 approval of the revised Phase 1 budget, on December 28, 2022, Developer sent the Port its Phase 2 Submittal. Since Phase 2 will include the parking garage, the Developer also submitted the Garage Report on October 14, 2022. This report was reviewed and signed off by SFMTA and Planning, for inclusion in the Phase 2 Submittal.

As part of this submittal, a Basis of Design was completed and submitted in November 2022. The work done to date on Phase 2 feasibility allows the Master Developer to evaluate alternatives and the optimal programming for the Phase, with minimum additional spending. The Master Developer will continue to actively analyze Phase 2 feasibility options in collaboration with Port Staff while taking into consideration broader macroeconomic headwinds as well as San Francisco-specific market challenges. Fundamentally, the feasibility of Phase 2 will depend on some or all of these factors:

- Reduce project costs – Developer and the Port will work together to manage horizontal costs by working more efficiently through permitting, subdivision mapping and construction administration, and by reducing the scope of improvements required to support the Phase. The Port and Developer can reduce vertical development costs by efficiently managing the vertical parcel transactions, entitlements and permitting for each building. The Port and Developer will also evaluate other project requirements that may be modified to bring down development and operational costs.
- Promote leasing and increase project revenues – The Port and Developer will seek opportunities to make the project as competitive as possible. The team has already identified amendments to the Parcel Lease that could be pursued to make transactions with lenders and tenants less burdensome and more commercially competitive. The Port and Developer are also collaborating to make retail leasing more attractive by streamlining the permitting process for construction and the use of outdoor space for restaurants. The Port and Developer will evaluate other project requirements that may be modified to increase leasing activity and revenues for the project.
- The Master Developer worked collaboratively with the Port to identify potential changes to the model that would benefit the Phase. Some of these examples include: incorporating 15-year bond issuances later in the IFD to help pay down accruing returns, assuming fully escalated issuances throughout the Phase (increasing proceeds and therefore reducing outstanding returns faster), pulling forward Phase 2 bond

issuance supported by Development Special Tax (as successfully executed in Phase 1), incorporating Phase 2 Shoreline Taxes to support an issuance in 2028, and various other changes. Incorporating Shoreline Taxes in Phase 2 generates an additional \$26M (net of issuance costs) in 2028 and another \$28M later in the IFD Period (~2050; Only applicable if accrued return remains outstanding to be repaid later in the IFD period).

Regarding the Phase 2 budget and preparation of Phase 2 Fair Market Valuation appraisals, the Developer has previewed with Port Staff that current market conditions (the current combination of high interest rates, high construction costs, and high commercial vacancy) do not support the minimum land values required for a viable Phase 2 budget and as such, the Developer has indicated that this element of the submittal will be deferred pending improving real estate market conditions.

Likewise, a full analysis and detailed financial model for Phase 2 is deferred and the details for Port's Ground Rent, the potential for prepaid leases as Project Sources, and other financial feasibility data, will be presented once the Fair Market Valuation process has been completed and there is increased certainty around the timing of the Phase. Prior to a Phase 2 budget, costs incurred by the Developer for Phase 2 will continue to be at the Developer's risk. Additionally, the Developer team has incurred vertical costs to support the refinement of building massing to position Phase 2 once it is financially feasible.

In addition to the Phase 2 Submittal, on November 18, 2022, the Developer submitted a Basis of Design (BOD) for Phase 2 infrastructure that leveraged the engineering and construction experience from Phase 1. It is intended that critical design assumptions will be approved by the relevant city agencies as part of the BOD submittal. The Developer has met with relevant City agencies to facilitate the City's review of the Phase 2 BOD. As many aspects of the Phase 2 BOD were reviewed and approved for Phase 1, the review process for Phase 2 and future phases is anticipated to be more efficient.

The Port Staff and Developer have been in continued communication regarding the path to Phase 2 feasibility. The Developer team has committed to monitoring the market environment that influences the timing of Phase 2, including the following macro factors influencing development:

- Construction Cost Environment: Construction cost escalation has far outpaced rent growth over the last 5 years in San Francisco and has put downward pressure on land values and project viability. The developer team has continued to engage with contractor teams on both the vertical and horizontal scopes to monitor changes in the environment.
- Commercial Office Leasing: The commercial office market in San Francisco continues to face significant headwinds from the pandemic-related work-from-home policies which have influenced the recent demand for office space, leading to higher vacancy rates, stagnant rents, and increased capital outlay related to leasing. Recent leasing and momentum around AI and the continued return to work shifts have the potential to improve market sentiment quite rapidly.



- Interest Rates and Financing Environment: The drastic increase in interest rates over the past 18 months has impacted the cost and availability of capital to support real estate development. The higher interest rate environment has also reduced the bond proceeds supported in future issuances, reducing the available repayment sources.

Port staff have engaged a third-party consultant for this purpose. ~~This~~The results of these efforts will continue to be presented in more detail to the Port Commission at a subsequent meetings and will be formally advanced during the future Phase 2 budget approval process.

## **NEXT STEPS**

~~Staff will return to the Port Commission to seek approval of the Port Capital contribution and the initial \$16.5 million budget increase. As Port staff continues to analyze the revised budget estimates the Developer needs to complete the Phase, it will also review the proposed technical amendments to the Parcel Lease before returning to the Port Commission with a recommendation on those items, which is expected to occur as soon as October 10, 2023.~~

With Port Commission approval of the attached Resolution No. 23-47, Port Staff will: 1. Finalize materials required to support the bond issuance described in this staff report and seek Board of Supervisors approval; 2. Work with the Port Finance Director to seek any needed appropriation of Port Capital as described in this staff report; 3. Seek approval from the Board of Supervisors for an amendment to the Parcel Lease as described in this staff report; 4. Continue to monitor market and financing conditions to determine the financial feasibility of Phase 2 and the Project as a whole; and 5. Monitor project costs and budgets, including preparing reports of sufficient detail for recurring presentations to the Port Commission and regular quarterly updates.

Prepared by:	Phil Williamson, Senior Project Manager
Through:	Josh Keene, Waterfront Development Manager
For:	Michael Martin, Assistant Port Director

**PORT COMMISSION  
CITY AND COUNTY OF SAN FRANCISCO**

**RESOLUTION NO. 23-46**

- WHEREAS, In January 2018, by Resolution No. 18-03, the Port Commission approved the terms of a Disposition and Development Agreement (“DDA”) between the Port and the Seawall Lot 337 Associates, LLC, a Delaware limited liability company (“Developer”), and related transaction documents that are incorporated into the DDA, including but not limited to, a Financing Plan, Appendix, and a form of Parcel Lease, for the development of approximately 28-acres located along the Port’s Central Waterfront and commonly referred to as “Mission Rock” (the “Project”), comprised of (1) Seawall Lot 337, bounded by Third Street on the west, Mission Rock Street on the south, Pier 48 to the east, and China Basin Park on the north; (2) Pier 48; (3) China Basin Park; (4) the marginal wharf between Pier 48 and Pier 50; and (5) Parcel P20 (collectively, the “Site”); Capitalized terms not otherwise defined herein shall have the meaning set forth in the Appendix to the DDA; and
- WHEREAS, Developer is a limited liability company, which is wholly owned by TSCE 2007 Mission Rock, L.L.C. and Giants Development Services, LLC, the former is an affiliate of Tishman Speyer Properties, L.P., and the latter is an affiliate of San Francisco Baseball Associates, LLC, the Major League Baseball franchise holder of the San Francisco Giants; and
- WHEREAS, In February 2018, the Board of Supervisors approved the DDA by Resolution No. 42-18, and approved the Development Agreement for the Project by Resolution No. 33-18; and
- WHEREAS, On April 4, 2019, Developer submitted to the Port its “Phase Submittal” for “Phase 1” of the Project and in September 2019, by Resolution No. 19-39, the Port Commission approved the Phase 1 Budget of \$145 million; and
- WHEREAS, In April 2021, pursuant to the requirements in the DDA, Developer notified the Port of Phase 1 budget increases of \$39.2 million (not including the “in-water” work being delayed to a later phase), and on August 10, 2023, by Resolution 21-33, the Port Commission approved a new Phase 1 Budget of \$184.2 million; and
- WHEREAS, In July 2023, pursuant to the requirements in the DDA, Developer notified the Port of an additional Phase 1 budget increase totaling up to \$218,470,335 million; and
- WHEREAS, City Costs are projected to total up to \$19,575,933 million for Phase 1, significantly more than anticipated in the original budget; and

- WHEREAS, The Port has the option to contribute a Port Capital Advance to fund the Mission Rock Project, and
- WHEREAS, A Port Capital contribution of up to \$16,525,375 million will offset increased City Costs and improve the financial feasibility of Mission Rock Phase 2; and
- WHEREAS, This Port Capital Advance will earn ten percent (10%) interest and be repaid from Project Payment Sources before any Phase 2 Developer Capital or other Phase 2 costs; and
- WHEREAS, Port staff and its consultant have reviewed the Developer's second Phase 1 Budget increase and determined that it meets the requirements for Port Commission approval under DDA Section 3.5(e), as further described in the memorandum accompanying this resolution, in that it: (1) is consistent with funding goals, the project requirements and satisfies the project's budget guidelines; (2) is based on reasonable projections; (3) provides for sources sufficient to fund Phase 1; (4) would not adversely affect Project Payment Sources available to satisfy the Project Payment Obligation for any Later Phases and the Project as a whole; and (5) would not impair the Port's fiduciary obligations under applicable Port laws; and
- WHEREAS, Port staff believes increasing the Phase 1 Budget will not adversely affect Project Payment Sources and Project Payment Obligations for Later Phases and the Project as a whole because without this budget increase, Phase 1 has added risk of not being complete, and in any event would likely materially delay the Phase 1 completion, which would add time and cost to the Phase and the Project, resulting in significantly less likelihood of Later Phases progressing, thus resulting in no future Project Payment Sources if that is to occur; and
- WHEREAS, Acknowledging the importance of future Project Phases to the Project's overall success and pursuant to the DDA, the Developer submitted the Phase 2 Submittal prior to December 31, 2022; and
- WHEREAS, Because Phase 2 is not currently financially feasible, Port and Developer staff mutually agreed earlier this year to decelerate work on Phase 2 while waiting for macroeconomic conditions to improve; and
- WHEREAS, Port and Developer staff will continue to work together to analyze all scenarios for a possible Phase 2 to improve the financial feasibility of the Phase and the Project as a whole, to complete the Phase 2 Submittal Process and then seek approval of the Phase 2 Budget by the Port Commission; and

- WHEREAS, The actions contemplated in this resolution are within the scope of the project for which the Port Commission (Resolution No. 18-06) and the Board of Supervisors (Resolution No. 33-18) adopted on January 30, 2018 and March 6, 2018, respectively, affirmed the Planning Commission's certification of the Final Environmental Impact Report for the Seawall Lot 337 and Pier 48 Mixed-Use Project (Planning Commission Motion No. 20018) and made findings in accordance with the California Environmental Quality Act (California Public Resources Code section 21000 et. seq.) and Administrative Code Chapter 31, which resolutions are incorporated herein by reference; and
- WHEREAS, If necessary, Port staff may need to seek the approval of a Supplemental Appropriation Ordinance from the Board of Supervisors to make a not-to-exceed \$16,525,375 million Port Capital Advance; and
- WHEREAS, The Port has executed four parcel leases with Tenants that are affiliates of Developer, including:
1. that certain Lease No. L-16703 (Mission Rock – Phase 1, Parcel A/Lot 1) Between The City And County Of San Francisco Operating By And Through The San Francisco Port Commission as Landlord and Mission Rock Parcel A Owner, L.L.C. as Tenant Dated As of October 6, 2020 (the “Parcel A Lease”), as evidenced by that certain Memorandum of Lease, dated as of October 6, 2020, by Port and Tenant Developer affiliate, and recorded in the Official Records of the City and County of San Francisco (the “Official Records”) on October 7, 2020 as Document Number 2020027130 (the “Memo of Parcel A Lease”); and
  2. that certain Lease No. L-16704 (Mission Rock – Phase 1, Parcel B/Lot 2) Between The City And County Of San Francisco Operating By And Through The San Francisco Port Commission as Landlord and Mission Rock Parcel B Owner, L.L.C. as Tenant Dated As of October 6, 2020 (the “Parcel B Lease”), as evidenced by that certain Memorandum of Lease, dated as of October 6, 2020, by Port and Tenant Developer affiliate, and recorded in the Official Records on October 7, 2020 as Document Number 2020027137 (the “Memo of Parcel B Lease”); and
  3. that certain Lease No. L-16706 (Mission Rock – Phase 1, Parcel F/Lot 4) Between The City And County Of San Francisco Operating By And Through The San Francisco Port Commission as Landlord and Mission Rock Parcel F Owner, L.L.C. as Tenant Dated As of October 6, 2020 (the “Parcel F Lease”), as evidenced by that certain Memorandum of Lease, dated as of October 6, 2020, by Port and Tenant Developer affiliate, and recorded in the Official Records on October 7, 2020 as Document Number 2020027143 (the “Memo of Parcel F Lease”); and
  4. that certain Lease No. L-16705 (Mission Rock – Phase 1, Parcel G/Lot 3) Between The City And County Of San Francisco Operating By And Through The San Francisco Port Commission as Landlord and Mission Rock Parcel G Owner, L.L.C. as Tenant Dated As of June 25, 2020 (the “Parcel G Lease”), as evidenced by that certain Memorandum

of Lease, dated as of June 25, 2020, by Port and Tenant Developer affiliate, and recorded in the Official Records on June 26, 2020 as Document Number 2020-K944596-00 (the "Memo of Parcel G Lease"); and together the Tenants of Parcel A Lease, Parcel B Lease, Parcel F Lease, and Parcel G Lease are referred to as "Developer Affiliate Tenants" for purposes of this resolution; and

WHEREAS, The Port and Developer, on behalf of Developer Affiliate Tenants, have negotiated a form amendment to revise the approved form of Parcel Lease and to amend Parcel A Lease, Parcel B Lease, Parcel F Lease, and Parcel G Lease, which form amendment would:

1. revise the definition of "Net Refinancing Proceeds" to reduce the Net Refinancing Proceeds to which Port is entitled percentage participation by the value of prior loans paid off by the refinancing; and
2. revise the definition of "Tenant's Purchase Price" so that in the event a project lender successfully forecloses on a parcel lease with a credit bid, the value of the credit bid is discarded and either the acquisition price under the Vertical DDA or the most recent sale price is used when calculating Port's participation in future sale proceeds; and
3. revise the definition of "Total Development Costs" for the Parcel A Lease, Parcel B Lease, Parcel F Lease, and Parcel G Lease to reflect the value of the Affordable Housing Fee that was paid for non-residential parcels (Parcel B and Parcel G) and received by residential parcels (Parcel A and Parcel F); and

together the three amendments described above are referred to as the "Parcel Lease Amendments" for purposes of this resolution and are more particularly described in the memorandum accompanying this resolution; and

WHEREAS, The Port concludes that the Parcel Lease Amendments are commercially reasonable and in the best interest of the project; now, therefore be it

RESOLVED, That the Port Commission approves the \$34,374,872 million Phase 1 budget increase and finds in accordance with DDA Section 3.5(e) and for the reasons described in this resolution, that it: (1) is consistent with the funding goals and project requirements and satisfies the budget guidelines; (2) is based on reasonable projections; (3) provides for sources sufficient to fund the Phase; (4) would not adversely affect Project Payment Sources available to satisfy the Project Payment Obligation for any Later Phases; (5) would not impair the Port's fiduciary obligations under applicable Port laws; and be it further

RESOLVED, That the Port Commission approves up to a \$16,525,375 million Port Capital Advance; and be it further

RESOLVED, That, to the extent required, the Port Commission supports staff seeking the ~~approval~~-adoption of a Supplemental Appropriation Ordinance from

the Board of Supervisors ~~to make for~~ a not-to-exceed \$16,525,375 million Port Capital Advance; and be it further

RESOLVED, The Port Commission approves ~~of~~ the Parcel Lease Amendments and, subject to the approval of the Board of Supervisors, authorizes the Executive Director, or the Executive Director's designee to execute any and all documents reasonably necessary to incorporate the Parcel Lease Amendments into the form of Parcel Lease and to amend Parcel A Lease, Parcel B Lease, Parcel F Lease, and Parcel G Lease, including but not limited to amendments to the parcel leases, and to execute and record amendments to the Memo of Parcel A Lease, Memo of Parcel B Lease, Memo of Parcel F Lease, and Memo of Parcel G Lease

RESOLVED, Port staff is directed to seek any and all necessary approvals from the Board of Supervisors to amend the form of Parcel Lease, and to amend Parcel A Lease, Parcel B Lease, Parcel F Lease, and Parcel G Lease to incorporate the Parcel Lease Amendments, as described in this Resolution; and

RESOLVED, That the Port Commission authorizes the Executive Director of the Port, or the Executive Director's designee, to enter into any amendments or modifications to the form of Parcel Lease and to Parcel A Lease, Parcel B Lease, Parcel F Lease, and Parcel G Lease that the Executive Director determines, in consultation with the City Attorney, are in the best interests of the Port, do not materially decrease the benefits to or materially increase the obligations or liabilities of the Port, and are in compliance with all applicable laws; and

RESOLVED, This Port Commission finds that (1) because the Phase 1 budget increase does not cause new significant impacts not identified in the FEIR, no new mitigation measures are necessary to reduce significant impacts; (2) no new information has become available and no changes in circumstances have occurred showing the Project would cause new significant environmental impacts or increase the severity of previously identified significant impacts; and (3) as a result, no additional environmental review is required beyond the environmental review previously conducted.

***I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of October 10, 2023.***

DocuSigned by:

  
Secretary

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1 [California Environmental Quality Act Findings - Seawall Lot 337 and Pier 48 Mixed-Use  
2 Project]

3 **Resolution affirming the Planning Department's certification of the Final Environmental**  
4 **Impact Report and adopting environmental findings under the California Environmental**  
5 **Quality Act (CEQA), CEQA Guidelines, and San Francisco Administrative Code,**  
6 **Chapter 31, including findings of fact, findings regarding significant impacts and**  
7 **significant and unavoidable impacts, evaluation of mitigation measures and**  
8 **alternatives, a statement of overriding considerations, and adoption of a mitigation**  
9 **monitoring and reporting program related to the approvals for the proposed Seawall**  
10 **Lot 337 and Pier 48 Mixed-Use Project.**

11  
12 WHEREAS, The Board of Supervisors makes the following findings in compliance with  
13 the California Environmental Quality Act (CEQA), California Public Resources Code, Sections  
14 21000 et seq., the CEQA Guidelines, 14 Cal. Code Reg. Code, Sections 15000 et seq.

15 (CEQA Guidelines), and San Francisco Administrative Code, Chapter 31 (Chapter 31); and

16 WHEREAS, The proposed area for development is an approximately 28-acre project  
17 site that consists of the 14.2-acre Seawall Lot 337; the 0.3-acre strip of land along the south  
18 boundary of Seawall Lot 337, referred to as P20; the 6.0-acre Pier 48; the existing 2.2-acre  
19 China Basin Park; and 5.4 acres of streets and access areas within or adjacent to the  
20 boundaries of Seawall Lot 337 and Pier 48 (Project Area); and

21 WHEREAS, The Planning Department ("Department") has undertaken a planning and  
22 environmental review process for the proposed Project Area and provided for appropriate  
23 public hearings before the Planning Commission; and

24 WHEREAS, The actions listed in Attachment A, "Seawall Lot 337 and Pier 48 Mixed  
25 Use Project California Environmental Quality Act Findings; Findings of Fact, Evaluation of



1 Mitigation Measures and Alternatives, and Statement of Overriding Considerations," San  
2 Francisco Planning Commission, October 5, 2017, a copy of which is in Board File No.  
3 171286, and available on the Board's website, and incorporated herein as though fully set  
4 forth, ("Actions") are various actions proposed to implement the Seawall Lot 337 and Pier 48  
5 Mixed Use Project (Project), as more particularly defined in Attachment A; and,

6 WHEREAS, On April 26, 2017, the Department released for public review and  
7 comment the Draft Environmental Impact Report for the Project, (Department Case No.  
8 2013.0208ENV); and

9 WHEREAS, The Planning Commission on June 1, 2017, held public hearings on the  
10 Draft Environmental Impact Report and received written public comments until 5:00 pm on  
11 June 12, 2017, for a total of 47 days of public review; and

12 WHEREAS, The Department prepared a Final Environmental Impact Report ("FEIR")  
13 for the Project consisting of the Draft Environmental Impact Report, the comments received  
14 during the review period, any additional information that became available after the publication  
15 of the Draft Environmental Impact Report, and the Draft Summary of Comments and  
16 Responses, all as required by law, a copy of which is in Board File No. 171286, and available  
17 on the Board's website and is incorporated into this resolution by this reference; and

18 WHEREAS, The FEIR files and other Project-related Department files have been  
19 available for review by this Board of Supervisors and the public, and those files are part of the  
20 record before this Board of Supervisors; and

21 WHEREAS, On October 5, 2017, the Planning Commission reviewed and considered  
22 the FEIR and, by Motion No. 20017, found that the contents of said report and the procedures  
23 through which the FEIR was prepared, publicized and reviewed complied with the provisions  
24 of the California Environmental Quality Act ("CEQA") and the CEQA Guidelines and Chapter  
25 31 of the San Francisco Administrative Code; and



1 WHEREAS, By Motion No. 20017, found that the FEIR was adequate, accurate and  
2 objective, reflected the independent judgment and analysis of Commission and that the  
3 summary of Comments and Responses contained no significant revisions to the Draft  
4 Environmental Impact Report; and

5 WHEREAS, By Motion No. 20017, adopted findings that the Project will have  
6 significant and unavoidable project impacts and make a considerable contribution to  
7 cumulative impacts in the areas of transportation, noise, air quality and wind; and

8 WHEREAS, By Motion No. 20017, certified the completion of the Final Environmental  
9 Impact Report for the Project in compliance with CEQA and the CEQA Guidelines; and

10 WHEREAS, On October 5, 2017, by Motion No. 20018, the Planning Commission  
11 adopted Findings, as required by CEQA, regarding the alternatives, mitigation measures,  
12 significant environmental impacts analyzed in the FEIR, and a statement of overriding  
13 considerations, for approving the Project, including all of the actions listed in Attachment A.  
14 The Planning Commission also adopted a mitigation monitoring and reporting program,  
15 denoted as Attachment B, a copy of which is in Board File No. 171286, which material was  
16 made available to the public and this Board of Supervisors for its review, consideration and  
17 actions;

18 WHEREAS, The Board has reviewed and considered the information in the  
19 memorandum from the Environmental Review Officer of the Planning Department dated  
20 February 1, 2018, (Planning Memorandum) that considers a change in the Hotel Variant. The  
21 Final EIR considered the effects of constructing an approximately 300 room hotel of 200,000  
22 gross square feet (gsf) instead of constructing 200,000 gsf of residential use. The Planning  
23 Memorandum considers the environmental effects of replacing 200,000 gross of commercial  
24 space instead of an equivalent amount of residential space with a hotel of approximately 300  
25 rooms and 200,000 gsf. The Planning Memorandum concludes that such a change in the

1 Hotel Variant would not result in any additional environmental effects beyond those analyzed  
2 in the Final EIR for the reasons stated in the memorandum, a copy of which is in Board File  
3 No. 171286, available on the Board's website, and incorporated into this resolution by this  
4 reference; now, therefore, be it

5 RESOLVED, That the Board of Supervisors has reviewed and considered Planning  
6 Commission Motion No. 20017 certifying the FEIR and finding the FEIR adequate, accurate  
7 and objective, and reflecting the independent judgment and analysis of the Planning  
8 Commission, and hereby affirms the Planning Commission's certification of the FEIR; and be  
9 it

10 FURTHER RESOLVED, That the Board of Supervisors finds that (1) modifications  
11 incorporated into the Project, including without limitation, the change in the Hotel Variant  
12 analyzed in the Planning Memorandum, and reflected in the Actions will not require important  
13 revisions to the FEIR due to the involvement of new significant environmental effects or a  
14 substantial increase in the severity of previously identified significant effects; (2) no substantial  
15 changes have occurred with respect to the circumstances under which the Project or the  
16 Actions are undertaken that would require major revisions to the FEIR due to the involvement  
17 of new significant environmental effects, or a substantial increase in the severity of effects  
18 identified in the FEIR; and (3) no new information of substantial importance to the Project or  
19 the Actions has become available that would indicate (a) the Project or the Actions will have  
20 significant effects not discussed in the FEIR; (b) significant environmental effects will be  
21 substantially more severe; (c) mitigation measures or alternatives found not feasible, which  
22 would reduce one or more significant effects, have become feasible; or (d) mitigation  
23 measures or alternatives, which are considerably different from those in the FEIR, would  
24 substantially reduce one or more significant effects on the environment; and, be it  
25

1           FURTHER RESOLVED, That the Board of Supervisors has reviewed and considered  
2           the FEIR and hereby adopts the CEQA Findings contained in Planning Commission Motion  
3           No. 20018, including the Findings in Attachment A, and the mitigation monitoring and  
4           reporting program contained in Attachment B, on file in Board File No.171286, and  
5           incorporates the same into this resolution by this reference.

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**City and County of San Francisco**  
**Tails**  
**Resolution**

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

**File Number:** 171286

**Date Passed:** February 13, 2018

Resolution affirming the Planning Department's certification of the Final Environmental Impact Report and adopting environmental findings under the California Environmental Quality Act (CEQA), CEQA Guidelines, and San Francisco Administrative Code, Chapter 31, including findings of fact, findings regarding significant impacts and significant and unavoidable impacts, evaluation of mitigation measures and alternatives, a statement of overriding considerations, and adoption of a mitigation monitoring and reporting program related to the approvals for the proposed Mission Rock mixed-use project located at Seawall Lot 337 and Pier 48.

February 05, 2018 Land Use and Transportation Committee - AMENDED, AN  
AMENDMENT OF THE WHOLE BEARING SAME TITLE

February 05, 2018 Land Use and Transportation Committee - RECOMMENDED AS  
AMENDED

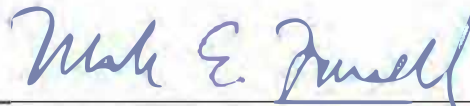
February 13, 2018 Board of Supervisors - ADOPTED

Ayes: 11 - Breed, Cohen, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Stefani,  
Tang and Yee

File No. 171286

I hereby certify that the foregoing  
Resolution was ADOPTED on 2/13/2018 by  
the Board of Supervisors of the City and  
County of San Francisco.

  
Angela Calvillo  
Clerk of the Board

  
Mark E. Farrell  
Mayor

  
Date Approved

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AND WHEN RECORDED MAIL  
TO:

Name San Francisco Port Commission  
Address Pier 1  
San Francisco, CA 94111  
ATTN: Michael Martin



San Francisco Assessor-Recorder  
Carmen Chu, Assessor-Recorder  
**DOC- 2018-K656938-00**

Acct 47-Port of San Francisco

Friday, AUG 17, 2018 11:33:01

Ttl Pd \$0.00 Rpt # 0005855875  
ces/ES/1-999

SPACE ABOVE THIS LINE FOR RECORDER'S USE

APN: Lot 006, Block 8719 and Lot.062, Block 9900

Address: 1051 Third Street and No Site Address

Click highlighted text to be redirected to the Legislative  
Research Center to view this voluminous document.

**DISPOSITION AND DEVELOPMENT AGREEMENT**

BETWEEN

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

AND

**SEAWALL LOT 337 ASSOCIATES, LLC,  
A DELAWARE LIMITED LIABILITY COMPANY**

**MISSION ROCK PROJECT**



**CITY AND COUNTY OF SAN FRANCISCO  
LONDON N. BREED, MAYOR**

---

**MISSION ROCK MASTER LEASE**

**LEASE NO. L-16417**

**BETWEEN THE**

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

**AS LANDLORD**

**AND**

**SEAWALL LOT 337 ASSOCIATES, LLC,  
A DELAWARE LIMITED LIABILITY COMPANY**

**AS TENANT**

**DATED AS OF AUGUST 15, 2018**

---

**ELAINE FORBES  
EXECUTIVE DIRECTOR**

**SAN FRANCISCO PORT COMMISSION**

**KIMBERLY BRANDON, PRESIDENT  
WILLIE ADAMS, VICE- PRESIDENT  
GAIL GILMAN, COMMISSIONER  
VICTOR MAKRAS, COMMISSIONER  
DOREEN WOO HO, COMMISSIONER**



**CITY AND COUNTY OF SAN FRANCISCO  
LONDON N. BREED, MAYOR**

---

**LEASE No. L-16703**

**(MISSION ROCK – PHASE 1, PARCEL A/LOT 1)**

**BETWEEN THE**

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

**AS LANDLORD**

**AND**

**MISSION ROCK PARCEL A OWNER, L.L.C.**

**AS TENANT**

**DATED AS OF ~~SEPTEMBER~~ <sup>OCTOBER</sup> 6, 2020**

---

**ELAINE FORBES  
EXECUTIVE DIRECTOR**

**SAN FRANCISCO PORT COMMISSION**

**KIMBERLY BRANDON, PRESIDENT  
WILLIE ADAMS, VICE- PRESIDENT  
GAIL GILMAN, COMMISSIONER  
DOREEN WOO HO, COMMISSIONER**

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**Exhibits:**

Exhibit A	Legal Description of Property
Exhibit B	Site Plan
Exhibit C-1	Scope of Development
Exhibit C-2	Affordable Housing Requirements
Exhibit D	Rent
Exhibit E	Project Approvals
Exhibit F	Permitted Title Exceptions
Exhibit G	Notice of Special Tax
Exhibit H	CFD and Assessment Matters
Exhibit I	Assessor Information
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Exhibit O	Form of Assignment and Assumption Agreement
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Exhibit Q	Form of Estoppel Tenant Certificate
Exhibit R	Form of Subtenant Estoppel Certificate
Exhibit S	Form of Non-Disturbance Agreement
Exhibit T	Insurance Requirements
Exhibit U	Pre-Existing Hazardous Materials
Exhibit V	Form of Port Estoppel Certificate
Exhibit W	Other City Requirements
Exhibit X	Form of Memorandum of Lease
Exhibit Y	Transportation Demand Management Plan
Exhibit Z	Form of Quarterly Percentage Rent Statement
Exhibit AA	Form of Annual Percentage Rent Statement
Exhibit BB	Cal. Revenue and Taxation Code, Chapter 2, Section 64
Exhibit CC	Port's Good Neighbor Policy

Schedule 13.2 Intentionally Omitted

### BASIC LEASE INFORMATION

Each reference to the Basic Lease Information in this Lease will incorporate the applicable Basic Lease Information specified herein.

As defined in the Disposition and Development Agreement between the Port and Seawall Lot 337 Associates, LLC, a Delaware limited liability company, dated as of August 15, 2018 (the “DDA”), this Lease is a fully prepaid lease of unimproved property to a Vertical Developer Affiliate of Master Developer.

<b>Lease No.</b>	Lease No. L-16703
<b>Effective Date:</b>	<del>September 6</del> <sup>October</sup> 6, 2020
<b>Landlord:</b>	<b>THE CITY AND COUNTY OF SAN FRANCISCO</b> operating by and through the <b>SAN FRANCISCO PORT COMMISSION</b>
<b>Tenant:</b>	<b>MISSION ROCK PARCEL A OWNER, L.L.C.</b>
<b>Tenant’s Address for Notices:</b>	Mission Rock Parcel A Owner, L.L.C. c/o Tishman Speyer Development, L.L.C., One Bush Street, Suite 500, San Francisco, California, 94104 Attention: General Counsel  With a copy to:  Mission Rock Parcel A Owner, L.L.C. c/o San Francisco Giants 24 Willie Mays Plaza San Francisco, CA 94107 Attention: Jack Bair
<b>Landlord’s Address for Notices:</b>	Port of San Francisco Pier 1 San Francisco, CA 94111 Attn: Director of Real Estate and Development Re: Mission Rock (Phase 1 Lot 1)  With a copy to:  Port of San Francisco Pier 1 San Francisco, CA 94111 Attn: General Counsel



	Re: Mission Rock (Phase 1 Lot 1)
<b>Premises:</b>	All that real property located in the City and County of San Francisco, California, as more particularly described in <i>Exhibit A</i> attached hereto (the “ <b>Property</b> ”). The Property contains approximately Forty-One Thousand Nine Hundred Eighty Six (41,986) square feet of unimproved land area (the “ <b>Land</b> ”), together with all rights and privileges appurtenant to the Property and owned by Port, and any Improvements hereafter constructed on the Property. The Property is generally referred to as Parcel A of the mixed-use project commonly known as Mission Rock. The Property is shown generally on the Site Plan attached hereto as <i>Exhibit B</i> . The Property and all Improvements now and hereafter located on the Property are referred to in this Lease as the “ <b>Premises</b> .”
<b>Single Point of Entry for State Mineral Reservation Entry</b>	Within 180 days after the Commencement Date, Port shall provide Tenant the coordinates for the point of entry, which shall be located in Zone 3, California Grid System.
<b>Permitted Use:</b>	The use and operation of the Premises will be for residential and ancillary office and retail uses subject to the Scope of Development attached hereto as <i>Exhibit C-1</i> , the SUD and the Affordable Housing Restrictions described in <i>Exhibit C-2</i> attached hereto (collectively, the “ <b>Project</b> ”) and as further specified below and in <i>Article 3</i> .
<b>Commencement Date:</b>	The Effective Date of this Lease.
<b>Expiration Date:</b>	The earlier of (i) seventy-five years after the Commencement Date and (ii) December 31, 2105.
<b>Prepaid Rent:</b>	<b>Fully Prepaid:</b> \$11,300,000.00
<b>Rent:</b>	As set forth in <i>Exhibit D</i> attached hereto.
<b>Environmental Financial Assurances Deposit:</b>	As applicable to Subtenants as set forth in <i>Section 17.3</i> .
<b>Environmental Oversight Deposit:</b>	As applicable to Subtenants as set forth in <i>Section 17.3</i> .

<b>Project Approvals:</b>	Those certain project approvals for Mission Rock listed in <i><b>Exhibit E</b></i> attached hereto and made a part hereof, as may be amended from time to time.

## LEASE NO. L-16703

THIS LEASE NO. L-16703 (this “Lease”) is dated as of the Effective Date, by and between **THE CITY AND COUNTY OF SAN FRANCISCO**, operating by and through the **SAN FRANCISCO PORT COMMISSION (“Port”)**, as landlord, and **MISSION ROCK PARCEL A OWNER, L.L.C.**, 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 47* 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.** The Port owns about 7½ miles of tidelands and submerged lands along San Francisco Bay. The seawall lots are tidelands that were filled and cut off from the waterfront by the construction of the great seawall in the late 19th and early 20th centuries, and by the construction of the Embarcadero roadway which lies, in part, over a portion of the great seawall. Seawall Lot 337, the largest of the designated seawall lots, is located just south of China Basin and for years has been used as a surface parking lot.

**C.** The Port and Seawall Lot 337 Associates, LLC, a Delaware limited liability company (“**Master Developer**”), are parties to that certain Disposition and Development Agreement dated as of August 15, 2018 (the “**DDA**”) and that certain Lease No. L-16417 dated as of August 15, 2018 (the “**Master Lease**”). The DDA and Master Lease govern the mixed-use development of an approximately 28-acre site, known as “Mission Rock” as more particularly described in the DDA and Master Lease (the “**Project Site**”). The DDA and Master Lease set forth a parcel disposition process under which the Port will enter into ground leases for developable parcels within Mission Rock.

**D.** Master Developer, (i) on December 18, 2019, assigned all of its rights, title, and interest in and to the DDA with respect to the Premises to Mission Rock Horizontal Sub (Phase I), L.L.C., a Delaware limited liability company (“**Phase 1 Horizontal Developer**”), and (ii) effective December 19, 2019, subleased Phase 1 of the premises under the Master Lease to the Phase 1 Horizontal Developer.

**E.** This Lease is a fully prepaid ground lease with a Vertical Developer Affiliate. The form of this Lease was authorized by the Port Commission by Resolution No. 18-03 and the Board of Supervisors by Resolution No. 36-18, which resolutions authorized the Port’s Executive Director to enter into this Lease without further approval by the Port Commission or the Board of Supervisors under Charter Section 9.118.

**F.** This Lease is a nontrust lease, free from the trust use requirements established by the public trust, the Burton Act trust, and the Burton Act transfer agreement pursuant to Senate Bill 815 (stats. 2007, ch. 660), as amended by Assembly Bill 2797 (stats. 2016, ch. 529) (as amended, “**SB 815**”). The defined terms used but not otherwise defined in this Recital F shall have the meanings ascribed to them in SB 815.

ACCORDINGLY, for good and valuable consideration, the receipt and adequacy of

which are hereby acknowledged, the Parties agree as follows:

**1. PREMISES; TERM.**

**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) **Permitted Title Exceptions.** The interests granted by Port to Tenant pursuant to *Section 1.1(a)* are subject to (i) the matters reflected in *Exhibit F* (the “**Permitted Title Exceptions**”), and (ii) such other matters as Tenant will cause or suffer to arise subject to the terms and conditions of this Lease, and (iii) the rights of Port and the public reserved under the terms of this Lease.

(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 7* (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 Improvements or alterations or additions to the Premises that do not otherwise require the Port’s approval and that might impact accessibility standards required under federal and state disability access Laws.

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

(i) **Access Rights.** Port hereby grants to Tenant a non-exclusive easement appurtenant to the Property, limited in duration to the Term of this Lease under Section 1.2 in and over all of the real property located in those lots designated as open spaces, streets, ways, roads, public ways, or similar designations on the Final Map, including, without limitation, the Public Access Areas (the “**Open Space Lands**”) for purposes of pedestrian access, ingress and egress in connection with the uses permitted under this Lease, subject to the following use restrictions:

(1) Tenant shall not restrict access to the Open Space Lands or unreasonably interfere or impede the use of the Open Space Lands by the public, Port, or other Port tenants or users.

(2) Tenant shall not allow the Open Space Lands to be used in any manner that will constitute waste, nuisance or unreasonable annoyance to Port or its tenants or licensees.

(ii) **No-Build Area.** Port hereby grants to Tenant an exclusive building setback easement appurtenant to the Property, in and over the portion of the Open Space Lands located within twenty-five (25) feet of the Premises (the “**No-Build Area**”) such that no buildings shall be constructed in the No-Build Area in order to maintain compliance with Port Building Code requirements applicable to the improvements to be built on the Premises by Tenant. However, this restriction on use of the No-Build Area shall not prohibit the Port’s ability to maintain, construct and install minor encroachments, with any required approval from applicable agencies.

(iii) If Tenant (including, its Agents, Invitees, successors and assigns) uses or occupies space outside the Property without the prior written consent of Port (the “**Encroachment Area**”), which consent is anticipated to be granted in one or more license agreements, 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.

(iv) 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.

(v) 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.

(vi) 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)*.

(f) **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 as identified in the Basic Lease Information, 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 14* (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).

(g) **"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." 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 1.1(g)**. 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, 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 its "**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, the zoning land use regulations, and other Laws applicable thereto, including Environmental Laws, or any similar matter applicable to the Premises, any appurtenances thereto or the Improvements; or (iv) all other matters of material significance presently existing in, on, around, under, and pertaining to the Premises and its development and use under this Lease.

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

Tenant agrees that the release contemplated by this **Section 1.1(g)** 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 1.1(g)**.

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

The provisions of this **Section 1.1(g)** will survive the expiration or earlier termination of this Lease.

(h) **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.

(i) **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.

(j) **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.

(k) **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.

**1.2. 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**." In no event will the Term of this Lease, or of any Sublease created under any provision of this Lease, extend beyond December 31, 2105.

## **2. RENT.**

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

## **3. USES.**

**3.1. Permitted Uses.** Tenant will use and operate the Premises in accordance with this



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Tenant Initials:                     

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Lease and solely for the Permitted Uses described in the Basic Lease Information. Tenant will not seek any amendment to the Project Approvals, including, without limitation, the SUD or Design Controls that would be substantially inconsistent with the land use restrictions set forth in the Scope of Development without the prior written consent of the Port Commission and, during the term of the DDA, Master Developer or Phase 1 Horizontal Developer (as applicable) each in its sole discretion. The Parties recognize that from time to time, Tenant may desire to obtain additional use, zoning, regulatory or land use approvals or conditional use authorization relating to the Premises. Port agrees, from time to time, to reasonably cooperate with Tenant, at no cost to Port, in pursuing such regulatory approvals or authorizations, including, but not limited to, executing documents, applications or petitions relating thereto, subject to the limitations of this **Section 3.1, Section Error! Reference source not found., and Article 8**. Notwithstanding anything herein to the contrary, any use of the Premises under 10,000 square feet in connection with districtwide utility systems shall be a Permitted Use hereunder.

**3.2. 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**”):

- (a) 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;
- (b) any activity or object which will materially overload or cause material damage to the Premises (other than which would be considered reasonable wear and tear or which is otherwise repaired by Tenant in accordance with the terms of this Lease);
- (c) any activity which constitutes waste or nuisance, 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, or the use of loudspeakers or sound or light apparatus which can be heard or seen outside the Premises other than (i) in connection with typical commercial uses (including without limitation, lights and speakers for outdoor dining with music) and (ii) so long as properly permitted by Port and consistent with Port’s Good Neighbor Policy, attached as **Exhibit CC** to this Lease, lights and speakers at the Premises used in connection with outdoor events at the parks or public open spaces in Mission Rock with the prior written consent of the Port, in each case that do not violate any applicable Law;
- (d) any activity which will in any way injure, obstruct or interfere with the rights of ingress and egress of other owners, tenants, or occupants of adjacent properties;
- (e) 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;
- (f) 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 office equipment (such as printers, computer, and copiers) and residential equipment (such as washing machines, dryers, and kitchen appliances) or to charging stations for electric vehicles and equipment;

(g) the storage of any and all excavated materials, including but not limited to, dirt, concrete, sand, asphalt, and pipes (unless such use is reasonably required on a temporary basis to allow for the construction of the Initial Improvements, Subsequent Construction, or the repair or maintenance of the Improvements);

(h) the storage of any and all aggregate material, or bulk storage, such as wood or of other loose materials (unless such use is reasonably required on a temporary basis to allow for the construction of the Initial Improvements, Subsequent Construction, or the repair or maintenance of the Improvements); or

(i) Intentionally Omitted.

(j) the washing of any vehicles or equipment (unless such use is (i) reasonably required on a temporary basis to comply with the Soil Management Plan during construction of the Initial Improvements or (ii) is ancillary to the Permitted Use and in accordance with a Port approved Operations Plan).

**3.3. 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 24.1(f)*, if Tenant uses the Premises for the same type of Prohibited Use and Port has delivered a notice of such violations more than two (2) times within the prior six (6) month period, then Tenant will pay Port an amount equal to Two Thousand Six Hundred Fifty Two Dollars and Twenty-Five Cents (\$2,652.25) (as adjusted periodically, the “Prohibited Use Charge”) for such Prohibited Use as liquidated damages, which Two Thousand Six Hundred Fifty Two Dollars and Twenty-Five Cents (\$2,652.25) will be increased by ten percent (10%) 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 A PROHIBITED USE MORE THAN TWO (2) TIMES WITHIN A SIX (6) 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 LEASE WAS MADE, THE CONSEQUENCES OF THIS LIQUIDATED DAMAGES PROVISION.

Initials:

\_\_\_\_\_  
Port

\_\_\_\_\_  
Tenant

**3.4. Advertising and Signs.** Subject to the prohibition on tobacco and alcohol advertising provided in *Article 45* (Other City Requirements), Tenant will have the right to install signs and advertising inside the Premises and the Improvements in accordance with the applicable provisions of the SUD, as may be amended from time to time. Tenant will have the right to place, construct or maintain any sign, flag, advertisement, awning, banner or other decoration (collectively, “Sign”) on, or visible from, the exterior of the Premises without the

(g) the storage of any and all excavated materials, including but not limited to, dirt, concrete, sand, asphalt, and pipes (unless such use is reasonably required on a temporary basis to allow for the construction of the Initial Improvements, Subsequent Construction, or the repair or maintenance of the Improvements);

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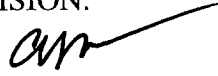
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Port



Tenant

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prior written consent of Port acting in its proprietary capacity, provided the Sign complies with the Design Controls and the applicable provisions of the SUD. Any Sign that Tenant is permitted to place, construct or maintain on the Premises will comply with all Laws relating thereto, including but not limited to the Design Controls and the applicable provisions of the SUD and building permit requirements, and Tenant will obtain all Regulatory Approvals required by such Laws. Port makes no representation with respect to Tenant's ability to obtain any such Regulatory Approval. Tenant, at its sole cost and expense, will remove all Signs placed by it on the Premises at the expiration or earlier termination of this Lease.

**3.5. Restrictions on Encumbering Port's Reversionary Interest.** Tenant may not enter into agreements granting licenses, easements or access rights over the Premises if the same would be binding on Port's reversionary interest in the Premises without Port's prior written consent, which consent may be withheld in Port's sole discretion, and subject to the provisions of *Article 6* (Contests).

**3.6. Intentionally Omitted.**

**3.7. Required Public Benefits.**

(a) **Retail and Activation as Public Benefits.** Pursuant to and as more particularly described in the Mission Rock Design Controls, the portion of the Premises fronting on China Basin Park is designated as a Parkfront Zone and the portion of the Premises fronting on Lot A of Final Map 9443 is designated as a High Retail zone. Tenant will use commercially reasonable efforts to develop and retain a ground-floor mix that activates the Project Site consistent with the definition of "Retail Program" set forth in the DDA and with the "Mission Rock Retail Plan," as approved in the Phase Submittal (as defined in the DDA) for Phase 1 (as defined in the DDA), and consistent with the goals set forth in the public trust study for the Project Site. Ground floor retail uses at the Premises may be a mix of uses that should complement and draw park and waterfront users to the area, that should serve the needs of Mission Rock and also serve the greater Mission Bay neighborhood, San Francisco as a whole, and visitors from the region and beyond, and that should attract pedestrians and consumers to the Project.

(b) **Affordable Housing Benefits.** The Premises will include rental housing units, a minimum percentage of 36% of which are affordable to low- or middle-income households consistent with the Scope of Development.

#### **4. DEVELOPMENT PROJECTS.**

**4.1. Generally.** Tenant acknowledges that during the Term, other development projects will be developed or constructed in the immediate vicinity of the Premises, and other development projects on or near Port property (such as the development projects at Pier 48, Mission Rock, Chase Center, and Mission Bay). Pier 70 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) also may be constructed in the vicinity of the Premises (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 Initial Improvements or any Subsequent Construction, 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.

**4.2. Cooperation.** The Master Developer Agreements will, among other things, permit the construction during the Term, of new public open space, new commercial and residential buildings, a parking structure, and other improvements, within Mission Rock. Tenant acknowledges and agrees that it will reasonably cooperate with Port, the Master Developer, the Phase 1 Horizontal Developer and other developers and tenants of Mission Rock at no material out-of-pocket cost to Tenant.

## **5. TAXES AND ASSESSMENTS.**

### **5.1. *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 and the Mello-Roos Taxes described in **Section 5.2**. 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. Tenant will have the right to contest the validity, applicability or amount of any such taxes in accordance with **Article 6** (Contests). In the event of any such dispute, Tenant will Indemnify the Indemnified Parties and hold them 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 which 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 Assignment permitted under this Lease and any exercise of any option to renew or extend this Lease may constitute a change in ownership, within the meaning of the California Revenue and Taxation Code, and therefore may result in a reassessment of any possessory interest created hereunder in accordance with applicable Law.

(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 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 5.1(a)**, and except as otherwise provided in this **Section 5.1(b)** and **Article 6**, 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 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 6**, 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), Mello-Roos 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 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, Mello-Roos Taxes under the Mission Rock 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 Property or 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 give 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.

**5.2. CFD Matters and Shortfall Provisions.**

(a) **Section 53341.5 Acknowledgment.** Prior to Tenant's execution and delivery of this Lease, Master Developer and Port delivered to Tenant, and Tenant executed and delivered to Master Developer and Port, a notice of special tax pursuant to California Government Code Section 53341.5 (the "**Notice of Special Tax**") confirming that Tenant has been advised of the terms and conditions of the Mission Rock CFD, including that the Premises are subject to the Mello-Roos Taxes. A copy of the executed Notice of Special Tax is attached hereto as ***Exhibit G***.

(b) **Acknowledgment of the Special Tax Rates.** The special tax rates shown in the Rate and Method of Apportionment approved by the Board of Supervisors showing the special tax rates in the Mission Rock CFD (the "**RMA**") as applicable to the Property shall not be changed without the written consent of Tenant. Tenant shall be provided fifteen (15) days to review and comment on all subsequent revisions to the RMA for the Mission Rock CFD.

(c) **Facilities and Maintenance CFD.** As material consideration for the Port entering into this Lease, Tenant will comply with all of the covenants and acknowledgements set forth in ***Exhibit H*** (CFD and Assessment Matters) attached hereto and the Master Developer and the Phase 1 Horizontal Developer are explicit third-party beneficiaries of the covenants and acknowledgements set forth in ***Exhibit H*** (CFD Matters) attached hereto.

(d) **Shortfall Provisions.**

(i) ***Tenant Waiver and Covenant.*** Tenant may initiate a Reassessment to reduce a Baseline Assessed Value of the Premises, but may not initiate and waives any right to initiate, a Reassessment of the Subsequent Assessed Value of the Premises until the IFD Termination Date. In addition, Tenant covenants that should Tenant initiate a Reassessment in violation of this ***Section 5.2(d)***, Tenant and Port will take the following measures to avoid shortfalls:

(1) For each year during the period provided in ***Section 5.2(d)(i)(2)*** 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 IFD Termination Date; and (B) when the Assessment Shortfall is reduced to zero.

(3) Payment of the Assessment Shortfall will constitute a cure of any Event of Default with respect to any breach by Tenant of the covenant and waiver in ***Section 5.2(d)(i)*** (Tenant Waiver and Covenant).

(ii) ***Tax Exemption.*** Tenant and Port do not intend for this

**Section 5.2(d)** 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 5.2(d)**, Port will release the obligations under this **Section 5.2(d)** and it will be deemed severed from this Lease.

(iii) *Mutual Expectations as to Shortfall Measures.* Neither Tenant nor Port expects Port to make demand for payment under this **Section 5.2(d)**. In light of the Parties' mutual expectations, Tenant has agreed to the waiver in **Section 5.2(d)(i)** (Tenant Waiver and Covenant).

(iv) *No Negotiation.* Tenant understands that Port would not be willing to enter into this Lease without this **Section 5.2(d)**.

**5.3. Port's Right to Pay.** Unless Tenant is exercising its right to contest in accordance with the provisions of **Article 6**, if Tenant fails to pay and discharge any Imposition (including fines, penalties and interest) 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, either to pay the delinquent Imposition or to notify Port that it is contesting such Imposition pursuant to **Article 6**, 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.

**5.4. Information Required by the Assessor-Recorder.**

(a) The Assessor-Recorder has notified Port that pursuant to Revenue and Taxation Code Section 441(d) (or any successor or otherwise applicable Law), it requires certain information in order to facilitate completion of Assessor Block Maps, updates to ownership records, imposition of transfer tax, and assessment of in-progress construction, completed new construction, sales and other assessable transfers of property (each a "Potential Assessment"). **Exhibit I** lists the information that the Assessor-Recorder expects to need in order to perform the foregoing tasks (the "Assessor Information").

(b) With respect to a Potential Assessment, Tenant will provide to the Assessor-Recorder in accordance with Revenue and Taxation Code Section 441(d) (or any successor or otherwise applicable Law), any Assessor Information requested in writing by the Assessor-Recorder in the format reasonably required by the Assessor-Recorder (the "Requested Information") within ninety (90) days (or within such other period as required or permitted by Law) of Tenant's receipt of a written request for such Requested Information ("Initial Response Period"). Tenant is not required to provide to Port information submitted to the Assessor-Recorder pursuant to this **Section Error! Reference source not found.** if such information is not required to be provided under Administrative Code Sections 23.38 or 23.39, or any other applicable Law or contractual requirement, but Tenant shall copy Port on the transmittal to the Assessor-Recorder which shall only list, but not include, such Requested Information provided to

the Assessor-Recorder. Tenant waives any right to confidentiality under applicable Law only to the extent necessary for the Assessor-Recorder to notify Port of Tenant's failure to provide the Requested Information on a timely basis and Port to exercise its right as set forth in *Section Error! Reference source not found.(d)*. Except as specifically provided in the preceding sentence, neither the provisions of this Lease, nor the submission by Tenant to the Assessor-Recorder of any information pursuant to this *Section Error! Reference source not found.* will be considered a waiver of or limitation on Tenant's rights under applicable Law of taxpayer confidentiality, attorney-client or other applicable privilege, the Assessor-Recorder's duty to prevent the disclosure of taxpayer information, and exemptions from the California Public Records Act and San Francisco Sunshine Ordinance applicable to information provided to the Assessor-Recorder.

(c) If Tenant does not provide all of the Requested Information to the Assessor-Recorder within the Initial Response Period and has not provided notice to Port and the Assessor-Recorder that it is contesting in good faith, the Assessor-Recorder's right to all or any portion of the Requested Information, Port or the Assessor-Recorder will deliver to Tenant notice that the Assessor-Recorder has not yet received the Requested Information ("**Notice for Information**"). Within thirty (30) days of Port's or the Assessor-Recorder's delivery of the Notice for Information ("**Response Period**"), Tenant must provide to the Assessor-Recorder the Requested Information or deliver notice to Port and the Assessor-Recorder that Tenant is contesting in good faith the Assessor-Recorder's right under applicable Law to the Requested Information that has not been provided by Tenant ("**Contest Notice**"). If the Assessor-Recorder does not receive the Requested Information within the Response Period, or Port and the Assessor-Recorder do not receive the Contest Notice within the Response Period, then Port or the Assessor-Recorder may deliver to Tenant additional Notice(s) for Information until the Requested Information or Contest Notice, as applicable, is received.

(d) Tenant will have the same Response Period to provide the Requested Information or Contest Notice, as applicable, for each Notice for Information delivered to Tenant. There is no fee for Tenant's failure to timely respond to the first Notice for Information delivered to Tenant with respect to each Potential Assessment. If Tenant fails to provide either the Requested Information or a Contest Notice within the Response Period following any subsequent Notice for Information with respect to the same Potential Assessment, Tenant must pay to Port a fee equal to \$5,000 for the second Notice for Information delivered to Tenant; \$10,000 for the third Notice for Information delivered to Tenant; and \$25,000 for the fourth Notice for Information delivered to Tenant (each fee an "**Information Charge**"), which Information Charge will increase by \$1,000 in 2023 and every five (5) years thereafter. Each Information Charge is due and payable to Port the day immediately following the expiration of the applicable Response Period. If Port has not received the Requested Information within the Response Period following delivery of the fourth (4<sup>th</sup>) Notice for Information, then Port will have the right to exercise all rights and remedies available at law or in equity to enforce Tenant's obligation to provide Requested Information on a timely basis, including specific performance; provided, however, Port will not exercise any remedy for Tenant's failure to provide such Requested Information so long as Tenant is challenging in good faith, its obligation to turn over the Requested Information.

(e) Promptly following the Assessor-Recorder's request, Port may, from time

to time, update the information requirements set forth in the most current Assessor Information to reference different or additional information requirements to which the Assessor-Recorder is entitled by Law, by providing Tenant no less than five (5) business days' prior notice and a replacement copy of the updated Assessor Information.

**5.5. *Survival.*** The provisions of this *Article 5* will survive the expiration or earlier termination of this Lease.

## **6. CONTESTS.**

**6.1. *Right of Tenant to Contest Impositions and Liens.*** Subject to *Section 5.2*, Tenant has the right to contest the amount, validity or applicability, in whole or in part, of any other Imposition, 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 5.2*, nothing in this Lease requires Tenant to pay any other Imposition, mechanics' lien, or encumbrance so long as Tenant contests the validity, applicability or amount of such Imposition, mechanics' lien, or encumbrance in good faith, and so long as it does not allow the portion of the Premises affected by such Imposition, mechanics' lien, or encumbrance to be forfeited to the entity levying such Imposition, 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 Imposition, 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 19*, Tenant will Indemnify the Indemnified Parties for all Losses resulting from Tenant's contest of any Imposition.

**6.2. *Port's Right to Contest Impositions.*** At its own cost and after notice to Tenant of its intention to do so, Port may, but in no event will be obligated to, contest the validity, applicability or the amount of any Impositions, by appropriate proceedings conducted in good faith and with due diligence. Nothing in this *Section 6.2* will require Port to pay any Imposition as long as it contests the validity, applicability or amount of such Imposition in good faith, and so long as it does not allow any portion of the Premises to be forfeited to the entity levying such Imposition as a result of its nonpayment and so long as such activities do not cause a default under any Mortgage in effect at the time. Port will give notice to Tenant within a reasonable period of time of the commencement of any such contest and of the final determination of such

contest. Port will reimburse Tenant within thirty (30) days after demand from Tenant for any such fines, penalties, costs, interest, expenses or fees, including Attorneys' Fees and Costs, which Tenant may be legally obligated to pay solely as a result of Port's contest of such Impositions.

## **7. COMPLIANCE WITH LAWS.**

**7.1. *Tenant's Obligation to Comply.*** 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 Soil Management Plan, and (iii) the Mitigation Monitoring and Reporting Program, (iv) the Vertical DDA (so long as the Vertical DDA remains in effect), (v) the Transportation Demand Management Plan, (vi) and, to the extent there is no conflict with the DDA, this Lease or the Vertical DDA, a vertical cooperation agreement between Tenant and adjacent property owners, and (vii) any required measures applicable to "Vertical Developer" as set forth in the Sustainability Strategy Implementation Checklist attached to the Sustainability Strategy (as defined in the DDA). 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.

**7.2. *Unforeseen Requirements.*** The Parties acknowledge and agree that Tenant's obligation under this *Section 7.2* to comply with all Laws and the other requirements set forth in *Section 7.1* is a material part of the bargained-for consideration under this Lease. Tenant's obligation to comply with Laws and the other requirements set forth in *Section 7.1* includes the obligation to make substantial improvements (including any barrier removal work or other work required to all or any portion of the Premises under Disabled Access Laws as a result of Tenant's specific use of the Premises, the Improvements or any Subsequent Construction performed by or on behalf of Tenant, or substructural repairs to the Premises), regardless of, among other factors, the relationship of the cost of curative action to the Rent under this Lease, the length of the then remaining Term, the relative benefit of the repairs to Tenant or Port, the degree to which curative action may interfere with Tenant's use or enjoyment of the Premises, the likelihood that the Parties contemplated the particular Law involved, or the relationship between the Law or the other requirements set forth in *Section 7.1* and Tenant's particular use of the Premises. No occurrence or situation arising during the Term, nor any Law or the other requirements set forth in *Section 7.1*, however extraordinary, relieves Tenant of its obligations hereunder, nor gives Tenant any right to terminate this Lease (except for the Termination Option set forth in *Section 7.2*) in whole or in part or to otherwise seek redress against Port. Tenant waives any rights now or hereafter conferred upon it by any Law to terminate this Lease (except for the Termination Option set forth in *Section 7.2*), to receive any abatement, diminution, reduction or suspension of payment of Rent, or to compel Port to make any repairs to comply with any such Laws, on account of any such occurrence or situation.

### **7.3. Right to Terminate Lease.**

Notwithstanding any other provision of **Article 7** (Compliance with Laws), in the event of any change in Laws during the last ten (10) years of the Term that would require capital repairs or improvements, including upgrades or other capital expenditures for reconstruction, replacement, expansion, Restoration, alteration or modification of the Premises (including the Improvements), Tenant will have the option, but not the obligation, to terminate this Lease (the “**Termination Option**”) on the following terms and conditions set forth in Section 7.3(a), unless waived by Port; provided, however, that so long as there are Outstanding Bonds, the Lease will continue in full force and effect until the earlier of the expiration of the Term or the date the Port has entered into a new lease for the Premises with a term that extends for at least as long as the final maturity date of the Outstanding Bonds. So long as there are no Outstanding Bonds:

(a) If Tenant desires to exercise the Termination Option, Tenant will deliver written notice thereof to Port of its election, at least one hundred twenty (120) days prior to the termination date specified therein (“**Termination Notice for Change in Laws**”).

(i) On or prior to the effective date of termination of this Lease in accordance with this **Section 7.2**, Tenant must:

(1) cure all Tenant monetary Events of Default and any Events of Default relating to the provisions of **Section 7.1** (other than making the capital repairs or improvements necessitated by the change in Laws leading to Tenant’s exercise of the Termination Option) and **Section 10.1**,

(2) cure all Events of Default or Unmatured Events of Defaults under **Article 21**,

(3) pay in full all utility charges and Impositions due and owing up to and including the effective date of termination,

(4) maintain all the insurance required to be maintained under **Section 20** until the effective date of termination, and

(5) if requested by Port, Demolish and Remove the Improvements in accordance with this **Section 7.2**.

(b) **Demolition and Removal Requirement.** If Port desires Tenant to Demolish and Remove the Improvements, Port will notify Tenant within ninety (90) days following receipt of the Termination Notice for Change in Laws, which election may be made by Port in its sole discretion. If Tenant Demolishes and Removes the Improvements in accordance with this **Section 7.2**, Tenant will have no obligation to cure any Events of Default under **Sections 7.1 or 10.1**. If Tenant exercises its Termination Option, this Lease will terminate on the later of the date set forth in the Termination Notice for Change in Laws or the date Tenant cures all of the Events of Default required to be cured and completes the Demolition and Removal in compliance with all Laws; provided, however, if Port requests Tenant to Demolish and Remove the Improvements, and such work cannot reasonably be completed prior to termination of this Lease, then Tenant’s access to the Premises to perform such work will be under Port’s license, as

further described in *Section 36.2*. Tenant's obligation to Demolish and Remove the Improvements in accordance with this *Section 7.2* will survive the earlier termination of this Lease.

## **8. REGULATORY APPROVALS.**

**8.1. *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. Tenant acknowledges and agrees that Port has made no representation or warranty that the necessary Regulatory Approvals to allow for the development of the Initial Improvements can be obtained. Tenant 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 Initial Improvements will be issued by the appropriate Regulatory Agency, 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 Initial 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 Initial 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 Initial 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 liability 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 Initial Improvements.

**8.2. *Regulatory Approval; Conditions.*** Tenant understands that construction of the Initial Improvements and Tenant's contemplated uses and activities on the Premises, any subsequent changes in Permitted Uses, and any Subsequent Construction, may require Regulatory Approvals from Regulatory Agencies, which may include the City, Port, 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 all applicable Laws and the 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 (i) 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 (ii) restrict or change the use of the Premises in a manner not otherwise permitted under this Lease or 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 Port may be subject to).

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 of Supervisors action is required under applicable Laws, at the first Port and subsequent Board of Supervisors 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 of Supervisors 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 the conditions or restrictions imposed by the Regulatory Agency under such permit as set forth above in this section.

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. Tenant will take reasonable steps to cooperate with Port in connection with Port's efforts to obtain approvals from Regulatory Agencies related to development of Mission Rock that are not necessary for or related to development of the Premises.

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 develop and construct the Premises in accordance with the Scope of Development, except to the extent that such Losses arise solely from the negligence or willful acts or omissions of Port acting in its proprietary capacity.

**8.3. Regulatory Permit Coverage.** Except as may otherwise be agreed upon between Tenant and Master Developer or Phase 1 Horizontal Developer (as applicable) pursuant to separate agreement(s), Tenant will not be entitled to rely upon Regulatory Approvals previously obtained by Master Developer or Phase 1 Horizontal Developer for any portion of Mission Rock, but will be required to obtain its own Regulatory Approvals in accordance with all applicable Laws. This includes, without limitation, Storm Water Pollution Prevention Plans (SWPPP), Dust

Control Plans (DCP), Asbestos Dust Mitigation Plans (ADMP), and compliance with the City's Maher Ordinance (SFDPH Article 22A). Notwithstanding the foregoing, in accordance with its approved ADMP, Master Developer or Phase 1 Horizontal Developer (as applicable) will provide a site wide air monitoring network positioned on ongoing horizontal and vertical construction work within Mission Rock.

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

**9.1. *Operating Standards.*** From and after Completion of the Initial Improvements, Tenant will maintain and operate the Premises, or cause the Premises to be maintained and operated, in a manner consistent with the prudent business practices of institutional landlords of buildings of comparable age, size, type and use located in San Francisco and in accordance with this Lease. Tenant is exclusively responsible, at no cost to Port, for the management and operation of the Premises.

**9.2. *Leasing of Premises.*** Tenant will use reasonable efforts to keep as much of the space in the Premises leased, taking into account marketplace conditions and applying in the exercise of such efforts, the prudent business practices of institutional landlords of buildings of comparable age, size, type and use located in San Francisco.

### **9.3. *Reporting of Subleases.***

(a) **Leasing Activity Reports.** Tenant will deliver to Port within sixty (60) days following the end of each calendar year commencing in the calendar year a certificate of occupancy is issued for the Improvements until and including the calendar year that includes the twenty-fifth (25<sup>th</sup>) anniversary of the Commencement Date, a leasing activity report for immediately prior calendar year for the Premises substantially in the form attached hereto as ***Exhibit J*** (the "***Leasing Activity Report***"). To the extent gross revenues from the Premises is made available in other public forums such as government filings, Tenant will include such information in the Leasing Activity Report. Each Leasing Activity Report will be certified by an officer of Tenant that it is a true and correct copy.

(b) **Audited Financial Statements.** Tenant will deliver to Port within ninety (90) days following the end of the calendar year that includes the twenty-sixth (26<sup>th</sup>) anniversary of the Commencement Date and within sixty (60) days following the end of each calendar year thereafter until the calendar year that includes the Expiration Date, Tenant's audited financial statement for the Premises, certified by Tenant's chief financial officer as being true, correct, and complete. The Parties agree and acknowledge that the audited financial statements need not include a line item for each Sublease and the pertinent financial terms related to such Sublease, but may instead, include a summary of the revenues generated by the Subleases.

(c) **Port Representative.** Throughout the Term, upon no less than two (2) business days' prior notice to Tenant, a representative of Port may review at the property manager's offices at the Premises during regular business hours, a complete copy of the Subleases at the Premises. Other than any Subleases Port has agreed to recognize pursuant to a Non-Disturbance Agreement, Port's representative will not be permitted to copy any of the

Subleases or take any written notes of any Sublease terms during the first twenty-nine (29) years of the Term.

(d) **Appraiser.** Until Port enters into a long-term lease for the last development parcel within Mission Rock, Port's appraiser may review at the management office at the Premises or at another San Francisco location where Tenant may keep copies of Subleases, all current Subleases and rent roll, provided the Port's appraiser has entered into a customary confidentiality agreement that does not limit his or her ability to use the information in a manner necessary to inform the appraisal only (which shall not include the right to publish or otherwise disseminate any information in any manner outside of the context of the appraisal). The information gathered by the appraiser will be used solely to inform the appraiser in determining the fair market value of the development parcel to be sold or leased, as applicable.

**9.4. Restaurant/Retail Businesses Open to the General Public.** Throughout the Term, restaurants and other facilities for the exclusive use of the members of any invitation-only membership organization is prohibited on the ground floor of the Premises; provided, however, the foregoing does not prohibit amenities available only to employees of Tenant or any Subtenant (e.g. an employee cafeteria) or facilities for the exclusive use of membership organizations that are open to the general public (e.g. a membership-based gym).

**9.5. Flags.** Throughout the Term, a Port flag will fly on each flagpole within the Premises ("**Flagpoles**"), if any. Port will provide Port flags to Tenant. Tenant will promptly, at no charge, install, raise, lower and remove Port flags at Port's request. The dimensions of Port flags will be similar to the dimensions of Port flags flown in the Central Waterfront. Tenant also may use the Flagpoles to fly other flags on each Flagpole, provided that such other flags, other than the flags of the United States and the State of California, must be placed beneath the Port flag and Port must first reasonably approve the dimensions, color, text, design, and materials for such flag. If Port determines that Tenant's response to Port's request to raise or lower Port flags is inadequate, then at Port's election, Port may access the Flagpoles to adjust the Port flags accordingly without notice to Tenant.

Tenant will have no responsibility to maintain any Port flags. Port will provide Tenant with replacement Port flags to replace worn Port flags on the Flagpoles. If Port does not provide a replacement flag to replace a worn flag, then Tenant will provide Port with notice requesting that a replacement flag be provided ("**Replacement Notice**"). If Port reasonably believes the flag in question is not worn sufficiently enough to warrant its replacement, Port will notify Tenant within five (5) days following receipt of the Replacement Notice, and such flag will remain in place and not be replaced. If Port has not timely notified Tenant that Port disputes the need to replace the flag and if Port does not provide Tenant with a replacement flag within thirty (30) days following the Replacement Notice, then Tenant will deliver to Port a second notice, which notice will include a statement in bold, all caps and underlined that if Port does not provide Tenant with a replacement flag within ten (10) days of such second notice, then Tenant will have the right to remove the worn flag. If Port does not provide Tenant with a replacement flag within ten (10) days of such second notice, then Tenant will have the right to remove the worn flag; provided, however, if Port notifies Tenant that Port cannot provide Tenant with a replacement flag due to unavailability of a replacement flag, Tenant will not remove the worn flag until Port is able to obtain a replacement flag. If Tenant removes Port's flag, then Tenant will promptly fly a replacement flag provided by Port to Tenant.

**9.6. Graffiti Removal.** Graffiti is detrimental to the health, safety and welfare of the

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

Tenant agrees to commence removal of graffiti from the Premises within forty-eight (48) hours of the earlier of Tenant's: (a) discovery or notification of the graffiti or (b) receipt of notification of the graffiti from San Francisco Public Works. This **Section 9.6** is not intended to require Tenant to breach any lease or other agreement that it may have concerning its use of the Premises. The term "**graffiti**" means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other improvement, whether permanent or temporary, including signs, banners, billboards and fencing surrounding construction sites, whether public or private, without the consent of the owner of the property or the owner's authorized agent, and that is visible from the public right-of-way, but does not include: (1) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the Planning Code, or the Building Code; or (2) any mural or other painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (Calif. Civil Code §§ 987 et seq.) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. §§ 101 et seq.).

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

**9.8. Transportation Demand Management Plan.** Tenant will comply with the Transportation Demand Management Plan, attached as **Exhibit Y** throughout the Term.

**9.9. Soil Management Plan.** Tenant will comply, and will cause its Agents to comply, with all applicable provisions of the Soil Management Plan, a copy of which has been provided to Tenant. Any and all Subleases will require Subtenants (including its Agents) to comply with all applicable provisions of the Soil Management Plan.

## **10. REPAIR AND MAINTENANCE; FACILITIES CONDITION REPORT; RESERVE ACCOUNT.**

**10.1. Covenants to Repair and Maintain the Premises.** Except as may otherwise be provided under **Articles 14** (Damage or Destruction) and **15** (Condemnation), throughout the Term, Tenant will maintain and repair, at no cost to Port, the Premises, all Improvements within the Premises (including, without limitation, all Material Systems) and Subsequent Construction thereon in accordance with the prudent business practices of institutional landlords of buildings

of comparable age, size, type and use located in San Francisco (less reasonable wear and tear), and in compliance with all applicable Laws and this *Article 10*. Tenant will with reasonable promptness make (or cause others to make) all repairs, renewals and replacements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, foreseen or unforeseen, required to comply with this *Section 10.1*, except as set forth in *Article 7*, *Article 14* or *Article 15*. 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.

## **10.2. *Facilities Condition Report.***

### **(a) Additional Definitions.**

“**Capital Items**” mean replacements, repairs, and/or improvements to the Premises, the foundation and structural integrity of the Improvements and Material Systems serving the Premises, and other Improvements within the Premises that would be deemed capital assets under general accounting principles consistently applied.

“**Capital Reserves**” means funds in a bank account where all funds will be used solely to replace, repair, and improve Capital Items within the Premises.

“**Capital Reserve Deposits**” means the deposits into an account for Capital Reserves.

“**FCR Date**” means the twentieth (20<sup>th</sup>) Anniversary Date and every ten (10) years thereafter until and including the sixtieth (60<sup>th</sup>) Anniversary Date and every five (5) years thereafter until the expiration of the Term.

**(b) Facilities Condition Report.** No less than ninety (90) days before each FCR Date, Tenant will deliver to Port a facilities condition report (the “**Facilities Condition Report**”) prepared by a qualified team of construction professionals including, without limitation, a structural and mechanical engineer, each with at least ten (10) years of experience in constructing, renovating and/or evaluating major residential buildings in California. The Facilities Condition Report will be substantially in the form is attached hereto as *Exhibit L*. Additionally, if a Facilities Condition Report is prepared by Tenant or another party in connection with any Transfer or Refinancing, then Tenant will provide or cause the other party to provide, a copy of such Facilities Condition Report to Port.

**(c) Failure to Revise or Submit Report.** If Port reasonably believes the Facilities Condition Report does not satisfy the requirements set forth in *Section 10.2(b)*, then Port will notify Tenant of such deficiency within forty-five (45) days following receipt of the Facilities Condition Report and Tenant will revise the Facilities Condition Report, to address Port’s concerns within sixty (60) days. If Tenant fails to provide a Facilities Condition Report, or a revised Facilities Condition Report to Port within such period of time, Port after giving thirty (30) days’ notice to Tenant will have the right, but not the obligation, to cause the preparation of a Facilities Condition Report by construction professionals of Port’s choice, satisfying the experience requirements set forth in *Section 10.2(b)* at Tenant’s sole cost. Upon Port’s delivery to Tenant of an invoice for such Facilities Condition Report, Tenant will promptly reimburse Port the amount set forth in such invoice.

**(d) Maintenance and Repair of Identified Items.** Tenant will use

commercially reasonable efforts to perform the recommended repairs identified in the Facilities Condition Report in accordance with the prudent business practices of institutional landlords of buildings of comparable age, size, type and use located in San Francisco.

**10.3. Capital Reserves.**

(a) **Lender Capital Reserves Requirement.** Subject to *Section 10.3(b)*, Tenant will establish and maintain Capital Reserves to pay for replacements, repairs, and improvements of Capital Items within the Premises to the extent and on the terms and conditions required by Tenant's Lender. If Tenant's Lender does not require the establishment of such Capital Reserves, then Tenant will establish and maintain Capital Reserves pursuant to *Section 10.3(b)*.

(b) **No Lender Capital Reserves Requirement.** From and after Completion of the Initial Improvements, if a Lender does not require Tenant to maintain Capital Reserves, Tenant will establish and maintain Capital Reserves consistent with the prudent business practices of institutional landlords of buildings of comparable age, size, type and use located in San Francisco with a depository institution reasonably acceptable to Port. Tenant will use the Capital Reserves only for the repair and/or replacement of Capital Items.

(c) **Capital Reserves Statements.** If a Lender does not require Tenant to maintain Capital Reserves, Tenant will provide Port on an annual basis, a statement from the depository institution where the Capital Reserves are held, showing the then current balance and any activity on such account that occurred during the immediately prior calendar year. In the event that Tenant has used Capital Reserves within the immediately prior calendar year, Tenant will include with the delivery of such statement, an explanation for such withdrawal, along with reasonably detailed statements relating to the expenditure of such funds.

**10.4. No Obligation of Port; Waiver of Rights.** From and after the Commencement Date, Tenant will be solely responsible for the condition, operation, repair, maintenance and management of the Premises, including the Initial Improvements, Subsequent Construction, and any and all other Improvements. Port will not, as a result of this Lease, have any obligation to make repairs or replacements of any kind or maintain the Premises or any portion of any of them. Tenant waives the benefit of any Law that would permit Tenant to make repairs or replacements at Port's expense, or abate or reduce any of Tenant's obligations under, or terminate, this Lease, on account of the need for any repairs or replacements. Without limiting the foregoing, Tenant hereby waives any right to make repairs at Port's expense as may be provided by California Civil Code Sections 1932(1), 1941 and 1942, as any such provisions may from time to time be amended, replaced or restated.

**10.5. Port's Right to Repair.** In the event Tenant fails to maintain and repair the foundation, the structural integrity of the Improvements, the roofs, and building systems (including plumbing, sewer, mechanical, electrical and other utility systems) (collectively, "Material Systems") within the Premises in accordance with *Section 10.1* and such failure is likely to cause imminent physical harm to any Person or constitutes a violation of applicable Law, Port may repair the same at Tenant's cost and expense and Tenant will reimburse Port therefor as provided in this *Section 10.5*. Except in the event of an emergency, Port will first

provide no less than fifteen (15) days prior notice to Tenant before commencing any maintenance to or repair of a Material System ("**Port's Repair Notice**"). If Tenant does not commence maintenance or repair of the affected Material System or provide assurances reasonably satisfactory to Port that Tenant will commence maintenance or repair of the same within such fifteen (15) day period, then Port may proceed to take the required action. If Port elects to proceed with such repair or maintenance, then promptly following completion of any work taken by Port pursuant to this **Section 10.5**, Port will deliver a detailed invoice of the work completed, the materials used and the costs relating thereto. Tenant also will pay to Port 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 excludes any costs associated with design, such as architectural fees. Tenant will pay to Port the amount set forth in the invoice within thirty (30) days after delivery of Port's invoice.

In the event Port notifies Tenant of a failure to maintain and repair 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 (\$100) 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 10**, 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) 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 10.5** are due within five (5) days following delivery of the applicable Maintenance Notice.

Initials:  Tenant

## **11. IMPROVEMENTS.**

**11.1. Tenant's Obligation to Construct the Initial Improvements.** Construction of the Initial Improvements will be governed by the terms and conditions of the Vertical DDA, and with respect to any other obligations relating to the Coordination Agreement, and subject to (i) this Lease and all applicable Laws, including without limitation, the SUD and the Design Controls, (ii) the Soil Management Plan, (iii) the Mitigation Monitoring and Reporting Program, and (iv) the Transportation Demand Management Plan. Any Subsequent Construction will be performed in accordance with **Article 12**.

**11.2. Failure to Timely Construct Initial Improvements.** If Tenant fails to Commence Construction of the Initial Improvements within the time period set forth in Section 12.1(b) of the Vertical DDA, without limiting any other remedies set forth in this Lease or the Vertical DDA, Port may terminate this Agreement in accordance with the procedures outlined in **Sections 25.4(a)** and Schedule 15.3 of the Vertical DDA.

**11.3. Title to Improvements.** During the Term, Tenant will own all of the





provide no less than fifteen (15) days prior notice to Tenant before commencing any maintenance to or repair of a Material System (“**Port’s Repair Notice**”). If Tenant does not commence maintenance or repair of the affected Material System or provide assurances reasonably satisfactory to Port that Tenant will commence maintenance or repair of the same within such fifteen (15) day period, then Port may proceed to take the required action. If Port elects to proceed with such repair or maintenance, then promptly following completion of any work taken by Port pursuant to this **Section 10.5**, Port will deliver a detailed invoice of the work completed, the materials used and the costs relating thereto. Tenant also will pay to Port 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 excludes any costs associated with design, such as architectural fees. Tenant will pay to Port the amount set forth in the invoice within thirty (30) days after delivery of Port’s invoice.

In the event Port notifies Tenant of a failure to maintain and repair 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 (\$100) 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 10**, 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) 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 10.5** are due within five (5) days following delivery of the applicable Maintenance Notice.

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

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**11.3. Title to Improvements.** During the Term, Tenant will own all of the

Improvements within the Premises, including all Subsequent Construction and all appurtenant fixtures, machinery and equipment installed therein (except for Subtenant improvements to the extent owned by any Subtenant pursuant to the applicable sublease, trade fixtures and other personal property of Subtenants). At the expiration or earlier termination of this Lease, title to the Improvements, including appurtenant fixtures (but excluding trade fixtures and other personal property of Tenant and its Subtenants other than Port), will vest in Port without further action of any Party, and without compensation or payment to Tenant. Tenant and its Subtenants will 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 material damage to the Premises, Tenant will promptly cause the repair of such damage at no cost to Port.

## **12. CONSTRUCTION.**

### **12.1. *Port Approval.***

(a) **Generally.** Tenant will have the right, from time to time during the Term, to construct the Initial Improvements in accordance with the Vertical DDA and perform Subsequent Construction (collectively, “**Construction**”) in accordance with the provisions of this *Article 12*.

(b) **Construction Requiring Port’s Prior Approval.** Tenant has the right during the Term to perform Subsequent Construction in accordance with the provisions of this *Article 12*, provided that Tenant cannot perform Subsequent Construction without Port’s prior approval.

**12.2. *Permits/Design Review/Tenant Improvements.*** Tenant must obtain all Regulatory Approvals and all permits required by applicable Law to be obtained from governmental agencies having jurisdiction, including, where applicable, from Port itself. Without limiting the foregoing, Tenant acknowledges that the Initial Improvements and any major alterations or additions (as defined in the Design Controls) and the design review process set forth in Planning Code Section 249.80 (Mission Rock Special Use District), requires review and approval by Port for certain improvements, for consistency with the SUD and Design Controls. Without limiting anything else in this *Article 12*, Port’s approval, in its proprietary capacity, will not be required for the installation or alteration of tenant improvements and finishes to prepare portions of the Premises for occupancy or use by Subtenants, provided that the foregoing does not alter Tenant’s obligation to obtain any required Regulatory Approvals and permits, including, as applicable, a building permit from Port, in its regulatory capacity.

### **12.3. *Construction Schedule.***

(a) **Performance.** Once commenced, Tenant will prosecute all Construction with reasonable diligence, subject to Force Majeure, and subject to any other applicable provisions regarding timing as set forth in the Vertical DDA and the Coordination Agreement.

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

#### 12.4. *Construction.*

(a) **Commencement of Construction.** Tenant will not commence any Construction until all the following conditions have been satisfied or waived by Port:

(i) Tenant has obtained and paid for all required building permits (or site permits and necessary addenda) and any other required Regulatory Approvals to commence Construction; and

(ii) If any Bond, sub-guard insurance (or other insurance product), guaranty, or other security is obtained by or for the benefit of Tenant with respect to the payment of any funds or performance obligations associated with the Initial Improvements or any Subsequent Construction, Tenant will cause to have (1) Port named as a co-obligee to any performance and/or payment bond, (2) Port named as an additional insured or third-party beneficiary with respect to any sub-guard or other insurance product, and (3) Port named as an additional beneficiary to any guaranty provided by a guarantor of any Subtenant's obligations that is granted a Non-Disturbance Agreement in accordance with *Section 18.4*; provided, however, Port's rights under such Bond, insurance product or guaranty will (x) remain subordinate to the rights of any Lender, and (y) not be exercised by Port before an Event of Default.

(b) **Construction Standards.** All Construction will be performed by duly licensed and bonded contractors or mechanics and will be accomplished expeditiously, diligently and in accordance with good construction and engineering practices and applicable Laws.

(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 Port or 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 Construction, Port and its Agents will have the right to enter areas in which Construction is being performed, on reasonable prior written notice during customary construction hours, subject to the rights of Subtenants, 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 applicable provisions of the Workforce Development Plan, which is attached hereto as *Exhibit M*.

**12.5. Safety Matters.** Tenant, while performing any 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 disruption or damage to adjoining portions of the Premises and Improvements and the surrounding property, or the risk of injury to members of the public, caused by or resulting from the performance of its Work. Tenant will erect appropriate construction barricades to enclose the areas of such construction and maintain them until the Construction has been substantially completed, to the extent reasonably necessary to minimize the risk of hazardous construction conditions.

**12.6. Record Drawings.**

(a) With respect to any Construction requiring a building permit, Tenant will furnish to Port one set of design/permit drawings in their finalized form and Record Drawings with respect to such Construction within ninety (90) days following completion of the applicable 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 Record Drawings, 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 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 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 will limit Tenant’s obligations, if any, to provide plans and specifications in connection with Construction under applicable regulations adopted by Port in its regulatory capacity. Tenant will be 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 12.6* as technology changes and new engineering/architectural software is developed.

**12.7. *Certification of Total Development Costs.*** *Attachment 1 to Exhibit D* includes the provisions to certify Entitlement Costs and Total Development Costs of the Initial Tenant.

### **13. UTILITY AND TELECOMMUNICATIONS SERVICES.**

**13.1. *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. In accordance with the requirements under the DDA, the Premises will be served by the Horizontal Improvements constructed by Master Developer or Phase 1 Horizontal Developer (as applicable), construction of which may occur simultaneously with construction of the Initial Improvements. If Tenant desires to coordinate construction activities with Master Developer or Phase 1 Horizontal Developer (as applicable) or construction of the Initial Improvements with the Horizontal Improvements, Tenant will include such provision in the Coordination Agreement. Tenant, at no cost to Port or the City, will (i) arrange for the provision and construction of all on-site and any off-site utilities necessary to construct, operate and use all of the Improvements and any other portion of the Premises for their intended use, (ii) be responsible for contracting with, and obtaining, all necessary utility and other services, as may be necessary and appropriate to the uses to which all of the Improvements and the Premises are put (it being acknowledged that City (including its SFPUC) is the sole and exclusive provider to the Premises of certain public utility services), and (iii) maintain and repair all utilities serving the Premises to the point provided by the respective utility service provider (whether on or off the Premises). Tenant also must coordinate with the respective utility service provider with respect to the installation of utility services, 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. Tenant agrees, with respect to any public utility services provided to the Premises by City, that no act or

omission of City in its capacity as a provider of public utility services, will abrogate, diminish, or otherwise affect the respective rights, obligations and liabilities of Tenant and 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 will not constitute a waiver by Tenant of any claim it may now or in the future have (or claim to have) against any such public utility provider relating to the provision of (or failure to provide) utilities to the Premises.

Notwithstanding the foregoing, to the extent installed by Master Developer, Phase 1 Horizontal Developer, Master Association or each of their respective successors or assigns (including without limitation, any separate utility provider that installs or operates any such facilities) and included in the Master CC&Rs to be recorded against the Premises, Tenant will be required to participate in the districtwide utility systems serving Mission Rock, including, without limitation, procuring recycled water from the district blackwater system and heating and cooling from the district energy system in accordance with the Master CC&Rs. Notwithstanding anything herein to the contrary, the Port's prior written consent, including to the extent otherwise required under Section 18.3(b), shall not be required for any Sublease entered into by Tenant in connection with such facilities (including any Sublease (i) with a Tenant Affiliate; (ii) Controlled by Tenant or a Tenant Affiliate; or (iii) owned either directly or indirectly by Tenant or a Tenant Affiliate); provided, however, if the applicable subtenant is an entity other than Mission Rock Utilities, Inc., the Port shall have the right to approve such subtenant (which such approval shall not be unreasonably withheld, conditioned or delayed) and the Tenant will provide a copy of such sublease to the Port promptly after execution.

**13.2. *Intentionally Omitted.***

**13.3. *Roof-top and Other District-Wide Equipment.***

(a) **Telecommunications Equipment and Satellite Dish.** Tenant will have the right to install satellite dish(es) and telecommunications equipment on the roof of the Premises and to sublease such portions to an operator, provided that Tenant (i) complies with all Laws, and (ii) obtains all required Regulatory Approvals. The Parties will cooperate in connection with the location of any satellite dish or telecommunications equipment installed pursuant to this **Section 13.3(a)** and the location of any satellite dish or telecommunications equipment installed by Port or City pursuant to **Section 13.3(b)(i)** so as to minimize interference with the systems serviced by such satellite dish or telecommunications equipment.

(b) **Other Equipment.**

(i) ***Communications Facilities.*** Tenant agrees that Port and City have the right to install at no charge, satellite dish(es) and other telecommunications facilities reasonably required for Port's or City's operations and/or District-wide programs and systems, including, without limitation, (i) facilities for City's emergency or 700-Mhz and 800-Mhz City-wide radio system communications facilities (or its successor), (ii) public Wi-Fi networks, and (iii) a master cellular network, which may require installation on the roof or exterior of any building within the Premises, provided that Port (a) complies with all Laws, (b) obtains all required Regulatory Approvals, and (c) obtains Tenant's prior reasonable approval with respect to the size, location, dimensions, color, text (if any), screening, reflectivity, and method of

installation of the applicable satellite dish or telecommunications facility. The installation of any such satellite dish(es) and other telecommunications facilities will be at Port's or City's sole cost. If the installation of any such satellite dish or other telecommunications facility requires alterations and/or improvements of any portion of the Premises, including, without limitation, the relocation of any photo-voltaic panels or any other satellite dish previously installed on the roof of the Premises, such alterations and/or improvements will be at Port's sole cost and expense, and Port will promptly repair, at its sole cost, any damage to the Premises including, without limitation, to any photo-voltaic panels. All aspects and phases of Port's installation, other equipment, wiring, conduit, roof mount and base, will at all times be subject to supervision and approval by Tenant, not to be unreasonably withheld, conditioned or delayed. All approval and supervision rights of Tenant are intended solely to protect Tenant's interests. Port will be responsible for procuring, prior to any installation, and maintaining in force at all times thereafter, any and all Regulatory Approvals as may be required for the lawful installation, use and operation of Port's or City's system. Port will be permitted access to the areas on the roof where any such installation is made, as necessary for the installation, repair, maintenance, and replacement thereof. Any access, interruptions or disturbance for the foregoing purposes will be temporary only. Port's access to the roofs will not unreasonably interfere with or disturb Tenant's or Subtenants' use and enjoyment of the Premises, will be subject to the reasonable building security procedures adopted by Tenant, and will require prior written consent for access occurring during regular business hours (except in cases of emergency). Port's access may be subject to temporary interruption in cases of emergency. Port will promptly repair and restore any damage to persons or property caused as a result of Port's access to and activities on the roof. Port will be solely responsible for all maintenance, utilities and other costs of operation of any such facility installed pursuant to the terms of this *Section 13.3*.

**13.4. *Electricity from SFPUC.*** Section 5.8(f) of the Development Agreement, a copy of which is attached hereto as *Exhibit N*, will govern Tenant's obligation to procure electricity for the Premises from the San Francisco Public Utilities Commission.

**13.5. *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 does 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.

## **14. DAMAGE OR DESTRUCTION.**

### **14.1. *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 (other than a de minimis portion) from fire or other casualty (each a "Casualty"), Tenant will promptly give telephonic and written notice ("Casualty Notice") thereof to Port generally describing the nature and extent of such Casualty.

(b) **No Effect on Lease.** Except as set forth in *Section 14.3*, 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 14* 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 Additional Rent and any other sums due hereunder, will continue as though said Premises and/or Improvements had not been damaged or destroyed and without abatement, suspension, diminution or reduction of any kind.

**14.2. Restoration Obligation.** In the event of a Casualty, unless Tenant terminates this Lease in accordance with *Section 14.3*, Tenant will commence and diligently Restore the Improvements to the condition they were in immediately before such Casualty in accordance with then applicable Laws (including any required code upgrades), without regard to the amount or availability of insurance proceeds, subject to Force Majeure; provided, however, subject to the rights of Lenders in accordance with *Article 40*, all all-risk coverage insurance proceeds, earthquake and flood insurance proceeds, boiler and machinery insurance proceeds, and any other insurance proceeds paid to Tenant by reason of Casualty (other than business or rental interruption insurance), must be first used by Tenant for Restoration of the Premises. All Restoration must be performed in accordance with the procedures set forth in *Article 12* relating to Construction and at Tenant's sole expense and must be completed within five (5) years following the event of Casualty, subject to Force Majeure. In connection with any Restoration, any Restoration that would otherwise require Port approval under *Section 12.1(b)* will require Port's prior approval subject to the standards set forth in such section. The Restored Improvements must be at least equivalent in quality, appearance, public safety, and durability to the Initial Improvements and provide similar public benefit as the original Initial Improvements, subject to the Permitted Uses.

**14.3. Termination Due to Major or Uninsured Casualty.**

"Major Casualty" means damage to or destruction of all or any portion of the Premises to the extent that the hard costs of Restoration will exceed thirty percent (30%) of the hard costs to replace the Improvements in their entirety. The calculation of such percentage will be based upon replacement costs and requirements of applicable Laws in effect as of the date of the event causing such Major Casualty.

"Uninsured Casualty" means any of the following: (i) a Casualty event occurring at any time during the Term for which the costs of Restoration (including the cost of any required code upgrades) are not insured or insurable under the policies of insurance that Tenant is required to carry under *Article 20* and such costs exceed One Million Dollars (\$1,000,000.00), which amount will be increased by an additional Five Hundred Thousand Dollars (\$500,000.00) on the tenth (10<sup>th</sup>) Anniversary Date and every ten (10) years thereafter, or (ii) a Casualty event occurring at any time during the Term which is covered under Tenant's policies of insurance that Tenant is required to carry under *Article 20* but where the cost of Restoration (including the cost of any required code upgrades) will exceed the sum of (A) the net proceeds of any insurance payable, (B) the amount of any applicable policy deductibles, and (c) One Million Dollars (\$1,000,000.00), which amount will be increased by an additional Five Hundred Thousand Dollars (\$500,000.00) on the tenth (10<sup>th</sup>) Anniversary Date and every ten (10) years thereafter. Any Casualty event not insured due to Tenant's failure to maintain the requisite insurance policies and coverage requirements under *Article 20* will not be considered an Uninsured Casualty.



(a) **Tenant's Election to Terminate.** If an event of Major Casualty or Uninsured Casualty occurs at any time during the Term, then within ninety (90) days following Tenant's delivery to Port of the Casualty Notice, Tenant may, by written notice to Port, terminate this Lease upon satisfaction of all the following conditions set forth in ***Sections 14.3(b)(i)*** through ***14.3(b)(vii)*** below, unless waived by Port; provided, however, that so long as there are Outstanding Bonds, then Tenant shall have no right to terminate this Lease, but, provided Tenant has provided notice to Port of its intention to terminate this Lease pursuant to this ***Article 14***, (i) Tenant shall be relieved of its obligations to pay Base Rent (if any) and (ii) Tenant shall have no obligation to restore the Premises in accordance with ***Section 14.2*** hereof and Tenant must terminate this Lease in accordance with this ***Section 14.3(a)*** within ninety (90) days after the date the Outstanding Bonds that were in effect on the date that Tenant elected to terminate this Lease are no longer outstanding. Port shall provide Tenant with reasonable prior written notice of the date on which the Outstanding Bonds that were in effect on the date that Tenant elected to terminate this Lease shall no longer be outstanding. Notwithstanding anything to the contrary in this Lease, Tenant shall repair and restore all or a portion of the Premises as required in order comply with any City or Port issued mandate to protect the health and safety of any subtenant, including residents, of the Premises.

(b) **Conditions to Termination.** As a condition precedent to Tenant's right to terminate this Lease in accordance with ***Section 14.3***, unless waived by Port, Tenant will do all of the following:

(i) Unless otherwise requested by Port, in its sole discretion, Tenant will, at its sole cost and expense, Demolish and Remove the Improvements prior to the effective termination date;

(ii) Unless the Improvements are to be demolished as set forth in ***Section 14.3(b)(i)***, Tenant will provide Port the estimated cost of Restoration;

(iii) Cure all Tenant monetary Events of Defaults and any Events of Default or Unmatured Events of Default relating to the provisions of ***Section 21***;

(iv) Pay in full all utility charges and Impositions incurred up to and including the effective date of termination;

(v) Maintain all the insurance required to be maintained under ***Section 20*** until the effective date of termination;

(vi) Pay or cause to be paid the following amounts solely from the insurance proceeds as and to the extent available arising from each Casualty promptly following receipt of such proceeds, in the order required by any senior Mortgage, and if none, in the following order of priority:

(1) First, to Port (or Tenant, if such work is performed by, or on account of, Tenant at its cost) for the actual costs incurred for any work required to alleviate any conditions caused by such Casualty that could cause an immediate or imminent threat to the public safety and welfare or damage to the environment, including any demolition or hauling of rubble or debris;

(2) Second, to Port, for all accrued and unpaid amounts owed to Port under this Lease, if any, by Tenant, up to the effective date of the termination;

(3) Third, to each non-Affiliate Lender demanding payment, in order of priority, a portion of the remaining casualty insurance proceeds arising out of or in connection with the Casualty in an amount not to exceed the aggregate amounts that are secured by the applicable non-Affiliate Mortgage then owed to each such non-Affiliate Lender;

(4) Fourth, to the appropriate governmental or quasi-governmental entity, all Impositions due up to the effective date of termination; and

(5) Fifth, the balance of the proceeds will be divided proportionately between Port, for the value of Port's reversionary interest in the Premises and Improvements (in their condition immediately prior to the Casualty event) as of the date the Term would have expired but for the Casualty event, and Tenant, for the value of the Improvements for the remaining unexpired portion of the Term (in their condition immediately prior to the event of damage or destruction) less any proceeds distributed in repayment of any Mortgages as provided in *Section 14.3(b)(vi)(3)*.

(c) Upon termination in accordance with this *Section 14.3*, Tenant will deliver possession of the Premises to Port and quitclaim to Port all right, title and interest in the Premises and in any remaining Improvements. Upon such termination, the Parties will be released thereby without further obligation to the other Party as of the effective date of such termination; provided, however, that the Indemnification provisions hereof or any other provision that explicitly survives the expiration or earlier termination of this Lease will survive any such termination with respect to matters arising before the effective date of any such termination.

**14.4. *Distribution Upon Lease Termination Due to Tenant Failure to Restore.*** If Tenant is obligated to and fails to Restore the Improvements as provided herein and commits an Event of Default in failing to Restore the Improvements and this Lease is thereafter terminated due to such Event of Default, all insurance proceeds remaining after application pursuant to *Section 14.3(b)(vi)(1)—14.3(b)(vi)(4)* will be paid to and retained by Port.

## **15. CONDEMNATION.**

### **15.1. *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 15*.

(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 15*, 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 15*, 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.

**15.2. 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 explicitly survive the expiration or earlier termination of this Lease.

**15.3. 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, this Lease will terminate, at Tenant’s option (which must 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, as further provided below. For purposes of this *Article 15*, “**Substantial Condemnation**” means a Condemnation of (i) less than the entire Premises which renders the Project untenable, unsuitable, or economically infeasible for the Permitted Uses as reasonably determined by Tenant, or (ii) of property located outside the Premises that, in any case, substantially and materially eliminates access to the Premises where no alternative access can be constructed or made available. Notwithstanding the foregoing, Tenant will have no right to terminate this Lease under this *Section 15.3(a)* if the Substantial Condemnation, as the case may be: (x) can be cured by the performance of Restoration (unless such Substantial Condemnation occurs during the last ten (10) years of the Term or if Tenant reasonably anticipates, based upon a schedule of performance for such Restoration prepared with due diligence by Tenant in consultation with Port that at the time of completion of the Restoration, less than ten (10) years would remain in the Term), and (y) the cost of such Restoration does not exceed by at least One Million Dollars (\$1,000,000.00), which amount will be increased by an additional Five Hundred Thousand Dollars (\$500,000.00) on the tenth (10<sup>th</sup>) Anniversary Date and every ten (10) years thereafter, the portion of the Award fairly allocable to severance damages suffered by Tenant. In such case, this Lease will not terminate, and, upon a determination that the Lease will continue based upon the availability and amount of Award, Tenant will commence and complete such Restoration as promptly as reasonably practicable by using commercially reasonable diligence and pursuant to the provisions of *Article 12* and *Section 15.4*, subject to events of Force Majeure.

(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 15.2* or *Section 15.3(a)* (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, and Tenant will promptly commence and complete, subject to events of Force Majeure, any necessary Restoration of the remaining portion of the Premises, at no cost to Port. Any such Restoration will be performed in accordance with the provisions of *Article 12*.

**15.4. Awards.** Except as provided in *Sections 15.5* and *15.6*, 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:

- (i) First, to Port for the payment of all unpaid Rent.
- (ii) Second, in the event of a Partial Condemnation, to pay costs of Restoration incurred by Tenant, in which case, the portion of the Net Awards and Payments allocable to Restoration will be payable to Tenant, a Lender, or trustee in accordance with the requirements governing payment of insurance proceeds set forth in *Section 14.3(b)(vi)*;
- (iii) 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 (the "**Condemned Land Value**");
- (iv) Fourth, to any non-Affiliate Lender pursuant to a non-Affiliate Mortgage as and to the extent provided therein, for payment of all sums secured by its non-Affiliate 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.
- (v) 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;
- (vi) 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 Improvements (based on the date the Term would have expired but for the event of Condemnation), and Tenant, for the value of the Improvements for the remaining unexpired portion of the Term to the original scheduled Expiration Date.
- (vii) 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, will be paid to Port or Tenant, as applicable, as so designated by the condemning authority or judgment.

**15.5. *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, there will be no abatement of Rent, and the entire Award will be payable to Tenant.

**15.6. *Relocation Benefits, Personal Property.*** Notwithstanding *Section 15.4*, 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.

## **16. LIENS.**

**16.1. *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 4*), and (iii) Mortgages.

**16.2. *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 Subsequent 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.

## **17. DEPOSITS.**

### **17.1. *Intentionally Omitted.***

**17.2. *Environmental Financial Performance Deposit.*** On or prior to the commencement of any Sublease with a Subtenant that will engage in activities on the Premises involving the use of Hazardous Materials (other than (a) standard building materials and equipment that do not contain asbestos or asbestos-containing materials, lead or polychlorinated biphenyl (PCBs), and (b) 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), Tenant will deliver to Port an amount determined by Port to be reasonable additional security for any increased environmental liabilities to Port arising out of the Subtenant's specific use of non-Excepted Hazardous Materials at the Premises (the "**Environmental Financial Performance Deposit**") as

additional collateral for the full and faithful performance by Tenant of its obligations under **Article 21**. Port's determination of the amount of the Environmental Financial Performance Deposit will be consistent with the Port Commission's adoption of the Environmental Risk Policy and Financial Assurance Requirements for Real Property Agreements on November 13, 2007, pursuant to Resolution No. 07-81, as may be amended or updated from time to time (the "**Port Environmental Risk Policy**"). In the event Port determines in its sole but reasonable discretion that any proposed change(s) to Tenant's (or its Subtenants') use and operation of Hazardous Materials (other than Excepted Hazardous Materials) on the Premises increase Port's risk of Loss, then prior to commencement of such Sublease, Port may require Tenant to increase the Environmental Financial Performance Deposit in a manner consistent with the Port Environmental Risk Policy. Port also has the right to increase every five (5) years the amount of the Environmental Financial Performance Deposit in a manner consistent with the Port Environmental Risk Policy if Port reasonably believes after review of Tenant's and Subtenants' use and operation of Hazardous Materials (other than Excepted Hazardous Materials) that the then current amount is insufficient.

#### **17.3. Environmental Oversight Deposit.**

(a) If Tenant is required to provide an Environmental Financial Performance Deposit in accordance with **Section 17.2**, then prior to commencement of the Sublease necessitating such deposit, Tenant will also deliver to Port an environmental oversight deposit ("**Environmental Oversight Deposit**") in cash, in an amount equaling Ten Thousand Dollars (\$10,000), as security for Port's recovery of costs of inspection, monitoring, enforcement, and administration of Tenant's performance of its obligations under **Article 21**.

(b) Port at its option may demand reimbursement from Tenant within five (5) business days following demand, or use, apply, or retain the Environmental Oversight Deposit in whole or in part to reimburse Port, for Port's costs incurred if an Environmental Regulatory Agency delivers a notice of violation or order regarding a Hazardous Material Condition ("**Environmental Notice**") to Tenant and either: (i) the actions required to cure or comply with the Environmental Notice cannot be completed within fourteen (14) days after its delivery; or (ii) Tenant has not begun to cure or comply with the Environmental Notice or is not working actively to cure or comply with the Environmental Notice within fourteen (14) days after its delivery. Under these circumstances, Port's costs may include staff time corresponding with and responding to Regulatory Agencies, Attorneys' Fees and Costs, and inspection, collection, and laboratory analysis of environmental samples and monitoring the Hazardous Material Condition.

(c) If an Environmental Notice is delivered to Tenant, and Tenant has cured or complied with the Environmental Notice within fourteen (14) days after its delivery, Port at its option may demand payment from Tenant within five (5) days following demand, or apply the sum of Five Hundred Dollars (\$500) (which amount will be increased by One Hundred Dollars (\$100) on the tenth (10<sup>th</sup>) anniversary of the Commencement Date and every ten years thereafter) from the Environmental Oversight Deposit, as Additional Rent for each Environmental Notice delivered to Tenant to reimburse Port for its administrative costs.

#### **17.4. Generally.**

(a) The Environmental Financial Performance Deposit (if any) and the Environmental Oversight Deposit (if any), are collectively referred to as the “**Security Deposit**.” Tenant will not be entitled to any interest on the Security Deposit.

(b) The amount of the Security Deposit will not be deemed to limit Tenant’s liability for the performance of any of its obligations under this Lease nor be a measure of Port’s damages upon an Event of Default. Port may apply the Security Deposit as provided herein without waiving any of Port’s other rights and remedies hereunder or at Law or in equity.

(c) The Security Deposit will not be deemed an advance of Rent, an advance of any other payment due to Port under this Lease, or a security deposit subject to the California Civil Code.

(d) Should Port use any portion of the Security Deposit, Tenant must replenish the Security Deposit to the full extent of the required amount within five (5) business days following Port’s demand.

(e) Port’s obligations with respect to the Security Deposit are those of a debtor and not a trustee. Port will not be required to keep the Security Deposit separate from its general funds.

(f) Upon the expiration or earlier termination of this Lease, Port will return the unused balance of the Security Deposit to Tenant (less any amounts then due and payable from Tenant to Port under this Lease) within thirty (30) days after Tenant surrenders possession of the Premises to Port.

(g) Tenant may satisfy its obligations under *Sections 17.1 and 17.3* by providing to Port a letter of credit naming Port as a joint beneficiary (with Tenant) under a letter of credit which permits Port to draw directly on such letter of credit in the amount of any Environmental Financial Performance Deposit and Environmental Oversight Deposit which may be required in connection with a Sublease authorizing the Subtenant to engage in activities on the Premises involving the use of Hazardous Materials as specified in *Section 17.1*.

## **18. ASSIGNMENT AND SUBLETTING.**

### **18.1. *Transfer.***

#### **(a) Additional Definitions.**

“**Assignment**” means an assignment, conveyance, hypothecation, pledge (other than a pledge in connection with any mezzanine financing which will not require prior Port approval), or otherwise transfer all or any of Tenant’s interest in this Lease or Leasehold Estate.

“**Control**” means with respect to any Person (a) the possession, directly or indirectly, of the power to direct or cause the direction of the day to day management, policies or activities of such Person whether through ownership of voting securities, by contract or otherwise (excluding customary limited partner or non-managing member approval rights, or (b) the ownership (direct or indirect) of more than fifty percent (50%) of the profits or capital of another Person, or (c) the ownership (direct or indirect) of more than fifty percent (50%) of the ownership interest of such Person (whether shares, partnership interests, membership interest or other equity, and whether

one or more classes thereof). “Controlled” and “Controlling” have correlative meanings.

“**Excluded Transfer**” means any of the following: (a) the exercise of customary remedies under mezzanine financing of Tenant or any constituent owner thereof; (b) the exercise of customary limited partner or non-managing member remedies under a partnership or limited liability company operating agreement, as applicable; (c) a change resulting from death or legal incapacity of a natural person; (d) the sale, transfer or issuance of less than the Controlling interest of stock listed on a nationally or internationally recognized stock exchange in a single transaction or a related series of transactions; or (e) a transfer of direct or indirect equity interests in the Tenant so long as a party in Control immediately prior to the transaction remains in Control immediately after the transaction.

“**Managing Party**” means, with respect to any Person, both (a) the possession, directly or indirectly, of the power to direct or cause the direction of the day-to-day management, policies or activities of Tenant (excluding customary limited partner or non-managing member approval rights) and (b) the ownership (direct or indirect) of more than ten percent (10%) of the profits or capital of Tenant.

“**Minimum Net Worth Amount**” means Twenty-Seven Million Five Hundred Thousand Dollars (\$27,500,000.00), which amount will increase by ten percent (10%) on the tenth (10th) anniversary of the Commencement Date and every ten (10) years thereafter.

“**Net Worth Guarantor**” means a Person, in combination with Tenant or the proposed transferee, satisfying the Net Worth Requirement that is the guarantor under the Net Worth Guaranty.

“**Net Worth Guaranty**” means a guaranty of performance of all the obligations under this Lease, in an amount not to exceed the Net Worth Requirement (less the net worth of Tenant or the proposed transferee), and otherwise in form and substance reasonably satisfactory to Port, delivered to Port by a Person, in combination with Tenant or the proposed transferee, satisfying the Net Worth Requirement.

“**Net Worth Requirement**” means, with respect to a proposed transferee, the proposed transferee has (a) prior to issuance of a Certificate of Completion, a net worth (inclusive of its equity in the Property) equal to at least the Minimum Net Worth Amount, less any debt to be secured by (i) the proposed transferee’s interest in the Premises or Leasehold Estate, or (ii) a pledge of the proposed transferee’s ownership interest, or (b) following the issuance of a Certificate of Completion, a net worth (inclusive of its equity in the Property) equal to or at least the lesser of (i) Minimum Net Worth Amount and (ii) thirty percent (30%) of the fair market value of the Premises, in each case.

“**Qualified Transferee**” means any transferee that satisfies each of the following criterion: (1) has, or has engaged a property manager with, at least ten (10) years’ experience operating major mixed-use residential projects; (2) satisfies the Net Worth Requirement; and (3) is subject to jurisdiction of the courts of the State.

“**Significant Change**” means any change in the direct or indirect ownership of Tenant that results in a change in Control of Tenant; provided, however, in no event will any Excluded Transfer be deemed a Significant Change.

“**Transfer**” means an Assignment or Significant Change.

(b) **Conditions to Transfer Before Certificate of Completion.** Subject to *Sections 18.1(e), 18.1(h), 18.1(i)*, before Port’s issuance of a Certificate of Completion, Tenant will not (A) suffer or permit any Significant Change to occur, or (B) consummate an Assignment without the prior written consent of Port, which consent may not be unreasonably withheld by Port if each of the following conditions is satisfied:



(i) In the case of an Assignment only, the proposed transferee executes and delivers an Assignment and Assumption Agreement in substantially the form attached to the Vertical DDA as “Exhibit R” if the Vertical DDA is still in effect, or *Exhibit O* attached hereto if Port has issued a Certificate of Completion (each an “**Assignment and Assumption Agreement**”), which Assignment and Assumption Agreement must contain:

(1) an express assumption by the proposed transferee, for itself and its successors and assigns, and expressly for the benefit of Port, of all of the obligations of Tenant arising from or after the effective date of the Transfer under this Lease, the Vertical DDA if in effect, and any other agreements or documents entered into by and between Port and Tenant pursuant to this Lease directly relating to the Project, and an express agreement by the proposed transferee to be subject to all of the conditions and restrictions to which Tenant is subject;

(2) a representation by the proposed transferee that it has conducted a thorough investigation and due diligence of the Improvements, including the condition of the real property, of all Material Systems, the roof and structural integrity of the Improvements, and if the Transfer occurs after the twentieth (20th) anniversary of the Commencement Date, has reviewed the most recent Facilities Condition Report prepared by Tenant; and

(3) a release by the proposed transferee of the Indemnified Parties and the State Lands Indemnified Parties and waiver of any and all Losses against the Indemnified Parties and the State Lands Indemnified Parties for the condition of the Improvements or the real property or any claims assignor may have against the Indemnified Parties arising prior to the effective date of the Transfer.

(ii) In the case of a Significant Change only, Tenant delivers to Port, a certificate setting forth the purchaser or purchasers of the ownership interest resulting in the Significant Change, purchase price of such interest, any Net Sale Proceeds owed to Port, and a reaffirmation from Tenant that it will continue to be obligated under all the terms and conditions of this Lease, all certified by Tenant’s chief financial officer as true, accurate, and complete, the form of which is attached hereto as *Exhibit P* (“**Significant Change Certificate**”);

(iii) All instruments and other legal documents involved in effectuating the Transfer reasonably requested by Port, including all documentation necessary for Port to confirm the amount of Port’s share of Net Sale Proceeds, has been submitted to Port for its review and reasonable approval, or at the request of Tenant, such documents are made available for Port’s review at Tenant’s office in San Francisco;

(iv) There is no Event of Default or Unmatured Event of Default on the part of Tenant under this Lease or any of the other documents or obligations to be assigned to the proposed transferee where Tenant or proposed transferee have not made provisions to cure the applicable default, which provisions are satisfactory to Port in its sole discretion;

(v) If the effective date of the Transfer is prior to Port’s issuance of a Certificate of Completion, there is no Developer Event of Default or an Unmatured Developer Event of Default (as such terms are defined in the Vertical DDA) on the part of Developer under

the Vertical DDA, where Tenant or the proposed transferee has not made provisions to cure the default, which provisions are satisfactory to Port;

(vi) Subject to **Section 18.1(b)(vii)**, (1) in the case of a Significant Change, Tenant must be a Qualified Transferee immediately following the consummation of such Significant Change; and (2) in the case of an Assignment, the proposed transferee is a Qualified Transferee;

(vii) If Tenant (in the case of a Significant Change) or proposed transferee (in the case of an Assignment) does not satisfy the Net Worth Requirement, Tenant or the proposed transferee, as applicable, will have the right to deliver a Net Worth Guaranty in lieu of satisfying the Net Worth Requirement. Under the Net Worth Guaranty, the Net Worth Guarantor, among other things, will:

(1) guaranty performance of all of Tenant's obligations under this Lease in an amount not to exceed the Net Worth Requirement;

(2) covenant that it will throughout the term of the Net Worth Guaranty, maintain the Net Worth Requirement; and

(3) provide Port as of the first day of each calendar year, a statement certified by its chief financial officer, or if the Net Worth Guarantor is an individual, a certified public accountant, that the Net Worth Guarantor continues to meet the Net Worth Requirement and that to his/her actual knowledge, he/she is not aware of any facts that would cause the Net Worth Guarantor to not meet the Net Worth Requirement.

The Net Worth Guaranty will otherwise be in form and substance reasonably satisfactory to Port. The Net Worth Guaranty will terminate when the Tenant benefiting from the Net Worth Guaranty meets the Net Worth Requirement. Tenant and the Net Worth Guarantor will provide Port with (or make available to) its financial statements and other information necessary to substantiate its position that it meets the Net Worth Requirement and that the Net Worth Guaranty should terminate.

(viii) Tenant provides to Port an estoppel certificate substantially in the form attached hereto as **Exhibit Q**, which estoppel certificate will be effective as of the effective date of Transfer;

(ix) Port receives on or prior to the effective date of Transfer (A) Port's share of Net Sale Proceeds, as described in **Section 4 of Exhibit D**, and (B) a settlement statement relating to the Transfer or other evidence, reasonably satisfactory to Port, of Port's share of Net Sale Proceeds; and

(x) Port receives on or prior to the effective date of Transfer sufficient funds to reimburse Port for its Attorneys' Fees and Costs to review the proposed Transfer provided, however, if Port has not delivered to Tenant an invoice for Attorneys' Fees and Costs prior to the effective date of Transfer, Tenant will reimburse Port for same within ten (10) business days of receipt of such invoice.

(c) **Transfer After Certificate of Completion.** From and after Port's

issuance of a Certificate of Completion, Tenant may Transfer without the prior consent of Port so long as:

(i) in the case of a Significant Change, Tenant is a Qualified Transferee immediately following the consummation of such Significant Change; or in the case of an Assignment, the proposed transferee is a Qualified Transferee; provided, however, if Tenant (in the case of a Significant Change) or proposed transferee (in the case of an Assignment) does not satisfy the Net Worth Requirement, Tenant or the proposed transferee, as applicable, will have the right to deliver a Net Worth Guaranty in lieu of satisfying the Net Worth Requirement in accordance with **Section 18.1(b)(vii)**;

(ii) Tenant provides Port prior notice before the effective date of the Transfer;

(iii) in the case of an Assignment, within thirty (30) days after such Assignment, Tenant delivers an Assignment and Assumption Agreement to Port, executed by transferor and the transferee; and

(iv) in the case of a Significant Change, within thirty (30) days after such Significant Change, Tenant delivers a Significant Change Certificate to Port.

(d) **No Limitation**. It is the intent of this Lease, to the fullest extent permitted by Law and equity that no Transfer of this Lease, or any interest therein, however consummated or occurring, and whether voluntary or involuntary, may operate, legally or practically, to deprive or limit Port of the benefits under this Lease or any rights or remedies or controls provided in or resulting from this Lease with respect to the Premises that Port would have had, had there been no such Transfer.

(e) **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 Lender or other purchaser in connection with the exercise of remedies under the provisions of a Mortgage, subject to the limitations, rights and conditions set forth in **Article 40** hereof.

(f) **Limitation on Liability**. From and after an Assignment of all of the transferor's interest in this Lease or Leasehold Estate, the transferor will be released from all obligations and liability under this Lease to the extent first arising after the date of such Assignment. In no event will the transferor be liable for a new default first arising after the date of such Assignment. The effectiveness of any Assignment hereunder is not in any way to be construed to relieve the transferor tenant of any liability arising out of or with regard to the performance of any covenants or obligations to be performed by the transferor tenant hereunder before the date of such Assignment. In connection with any such Assignment, upon request from the transferor, Port will execute documentation evidencing the foregoing release of obligations and liabilities in the form as set forth in the attached **Exhibit O** provided, failure to do so will not invalidate or limit the effect of the release set forth in this Section.

(g) **Notice of Significant Changes; Reports to Port**. Tenant will promptly notify Port of any and all Significant Changes. At such time or times as Port may reasonably

request, Tenant must furnish Port with a statement, certified as true and correct by an officer of Tenant, setting forth all of the constituent members of Tenant and the extent of their respective holdings, and in the event any other Persons have a beneficial interest in Tenant, their names and the extent of such interest.

**(h) Assignment to Accommodate Sale of Low-Income Housing Tax**

**Credits.** Notwithstanding anything to the contrary set forth herein, Port's consent will not be required in the event of a Transfer to an entity solely for the purpose of taking advantage of the Low Income Housing Tax Credit, as applicable, subject to all of the following conditions: (i) at least thirty (30) days prior to such Transfer, Tenant furnishes Port with the name of the proposed assignee, together with evidence reasonably satisfactory to Port indicating that the proposed Transfer is solely for the purpose of taking advantage of the Low Income Housing Tax Credit, as applicable; and (ii) the conditions set forth in *Sections 18.1(b)(i)—18.1(b)(viii), and 18.1(b)(x)* have all been met.

**(i) Transfers Not Requiring Port Consent Before Certificate of**

**Completion.** Notwithstanding anything to the contrary set forth herein, Port's consent will not be required in the event of a Transfer to a Tenant Affiliate or a Significant Change in which there is no change of the Managing Party of Tenant, subject to all of the following conditions: (i) at least five (5) business days prior to such Transfer, Tenant provides notice thereof to Port; and (ii) the conditions set forth in *Section 18.1(b)(i)—18.1(b)(viii) and 18.1(b)(x)* have all been met.

**18.2. *Assignment of Rents.*** Tenant hereby assigns to Port all rents and other payments of any kind, due or to become due from any present or future Subtenant as security for Tenant's obligations hereunder prior to actual receipt thereof by Tenant; provided, however, the foregoing assignment will be subject and subordinate to any assignment made to a Lender under *Article 40* until such time as Port has terminated this Lease (subject to the Port's agreement to enter into a New Lease with Lender and all other provisions of this Lease protecting Lender's interests in this Lease), at which time the rights of Port in all rents and other payments assigned pursuant to this *Section 18.2* will become prior and superior in right; provided, further, any rents collected by any Lender 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.

**18.3. *Subletting by Tenant.***

**(a) Qualifying Subleases.** Tenant has the right to sublet all or any portion of the Improvements to one or more Subtenants by written Subleases from time to time without the necessity of obtaining the prior written consent of Port for each applicable Sublease upon satisfaction of all the conditions set forth in this *Section 18.3(a)*:

**(i)** The Sublease (and any further sub-subleases of the Sublease Space) are all subject to the terms and conditions of this Lease and the terms and conditions of the Sublease and further sub-subleases are consistent with the provisions of this Lease, provided that Subtenants need not be obligated for Restoration, and, provided further 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;

(ii) The term of the Sublease does not extend beyond the Term;

(iii) The Sublease rental rates reflect an arms-length transaction at fair market rents for subleases as reasonably determined by Tenant, taking into account, among other things, market conditions, vacancy rates, tenant mix, preferred amenities, creditworthiness of the subtenant and other factors that prudent institutional landlords of buildings of comparable age, size, type and use located in San Francisco would use to determine Sublease rental rates;

(iv) If the Sublease is for property management services at the Premises, (including to a Tenant Affiliate without regard to the provisions of *Section 18.3(b)*), then the size of the Sublease space is comparable to the size of property management offices for buildings of institutional landlords that are of comparable age, size, type and use located in San Francisco, and the Sublease rental rates reflect an arms-length transaction at fair market rents as reasonably determined by Tenant;

(v) The Sublease (other than Subleases directly from Tenant for individual residential units) contains an Indemnification and waiver of claims provision benefitting Port that is substantially and materially the same as *Article 19* except that the term "Tenant" in such provision means "Subtenant" and Subtenant's obligation to Indemnify Port from any Losses arising outside the Premises will be limited to Losses arising from the acts or omissions of Subtenant or its Agents;

(vi) The Sublease (other than Subleases directly from Tenant for individual residential units) 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;

(vii) Subject to the rights of any Lender, the Sublease (other than Subleases directly from Tenant for individual residential units) 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;

(viii) The Sublease (other than Subleases directly from Tenant for individual residential units) requires the Subtenant to expressly waive entitlement to any and all relocation assistance and benefits in connection with this Lease;

(ix) The Sublease (other than Subleases directly from Tenant for individual residential units) contains a provision similar to *Article 39* (Right to Enter) requiring Subtenant to permit Port to enter its Subleased Space for the purposes specified in *Article 39*;

(x) The Sublease (other than Subleases directly from Tenant for individual residential units) contains a provision similar to *Article 31* (Tenant Estoppel) requiring Subtenant, from time to time, to provide Port an estoppel certificate substantially similar to the

form attached hereto as ***Exhibit R***;

(xi) The Sublease (other than Subleases directly from Tenant for individual residential units) requires Subtenant to comply with the Other City Requirements set forth in ***Article 45***;

(xii) The Sublease contains a provision that if for any reason whatsoever this Lease is terminated, unless Port has agreed otherwise in a Non-Disturbance Agreement between Port and the Subtenant, such termination will result in the automatic termination of the Sublease and any existing subleases for the Subleased Space; and

(xiii) Intentionally omitted.

(b) **Sublease with Tenant Affiliate Requires Port Approval.** All Subleases (i) with a Tenant Affiliate; (ii) Controlled by Tenant or a Tenant Affiliate; or (iii) owned either directly or indirectly by Tenant or a Tenant Affiliate, require the prior written consent of Port, which consent may not be unreasonably withheld if the Sublease is on rental rates that reflect an arms' length transaction at fair market rents, as reasonably determined by Port.

(c) **Required Sublease Information.** Within fifteen (15) days of executing any Sublease, Tenant must provide Port with all information related to such Sublease necessary for Port to comply with Administrative Code Sections 23.38 and 23.39 (or any successor statute).

#### ***18.4. Non-Disturbance of Subtenants and Attornment.***

(a) **Generally.** Subject to the provisions of this ***Section 18.4***, from time to time upon the request of Tenant, Port will enter into agreements with Subtenants providing generally, with regard to a given Sublease, that in the event of any termination of this Lease resulting from an Event of Default, Port will not terminate or otherwise disturb the rights of the Subtenant under such Sublease, but will instead honor such Sublease as if such agreement had been entered into directly between Port and such Subtenant ("**Non-Disturbance Agreements**").

(b) **Conditions for Issuance of Non-Disturbance Agreements.** Port will enter into a Non-Disturbance Agreement with a particular Subtenant if all of the following conditions are satisfied:

(i) The applicable Sublease is for a term of at least five (5) years (not including any renewal terms);

(ii) The applicable Sublease Space is comprised of at least 10,000 rentable square feet;

(iii) The performance by Tenant of its obligations under such Sublease will not cause an Event of Default to occur under this Lease;

(iv) The applicable Sublease term, including options, does not extend beyond the scheduled Term;

(v) The applicable Sublease complies with all the conditions of *Section 18.3(a)*;

(vi) The Subtenant agrees that in the event this Lease expires, terminates or is canceled during the term of the Sublease, the Subtenant will attorn to Port (provided Port agrees not to disturb the occupancy or other rights of the Subtenant and to be bound by the terms of the Sublease, except as otherwise set forth in the Non-Disturbance Agreement), and the Sublease will be deemed a direct lease between the Subtenant and Port, except that any subleases entered into by Subtenant (or its subtenants) for the Sublease Space will be terminated and Port will not be:

(1) liable to the Subtenant for any security deposit or prepaid rent or other charges previously paid by such Subtenant to Tenant unless such deposits, rent or charges are transferred to Port;

(2) bound by any indemnification obligations or any waivers and releases made by the sublandlord in the Sublease for the benefit of Subtenant or any other party;

(3) bound by any requirement or obligation of the sublandlord under the Sublease to pay any (A) unpaid or unreimbursed tenant improvement allowance (provided, however, if the Subtenant incurs costs after termination of this Lease that are reimbursable from any remaining and unpaid tenant allowance (“**Reimbursable Subtenant Costs**”), then so long as Subtenant is not in default under the Sublease, Subtenant may receive a rent credit of up to fifty percent (50%) of the monthly base rent then payable until the Reimbursable Subtenant Costs are fully reimbursed, as further refined and agreed to between the parties in the Non-Disturbance Agreement), or (B) liquidated damages;

(4) bound by any Subtenant right of first offer to purchase, first negotiation to purchase or first refusal to purchase Tenant’s interest in the Subleased Premises;

(5) bound by any Sublease term, including options to renew, that extend beyond the expiration date of this Lease;

(6) liable to Subtenant for any indirect, consequential, incidental, punitive or special damages;

(7) bound by any limitation on Subtenant’s obligation to indemnify any sublandlord parties based on Subtenant’s insurance coverage;

(8) bound by any limitation on sublandlord’s ability to transfer its interest in the Sublease (including any requirement to deliver prior notice to Subtenant or obtain Subtenant’s prior approval); and

(9) bound by any requirement or obligation to keep records or documents confidential that violates the Public Records Act or the City’s Sunshine Ordinance.

(vii) During the continuance of any Event of Default, Port may, in its

sole discretion, withhold or condition its agreement to provide a Non-Disturbance Agreement on the cure of such default as Port may specify either in a notice of default given under **Section 24.1** or in a notice withholding or conditioning its agreement to provide a Non-Disturbance Agreement;

(viii) Concurrently with its request for a Non-Disturbance Agreement from Port, Tenant will submit to Port:

(1) an electronic copy of the Sublease in the form to be executed in Microsoft Word format (or other comparable format),

(2) a summary of basic terms of the Sublease,

(3) an electronic draft of a Non-Disturbance Agreement in Microsoft Word format (or other comparable format), redlined against the form required by **Section 18.4(d)**,

(4) a statement certifying that the Sublease satisfies all the conditions and requirements set forth in **Section 18.3(a)** including that the Sublease rental rates reflect an arms-length transaction at fair market rents as reasonably determined by Tenant, and the proposed Non-Disturbance Agreement complies with all the conditions and requirements set forth in **Section 18.4(b)**, and

(5) an executed Tenant estoppel certificate substantially in the form attached hereto as **Exhibit Q**, and Tenant will certify as of the effective date of the Non-Disturbance Agreement that the certifications made by Tenant in the estoppel certificate remains unchanged; and

(6) all relevant information requested by Port including reasonable financial information establishing the ability of the proposed Subtenant to perform its contemplated obligations under such Sublease, and relevant information concerning the business character and operating history of the proposed Subtenant; provided however, in lieu of submitting the Subtenant's financial information to Port, Tenant may make such information available for review (but not duplication) at Port's office or at Tenant's office in the City of San Francisco.

(ix) Tenant deposits sufficient funds to reimburse Port for its Attorneys' Fees and Costs to review the proposed Non-Disturbance Agreement (which, for avoidance of doubt, includes any additional administrative fees, or outside counsel or contractors engaged by Port to review such request for a Non-Disturbance Agreement);

(x) Subtenant agrees that notwithstanding any Non-Disturbance Agreement, the Sublease will terminate as of the Lease termination date (1) if the Lease terminates (A) as a result of Tenant exercising its Termination Option due to change in Laws, as further described in **Section 7.2**, or (B) in the event of Casualty or Condemnation, as further described in **Articles 14 and 15**, or (C) as a result of Tenant exercising its termination option for certain Remediation obligations during the last ten (10) years of the Term, as further described in **Section 21.4(d)**; or (2) if there is an uncured Subtenant event of default, giving effect to any



notice and cure period provided therein (which agreement will be evidenced by acceptance of a Non-Disturbance Agreement reflecting the matters described in this **Section 18.4(b)(x)**);

(xi) If a guarantor guaranties any Subtenant obligation under the Sublease, Port will be named as an additional beneficiary to such guaranty; provided, however, Port's rights under such guaranty will not be effective until termination of this Lease; and

(xii) The applicable Sublease will provide that the Subtenant will deliver to Port as of the Master Lease termination date or promptly following request by Port an executed estoppel certificate, substantially in the form attached hereto as **Exhibit R**, certifying as of the Master Lease termination date, among other things: (A) that the Sublease, including all amendments, is attached thereto and is unmodified, except for such attached amendments, and is in full force and effect, as so amended, or if such Sublease is not in full force and effect, so stating, (B) which amendments, if any, to the Sublease have been previously approved by Port in writing, including the dates of approval, (C) the dates, if any, to which any rent and other sums payable thereunder have been paid, (D) that the Subtenant is not aware of any Tenant defaults under the Sublease which have not been cured, except as to defaults specified in said certificate, and (E) that the Subtenant is not aware of any Subtenant defaults which have not been cured.

(c) **Copy of Sublease.** To the extent a Sublease has been provided to Port in connection with a request for a Non-Disturbance Agreement, Tenant will provide Port a true and complete copy of the executed Sublease and summary of the Sublease basic terms attached to the Tenant estoppel certificate, in accordance with **Section 18.4(b)(viii)(5)** within five (5) business days after the execution thereof, which Sublease will contain substantially the same (or more favorable to the landlord) business terms as in the form of Sublease, statement, and other information previously provided to Port.

(d) **Form of Non-Disturbance Agreement.** Each Non-Disturbance Agreement will be substantially in the form of **Exhibit S** and, if not in such form, will be in form and substance agreed upon by Tenant and Port, not to be unreasonably withheld by either Party. With each request for a Non-Disturbance Agreement, Tenant will submit a copy of the form, showing any requested interlineations or deletions.

(e) **Response Period.**

(i) Port will respond to any request for a Non-Disturbance Agreement within fifteen (15) business days after receipt of all the materials described in **Section 18.4(b)(viii)**; provided, however, if Tenant requests three (3) or more Non-Disturbance Agreements whose response time overlaps at any given time, (1) Port will have an additional five (5) business days to respond for each Non-Disturbance Agreement, and (2) Tenant will pay to Port an additional administrative processing fee of One Thousand Dollars (\$1,000) for every overlapping Non-Disturbance Agreement request above two (2), which amount will be increased by Five Hundred Dollars (\$500) on the tenth (10th) Anniversary Date and every ten (10) years thereafter.

(ii) If Port fails to respond to such request within such fifteen (15) business day period (or twenty (20) business days if so extended), then Tenant will deliver to

Port a second notice requesting Port's response ("**Second NDA Notice**"). The Second NDA Notice must display prominently on the envelope enclosing such notice and the first page of such notice, substantially the following: "**APPROVAL REQUEST FOR PHASE 1 LOT 1/MISSION ROCK SUBLEASE MATTERS. IMMEDIATE ATTENTION REQUIRED; FAILURE TO RESPOND WITHIN FIVE (5) BUSINESS DAYS WILL RESULT IN THE REQUEST BEING DEEMED APPROVED.**" If Port fails to respond within five (5) business days after Port's receipt of the Second NDA Notice, then such non-response will be deemed to be approval of such Non-Disturbance Agreement and the applicable Subtenant will be entitled to rely on the terms of the applicable Non-Disturbance Agreement, provided, however, if there are any conflicts between the provisions in the Sublease and the deemed approved Non-Disturbance Agreement, on the one hand, and *Sections 18.3* and *18.4(b)* on the other hand, *Sections 18.3* and *18.4(b)* will control.

**18.5. No Further Amendment or Consent Implied.** Port's consent to any amendment of a Sublease subject to an effective Non-Disturbance Agreement will not be required if the amendment conforms to all of the requirements of *Section 18.3* and *Section 18.4(b)*. Tenant will provide Port a true and complete copy of any amendment of a Sublease subject to an effective Non-Disturbance Agreement, accompanied by a summary of any revisions to the Sublease basic terms within five (5) business days after the execution thereof. Consent to one Sublease or amendment, as applicable, will not be construed as consent to a subsequent Sublease or amendment, as applicable.

**18.6. 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. Except as set forth in *Section 18.2*, 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.

**18.7. Acknowledgement.** Tenant acknowledges and agrees that each of the rights of Port set forth in this *Article 18* is a reasonable limitation on Tenant's right to assign or sublet for purposes of California Civil Code Section 1951.4.

## **19. INDEMNIFICATION.**

**19.1. General Indemnification of the Indemnified Parties.** Subject to *Section 19.4*, 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, or under, the Premises or any part thereof and which may be directly or indirectly caused by any acts done in, on, or under, the Premises during the Term, or any acts or omissions of Tenant, its Agents, Subtenants, or Invitees, or their respective Agents and Invitees in, on, or under the Premises;

(b) any use, non-use, possession, occupation, operation, maintenance or

management by, 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 during the Term 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 Indemnity) and subject to *Section 19.4*, Tenant 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, Release or Exacerbation of Hazardous Materials in, on, or under the Premises during the Term;

(iii) Intentionally omitted; or

(iv) without limiting Tenant's Indemnification obligations in *Sections 19.2(a)(ii) or 19.2(a)(iii)*, any Handling, Release, or Exacerbation of Hazardous Materials outside of the Premises, but in, on, or under Mission Rock, by Tenant or any Related Third Party during the Term. "**Related Third Party**" means Tenant's Agents, Subtenants, or their respective Agents; or

(v) failure by Tenant or any Related Third Party to comply with the Soil Management Plan; or

(vi) claims by Tenant or any Related Third Party for exposure occurring during the Term to Pre-Existing Hazardous Materials or New Hazardous Materials in,

on, or under Mission Rock.

(b) Tenant's obligations 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; (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 19.2*, Tenant must reimburse Port for Port's costs, plus interest at the Default Rate from the date Port incurs each cost 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*, arises upon the earlier to occur of:

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

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

(iii) the Handling, Release, or Exacerbation of Hazardous Materials in, on, or under outside the Premises but within Mission Rock caused by Tenant or a Related Third Party;

(iv) any occurrence of a Hazardous Materials Condition during the Term; or

(v) 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*, 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* (Indemnities) relieves the Indemnified Parties or the State Lands Indemnified Parties from liability, nor will the Indemnities set forth in *Section 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 *Section 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 prior to the Commencement Date.

(b) If it is reasonable for an Indemnified Party or a State Lands Indemnified Party to assert that a claim for Indemnification under this *Section 19.4* 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 this *Section 19.4*. 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 this *Section 19.4* 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* survive the expiration or earlier termination of this Lease.

**19.6. Defense.** Tenant will, at its option but subject to 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 the Port alleging such failure, to take reasonable and appropriate action to defend, compromise or settle such suit or claim, Port has the right promptly to use the City Attorney or hire outside counsel, at Tenant's sole expense, to carry out such defense, compromise or settlement, which expense is due and payable to 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 and will include in any contract with Related Third Parties an assumption of the risk of, and waiver, discharge and release of, any and

all claims against the Indemnified Parties and the State Lands Indemnified Parties from any Losses arising out of this Lease or relating to the Premises, including: (a) damages by death of or injury to any Person, or to property of any kind whatsoever and to whomever belonging; (b) goodwill; (c) business opportunities; (d) any act or omission of persons occupying adjoining premises; (e) theft; (f) explosion, fire, steam, oil, electricity, water, gas or rain, pollution or contamination; (g) building defects (including stopped, leaking or defective Material Systems); (h) inability to use all or any portion of the Premises due to sea level rise or flooding or seismic events; and (i) any other acts, omissions or causes arising at any time and from any cause, in, on, or under the Premises, 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 the 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 the 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 the 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 the 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 OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

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

all claims against the Indemnified Parties and the State Lands Indemnified Parties from any Losses arising out of this Lease or relating to the Premises, including: (a) damages by death of or injury to any Person, or to property of any kind whatsoever and to whomever belonging; (b) goodwill; (c) business opportunities; (d) any act or omission of persons occupying adjoining premises; (e) theft; (f) explosion, fire, steam, oil, electricity, water, gas or rain, pollution or contamination; (g) building defects (including stopped, leaking or defective Material Systems); (h) inability to use all or any portion of the Premises due to sea level rise or flooding or seismic events; and (i) any other acts, omissions or causes arising at any time and from any cause, in, on, or under the Premises, 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 the 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 the 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 the 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 the 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 OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

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.

Tenant will comply with the insurance requirements set forth in *Exhibit T* attached hereto throughout the Term.

## 21. HAZARDOUS MATERIALS.

**21.1. Compliance with Environmental Laws.** Tenant will comply and cause its Subtenants, their respective Agents and Invitees, while in, on, or under the Premises, to comply with all Environmental Laws, Operations Plans (if any), the Soil Management Plan, and prudent business practices, including, without limitation, any deed restrictions, regulatory agreements, deed notices, any additional 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 in, on, or under 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 (collectively, “**Excepted Hazardous Material.**”)

**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 the Term:

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

(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 (other than to the extent the Master Developer, Phase 1 Horizontal

Developer or another vertical developer within Mission Rock is designated as the “generator” and such designation is approved in writing by the Port’s Deputy Director of Planning and Environment); provided that the Port hereby approves Master Developer and/or Phase 1 Horizontal Developer as the “generator” of any waste resulting from such entity’s work on the Premises in connection with Phase 1 (as defined in the DDA);

(e) Will comply with all provisions of the Soil 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.

**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 Soil 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*, Handled, in, on, over or under the Premises or emanating from the Premises, or from off-site conditions or events affecting receptors or the environment condition in, on, over, or under, the Premises, or from any vehicles Tenant, or its Agents and Invitees use during the Term 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, over, or under the Premises or emanating from the Premises, or from off-site conditions or events affecting receptors or the environmental condition in, on, over, or under, the Premises during the Term, or from any vehicles Tenant, or its Agents and Invitees use during the Term 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, over or under the Premises during the Term or emanating from the Premises, or from off-site conditions or events

affecting receptors or the environmental condition in, on, over, or under, the Premises, or from any vehicles Tenant, or its Agents and Invitees use during the Term;

(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, over, or under the Premises or emanating from the Premises, or from off-site conditions or events affecting receptors or the environmental condition in, on, over, or under, the Premises or from any vehicles Tenant or its Agents and Invitees use in, on, or under the Premises during the Term; 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* 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.

(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* and subject to *Section 21.4(f)*, 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; provided Tenant must take all necessary immediate actions to the extent practicable to address an emergent Hazardous Material Condition to confine or limit the extent or impact of such Hazardous Material Condition, 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 any Hazardous Material Condition caused by Tenant's or its Agents' or Invitees' Handling, Release or Exacerbation of Hazardous Materials during the Term.

(c) In addition to its obligations under **Section 21.4(a)**, but subject to **Section 21.4(d)** before this Lease terminates for any reason, Tenant must Remediate, at its sole cost and in compliance with all Environmental Laws and this Lease any Hazardous Material Condition discovered during the Term 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 Initial Improvements.

(d) If the Hazardous Material Condition requiring Remediation described in **Section 21.4(c)** was not caused by Tenant, its Agents, Subtenants or Invitees and such discovery of such Hazardous Material Condition first occurring during the last ten (10) years of the Term, Tenant will have the option, but not the obligation, to terminate this Lease upon satisfaction of all of the following conditions: (i) provide Port not less than one hundred twenty (120) days prior notice of its intent to terminate; and (ii) pay Port before the effective date of termination of this Lease, a termination fee equal to annual Base Rent, if any, and the Mello-Roos Taxes payable during the twenty-four (24) month period immediately following the effective termination date (the "**Early Termination Fee**"), so long as there are no Outstanding Bonds. If Tenant elects to terminate this Lease in accordance with this Section 21.4(d) and pays Port the Early Termination Fee, Tenant will have no Remediation obligation or any Indemnity obligations relating to such Hazardous Material Condition first occurring during the last ten (10) years of the Term.

(e) 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.

(f) Unless Tenant or its Subtenants or 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.

**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 **Item 10** (Integrated Pest

Management Program) of *Exhibit W*.

#### **21.6. Additional Definitions.**

**“Environmental Covenants”** means any recorded deed restrictions, as may be in effect from time to time, which impose conditions under which certain land uses will be permitted at designated portions of the Project Site.

**“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 3 of the San Francisco Environment Code), the FOG Ordinance, the Soil Management Plan, and Environmental Covenants.

**“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 Soil 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”** has a correlative meaning.

**“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 Soil Management Plan.

“**Hazardous Materials Claim**” means any Environmental Regulatory Action or any claim made or threatened by any third party against the 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, over or under the Premises emanating from the Premises, or from off-site conditions or events affecting receptors or the environmental condition in, on, over, or under, the Premises or from any vehicles Tenant or its Agents and Invitees use in, on, or under the Premises during the Term.

“**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, or under 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 from the Premises or from off-site conditions or events affecting receptors or the environmental condition in, on, over, or under, the Premises. Investigation will include preparation of site history reports and sampling and analysis of environmental conditions in, on, or under the Premises or any Improvements.

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

“**Pre-Existing Hazardous Materials**” means any Hazardous Material existing in, on, or under the Premises as of the Effective Date and identified in the reports listed on *Exhibit U* attached hereto.

“**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, over, or under the Premises or which have been, are being, or threaten to be Released into the environment from the Premises or from off-site conditions or events affecting receptors or the environmental condition in, on, over, or under, the Premises 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.

“**Soil Management Plan**” means that certain Soil Management Plan dated as of October 18, 2019 and prepared by Ramboll US Corporation for the Project Site, approved by Port, DPH, and DTSC.

“**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. DELAY DUE TO FORCE MAJEURE.**

For all purposes of this Lease, a Party whose performance of its obligations hereunder is hindered or affected by events of Force Majeure will not be considered in breach of or in default in its obligations hereunder to the extent of any delay resulting from Force Majeure, provided, however, that the provisions of this *Article 22* will not apply to Tenant’s obligation to pay Rent. A Party seeking an extension of time pursuant to the provisions of this section will give notice to the other Party describing with reasonable particularity (to the extent known) the facts and circumstances constituting Force Majeure (a) within a reasonable time (but not more than fifteen (15) days) after knowledge of the beginning of such enforced delay or (b) promptly after the other Party’s demand for performance.

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

### **23.1. *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 *Article 6* 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.

**23.2. *Tenant’s Obligation to Reimburse Port.*** If pursuant to *Section 23.1*, 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 23* are in addition to its rights under any other provision of this Lease or under applicable Laws. The provisions of this *Section 23.2* will survive the expiration or earlier termination of this Lease.

## **24. EVENTS OF DEFAULT .**

**24.1. *Events of Default.*** Subject to the provisions of *Section 24.2*, 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 24* will constitute an “Event of Default” under the terms of this Lease:

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

(b) 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;

(c) [Intentionally blank];

(d) Prior to the issuance of a Certificate of Completion, a Vertical Developer Default (as such term is defined in the Vertical DDA) occurs under the Vertical DDA and remains uncured but such Event of Default under this Lease will be deemed cured if the Vertical Developer Default is cured pursuant thereto;

(e) 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;

(f) 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 twenty-four (24) hours following written notice from Port; provided, however, if such default cannot reasonably be cured within such twenty-four (24) hours, Tenant will not be in default of this Lease if Tenant commences to cure the default within such twenty-four (24) hours and diligently and in good faith continues to cure the default;

(g) Intentionally omitted;

(h) Tenant fails to comply with the provisions of *Section 10.1* 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 meetings to determine the path to cure such default will be deemed to be a commencement of cure;

(i) Tenant fails to restore the Improvements after an event of Casualty in accordance with and within the time frame set forth in *Section 14.2* and such failure continues for a period of fifteen (15) days following written notice from Port; provided, however, if such default cannot reasonably be cured within such fifteen (15) days period, Tenant will not be in default of this Lease if Tenant commences to cure the default within such fifteen (15) day period and diligently and in good faith continues to cure the default;



(j) Tenant fails to comply with the provisions of *Sections 21.1—21.5* 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 meetings to determine the path to cure such default will be deemed to be a commencement of cure;

(k) 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;

(l) 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 Lender of any of its remedies under its Mortgage will not, in and of itself, constitute a default under this *Section 24.1(l)*;

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

(n) 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.

**24.2. *Courtesy Notice of Default to Mezzanine Lender and Mezzanine Lender Rights to Cure.***

(a) Port will (i) provide a copy of a notice of an Event of Default to Lender in accordance with *Section 40*; and (ii) provide a courtesy copy of an Event of Default to any then current Mezzanine Lender that has requested a copy of an Event of Default notice in accordance with *Section 24.2(b)*, provided Port will not be in default for any failure or delay in providing any courtesy copy of such notice to any then current Mezzanine Lender. Mezzanine Lender will have the right (but not the obligation), at its option, to commence to cure or cause to be cured any Event of Default, within the same period afforded to Tenant. Port will also accept a cure of an Event of Default by any Tenant investor or Mezzanine Lender with the same force and effect as if performed by Tenant.

(b) Each Mezzanine Lender that has delivered a notice to Port in substantially

the following form is entitled to receive a courtesy notice of an Event of Default in accordance with **Section 24.2(a)**:

“The undersigned does hereby certify that it is a Mezzanine Lender, as such term is defined in that certain lease entered into by and between the City and County of San Francisco, operating by and through the San Francisco Port Commission, as landlord, and [insert name of Tenant], as tenant (the “Lease”). Mezzanine Lender has a security interest in the partnership/membership interest of Tenant. The undersigned hereby requests that a courtesy copy of an Event of Default notice given under the Lease to tenant by Port be sent to the undersigned at the following address: \_\_\_\_\_. The undersigned acknowledges that it has no claims against Port nor will Port be liable to the undersigned, for any Port failure to deliver a courtesy copy of any Event of Default notice to the undersigned.”

## **25. REMEDIES.**

**25.1. Port’s Remedies Generally.** Upon the occurrence and during the continuance of an Event of Default under this Lease, 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 applicable Special City and Port Provisions; provided, further, Port’s right to terminate this Lease for an Event of Default will be limited to Events of Default described in **Sections 24.1(a) and 24.1(d)—24.1(m)**.

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.

### **25.2. 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, Port may, following written notice to Tenant, 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 (but in no event to extend beyond December 31, 2105), 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 25.2**, nor any appointment of a receiver upon Port's initiative to protect its interest under this Lease, 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 25.2(a)**, the rent that Port receives from reletting will be applied to the payment of:

(i) First, 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;

(ii) Second, the payments of any Imposition or any other indebtedness other than Rent due and unpaid hereunder from Tenant to Port;

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

(iv) After deducting the payments referred to in this **Section 25.2(c)**, any sum remaining from the rent Port receives from reletting will be held by Port and applied to 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 described in **Section 25.2(c)**.

**25.3. 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 cost. If Port at any time following an Event of Default, 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 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 by Tenant.

**25.4. Termination of Tenant's Right to Possession.**

(a) Before exercising any right to terminate this Lease as a result of Tenant's failure to timely commence Construction of the Initial Improvements as described in **Section 11.2**, which failure also results in a Vertical Developer Default under the Vertical DDA,

Tenant will have thirty (30) days following Port's delivery of a notice of such default to cure.

(b) Before exercising any right to terminate this Lease and Tenant's right to possession of the Premises for the following Events of Default, 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 24.1(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 24.1(d), 24.1(e), 24.1(h), or 24.1(i)*, Tenant will have ten (10) days following delivery of the Second Default Notice to cure; provided, however, if such default cannot reasonably be cured within such ten (10) day period, then Port will not exercise its termination right if Tenant diligently and in good faith continues to cure the default to completion;

(iii) For an Event of Default under *Sections 24.1(f), 24.1(g)* *Error! Reference source not found.*, *or 24.1(j)*, 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 diligently and in good faith continues to cure the default to completion;

(iv) For an Event of Default under *Sections 24.1(k), 24.1(l), or 24.1(m)*, Tenant will have thirty (30) days following delivery of the Second Default Notice to cure, which may include a dismissal or stay, as applicable.

(c) Port may terminate this Lease and Tenant's right to possession of the Premises for the Events of Default described in *Sections 25.4(a) or 25.4(b)* at any time following expiration of the applicable cure periods set forth in *Sections 25.4(a) and 25.4(b)* for the applicable Event of Default by providing Tenant with a written notice of termination.

(d) 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.

(e) 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 25.4(e)(i) and 25.4(e)(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 25.4(e)(iii)* 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%).

(f) Notwithstanding anything else to the contrary in this *Article 25* or elsewhere in this Lease, so long as there are any Outstanding Bonds, the Port shall comply with any limitations on the Port's authority to terminate the Lease as set forth in the City's financing documents pursuant to which the Outstanding Bonds were issued or authorized.

**25.5. 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.

**25.6. 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.

**25.7. 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.

**25.8. 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 24.1(f)*, if Tenant uses the Premises for the same type of Prohibited Use more than two (2) times within a six (6) month period, then Tenant will pay Port the Prohibited Use Charge as further described in *Section 3.3*.

**25.9. Remedies Not Exclusive.** The remedies set forth in this *Article 25* 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.

## **26.     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.

## **27.     NO WAIVER.**

**27.1.   *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 will continue in full force and effect, or the respective rights of Port or Tenant with respect to any other then existing or subsequent breach.

**27.2.   *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).

## **28.     DEFAULT BY PORT; TENANT'S REMEDIES.**

**28.1.   *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 (a) such failure continues for more than the time of any cure period provided herein, or, (b) 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, (c) 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.

**28.2. *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 conduct the use on the Premises provided for hereunder or materially obstructs the realization of the Project, Tenant has the exclusive right (a) to offset or deduct only from the Rent becoming due hereunder, or if no Rent is due hereunder, then the amount of the damage award will be amortized over a ten (10) year period and payable by Port on a monthly basis, but in either event only after obtaining a final, unappealable judgment in a court of competent jurisdiction for such damages in accordance with applicable Law and the provisions of this Lease, or (b) to seek equitable relief 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; provided, however, (x) in no event will Tenant be entitled to offset from all or any portion of the Rent becoming due hereunder or to otherwise recover or obtain from Port or its Agents any damages (including, without limitation, any indirect or consequential, incidental, punitive or special damages proximately arising out of a default by Port hereunder) or Losses other than Tenant's actual damages as described in the foregoing clause (a), (y) 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 (z) Tenant has no remedy of self-help.

## **29. TENANT'S RECOURSE AGAINST PORT.**

**29.1. *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.

**29.2. *No Recourse Against Specified Persons.*** No commissioner, officer or employee of Port or City 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.

**29.3. *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.

## **30. LIMITATIONS ON LIABILITY.**

**30.1. *Waiver of Indirect or Consequential, Incidental, Punitive or 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 hereby waives any claims against the other Party for any indirect or consequential, incidental, punitive, special damages.

**30.2. *Limitation on Port's 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).

### **31. ESTOPPEL CERTIFICATES BY TENANT AND SUBTENANT.**

**31.1.** 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 Q* stating to the best of Tenant's actual knowledge after diligent inquiry (i) 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), (ii) the dates, if any, to which any Rent and other sums payable hereunder have been paid, (iii) 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 (iv) any other matter actually known to Tenant, directly related to this Lease and reasonably requested by Port.

**31.2.** Unless otherwise 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, to the best of Tenant's knowledge, such attachment is a true, correct and complete copy of this Lease, as applicable, including all modifications thereto.

**31.3.** 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.

**31.4.** Tenant will insert a provision similar to this *Article 31* 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 R*, covering, among other things, the matters described in this *Article 31* with respect to such Sublease, along with a true and correct copy of the applicable Sublease and all amendments thereto.

### **32. ESTOPPEL CERTIFICATES BY PORT.**



Port will execute, acknowledge and deliver to Tenant (or at Tenant's request, to any prospective Subtenant that is entitled to obtain a Non-Disturbance Agreement from Port in accordance with **Section 18.4(b)**), prospective Lender meeting the requirements of **Article 40**, any Mezzanine Lender that has requested a copy of an Event of Default in accordance with **Section 24.2(b)** or a prospective Mezzanine Lender, 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 V** stating to Port's actual knowledge after diligent inquiry (or with respect to any estoppel certificates being provided to Mezzanine Lenders, to the actual knowledge of Port's project manager for this Lease without 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, (c) whether or not, to the knowledge of Port, there are then existing any defaults under this Lease (and if so, specifying the same) and (d) 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 the best of 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 prospective Subtenant, Lender, prospective Lender, prospective purchaser, or other prospective transferee of Tenant's interest under this Lease.

### **33. APPROVALS BY PORT; STANDARD OF REVIEW; FEES FOR REVIEW.**

**33.1. 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 to the extent applicable, or if the Executive Director determines, in his or her sole discretion, that Port Commission action approving execution of such instrument is necessary.

**33.2. 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, 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.

**33.3. 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 for Port staff time incurred in connection with the review, investigation, processing, documentation and/or approval of any proposed Transfer, Sale, Mortgage, estoppel certificate, Non-Disturbance Agreement, Refinancing, other certificate, or Subsequent Construction (excluding any such costs incurred by Port's regulatory capacity, which costs will be paid separately by Tenant to the extent required in connection with the review or processing of such regulatory request). Tenant will pay such costs regardless of whether or not Port consents to such proposal.

#### **34. 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.

#### **35. QUIET ENJOYMENT.**

Subject to the Permitted Title Exceptions, the terms and conditions of this Lease, the Vertical DDA (while in effect), 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 (unless such defect is due to City's willful misconduct). 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.

#### **36. SURRENDER OF PREMISES.**

**36.1. Condition of Premises.** Except as set forth in *Section 36.2*, upon the expiration or earlier termination of this Lease, Tenant will quit and surrender to Port the Premises (i) in good order and condition consistent with the requirements of *Section 10.1*, reasonable wear and tear excepted to the extent the same is consistent with maintenance of the Premises in the condition required hereunder; (ii) clean, free of debris, waste, and Hazardous Materials (other than any Pre-Existing Hazardous Materials that have not been Handled, Released, or Exacerbated), and (iii) free and clear of all liens and encumbrances other than the Permitted Title Exceptions and other licenses, easements or access rights approved or consented to by Port in accordance with *Section 3.5*. 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 36.2**, the Premises will be surrendered with all Improvements, repairs, alterations, additions, substitutions and replacements thereto. Tenant hereby agrees to execute all documents as Port may deem necessary to evidence or confirm any such other termination.

**36.2. Demolition of Improvements.**

(a) **Notice.** 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 and surrender the Premises as a vacant parcel of unimproved 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, (ii) within ninety (90) days following Tenant's election to terminate this Lease in accordance with **Section 7.2** (Termination for Cost Associated with Change in Laws), **Section 14.3(a)** (Termination for Major Casualty), or **Article 15** (Condemnation) or (iii) upon termination of this Lease due to an Event of Default described in **Section 25.4**.

(b) **Access After Termination.** If Port exercises the Demolition Option in accordance with **Section 36.2(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 described in **Section 25.4**), 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 12** (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) **Period to Complete.** Tenant must commence and complete the Demolition and Removal in a timely manner, with due diligence and care, and complete the same within the time period agreed to between the Parties, but in no event shall Tenant commence such Demolition and Removal later than six (6) months following the expiration or earlier termination of this Lease. The provisions of this **Section 36.2** will survive the expiration or earlier termination of this Lease.

**36.3. Personal Property.** On or before expiration or earlier termination of this Lease, Tenant will remove, and will cause all Subtenants to remove (other than any Subtenants that are permitted to remain on the Premises beyond the termination of this Lease in accordance with a Non-Disturbance Agreement previously entered into between the applicable Subtenant and Port), all of their respective Personal Property and Signs within the Premises. If the removal of such Personal Property causes damage to the Premises, Tenant must 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.

**36.4. 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.

### **37. HOLD OVER.**

Any holding over by Tenant after the expiration or termination of this Lease (“**Hold Over Period**”) will not constitute a renewal hereof but will be deemed a month-to-month tenancy and will be upon each and every one of the other terms, conditions and covenants of this Lease, except that Rent payable for each applicable month will be equal to twenty percent (20%) of the average Adjusted Gross Income for the three (3) Lease Years immediately prior to the Expiration Date (as described in *Exhibit D*). Either Party may cancel said month-to-month tenancy upon thirty (30) days written notice to the other Party.

### **38. NOTICES.**

**38.1. Notices.** All notices, demands, consents, and requests which may or are to be given by any Party to the other must be in writing, except as otherwise provided herein. All notices, demands, consents and requests to be provided hereunder will 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:

<b>To Port:</b>	Port of San Francisco Pier 1 San Francisco, CA 94111 Attention: Deputy Director of Real Estate and Development (Reference: Phase 1 Lot 1/Mission Rock) Telephone: (415) 274-0400 Email: <a href="mailto:michael.martin@sfport.com">michael.martin@sfport.com</a>
<b>With a copy to:</b>	Port of San Francisco

	Pier 1 San Francisco, CA 94111 Attention: Port General Counsel (Reference: Phase 1 Lot 1/Mission Rock) Telephone: (415) 274-0400
<b>To Tenant:</b>	Mission Rock Parcel A Owner, L.L.C. c/o Tishman Speyer Development, L.L.C. One Bush Street, Suite 500, San Francisco, California, 94104 Attention: General Counsel
<b>With a copy to:</b>	Mission Rock Parcel A Owner, L.L.C. c/o San Francisco Giants 24 Willie Mays Plaza San Francisco, CA 94107 Attention: Jack Bair

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 number or 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.

**38.2. Form and Effect of Notice.** Every notice given to a Party or other Person under this *Article 38* must state (or 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 38.2*.

### **39. ACCESS TO THE PREMISES BY PORT.**

**39.1. Entry by Port.** 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.

**39.2. General Entry.** In addition to its rights pursuant to *Section 39.3*, 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 *Section 10.1* or *25.2*;
- (b) To serve, post, or keep posted any notices required or allowed under the provisions of this Lease;
- (c) To post “**For Sale**” signs at any time during the Term; to post “**For Lease**” signs during the last six (6) months of the Term or during any period in which an Event of Default is continuing;
- (d) On an occasional basis, at all reasonable times after giving Tenant reasonable advance written or oral notice, to show the Premises to prospective tenants or other interested parties during the last eighteen (18) months of the Term; and
- (e) 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 three (3) business 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 39.2*.

**39.3. 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.

**39.4. 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 this *Article 39* 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.

**39.5. Non-Disturbance.** Port will use its commercially reasonable efforts to conduct its activities on the Premises as allowed in this *Article 39* in a manner which, to the extent reasonably practicable, will minimize annoyance or disturbance to Tenant.

**39.6. Subtenant Agreement.** Tenant will require each Subtenant to permit Port to enter its premises for the purposes specified in *Section 39.1* through *Section 39.3*.

#### 40. MORTGAGES.

##### 40.1. *Mortgages.*

(a) **Right to Grant Mortgages.** Tenant has the right during the Term, to grant a mortgage, deed of trust or other security instrument (each a “**Mortgage**”) encumbering (i) all or a portion of the Leasehold Estate in all or a portion of the Premises, (ii) Tenant’s interest in any permitted Subleases thereon, (iii) any Personal Property of Tenant, (iv) products and proceeds of the foregoing, and (v) any other rights and interests of Tenant arising under this Lease for the benefit of a Bona Fide Institutional Lender (together with its successors in interest, a “**Lender**”) as security for one or more loans related solely to the Project or the Property, the proceeds from which are used to pay or reimburse costs incurred in connection with the Project and/or the Property, subject to the terms and conditions contained in this *Article 40*.

“**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 pension fund, an investment banking or merchant banking firm, or any entity directly or indirectly sponsored or managed by any of the foregoing, or other lender, all of which, at the time a Mortgage is recorded in favor of such entity, owns or manages assets of at least Five Hundred Million Dollars (\$500,000,000) in the aggregate (or the equivalent in foreign currency), or (ii) a Low Income Housing Credit investor or Affiliate thereof that has given a loan to Tenant to optimize or utilize effectively the Low Income Housing Tax Credits.

(b) **Restrictions on Financing.** No Mortgage will be granted to secure obligations unrelated to the Project and/or the Property or to provide compensation or rights to a Lender in return for matters unrelated to the Project and/or the Property.

(c) **Leasehold Mortgages Subject to this Lease.** With the exception of the rights expressly granted to Lenders in this *Article 40*, the execution and delivery of a Mortgage will not give or be deemed to give a Lender any greater rights than those granted to Tenant hereunder.

(d) **Transfer by Lenders.** A Lender may transfer or assign all or any part of or interest in any Mortgage to a Bona Fide Institutional Lender without the consent of or notice to any Party; provided, however, that Port will have no obligations under this Agreement to a Lender unless Port is notified of such Lender. Furthermore, Port’s receipt of notice of a Lender following Port’s delivery of a notice or demand to Tenant or to one or more Lenders under *Section 40.4* will not result in an extension of any of the time periods in this *Article 40*, including the cure periods specified in *Section 40.5*.

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

(f) **Violation of Covenant.** Any Mortgage not permitted by this *Article 40*

will be deemed to be a violation of this covenant on the date of its execution or filing of record regardless of whether or when it is foreclosed or otherwise enforced.

#### **40.2. Copy of Notice of Default to Lender.**

(a) **Copy to Lender.** Whenever Port delivers any notice or demand to Tenant for any breach or default by Tenant in its obligations or covenants under this Lease, Port will at the same time forward a copy of such notice or demand to each Lender that has previously made a written request to Port for a copy of any such notices in accordance with **Section 40.2(b)**. A delay or failure by Port to provide such notice or demand to any Lender that has previously made a written request therefor will extend, by the number of days until notice is given, the time allowed to such Lender to cure.

(b) **Notice from Lender to Port.** Each Lender is entitled to receive notices in accordance with **Section 40.2(a)** provided such Lender has delivered a notice to Port in substantially the following form:

“The undersigned does hereby certify that it is a Lender, as such term is defined in that certain lease entered into by and between the City and County of San Francisco, operating by and through the San Francisco Port Commission, as landlord, and [insert name of Tenant], as tenant (the “Lease”), of tenant’s interest in the Lease demising the property, a legal description of which is attached hereto as **Exhibit A** and made a part hereof by this reference. The undersigned hereby requests that copies of any and all notices from time to time given under the Lease to tenant by Port be sent to the undersigned at the following address:

\_\_\_\_\_.”  
If Lender desires to have Port acknowledge receipt of Lender’s name and address delivered to Port pursuant to this **Section 40.2(b)**, then such request must be made in bold, underlined and in capitalized letters.

#### **40.3. Lender’s Option to Cure Defaults.**

(a) Before or after receiving any notice of failure to cure referred to in **Section 40.2**, Lender will have the right (but not the obligation), at its option, to commence to cure or cause to be cured any Event of Default, within the same period afforded to Tenant hereunder plus an additional period of (a) fifteen (15) days with respect to a monetary Event of Default and (b) forty-five (45) days with respect to a non-monetary Event of Default that is susceptible of cure by such Lender without obtaining title to the applicable property subject to the applicable Mortgage or acquiring the ownership interests in Tenant, as applicable.

(b) If a non-monetary Event of Default cannot be cured by Lender without obtaining title to the Leasehold Estate, or applicable portion thereof, Port will refrain from exercising its right to terminate this Lease and will permit the cure by a Lender of such Event of Default if, within the cure period set forth in **Section 40.3(a)**: (i) such Lender notifies Port in writing that such Lender intends to proceed with due diligence to foreclose the Mortgage or otherwise obtain title to the subject property or ownership interests, as applicable; (ii) such Lender commences foreclosure proceedings whether by non-judicial foreclosure, judicial foreclosure, by appointment of a receiver, or deed (or assignment) in lieu of foreclosure, within sixty (60) days after giving such notice, and diligently pursues such proceedings to completion; and (iii) after obtaining title, such Lender, subject to **Section 40.4**, diligently proceeds to cure



those Events of Default that are susceptible of cure by such Lender. The period from the date Lender so notifies Port 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.”

(c) Nothing in this *Article 40* will preclude Port from exercising any rights or remedies under this Lease against Tenant (other than a termination of this Lease) with respect to any other Events of Default during the Foreclosure Period.

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

#### ***40.4. Lender’s Obligations with Respect to the Property.***

(a) **Rights and Obligations upon Lender Acquisition.** Except as set forth in this *Article 40*, no Lender will have any obligations or other liabilities under this Lease unless and until it acquires title by any method to the Leasehold Estate (referred to as “Foreclosed Property”). Except as otherwise provided herein (including, without limitation, *Sections 40.4(b)-(d)*), a Lender (or its designee, successor or assign) or other winning bidder at a foreclosure sale (collectively, a “Successor Owner”) that acquires title to any Foreclosed Property (a “Lender Acquisition”) will take title subject to all of the terms and conditions of this Lease to the extent applicable to the Foreclosed Property, including any claims for payment or performance of obligations that are due as a condition to enjoying the benefits under this Lease from and after the Lender Acquisition. Upon completion of a Lender Acquisition, Port will recognize the Successor Owner as Tenant under this Agreement. Such recognition will be effective and self-operative without the execution of any further instruments; provided, upon request, at no cost to Port, Port will execute a written agreement recognizing Successor Owner. A Successor Owner, upon a Lender Acquisition, will be required promptly to cure all monetary defaults and all other defaults then reasonably susceptible of being cured by such Successor Owner to the extent not cured prior to completion of the Lender Acquisition. The foregoing obligation includes any obligation to Restore, except as set forth in *Section 40.4(c)*.

(b) **Obligations by 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 *Article 40*). 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, including the payment of all Impositions and any other sums due and

owing hereunder.

(c) **No Obligation to Restore.** Subject to *Sections 40.4(d)* and *(e)*, Lender, including any Lender who obtains title to Foreclosed Property through a Lender Acquisition will not be obligated by the provisions of this Lease to Restore any damage or destruction to the Improvements 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.

(d) **Obligation to Sell If Not Restore.** In the event that Lender acquires the Foreclosed Property through a Lender Acquisition and chooses not to complete or Restore the Improvements, it will notify Port in writing of its election within one hundred twenty (120) days following the Lender Acquisition and will sell its interest with reasonable diligence to a purchaser that will be obligated to Restore the 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").

(e) **Lender Agreement to Complete or 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. In the event Lender agrees, or is deemed to have agreed, to Restore the Improvements, all such work will be performed in accordance with all the requirements set forth in this Lease, and Lender must submit evidence reasonably satisfactory to Port that it has the qualifications and financial responsibility necessary to perform such obligations.

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

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

**40.7. *Multiple Mortgages.***

(a) If at any time there is more than one Mortgage constituting a lien on a

single portion of the Property or any interest therein, the lien of Lender prior in time to all others (the “**Senior Lender**”) will be vested with the rights under **Sections 40.3, 40.10, 40.13, and 40.14** to the exclusion of the holder of any other Mortgage except if the Senior Lender fails to exercise the rights set forth in **Sections 40.3 and 40.10**, as applicable, then the holder of a junior Mortgage that has provided notice to Port in accordance with **Section 40.2** will succeed to the rights set forth in **Sections 40.3 and 40.10**, as applicable, only if the holders of all Mortgages senior to it have failed to exercise the rights set forth in **Sections 40.3 and 40.10**, as applicable.

(b) A Senior Lender’s failure to exercise its rights under **Sections 40.3, 40.10, 40.13, or 40.14**, as applicable, or any delay in the response of any Lender to any notice by Port will not extend (i) any cure period, (ii) period to enter into a New Lease, or (iii) Tenant’s or any Lender’s rights under this **Article 40**. For purposes of this **Section 40.7**, in the absence of an order of a court of competent jurisdiction that is served on Port, a title report prepared by a reputable title company licensed to do business in the State of California and having an office in the City, setting forth the order of priorities of the liens of Mortgages on real property, may be relied upon by Port as conclusive evidence of priority.

**40.8. Cured Defaults.** Port will accept performance by a Lender with the same force and effect as if performed by Tenant. No such performance on behalf of Tenant in and of itself will cause Lender to become a “mortgagee in possession” or otherwise cause it to be bound by or liable under this Lease.

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

If a Lender becomes the owner of the Leasehold Estate under this Lease or under a New Lease, (i) except as set forth in **Sections 40.4(c) and 40.4(d)**, such Lender will be liable to Port for the obligations of Tenant hereunder only to the extent such obligations arise during the period that such Lender remains the owner of the Leasehold Estate, and (ii) in no event will Lender have personal liability under this Lease or New Lease, as applicable, greater than Lender’s interest in this Lease or such New Lease, and Port will have no recourse against Lender’s assets other than its interest herein or therein.

**40.10. New Lease.** In the event of the termination of this Lease before the expiration of the Term, including, without limitation, the rejection of this Lease by a trustee of Tenant in bankruptcy or by Tenant as a debtor-in-possession, except (i) by Total Condemnation, (ii) as the result of damage or destruction as provided in **Article 14**, or (iii) as a result of Tenant exercising its option to terminate this Lease due to change in Laws as provided in **Section 7.2**, 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**”):

(i) 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

(ii) 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. If Lender elects not to Restore, then it will follow the procedures set forth in *Sections 40.4(d) and (e)*. 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 40.10(ii)* will survive any termination of this Lease (except as otherwise expressly set out in the first sentence of *40.10*), and will constitute a separate agreement by Port for the benefit of and enforceable by Lender.

**40.11. Nominee.** Any rights of a Lender under this *Article 40*, 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.

**40.12. Subleases and Other Property Agreements.** Effective upon the commencement of the term of any New Lease executed pursuant to *Subsection 40.10*, 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 which were not automatically terminated upon termination of the Lease as a result of the absence of a Non-Disturbance Agreement with the Subtenant of such Sublease (unless all the conditions to Port's recognition of the Sublease under the Non-Disturbance Agreement have not been met) 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.

**40.13. *Consent of Lender.*** Port will not (i) modify this Lease in a manner that increases base rent owed to Port, decreases the Term 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 not 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.

**40.14. *Cooperation.*** Port, through its Executive Director, and Tenant will cooperate in including in this Lease by suitable written amendment or agreement from time to time any provision which may be reasonably requested by the Senior Lender and customarily included in such amendment or agreement to implement the provisions and intent of this **Article 40**, provided, however, that any such amendment or agreement will not adversely affect in any material respect any of Port's rights and remedies under this Lease. Port's execution of any such amendment or agreement is conditioned on Port's receipt of its share of Net Refinancing Proceeds (if any), and Attorneys' Fees and Costs incurred in connection with the review and negotiation of such document.

#### **41. 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.

#### **42. ECONOMIC ACCESS.**

Tenant will comply with the Workforce Development Plan, including the Local Business Enterprise (LBE) Utilization Plan, attached hereto as **Exhibit M** (collectively, 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 Initial 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.

#### **43. REPRESENTATIONS AND WARRANTIES.**

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 California.

(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.

(c) **No Limitation on Ability to Perform.** Neither Tenant's articles of organization or 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.

(d) **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.

(e) **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.

(f) **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, and (iv) to Tenant's knowledge, no involuntary petition naming Tenant as debtor has been filed under any chapter of the U.S. Bankruptcy Code.

The representations and warranties herein will survive any termination of this Lease to the extent specified in this Lease.

#### **44. MITIGATION MONITORING REPORTING PROGRAM.**

In order to mitigate the significant environmental impacts of this Lease and operation of the Premises, Tenant agrees that the operation of the Project will be in accordance with the applicable Mitigation Monitoring Reporting Program attached to this Lease as ***Exhibit K***. As appropriate, Tenant will incorporate such Mitigation Monitoring Reporting Program into any contract for the operation of the Improvements.

#### 45. OTHER CITY REQUIREMENTS.

Tenant will comply with the Other City Requirements attached hereto as *Exhibit W*.

#### 46. GENERAL

##### 46.1. *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 the provisions of *Article Error! Reference source not found.* relating to Force Majeure.

##### 46.2. *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.

**46.3. *Successors and Assigns.*** This Lease is binding upon and will inure to the benefit of the successors and assigns of Port, Tenant, and any Lender. Where the term “**Tenant**,” “**Port**,” “**Lender**” is used in this Lease, it means and includes their respective successors and assigns, including, as to any Lender, 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 an 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.

**46.4. *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 40* with regard to Lenders.

**46.5. *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 and this Lease.

**46.6. *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.

**46.7. *Entire Agreement.*** This Lease (including the Exhibits) constitute 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.



**46.8. 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.

**46.9. 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.

**46.10. 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 X*. 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.

**46.11. 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 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.

**46.12. Effective Date.** This Lease will become effective on the date (the "Effective Date") the Parties duly execute and deliver this Lease. The Effective Date will be inserted by Port on the cover page and on page 1 hereof, provided, however, that either Party's failure to insert the Effective Date will not invalidate this Lease. Where used in this Lease or in any of its exhibits, references to "the date of this Lease," the "reference date of this Lease," "Lease Date" or "Effective Date" will mean the Effective Date determined as set forth above and shown on the first page hereof.

**46.13. 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.

#### **47. DEFINITIONS OF CERTAIN TERMS.**

For purposes of this Lease, initially capitalized terms will have the meanings ascribed to them in this *Article 47*:

**“Additional Rent”** means any and all sums (including any portion of Net Sale Proceeds and Refinancing Proceeds due to the Port hereunder (if any) and, to the extent applicable, shall include all Rent due during any Hold Over Period (as defined in *Section 37*)) that may become due or be payable by Tenant under this Lease.

**“Affiliate”** means any Person directly or indirectly Controlling, Controlled by or under Common Control with the other Person in question.

**“Agents”** means, when used with reference to either Party to this Lease, the members, officers, directors, commissioners, employees, agents and contractors of such Party, and their respective heirs, legal representatives, successors and assigns.

**“Allocated Tax Increment”** means the portion of Gross Tax Increment from Project Area I that the City has agreed to allocate to the IFD for use in Project Area I by approving Appendix I.

**“Anniversary Date”** means each anniversary date of the Commencement Date; provided, however, that if the Commencement Date is other than the first day of a month, then the first Anniversary Date will be the first day of the thirteenth (13th) month thereafter.

**“As Is With All Faults”** is defined in *Section 1.1(g)*.

**“Assessment Shortfall”** is defined in the DDA.

**“Assessor Information”** is defined in *Section 5.4(a)*.

**“Assessor-Recorder”** or **“County Recorder”** means the Office of the Assessor-Recorder in the City and County of San Francisco, or any successor agency responsible for assessing real property in the City and County of San Francisco.

**“Assignment”** is defined in *Section 18.1(a)*.

**“Assignment and Assumption Agreement”** is defined in *Section 18.1(b)(i)*.

**“Attorneys’ Fees and Costs”** means reasonable attorneys’ fees, costs, expenses and disbursements, including, but not limited to, expert witness fees and costs, travel time and associated costs, transcript preparation fees and costs, document copying, exhibit preparation, courier, postage, facsimile, long-distance and communications expenses, court costs and other reasonable costs and fees associated with any other legal, administrative or alternative dispute resolution proceeding, including such fees and costs associated with execution upon any judgment or order, and costs on appeal.

**“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”** is defined in the DDA.

**“Base Rent”** means monthly installments of rent equal to Zero Dollars (\$0.00) for the first

seventy-five years from the Effective Date.

“**Bona Fide Institutional Lender**” is defined in *Section 40.1(a)*.

“**Bond**” is defined in the DDA.

“**Books and Records**” is defined in *Section 3.6* of *Exhibit D*.

“**Capital Items**” is defined in *Section 10.2(a)*.

“**Capital Reserves**” is defined in *Section 10.2(a)*.

“**Capital Reserve Deposits**” is defined in *Section 10.2(a)*.

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

“**Casualty**” is defined in *Section 14.1*.

“**Casualty Notice**” is defined in *Section 14.1(a)*.

“**Certificate of Completion**” is defined in the Vertical DDA.

“**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.

“**Claims**” or “**Claim**” means a demand made in an action or in anticipation of an action for money, mandamus, or any other relief available at law or in equity for a Loss arising directly or indirectly from acts or omissions occurring in relation to the Project or at the Premises during the Term.

“**Commencement Date**” is defined in the Basic Lease Information.

“**Common Control**” means that two Persons are both Controlled by the same other Person.

“**Completion**” means completion of construction of all or any applicable portion of the Initial Improvements, in accordance with the terms hereof, as conclusively evidenced by the issuance of a temporary certificate of occupancy. “**Complete**” has a correlative meaning.

“**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.

“**Condemned Land Value**” is defined in *Section 15.4(iii)*.

“**Construction**” is defined in *Section 12.1(a)*.

“**Construction Impacts**” is defined in *Section 4.1*.

“**Contest Notice**” is defined in *Section 5.4(c)*.

“**Control**” is defined in *Section 18.1(a)*. “**Controlled**” and “**Controlling**” have correlative

meanings.

**“Coordination Agreement”** means the Vertical Cooperation Agreement to be entered into between Tenant and Phase 1 Horizontal Developer.

**“DDA”** is defined in *Recital C*.

**“Default Rate”** is defined in *Section 3.9* of *Exhibit D*.

**“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”** has a correlative meaning.

**“Demolition Option”** is defined in *Section 36.2(a)*.

**“Design Controls”** means the Design for Development for Mission Rock that the Port Commission and the Planning Commission approved.

**“Development Agreement”** means that certain Development Agreement between City and Seawall Lot 337 Associates, LLC, a Delaware limited liability company, dated as of August 15, 2018, as may be amended from time to time.

**“Development Documents”** means (i) the SUD; (ii) the Design Controls (including the Green Building Specifications); (iii) the Port Plans and Policies; and (iv) the Development Agreement.

**“Development Projects”** is defined in *Section 4.1*.

**“Disabled Access Laws”** means all Laws related to access for persons with disabilities including, without limitation, the Americans with Disabilities Act, 42 U.S.C. Section 12101 et seq. and disabled access laws under the Port’s building code.

**“DPH”** means the City and County of San Francisco Department of Public Health Environmental Health Branch.

**“DTSC”** means the California Department of Toxic Substances Control.

**“Effective Date”** is defined in *Section 46.12*.

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

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

**“Environmental Financial Performance Deposit”** is defined in *Section 17.1*.

**“Environmental Laws”** is defined in *Section 21.6*.

**“Environmental Notice”** is defined in *Section 17.3(b)*.

**“Environmental Oversight Deposit”** is defined in *Section 17.3(a)*.

**“Environmental Regulatory Action”** is defined in *Section 21.6*.

**“Environmental Regulatory Agency”** is defined in *Section 21.6*.

**“Event of Default”** is defined in *Section 24.1*.

**“Exacerbate”** or **“Exacerbating”** is defined in *Section 21.6*.

**“Exempt Parcel”** means, depending on the context: (i) any assessor’s parcel of a real property interest that is exempt from property taxation under California law; and (ii) any assessor’s parcel of a real property interest that is exempt from Mello-Roos Taxes under an RMA. **“Exempt Parcel”** excludes any parcel that: (1) the Port or any other Regulatory Agency acquires by gift, devise, negotiated transaction, or foreclosure; (2) the Port acquires under the DDA; or (3) is in private use for taxable purposes.

**“Excepted Hazardous Materials”** is defined in *Section 21.1*.

**“Excluded Transfer”** is defined in *Section 18.1(a)*.

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

**“Facilities Condition Report”** is defined in *Section 10.2(b)*.

**“FCR Date”** is defined in *Section 10.2(a)*.

**“Final Certificate of Occupancy”** means a certificate of occupancy and completion that the Chief Harbor Engineer issues in the form of DDA Exh D13 after accepting an Architect’s Certificate verifying that a Vertical Developer has finally completed a Vertical Improvement.

**“Final Map”** means a final Subdivision Map meeting the requirements of the Subdivision Code and the Map Act, subject to amendments made by the DA Ordinance.

**“Flagpoles”** is defined in *Section 9.5*.

**“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 and not caused by the acts or omissions of such Party, including, but not restricted to, acts of nature or of the public enemy, fires, floods, earthquakes, tidal waves, strikes, freight embargoes, and unusually severe weather. Force Majeure does not include (i) failure to obtain financing or failure to have adequate funds, (ii) sea level rise, (iii) flooding as a result of curbless streets and/or sidewalks, or (iv) any event that does not cause an actual delay. 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 additional repairs or obtain additional Regulatory Approvals that would not have otherwise been required but for the Force Majeure event.

**“Foreclosed Property”** is defined in *Section 40.4(a)*.

**“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.

**“Foreclosure Period”** is defined in *Section 40.3(b)*.

**“Generator”** is described in *Section 21.2(d)*

**“graffiti”** is defined in *Section 9.6*.

**“Gross Income”** is defined in *Section 3.2a(iii)* in *Exhibit D*.

**“Gross Tax Increment”** means 100% of the property and possessory interest taxes that the City actually receives in a City Fiscal Year by application of the 1% ad valorem tax against the increase in assessed value of Taxable Parcels in Project Area I above their values in the base year of Project Area I.

**“Handle”** is defined in *Section 21.6*.

**“Hard costs”** is defined in *Section 10.5*.

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

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

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

“**Horizontal Improvements**” is defined in the Appendix to the DDA.

“**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 date on which all allocations to the IFD of Tax Increment from the Sub-Project Area in which the Premises is located, and the IFD’s authority to repay indebtedness with Tax Increment from that Sub-Project Area end under Appendix I in accordance with IFD Law, which is no later than 45 years after the IFD actually receives \$100,000 in Tax Increment from that Sub-Project Area.

“**Impositions**” is defined in *Section 5.1(b)*.

“**Improvements**” means all buildings, structures, fixtures and other improvements erected, built, placed, installed, constructed, renovated, or Restored, located upon or within the Premises on or after the Commencement Date, including, but not limited to, the Initial Improvements and any Subsequent Construction.

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

“**Indemnify**” means indemnify, protect and hold harmless.

“**Information Charge**” is defined in *Section 5.4(d)*.

“**Infrastructure CFD**” means the City and County of San Francisco Community Facilities District No. 2020-1 (Mission Rock Public Improvements).

“**Initial Improvements**” means all Improvements to be built on the Premises or portion(s) thereof in accordance with the Vertical DDA, Scope of Development, and SUD.

“**Initial Response Period**” is defined in *Section 5.4(b)*.

“**Investigate**” or “**Investigation**” is 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**” is defined in Basic Lease Information.

“**Late Charge**” is defined in *Section 3.10 of Exhibit D*.

“**Law**” or “**Laws**” means any one or more present and future laws, (including Environmental 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.

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

“**Lease Year**” is defined in *Exhibit D*.

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

**“Leasing Activity Report”** is defined in *Section 9.3*.

**“Lender Acquisition”** is defined in *Section 40.4(a)*.

**“Lender”** means the holder or holders of a Mortgage in compliance with *Article 40* 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 will 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 (including direct or vicarious liabilities), damages (including foreseeable and unforeseeable, incidental and 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.

**“Low Income Housing Tax Credit”** means a tax credit obtained in accordance with 26 U.S. Code §42 (as amended from time to time), or an equivalent federal or state tax credit program for affordable housing.

**“Maintenance Notice”** is defined in *Section 10.5*.

**“Major Casualty”** means damage to or destruction of all or any portion of the Premises to the extent that the hard costs of Restoration will exceed thirty percent (30%) of the hard costs to replace the Premises in their entirety. The calculation of such percentage will be based upon replacement costs and requirements of applicable Laws in effect as of the date of the event causing such Major Casualty.

**“Managing Party”** is defined in *Section 18.1(a)*.

**“Master Association”** is defined in the DDA.

**“Master CC&Rs”** is defined in the DDA.

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

**“Master Developer Agreements”** means the DDA, the Master Lease, the DA, and related agreements.

**“Master Lease”** is defined in *Recital C*.

**“Material Systems”** is defined in *Section 10.5*.

**“Mello-Roos Taxes”** means special taxes that the City levies in a City Fiscal Year on Taxable Parcels in the Mission Rock CFD in accordance with the RMA, including delinquent special taxes collected at any time by payment or through foreclosure.

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

**“Mezzanine Lender”** means a lender which has a security interest in the partnership/membership interest of Tenant.

**“Minimum Net Worth Amount”** is defined in *Section 18.1(a)*.

**“Mission Rock”** means the master-planned portion of the Mission Rock project that will encompass SWL 337, portions of Terry Francois Boulevard, and the expansion of China Basin Park.

**“Mission Rock CFD”** is a term used for the CFD for Mission Rock, if and when formed.

**“Mitigation Monitoring and Reporting Program”** means the Mitigation Monitoring and

Reporting Program described in *Exhibit K*.

“**Mortgage**” means a mortgage, deed of trust, assignment of rents, fixture filing, security agreement or similar security instrument or assignment of the Leasehold Estate recorded in the Official Records.

“**Net Awards and Payments**” is defined in *Section 15.4*.

“**Net Worth Guarantor**” is defined in *Section 18.1(a)*.

“**Net Worth Guaranty**” is defined in *Section 18.1(a)*.

“**Net Worth Requirement**” is defined in *Section 18.1(a)*.

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

“**New Lease**” is defined in *Section 40.10*.

“**New Lease Execution Period**” is defined in *Section 40.10(i)*.

“**Non-Disturbance Agreements**” is defined in *Section 18.4(a)*.

“**Notice for Information**” is defined in *Section 5.4(c)*.

“**Notice of Special Tax**” is defined in *Section 5.2(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.

“**Operations Plan**” means an operations plan reasonably approved by Port regarding the Handling of Hazardous Materials within, on, or near the Premises and the management of Hazardous Materials risks associated with such operations. Any Operations Plan previously approved by Port may be amended from time to time with the prior consent of Port.

“**Other Property Agreements**” is defined in *Section 40.12*.

“**Outstanding Bonds**” shall mean Bonds (i) for which the City has or will have repayment obligations from special taxes or tax increment, (ii) that have been issued by the City and remain outstanding under the terms of such Bonds, (iii) for which the indenture, fiscal agent agreement, resolution or other instrument pursuant to which such Bonds were issued or authorized expressly prohibits the early termination of this Lease, and (iv) which either (a) expire prior to the last ten (10) years of the Term of this Lease, or (b) have been expressly approved in writing by Tenant to extend into the last ten (10) years of the Term of this Lease. The City shall not issue any Bonds which would remain outstanding during the last ten (10) years of the Term of the Lease without the prior written consent of Tenant, which consent may be withheld in Tenant’s sole and absolute discretion.

“**Partial Condemnation**” is defined in *Section 15.3(b)*.

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

“**PCBs**” is defined in *Section 21.6*.

“**Permitted Title Exceptions**” is defined in *Section 1.1(b)*.

“**Permitted Uses**” is defined in *Section 3.1*.

“**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 described in *Section 21.5*.

**“Phase”** means one of the integrated stages of horizontal and vertical development for the Project Site as shown in the Phasing Plan.

**“Phase 1 Horizontal Developer”** is defined in *Recital D*.

**“Phase Area”** means the Development Parcels and other land in the Project Site that are to be developed in a Phase.

**“Phasing Plan”** means DDA Exh A4, which shows the order of development of the Phases and the Development Parcels in each Phase Area, subject to revision under DDA Art. 3 (Phase Approval).

**“Port”** means the San Francisco Port Commission.

**“Port Environmental Risk Policy”** is defined in *Section 17.1*.

**“Port’s Repair Notice”** is defined in *Section 10.5*.

**“Potential Assessment”** is defined in *Section 5.4(a)*.

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

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

**“Prevailing party”** is defined in *Section 46.11*.

**“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”** is defined in *Section 3.2*.

**“Prohibited Use Charge”** is defined in *Section 3.3*.

**“Project”** means the project described in the Scope of Development attached hereto as *Exhibit C-1*, including all Improvements.

**“Project Approvals”** is defined in the Basic Lease Information.

**“Project Area I”** means the area within the IFD covering Mission Rock formed by Ordinance No. 34-18.

**“Project Site”** is defined in *Recital C*.

**“Property”** is defined in Basic Lease Information.

**“Public Access Area”** means any Horizontal Improvement for public enjoyment, such as a public park, public recreational facility, public access, open space, and other similar public amenities, which may be a rooftop facility, or any area marked as a Public Access Area on *Exhibit B*.

**“public work”** is defined in *Section 12.4(f)*.

**“Qualified Transferee”** is defined in *Section 18.1(a)*.

**“reasonable wear and tear”** is defined in *Section 10.1*.

**“Reassessment”** means a proceeding that a taxpayer initiates under the California Revenue and Taxation Code that results in a reduction in ad valorem taxes assessed against the Premises.

**“Record Drawings”** is defined in *Section 12.6(a)*.

**“Refinancing Proceeds”** is defined in *Section 3.5(e)* of *Exhibit D*.

**“Refinancing”** is defined in *Section 3.5(e)* of *Exhibit D*.

**“Regulatory Agency”** means a City Agency or federal, state, or regional body administrative agency, commission, court, or other governmental or quasi-governmental organization with jurisdiction over any aspect of the Improvements or the Premises or the Project Site.

**“Regulatory Approval”** means any motion, resolution, ordinance, permit, approval, license, registration, permit, utility services agreement, Final Map, or other action, agreement, or entitlement required or issued by any Regulatory Agency with jurisdiction over any portion of the Project Site, as finally approved.

**“Reimbursable Subtenant Costs”** is defined in *Section 18.4(b)(vi)(3)*.

**“Release”** is defined in *Section 21.6*.

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

**“Rent”** means Base Rent, if any, the sum of rent for any Hold Over Period pursuant to Section 37, the portion of Net Sale Proceeds or Refinancing Proceeds due to the Port hereunder (if any), Additional Rent and all other sums payable by Tenant to Port hereunder, including any Late Charges and interest assessed at the Default Rate.

**“Replacement Notice”** is defined in *Section 9.5*.

**“Requested Information”** is defined in *Section 5.4(b)*.

**“Response Period”** is defined in *Section 5.4(c)*.

**“Restoration”** means the restoration, replacement, or rebuilding of the Improvements (or the relevant portion thereof) in accordance with all Laws then applicable. All Restoration will be conducted in accordance with the provisions of *Section 12*. **“Restore”** and **“Restored”** have correlative meanings.

**“RMA”** is an acronym for the Rate and Method of Apportionment.

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

**“Sale”** is defined in *Section 3.4(e)* of *Exhibit D*.

**“Sale period”** is defined in *Section 40.4(d)*.

**“Sale Proceeds”** is defined in *Section 3.4(e)* of *Exhibit D*.

**“Second NDA Notice”** is defined in *Section 18.4(e)(ii)*.

**“Security Deposit”** is defined in *Section 17.4(a)*.

**“Senior Lender”** is defined in *Section 40.7(a)*.

**“SFPUC”** means the San Francisco Public Utilities Commission.

**“SFPW”** means San Francisco Public Works.

**“Shoreline Protection Facilities”** means future Improvements to protect the San Francisco Bay shoreline from perils associated with seismic events and climate change, including sea level rise and floods, and other public improvements approved by the Port Commission and the Board of Supervisors.

**“Shoreline Protection Project”** means planning, design, and construction of Shoreline Protection Facilities.

**“Sign”** is defined in *Section 3.4*.

**“Significant Change”** is defined in *Section 18.1(a)*.

**“Significant Change Certificate”** is defined in *Section 18.1(b)(ii)*.

**“Soil Management Plan”** is defined in *Section 21.6*.

**“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, successors 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), and any amendment, modification or supplement thereto, but excluding access or occupancy rights granted under the Master CC&Rs (as defined in the DDA).

**“Subleased Space”** means the portion of the Premises subject to a Sublease.

**“Sub-Project Area”** means a sub-project area that the Board of Supervisors established in Project Area I.

**“Subsequent Assessed Value”** means the assessed value of the Premises in any City Fiscal Year after the most recent Baseline Assessed Value was established.

**“Subsequent Construction”** means all repairs to and reconstruction, replacement, addition, expansion, Restoration, alteration or modification of any Improvements, or any construction of additional Improvements, following completion of the Initial Improvements.

**“Substantial Condemnation”** is defined in *Section 15.3(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 249.80 establishing the Mission Rock Special Use District, as it may be amended from time to time.

**“Tax Increment”** refers to Allocated Tax Increment or Gross Tax Increment, as appropriate in the context.

**“Taxable Parcel”** means an assessor’s parcel of real property or other real estate interest created by each Phase Final Map that is not an Exempt Parcel, which may include leased space occupied for private use in an Exempt Parcel.

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

**“Term”** is defined in *Section 1.2*.

**“Termination Notice for Change in Laws”** is defined in *Section 7.2*.

**“Termination Option”** is defined in *Section 7.2*.

**“Total Condemnation”** is defined in *Section 15.2*.

**“Transportation Demand Management Plan”** means the Transportation Demand Management Plan attached hereto as *Exhibit Y*.

**“Transfer”** is defined in *Section 18.1(a)*.

**“Uninsured Casualty”** is defined in *Section 14.3*.

**“Unmatured Event of Default”** means any default that, with the giving of notice or the passage of time, or both, would constitute an Event of Default.

**“Vertical DDA”** means the Vertical Disposition and Development Agreement between Port and Tenant, as developer, dated as of June 25, 2020.



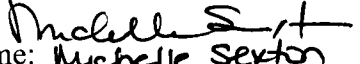
**“Work”** is defined in *Section 12.5*.

**“Workforce Development Plan”** is defined in *Article 42*.

**“worth at the time of award”** is defined in *Section 25.4*.

[Signature Page Follows]

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

<u>Tenant:</u>	<b>MISSION ROCK PARCEL A OWNER, L.L.C.,</b> a Delaware limited liability company  By:  Name: <b>Authorized Signatory</b> Title: <b>Carl D. Shannon</b>
<u>Port:</u>	<b>CITY AND COUNTY OF SAN FRANCISCO,</b> operating by and through the <b>SAN FRANCISCO PORT COMMISSION</b>  By:  Name: <b>Elaine Forbes</b> Title: <b>Executive Director</b>
APPROVED AS TO FORM: DENNIS J. HERRERA, City Attorney  By:  Name: <b>Michelle Sexton</b> Title: <b>Deputy City Attorney</b>	

Port Commission Resolution No. 18—03, adopted on January 30, 2018

Board of Supervisors Resolution No. 36—18, adopted on February 13, 2018



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

<u>Tenant:</u>	<b>MISSION ROCK PARCEL A OWNER, L.L.C.,</b> a Delaware limited liability company  By: Name: Title:
<u>Port:</u>	<b>CITY AND COUNTY OF SAN FRANCISCO,</b> operating by and through the <b>SAN FRANCISCO PORT COMMISSION</b>  By: Name: Title:
APPROVED AS TO FORM: DENNIS J. HERRERA, City Attorney  By: Name: Title:	

Port Commission Resolution No. 18—03, adopted on January 30, 2018

Board of Supervisors Resolution No. 36—18, adopted on February 13, 2018

EXHIBIT A

Legal Description



LEGAL DESCRIPTION

"LOT 1"

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

LOT 1, AS SAID LOT IS SHOWN ON FINAL MAP 9443 FILED FOR RECORD ON JUNE 12, 2020, IN BOOK 1 OF FINAL MAPS, PAGES 28-38 INCLUSIVE, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO.

CONTAINING 41,986 SQ.FT. OR 0.96 ACRES, MORE OR LESS

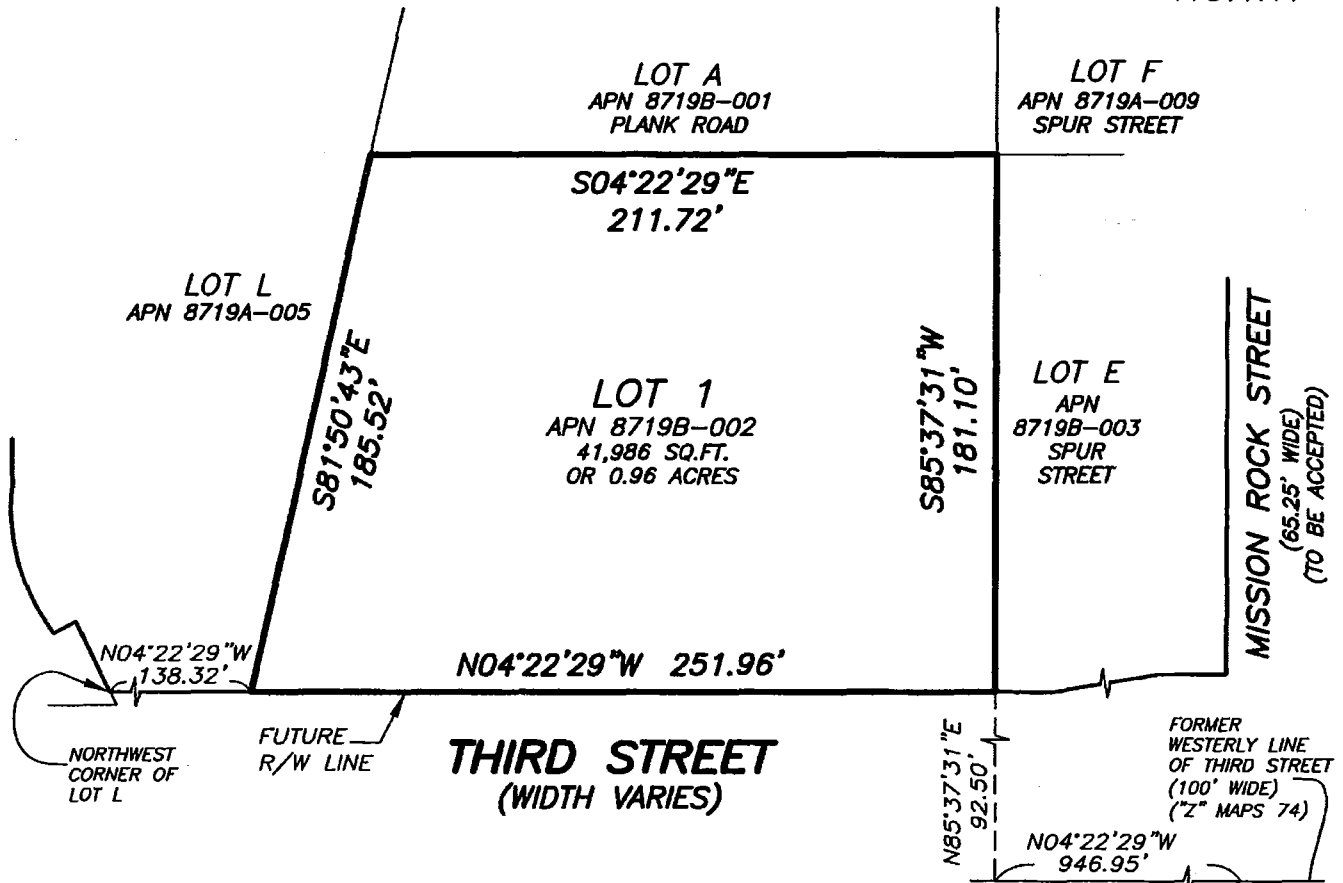
EXCEPTING THEREFROM, ALL SUBSURFACE MINERAL DEPOSITS, INCLUDING OIL AND GAS DEPOSITS, TOGETHER WITH THE RIGHT OF INGRESS AND EGRESS ON SAID LAND FOR EXPLORATION, DRILLING AND EXTRACTION OF SUCH MINERAL, OIL AND GAS DEPOSITS, AS EXCEPTED AND RESERVED BY THE STATE OF CALIFORNIA IN THAT CERTAIN ACT OF THE 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.

AND FURTHER EXCEPTING THEREFROM:

UNTO THE STATE OF CALIFORNIA, ITS SUCCESSORS, AND ASSIGNS, FOREVER, ALL MINERALS AND MINERAL RIGHTS OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED IN THE HEREINAFTER DESCRIBED PORTION OF THE ABOVE DESCRIBED REAL PROPERTY INCLUDING, BUT NOT LIMITED TO, OIL AND GAS AND RIGHTS THERETO, TOGETHER WITH THE SOLE, EXCLUSIVE, AND PERPETUAL RIGHT TO EXPLORE FOR, REMOVE AND DISPOSE OF THOSE MINERALS BY ANY MEANS OR METHODS SUITABLE TO THE STATE OF CALIFORNIA OR TO ITS SUCCESSORS AND ASSIGNS, BUT WITHOUT ENTERING UPON OR USING THE SURFACE OF THE LANDS CONVEYED AND IN SUCH MANNER AS NOT TO DAMAGE THE SURFACE OF THE LANDS CONVEYED, OR TO INTERFERE WITH THE USE THEREOF BY THE CITY AND COUNTY OF SAN FRANCISCO, ITS SUCCESSORS AND ASSIGNS, PROVIDED, HOWEVER, THAT THE STATE OF CALIFORNIA, ITS SUCCESSORS AND ASSIGNS, WITHOUT THE PRIOR WRITTEN PERMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO, ITS SUCCESSORS AND ASSIGNS, SHALL NOT CONDUCT ANY MINING ACTIVITIES OF ANY NATURE WHATSOEVER ABOVE A PLANE FIVE HUNDRED FEET (500') BELOW THE SURFACE OF THE HEREINAFTER DESCRIBED PORTION OF THE ABOVE DESCRIBED REAL PROPERTY, AS RESERVED IN THAT CERTAIN PATENT FROM THE STATE OF CALIFORNIA TO THE CITY AND COUNTY OF SAN FRANCISCO, A CHARTER CITY AND COUNTY, RECORDED JULY 19, 1999, IN REEL H429, IMAGE 518, AS INSTRUMENT NO. G622166, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, AND AS SET FORTH IN CHAPTER 1143, STATUTES OF 1991, AND AMENDMENTS THERETO UPON THE TERMS AND PROVISIONS SET FORTH THEREIN SUCH PORTION OF THE ABOVE DESCRIBED REAL PROPERTY.



# PLAT TO ACCOMPANY LEGAL DESCRIPTION



## BASIS OF BEARINGS

THE BEARING OF S56°47'46"W BETWEEN POINT NOS. 109 AND 431 OF THE HIGH PRECISION NETWORK DENSIFICATION (HPND), CITY & COUNTY OF SAN FRANCISCO 2013 COORDINATE SYSTEM (SFCS13)

## NOTE

LOTS 1, A, E, F & L, THE ASSOCIATED APNs AND STREET NAMES ARE AS SHOWN ON FINAL MAP 9443 RECORDED JUNE 12, 2020 IN BOOK 1 OF FINAL MAPS, PAGES 28-38 INCLUSIVE, OFFICIAL RECORDS.

## LEGEND

R/W RIGHT OF WAY

## BOUNDARY — LOT 1

BY JP CHKD. BR DATE 6/17/20 SCALE 1"=60' SHEET 1 OF 1 JOB NO. S-9229

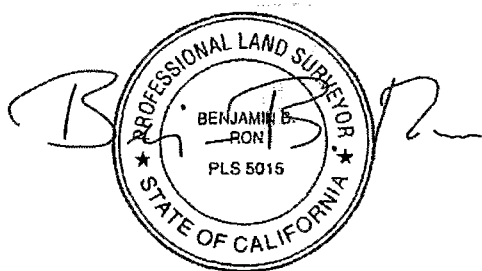
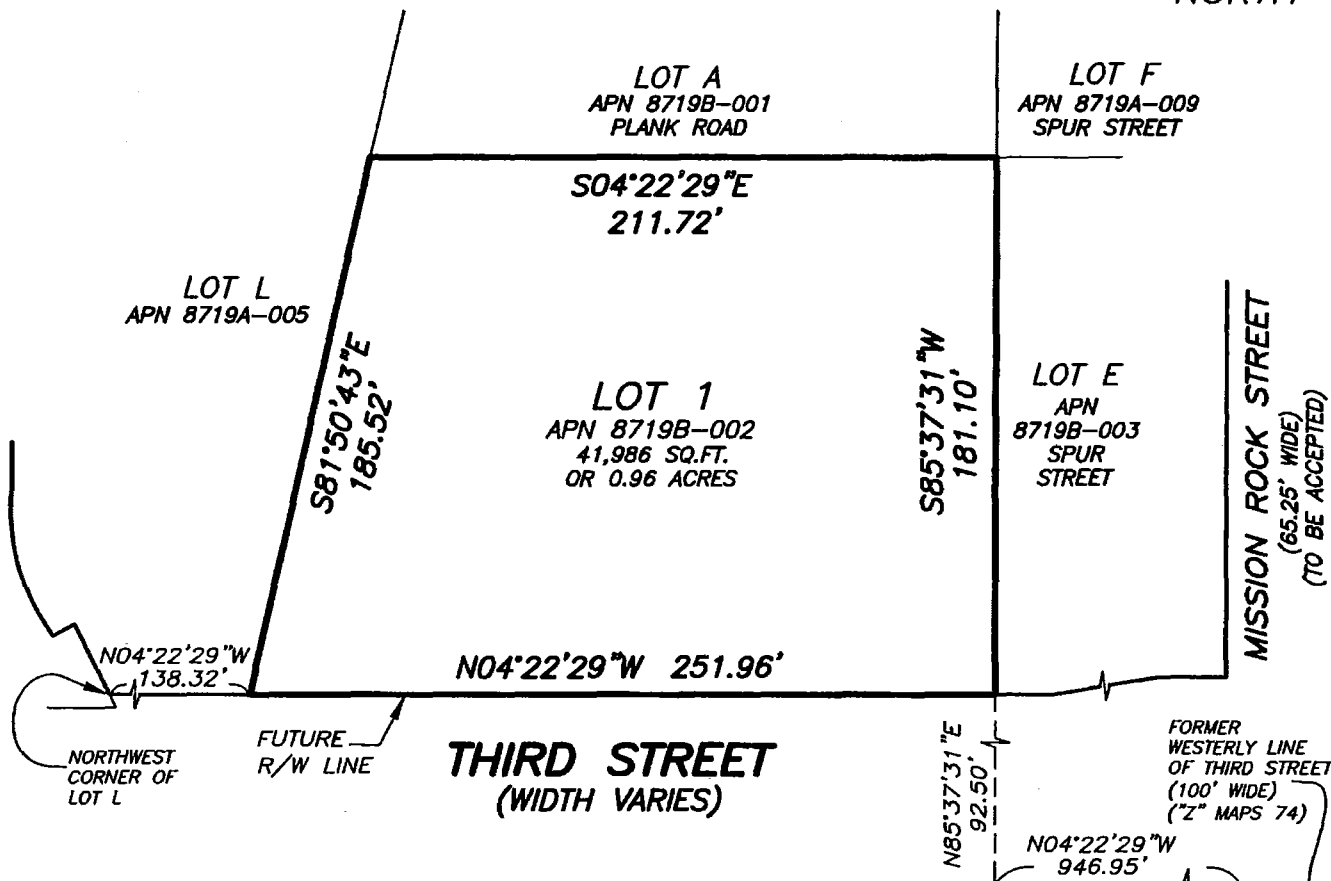
MARTIN M. RON ASSOCIATES, INC.  
LAND SURVEYORS

859 HARRISON STREET  
SAN FRANCISCO, CA. 94107  
(415) 543-4500  
S-9229E-FINAL MAP\_PARCEL  
PLATS.dwg

**EXHIBIT B**

Site Plan

# PLAT TO ACCOMPANY LEGAL DESCRIPTION



## BASIS OF BEARINGS

THE BEARING OF S56°47'46"W BETWEEN POINT NOS. 109 AND 431 OF THE HIGH PRECISION NETWORK DENSIFICATION (HPND), CITY & COUNTY OF SAN FRANCISCO 2013 COORDINATE SYSTEM (SFCS13)

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## LEGEND

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S-9229E-FINAL MAP\_PARCEL  
PLATS.dwg

EXHIBIT C-1

Scope of Development

### Scope of Development - Mission Rock (Phase 1 Parcel A / Lot 1)

**Primary Use:** Residential Mixed Use, including up to 49,999 square feet of office space

**Ground Floor:** Retail or other ground floor uses allowed within the Mission Rock Special Use District

**Gross Square Footage:** 380,000 – 415,000 square feet

**Building Description:** up to 24 floors, a total of 240' and massing as approved in the Design Controls.

**Affordable Housing Subsidy:** §5.4(b)(ii) (Jobs / Housing Equivalency Fee) of the Development Agreement states that each Vertical DDA for nonresidential use (a "JHEF Project") will require the Vertical Developer to pay to the Port a Jobs/Housing Equivalency Fee. The Port shall direct the Special Fund Trustee to disburse from the Affordable Housing Fund to the Vertical Developer of the applicable Residential Project, the amount of the Affordable Housing Subsidy allocated to such Residential Project within 30 days following the Foundation Completion Date, in accordance with the Affordable Housing Subsidy Plan.

The amount of Affordable Housing Subsidy **allocated to be paid to** Parcel A / Lot 1 shall be: \$77.7 million

### Estimated Unit Count and Inclusionary Unit Mix:

Parcel A - Housing Data Table								
Residential Parcel	Total Residential Units	Total Inclusionary Units	Parcel Acreage	Number of Inclusionary Units @ 45%	Number of Inclusionary Units @ 55%	Number of Inclusionary Units @ 90%	Number of Inclusionary Units @ 120%	Number of Inclusionary Units @ 150%
Parcel A (1)	283	102	0.95	0	0	10	54	38

Inclusionary Unit Mix - Parcel A						
Type	Beds	90% AMI	120% AMI	150% AMI	Total BMR	% Total
Studio	0	1	5	2	8	8%
1 Bedroom	1	7	31	20	58	57%
2 Bedrooms	2	2	17	12	31	30%
3 Bedroom	3	0	1	4	5	5%
Total Units		10	54	38	102	36%

<sup>1</sup> Inclusionary Unit mix is subject to final confirmation of Inclusionary Unit locations before recordation of the Declaration of Restrictions as set forth in Section 3.1(g) of the Housing Plan.

EXHIBIT C-2

Affordable Housing Requirements

**EXHIBIT C-2**

**AFFORDABLE HOUSING REQUIREMENTS**

**[SEE DISPOSITION AND DEVELOPMENT AGREEMENT EXHIBIT B5]**



**DDA EXHIBIT B5**

**"Housing Plan"**



**DDA EXHIBIT B5**

**DISPOSITION AND DEVELOPMENT AGREEMENT**

**(MISSION ROCK)**

**HOUSING PLAN**



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## **ATTACHMENTS**

- Exhibit A – Form of Declaration of Restrictions
- Exhibit B – Housing Data Table





## MISSION ROCK HOUSING PLAN SUMMARY<sup>1</sup>

The development plan for Mission Rock under the Transaction Documents provides for the development of approximately 1,000 to 1,950 Residential Units. This housing plan (the "Housing Plan") provides that not less than 40% of the Residential Units that may be developed at the Project Site will be below market rate units Affordable to low and moderate income households or TAY Units ("Inclusionary Units"). The parties anticipate that all Inclusionary Units will be built by Vertical Developers in concert with Market-Rate Units within private market-rate development projects. As discussed below, the Port shall convey land to Vertical Developers to develop all Residential Units on the Project Site. The Inclusionary Units will be constructed and rented in accordance with this Housing Plan.

Developer will submit Phase Submittals to the Port pursuant to the Transaction Documents. Following each Phase Approval, the Port will authorize the Chief Harbor Engineer to issue Port permits necessary for Developer to begin to construct the Horizontal Improvements in accordance with the DDA and the Master Lease. Upon exercise of an Option in accordance with the DDA, the Port will convey each Residential Parcel through Parcel Leases to a Vertical Developer. A Vertical Developer will construct the Vertical Improvements, including Residential Parcels and Inclusionary Units therein, in accordance with the Parcel Lease and Vertical DDA. Inclusionary Units within the Vertical Improvements will be constructed in accordance with this Housing Plan. While the Developer will retain certain flexibility and discretion to respond to market conditions as to each Phase and Vertical Improvement, the Project is required by the DDA to comply with certain Inclusionary Housing Milestones by Phase Approval regarding the types, sizes, locations, level of affordability and percentage of the Inclusionary Units.

Developer and the Port will designate the general location of potential Residential Parcels, which will be distributed throughout the Project Site in accordance with a generalized Phasing Plan. The Inclusionary Units are expected to include a range of Residential Unit types, including transition age foster youth ("TAY") units. Each Vertical Developer will retain the discretion to determine the type of Inclusionary Units to be constructed so long as such units are consistent with the Phase Approval and contain the same unit mix (i.e. studio, 1 bedroom, 2 bedroom, or 3 bedroom) or a larger bedroom mix as the Market-Rate Units in that particular Vertical Improvement.

A variety of private and public funding sources may be used to finance the Inclusionary Units, including, but not limited to, low-income housing tax credits, the Jobs/Housing Equivalency Fees, tax-exempt housing bonds, and various other local, State and Federal sources of funding.

The foregoing summary is provided for convenience and for informational purposes only. In case of any conflict, the provisions of the DDA, the Housing Plan, and each Vertical DDA shall control.

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<sup>1</sup> Defined terms in the Summary have the meaning set forth in this Housing Plan.

## **1. DEFINITIONS**

Initially capitalized terms unless separately defined in this Housing Plan have the meanings and content set forth in the DDA. Terms defined in the DDA and also set forth in this Section are provided herein for convenience only.

1.1 Affordable, Affordability, or Affordable Housing Cost means with respect to a Rental Unit, a monthly rental charge (including the Utility Allowance applicable to the Household Size of such Rental Unit) that does not exceed thirty percent (30%) of the maximum Area Median Income percentage permitted for the applicable type of Residential Unit, based upon Household Size.

1.2 Area Median Income or AMI means for the Inclusionary Units, unadjusted median income for the San Francisco area as published from time to time by the United States Department of Housing and Urban Development (HUD) adjusted solely for household size.

1.3 BMR Units has the meaning set forth in the Monitoring and Procedures Manual.

1.4 Declaration of Restrictions means a document or documents recorded against an Inclusionary Unit requiring that the Unit remain Affordable in accordance with the terms of this Housing Plan. The Declaration of Restrictions for the Rental Inclusionary Units shall be in the form attached hereto as Exhibit A.

1.5 Development Agreement has the meaning set forth in the DDA.

1.6 Financing Plan means the Financing Plan attached to the DDA.

1.7 Horizontal Improvements has the meaning set forth in the DDA.

1.8 Household Size means the total number of persons residing within a Residential Unit

1.9 Housing Data Table means the table attached here to as Exhibit B.

1.10 Housing Preferences and Lottery Procedures Manual means MOHCD's Housing Preferences and Lottery Procedures Manual dated March 31, 2017, as may subsequently be updated.

1.11 Implementing Manuals means the Housing Preferences and Lottery Procedures Manual and the Monitoring and Procedures Manual.

1.12 Inclusionary Milestone means the date of each Phase Submittal submittal.

1.13 Inclusionary Obligation has the meaning set forth in Section 3.1(a) of this Housing Plan.

1.14 Inclusionary Units means for a Rental Unit, a unit that is available to and occupied by households with incomes not exceeding One Hundred Fifty percent (150%) of Area Median Income and rented at an Affordable Housing Cost for households with incomes at or below One Hundred Fifty percent (150%) of Area Median Income, including TAY Units. The mechanism for setting the maximum Affordable Housing Cost and income level for each Inclusionary Unit is set forth in Section 3 of this Housing Plan. For clarity, Developer anticipates that Inclusionary Units will be built within private market-rate development projects, subject to Section 3.1(e).

1.15 Jobs/Housing Equivalency Fee has the meaning set forth in the Development Agreement.

1.16 Marketing and Operations Plan has the meaning set forth in Section 3.1(i) of this Housing Plan.

1.17 Market-Rate or Market-Rate Unit means a Residential Unit constructed on a Residential Parcel that has no restrictions under this Housing Plan or the DDA with respect to Affordable Housing Cost levels or income restrictions for occupants.

1.18 Minimum Affordable Percentage has the meaning set forth in Section 2.1 of this Housing Plan.

1.19 MOHCD shall mean the City of San Francisco's Mayor's Office of Housing and Community Development or any successor agency.

1.20 Monitoring and Procedures Manual means the City and County of San Francisco's Inclusionary Affordable Housing Program Monitoring and Procedures Manual, dated May 10, 2013, as may be subsequently updated.

1.21 Option has the meaning set forth in the DDA.

1.22 Parking Space means a parking space constructed in the Parking Garage by or on behalf of Developer.

1.23 Phase has the meaning set forth in the DDA.

1.24 Phase Approval has the meaning set forth in the DDA.

1.25 Phase Submittal has the meaning set forth in the DDA.

1.26 Project Site has the meaning set forth in the DDA.

1.27 Residential Parcel has the meaning set forth in the DDA.

1.28 Residential Unit means a room or suite of two or more rooms that is designed for residential occupancy for 32 consecutive days or more, including provisions for sleeping, eating and sanitation, for not more than one family, and may include senior and assisted living facilities.

- 1.29 Section 415 means San Francisco Planning Code Section 415 *et seq.*
- 1.30 Schedule of Performance has the meaning set forth in the DDA.
- 1.31 Vertical DDA shall have the meaning in the DDA.
- 1.32 Vertical Developer shall have the meaning set forth in the DDA.
- 1.33 Vertical Improvement is defined in the DDA.

## **2. HOUSING DEVELOPMENT**

2.1 Development Program. Vertical Developers may develop approximately 1,000 to 1,950 Residential Units on the Project Site. At Project build-out, the number of the Inclusionary Units developed on the Project Site shall be equal to forty percent (40%) of the total number of the Residential Units that are developed on the Project Site (the “Minimum Affordable Percentage”). The Parties understand and agree that Vertical Developers’ right to construct the number of Residential Units specified in this Housing Plan is absolute and is based on the total number of Residential Units entitled under the DDA, Phase Approvals and Vertical DDAs.

### **2.2 Development Process.**

(a) Subject to the terms of the DDA, the Project shall be developed in a series of Phases. The DDA includes a process for Developer's submittal of Phase Submittals and the Port's review and approval of Phase Submittals. The anticipated order of development of the Phases is set forth in the Phasing Plan and the Schedule of Performance, subject to revision in accordance with the procedures set forth in the DDA.

(b) Developer will submit Phase Submittals to the Port pursuant to the Transaction Documents. Following each Phase Approval, the Port will authorize the Chief Harbor Engineer to issue Port permits necessary for Developer to begin to construct the approved Horizontal Improvements in accordance with the DDA and the Master Lease. Upon exercise of an Option in accordance with the DDA, the Port will convey each Residential Parcel through Parcel Leases to each Vertical Developer.

(c) Simultaneously with the Closing of each Parcel Lease, the Port, in consultation with MOHCD, and the Vertical Developer will enter into a Vertical DDA which will include a commitment by the Vertical Developer to construct its Vertical Improvements within a specific timeframe coordinated with the approved Schedule of Performance in the Phase Submittal. The Vertical DDA will be substantially in a form agreed upon by the Port and Developer following the execution of the DDA and shall specify, among other things (i) the maximum number of Market-Rate Units allowed to be constructed on the Residential Parcel, (ii) the minimum number of Inclusionary Units to be constructed on the Residential Parcel (consistent with Section 3.1(c) of this Housing Plan), (iii) the Affordability level of each Inclusionary Unit (consistent with Section 3.1(a) of this Housing Plan), (iv) the location of the Inclusionary Units before recordation of the Declaration of Restrictions as set forth in Section 3.1(f) of this Housing Plan, and (v) the approximate unit type and size for each Inclusionary and

Market-Rate Unit. Vertical Developers will have the flexibility to select the size and type of Residential Units, including the complete discretion to determine the unit mix for Market-Rate Units subject to the unit mix requirements of Section 3.1(c)(v), and the applicable Vertical DDA and Parcel Lease.

(d) Developer shall submit the Housing Data Table with each Phase Submittal and the table will preliminarily identify the maximum number and location of Residential Units, including the number and location of anticipated Inclusionary Units, for each Residential Parcel within such submittal. Developer or the Port may request a revision to such number before execution of a Vertical DDA and the corresponding Parcel Lease conveying a Residential Parcel to a Vertical Developer, subject to the requirements of this Housing Plan and the DDA. The final details of the plan for the Inclusionary Units for each Residential Parcel shall be specified in the Parcel Lease and corresponding Vertical DDA. Vertical Developer may revise such numbers at any time after execution of a Vertical DDA and the corresponding Parcel Lease conveying a Residential Parcel to a Vertical Developer, subject to Port approval, in consultation with MOHCD, as required by the applicable Vertical DDA and Parcel Lease, as defined pursuant to Section 2.2(c), above.

(e) Subject to the terms of the applicable Vertical DDA and Parcel Lease, following receipt of all Vertical Approvals, the Vertical Developer may construct the applicable Vertical Improvements, and upon such construction, the Vertical Developer must include the number of Inclusionary Units for such Vertical Improvements as are set forth in the Vertical DDA and Parcel Lease.

### 2.3 Developer Land Conveyances.

(a) Housing Plan Compliance in Phase Submittals. This Housing Plan is intended to provide flexibility regarding delivery of Inclusionary Units within the Project Site, subject to the overall 40% Inclusionary Unit commitment. In order to track Developer's compliance with this Housing Plan, as part of the applicable Phase Submittal for a Residential Parcel, Vertical Developer shall submit a Project Housing Data Table, in the form of Exhibit B attached hereto, containing the following information:

(1) the location of each Residential Parcel subject to the Phase Submittal, including:

- (a) the parcel acreage;
- (b) the number of Residential Units;
- (c) the number and location of any Inclusionary Units, including the size, bedroom count, Household Size and amenities for each such Unit;
- (d) the AMI Percentage of each Inclusionary Unit;
- (e) the type and square footage of uses that are not residential uses (e.g., retail, community space, open space); and

(f) the anticipated date for completion of the Residential Parcel.

(b) Conveyance of Residential Parcels. After exercising an Option, the Port will convey the applicable Residential Parcel to the applicable Vertical Developer through a Parcel Lease. The Port will also enter into a Vertical DDA and confirm or modify pursuant to Section 2.4, as applicable, the information provided in the Phase Approval regarding items 2.3(a)(1) above for the Vertical Improvement that is the subject of the Vertical DDA.

2.4 Changes to Phasing Approval. Developer may, from time to time, request changes, including material changes, to the Phasing Approval, including but not limited to regarding the size, location or composition of a Residential Parcel(s) within a Phase, with a brief explanation as to why Developer is requesting such change. Any material change shall be subject to the Port's review and approval, in consultation with MOHCD, provided that the Port will not withhold its approval of any such changes which are consistent with the DDA and this Housing Plan.

2.5 Maintenance of the Horizontal Infrastructure. Following completion and conveyance to the Port or other City agency, as determined by the parties, it is anticipated that a master association will maintain or cause to be maintained the Horizontal Improvements in accordance with the DDA.

### 3. INCLUSIONARY HOUSING REQUIREMENTS

#### 3.1 Inclusionary Housing Requirements.

(a) Development of Inclusionary Units. Forty percent (40%) of all Residential Units shall be Inclusionary Units, with an Affordable Housing Cost to households with incomes not exceeding One Hundred Fifty percent (150%) of Area Median Income (the "Inclusionary Obligation"). The Inclusionary Obligation will be satisfied by developing Inclusionary Units at the following affordability levels:

Levels of Affordability	
% of Total Units	AMI Levels
2%	45%
10%	55%
4%	90%
17%	120%
7%	150%

(b) Transition Age Youth Housing. The Housing Program includes 24 Inclusionary Units that shall be set aside to house persons transitioning out of public systems, such as the foster system, or homelessness (TAY Units). It is anticipated that the Vertical Developer developing the Residential Parcel that includes TAY Units will partner with a qualified non-profit services provider and, in consultation with such provider and the Port, in consultation with MOHCD, the City's Budget Office, and the City's Department of Homelessness and Supportive Housing ("HSH"), will establish TAY Unit requirements to govern the Vertical Developer's obligations regarding construction and operation of the TAY Units and any associated service space. TAY Units built on the Project Site shall qualify as Inclusionary Units for purposes of meeting the Minimum Affordable Housing Percentage and Inclusionary Housing Obligation and as Inclusionary Units meeting affordability levels of 45% and/or 55% AMI levels for the purposes of satisfying the Inclusionary Housing Obligation. Notwithstanding anything to the contrary in this Housing Plan, TAY Units may be grouped together in a single Residential Parcel, among Market-Rate Units and other Inclusionary Units, for financing purposes and to maximize the efficient provision of on-site services to TAY Unit occupants.

(c) Developer Flexibility. Developer shall have sole discretion to determine the exact number of Inclusionary Units to be developed on each Residential Parcel and the Affordability level of each Inclusionary Unit, provided that: (i) the Housing Data Table to be submitted with each Phase Submittal shall identify the location of the Residential Parcels containing Inclusionary Units, the number of Inclusionary Units, and the Inclusionary Unit allocation shall be in accordance with the Phase Approval, subject to any subsequent revisions in accordance with the DDA, (ii) the cumulative number of all Inclusionary Units approved pursuant to a Phase Submittal shall at no time be less than thirty percent (30%) of the total Residential Units approved pursuant to such Phase Submittal; (iii) the number of Inclusionary Units in each Vertical Improvement approved pursuant to a Phase Submittal shall be between twenty percent (20%) and sixty percent (60%) of the total Residential Units within such Vertical Improvement approved pursuant to a Phase Submittal; (iv) Except for TAY Units, Affordability levels shall be appropriately distributed throughout the Project Site and Inclusionary Units consisting of Forty-Five percent (45%) and Fifty-Five percent (55%) Area Median Incomes shall not be grouped together or constructed in only the later phases of the Project, unless approved by Port, in consultation with MOHCD; (v) the unit mix of the Inclusionary Units must either (a) match the unit mix of the Market-Rate Units within a Vertical Improvement (this can be calculated by multiplying the number of any type of Market-Rate Unit (e.g. studio) by the required inclusionary percentage under the Vertical DDA), or (b) be composed of larger units than the Market-Rate Units (for example, a Residential Parcel may contain 3 bedroom Inclusionary Units, but not 3 bedroom Market-Rate Units) and (vi) Developer shall demonstrate that the Inclusionary Obligation has been or will be satisfied at each Inclusionary Milestone as set forth in Section 3.1(d) of this Housing Plan.

(d) Inclusionary Milestones. Developer retains flexibility in the order of development of Residential Parcels within a Phase. The purpose of the Inclusionary Milestones is to advise the Port, MOHCD and the Developer, as part of any new Phase Submittal, regarding the overall status of Residential Parcel construction, including compliance

with Inclusionary Obligations, which are consistent with the Inclusionary Housing obligations under previously approved Phase Submittals. Compliance with the Inclusionary Obligation at each Inclusionary Milestone shall be demonstrated by Developer providing the Port and MOHCD with information as follows: (1) a chart summarizing by Phase all Market-Rate and Inclusionary Units (including Affordability levels) approved to date, and describing construction and occupancy status as to each; and (2) a calculation of the cumulative percentages of Residential Units and Inclusionary Units constructed to date, by Phase and overall for the Project Site. During buildout of a Phase, interim conditions may dictate that the current number of units by Phase or cumulatively within the Project Site is less than thirty percent (30%) of the completed Residential Units by Phase or within the Project Site. If this is the case, then the Developer shall submit to the Port and MOHCD a plan summarizing the status of approved but not yet constructed projects on Residential Parcels, and include the plan for modifications to the prior Phase Approvals that will help to expedite development of the remaining Residential Parcels within the previously approved Phase(s). Developer's proposed plan shall be presented to the Port and MOHCD no later than thirty (30) days after the Inclusionary Milestone in which the Inclusionary Obligation was not met.

(e) Variations. MOHCD, in consultation with the Port, may approve a Phase Submittal or Vertical DDA that does not comply with Section 3.1(c)(iii) or (iv) if it determines that the proposed development will otherwise comply with this Housing Plan and such variance will allow a Vertical Developer to maximize available financing for the production and/or operation of Inclusionary Housing in the Project Site, such approval shall not be unreasonably withheld or delayed. By way of example only, it is anticipated that the TAY Units will be located in a single building for purposes of service delivery, and depending on factors such as the building size and remaining unit mix, the Inclusionary Unit percentage within such building could exceed 60%. There may be other examples of similar circumstances where a special circumstance warrants a higher level of affordability in a building; however, it is generally the intent of the Parties to develop a Project composed of mixed income buildings and not create stand-alone affordable buildings.

(f) Inclusionary Restrictions. The Port, in consultation with MOHCD, shall impose the Inclusionary Obligation on each Vertical Developer of a Residential Parcel. The obligation will be imposed in the Parcel Lease for the Residential Parcel and shall include any requirements pursuant to the DDA and the Vertical DDA.

(g) Continued Affordability of Inclusionary Units. The Inclusionary Units required under this Housing Plan shall remain for rent for the term of the applicable Parcel Lease (i.e. 75 years) and such units will not be mapped for individual unit ownership, provided, however, that the Market-Rate Units may be mapped for individual unit ownership to allow such Market-Rate Units to be converted in the future. The prohibition on condominium conversion on the required Inclusionary Units shall be included in the applicable Vertical DDAs. No later than the issuance of a first construction document applicable to an Inclusionary Unit, the applicable Vertical Developer shall record against the Inclusionary Unit a Declaration of Restrictions substantially in the form attached hereto as Exhibit A. Vertical Developer shall, upon recordation, provide to the Port and MOHCD a copy of the applicable Declaration of Restriction.



(h) Comparability. The Inclusionary Units required under this Housing Plan shall comply with the comparability requirements of Zoning Administrator Bulletin No. 10, dated December 2015, as may subsequently be updated, provided, however, that (a) the unit mix of the Inclusionary Units must not match the unit mix for the Project if the unit mix of the Inclusionary Units is composed of larger units than the Market-Rate Units (for example, a Residential Parcel may contain 3 bedroom Inclusionary Units, but not 3 bedroom Market-Rate Units), and (b) more than 50% of the units on any floor may be designated as Inclusionary Units in the case of the TAY Units, or as may be otherwise approved by the Port, in consultation with MOHCD.

(i) Marketing and Operations Guidelines for Inclusionary Units. A Vertical Developer may not market or rent Inclusionary Units until MOHCD, in consultation with the Port, has approved the following for such Inclusionary Units for consistency with this Housing Plan and the Implementing Manuals: (i) the marketing plan (which includes any preferences determined pursuant to San Francisco Administrative Code Chapter 47; such preferences may include, but shall not be limited to, preferences for educators currently employed with the San Francisco Unified School District); (ii) conformity of the rental charges for such Inclusionary Units with this Housing Plan; and (iii) eligibility and income-qualifications of renters, together with any supplemental information required under the Implementing Manuals (collectively “Marketing and Operations Plan”). Such approval shall not be unreasonably withheld or delayed. The Vertical Developer that develops the TAY Units must work with HSH to create and implement a lease-up and occupancy plan (the “TAY Unit Occupancy Plan”). Vertical Developers shall submit the HSH-approved TAY Unit Occupancy Plan to the Port not later than one hundred twenty (120) days before the date Vertical Developer expects to begin marketing the Market Rate Units. The Port, in consultation with MOHCD and HSH, shall review and consider approval of the applicable plan in accordance with the Vertical DDA and this Housing Plan, provided, however, if the Port does not respond to Vertical Developer within sixty (60) days after receipt of the applicable plan, such plan will be deemed approved.

(j) Planning Code Section 415 and Implementing Manuals. The provisions of this Housing Plan are hereby expressly deemed to satisfy the requirements of the San Francisco Inclusionary Affordable Housing Program and Section 415. The Parties agree and acknowledge that the Planning Department and MOHCD have established certain protocols for implementation of Section 415 as set forth in the Implementing Manuals. Vertical Developers of Inclusionary Units shall comply, as applicable, with the rental program for BMR Units set forth in the Implementing Manuals, provided, however, that Developer may: (i) use other development subsidies to finance the construction of Inclusionary Units beyond those described in Section V.C of the Monitoring and Procedures Manual; and (ii) establish an alternate pricing process, in consultation with the Port, including setting income levels and rents and establishing a methodology for maximum monthly rent levels consistent with the use of financing, other than the process described in Section III.C of the Monitoring and Procedures Manual, so long as the alternate pricing formula does not create affordability levels that exceed the levels set forth in Section 3.1(a) above. By complying with the provisions of this Housing Plan, Developer shall be deemed in full compliance with the Monitoring and Procedures Manual. Developer shall comply, as applicable, with the Housing Preferences and Lottery Procedures Manual, subject to modification in consultation with the Port, to address preferences and procedures related to TAY Units or educators or other preferences contemplated in Section 3.1(i).

#### **4. FINANCING OF INCLUSIONARY UNITS**

4.1 **Funding Generally.** The Inclusionary Units may be funded by a variety of private and tax-exempt funding sources, including, but not limited to, Vertical Developer equity, Jobs/Housing Equivalency Fees, low-income housing tax credits, tax-exempt housing bonds, and various other local, State and Federal sources of funding. Due to the nature of the Project, it is not possible to ascertain the exact funding sources for each Inclusionary Unit at the time of this Housing Plan. However, it is anticipated that several funding sources will be combined to fund the development of the Inclusionary Units. Additionally, it is anticipated that TAY Units will receive a local operating subsidy through the San Francisco Local Operating Subsidy Program (LOSP), and the Developer will work with HSH and the City's Budget Department to secure a LOSP commitment.

4.2 **Jobs/Housing Equivalency Fees.** The commercial development within the Project Site will generate Jobs/Housing Equivalency Fees to be paid into a housing fund held by the Port in accordance with the Financing Plan. In order to construct the Inclusionary Units required under this Housing Plan, all Jobs/Housing Equivalency Fees payable by Vertical Developers of commercial uses within the Project Site and paid into the affordable housing fund administered by the Port shall be used solely for predevelopment, development expenses and administrative costs associated with the acquisition and construction of Inclusionary Units within Residential Parcels in accordance with this Housing Plan, under the terms and conditions set forth in the Development Agreement.

#### **5. VERTICAL DEVELOPMENT PARKING AND TRANSIT PROGRAM**

5.1 **Separation.** For Residential Parcels, all Parking Spaces shall be "unbundled" (i.e., rented separately from a Unit within such Residential Parcel). It is anticipated that no Parking Spaces will be provided within a Residential Parcel. If Parking Spaces are provided within a Residential Parcel and offered to occupants of Residential Units, then such Parking Spaces shall be offered to occupants of Inclusionary Units on the terms and conditions set forth in the Monitoring and Procedures Manual. It is currently anticipated that all parking at the Project Site shall be within the Parking Garage, which will be operated by a Parking Garage operator. Occupants of Residential Units may choose to contract directly with the operator of the Parking Garage for parking at the Project site, but shall not be obligated to do so.

5.2 **Transit Program.** The Project will contain a comprehensive Transit Demand Management Plan which will manage travel through a variety of investments and programs applicable to the Inclusionary Units. The Project transit program may include, but shall not be limited to, providing residents of Market Rate Units and Inclusionary Units with pre-loaded Clipper Card, on-site bike sharing and bike parking, real-time transit information on screens within the Project, car-share memberships, improved pedestrian walking conditions and assistance with local public transit.

#### **6. NON-APPLICABILITY OF COSTA HAWKINS ACT**

The Parties understand and agree that the Costa-Hawkins Rental Housing Act (California Civil Code sections 1954.50 et seq.; the "Costa-Hawkins Act") does not and in no way shall limit

or otherwise affect the restriction of rental charges for the Inclusionary Units developed pursuant to the DDA and the Development Agreement (including this Housing Plan). The DDA falls within an express exception to the Costa-Hawkins Act because the DDA is a contract with a public entity in consideration for a direct financial contribution and other forms of assistance specified in Chapter 4.3 (commencing with section 65915) of Division 1 of Title 7 of the California Government Code. Accordingly, Developer, on behalf of itself and all of its successors and assigns, including all Vertical Developers, agrees not to challenge, and expressly waives, now and forever, any and all rights to challenge, Developer's obligations set forth in this Housing Plan related to Inclusionary Units, under the Costa-Hawkins Act, as the same may be amended or supplanted from time to time. Developer shall include the following language, in substantially the following form, in all Vertical DDAs:

"The DDA (including the Housing Plan) implements the California Infrastructure Financing District Law, Cal. Government Code §§ 53395 et seq. and City of San Francisco policies and includes regulatory concessions and significant public investment in the Project. The regulatory concessions and public investment include, without limitation, a direct financial contribution of net tax increment, the conveyance of real property without payment, and other forms of public assistance. These public contributions result in identifiable, financially sufficient and actual cost reductions for the benefit of Developer and Vertical Developers. In light of the Port's authority under Government Code Section 53395.3 and in consideration of the direct financial contribution and other forms of public assistance described above, the parties understand and agree that the Costa-Hawkins Act does not and shall not apply to the Inclusionary Units developed at the Project Site under the DDA."

The Parties understand and agree that the Authority would not be willing to enter into the DDA, without the agreement and waivers as set forth in this Section 6.

## **7. HOUSING PLAN IMPLEMENTATION AND ENFORCEMENT**

Under the terms and conditions of the DDA, this Housing Plan is administered, monitored and enforced by the Port, in consultation with MOHCD. The Port shall consult with MOHCD regarding implementation of the Housing Plan, including but not limited to providing copies of each Phase Submittal including a Residential Parcel, and any submittals for material amendment thereto, to MOHCD for review and comment prior to Phase Approval. In addition, the Port and MOHCD contemplate that MOHCD will provide ongoing technical assistance and advice to the Port regarding Housing Program implementation, including but not limited to compliance review regarding Section 415, the Monitoring and Procedures Manual, and the Housing Preferences and Lottery Procedures Manual.

## **8. MISCELLANEOUS**

**8.1 No Third Party Beneficiary.** Except to the extent set forth in the DDA, there are no express or implied third party beneficiaries to this Housing Plan.

8.2 Severability. If any provision of this Housing Plan, or its application to any Person or circumstance, is held invalid by any court, the invalidity or inapplicability of such provision shall not affect any other provision of this Housing Plan or the application of such provision to any other Person or circumstance, and the remaining portions of this Housing Plan shall continue in full force and effect. Without limiting the foregoing, in the event that any applicable law prevents or precludes compliance with any term of this Housing Plan, the Parties shall promptly modify this Housing Plan to the extent necessary to comply with such law in a manner that preserves, to the greatest extent possible, the benefits to each of the Parties. In connection with the foregoing, the Parties shall develop an alternative of substantially equal, but not greater, cost and benefit to Developer and any applicable Vertical Developer so as to realize from the Project substantially the same (i) overall benefit (from a cost perspective) to the public and (ii) overall benefit to Developer and any applicable Vertical Developer.

EXHIBIT A

DECLARATION OF RESTRICTIONS

Free Recording Requested Pursuant to  
Government Code Section 27383

Recording requested by and  
when recorded mail to:

Port of San Francisco

Pier 1

San Francisco, California 94111

Attn: \_\_\_\_\_

APN#:

Address:

-----Space Above This Line for Recorder's Use-----

DECLARATION OF RESTRICTIONS

[Property Address]

**THIS DECLARATION OF RESTRICTIONS** ("Declaration") is made as of \_\_\_\_\_, \_\_\_\_\_, by [LESSEE'S NAME IN BOLD, CAPITAL LETTERS.], a [\_\_\_\_\_ limited liability company] ("Lessee"), in favor of the **CITY AND COUNTY OF SAN FRANCISCO**, acting by and through the San Francisco Port Commission (the "Port").

RECITALS

A. The Port entered into that certain Disposition and Development Agreement (the "DDA") with Seawall Lot 337 Associates, LLC, a Delaware limited liability company ("Developer") on \_\_\_\_\_, 2017 governing the development of an approximately 16-acre parcel located in San Francisco south of Mission Creek/China Basin Channel, bordered by Third Street on the west, Mission Rock Street on the south, and Terry Francois Boulevard on the east (the "Mission Rock Project"). As part of the DDA, the Port and the Developer agreed to implement a housing plan that sets forth the obligations with respect to the delivery of affordable housing at the Mission Rock Project (the "Housing Plan"). The Port desires to impose certain restrictions described in the Housing Plan upon the development of the leasehold interest in the real property described in **Exhibit A** attached hereto and incorporated herein by reference (the "Property") with respect to the market-rate and inclusionary low-income housing therein (the "Residential Project"). Lessee and the Port entered into that certain Parcel Lease and Vertical DDA on \_\_\_\_\_, 201\_ governing the development of the Residential Project, including the development of inclusionary low-income housing, as either may be amended from time to time (the "Vertical Agreements"). The Vertical Agreements are incorporated by reference in this Declaration as though fully set forth in this Declaration. Definitions and rules of interpretation set forth in the Vertical Agreements apply to this Declaration.

B. Pursuant to the Vertical Agreements, Lessee has agreed to comply with certain affordability and other use and occupancy restrictions (collectively, the “Regulatory Obligations”), commencing on the date on which a certificate of occupancy is issued for the Residential Project, and continuing through the date that is the expiration of the Parcel Lease applicable to the Residential Project (the “Compliance Term”).

### AGREEMENT

Now, therefore, in consideration of the Port's entering into the Vertical Agreements with Lessee, Lessee agrees as follows:

1. Lessee must comply with the Regulatory Obligations through the expiration of the Compliance Term. Specifically, Lessee agrees as follows, subject to additional terms as set forth in the Agreement:

[Revise to reflect specific requirements and income categories.] [Replace “Unit” if “Beds” are used in Regulatory agreement.]

(a) [Include if applicable: With the exception of one Unit reserved for the manager of the Residential Project,] Inclusionary Units in the Residential Project will at all times be rented only to tenants who qualify as Qualified Tenants at initial occupancy, specifically:

Unit Size	No. of Inclusionary Units	Maximum Income Level
		% of Median Income
		% of Median Income
		% of Median Income
		% of Median Income
		% of Median Income
		% of Median Income
		% of Median Income

[Include if there is a reason to restrict to a target population] In addition:

- (i) \_\_\_\_\_ Units must be rented at all times to [TAY tenants].
- (ii) \_\_\_\_\_ Units must be rented at all times to tenants who are [educators].

(b) The total amount for rent and utilities (with the maximum allowance for utilities determined by the San Francisco Housing Authority) charged to a Qualified Tenant may not exceed:

(i) thirty percent (30%) of the applicable maximum income level, adjusted for household size; or

(ii) the tenant paid portion of the contract rent as determined by the San Francisco Housing Authority for Qualified Tenants holding Section 8 vouchers or certificates.

2. During the Compliance Term the Port may rely on the Deed of Trust and/or this Declaration, in the Port's discretion, to enforce any of the Port's rights under the Port Documents..

3. This Declaration and the Regulatory Obligations constitute covenants running with the land, including the leasehold interest and bind successors and assigns of Lessee and any owner of the Property. In the event that Lessee fails to comply with the Regulatory Obligations to the Port's satisfaction, in its sole discretion, within thirty (30) days of Lessee's receipt of notice from the Port to so comply, the Port at its option may exercise any rights available at equity or in law, including, without limitation, institute an action for specific performance. Lessee shall pay the Port's costs in connection with the Port's enforcement of the terms of this Declaration, including, without limitation, the Port's attorneys' fees and costs.

[Delete Section 4 if HUD is not providing financing. Revise as appropriate for HUD financing.]

4. The Port acknowledges that this Declaration and the other Port Documents are subject and subordinate to the HUD Documents until the later to terminate of: (a) the term of the HUD Documents; or (b) any period during which HUD holds title to [the leasehold estate in] the Property. During any applicable period:

(a) The HUD Documents may be amended, extended, renewed, assigned, or superseded without the Port's consent.

(b) The Port will not declare a default or foreclose without HUD's prior written consent.

(c) The Residential Project will be constructed and operated in conformance with the provisions of HUD's Section 202 Program and all applicable regulations and administrative requirements. In the event of any conflict between this Declaration and the provisions of any HUD regulations, related administrative requirements or capital advance documents (including the HUD Documents), the latter shall control.

(d) HUD approval of a transfer of the Residential Project as defined in Section 4 of the Capital Advance Program Use Agreement shall be deemed to constitute approval of the Port to the transfer.

(e) This Declaration may not be amended or assigned without HUD's prior written approval.

(f) Enforcement of the provisions of this Declaration shall not result in any claim against the Residential Project, the capital advance proceeds, any reserve or deposit required by HUD in connection with the capital advance, or the rents or other income from the Residential Project other than residual receipts as defined and authorized for release by HUD.

(g) In the event that any Port restrictions on occupancy, use and rents at any time exceed HUD's restrictions on occupancy or rents or otherwise affect the financial viability of the Residential Project (i.e., impair Lessee's ability to sustain a level of income sufficient to meet all financial obligations of the Residential Project, including HUD required escrows and operating expenses) HUD reserves the right to remove or void the Port restrictions for as long as HUD deems necessary. The Port recognizes HUD's authority to take appropriate action unilaterally to remove or void the Port restrictions.

Lessee has executed this Declaration as of the date first written above.

**"LESSEE"**

\_\_\_\_\_,  
a \_\_\_\_\_

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

[Delete 2<sup>nd</sup> signature if not required.]

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

[ALL SIGNATURES MUST BE NOTARIZED.]



**EXHIBIT A**

(Legal Description of the Property)

A LEASEHOLD INTEREST IN THE FOLLOWING LAND SITUATED IN THE CITY OF  
SAN FRANCISCO, COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA,  
DESCRIBED AS FOLLOWS:

Street Address:

EXHIBIT B  
HOUSING DATA TABLE

[Attached]

## HOUSING DATA TABLE

[illegible][illegible][illegible]



EXHIBIT D

Rent

## EXHIBIT D

### ARTICLE 3

#### RENT

#### 3. Rent.

##### 3.1 Prepaid Rent.

The Parties acknowledge that this Lease is a **Fully Pre-paid Lease**, as that term is defined in the Financing Plan attached as Exhibit C1 to the DDA. On the Commencement Date, the **Prepaid Rent**, as set forth in the Basic Lease Information, will be applied by Credit Bid in accordance with Article 3 of the Financing Plan attached to the DDA ("**Credit Bid**").

##### 3.2 Tenant's Covenant to Pay Rent During Hold Over Period.

During any Hold Over Period, Tenant will pay Rent for the Premises to Port at the times and in the manner provided in this Article 3.

(a) Definitions.

(i) "**Adjusted Gross Income**" means Gross Income less Adjustments.

(ii) "**Adjustments**" means the following items (without duplication):

(1) all Impositions paid by Tenant and allocated on a straight-line basis during the Lease Year in which the applicable Imposition was paid;

(2) all charges and bills for utilities, including, without limitation, charges for water, gas, oil, sanitary and storm sewer, and electricity paid by Tenant; and

(3) insurance premiums for insuring the Improvements in compliance with **Section 20** of this Lease and allocated on a straight-line basis during the Lease Year in which the applicable insurance premium was paid.

(iii) "**Gross Income**" means for each Lease Year or portion thereof, 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 (other than as set forth below with respect to tenant improvements), license fees, parking charges, advertising revenues, event or promotional fees, charges and permit fees.

Without limiting the foregoing, “**Gross Income**” also includes any and all payments made to Tenant from the Business Interruption or delayed opening insurance proceeds. “**Gross Income**” does not include any of the following: (i) proceeds from any sale, transfer, hypothecation or condemnation of all or any part of Tenant's interest in the Lease, (ii) any Refinancing Proceeds or any other capital proceeds, (iii) insurance proceeds arising from a Casualty at the Premises (provided that if such insurance proceeds exceed the actual cost incurred by Tenant to repair and restore the Premises, then the difference will be included in the calculation of Gross Income); (iv) payments from any Subtenant to Tenant to reimburse Tenant for actual costs paid by Tenant to an operator of a parking garage or surface parking lot within Mission Rock for the number of parking spaces paid by such Subtenant; or (v) payments from any Subtenant to reimburse Tenant for Tenant’s actual out-of-pocket costs related to materials, labor, and non-Affiliated general contractor fees for tenant improvement work performed by Tenant on behalf of Subtenant.

(b) Reporting of Gross Income.

(i) Commencing on the 72nd anniversary of the Effective Date, Tenant will deliver to Port a complete statement setting forth in reasonable detail its Adjusted Gross Income for each calendar quarter, including an itemized list of all Adjustments from Gross Income that Tenant claims and which are expressly permitted under this Lease substantially in the form of *Exhibit Z*, by the twentieth (20th) day of the immediately following calendar quarter. In addition, Tenant will furnish to Port, within sixty (60) days after the expiration of the 72nd Lease Year and each Lease Year thereafter, a complete statement, showing the computation of Gross Income, Adjusted Gross Income, including an itemized list of all Adjustments from Gross Income that Tenant claims and which are expressly permitted under this Lease substantially in the form of *Exhibit AA*.

(ii) Tenant will substantiate actual Adjustments with proof of expenditure, which may include: (i) copies of canceled checks, (ii) bills, contracts and invoices marked "Paid", and (iii) and such other proofs of expenditure as may be reasonably approved by Port.

(iii) If Tenant fails to deliver any rent statement required hereunder within the time period set forth in this Section 3.2(b) (irrespective of whether any 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 of the Premises) as may be necessary to determine the amount of 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 Rent due and payable for the period in question, including any Late Charge and interest at the Default Rate.

**3.3 Intentionally Omitted.**

**3.4 Port Participation in Sale Proceeds.**

(a) Distribution of, and Port’s Participation in, Net Sale Proceeds before Early

Transfer Date. Tenant will pay upon a Transfer occurring any time prior to the Early Transfer Date:

(i) One Hundred Percent (100%) of Net Sale Proceeds from such Transfer, less the following deductions in this Section 3.4(a), will be deposited into the DRP Fund.

(1) Tenant's Purchase Price;

(2) Port's Attorneys' Fees and Costs associated with Port's review of the Qualifying Early Sale;

(3) Costs of Sale; and

(4) If the work product that is the subject of the Certified Entitlement Cost is purchased by the Transferee and useful in the construction or entitlement of the Vertical Project, Certified Entitlement Costs related to such purchased work product, if any.

(ii) In addition to payment of Port's share of Net Sale Proceeds in accordance with Section 3.4(a)(i) of this Exhibit, Tenant will pay Port a sum equal to Seventy-Five Thousand Dollars (\$75,000) for each 12-month period following the Commencement Date until the effective date of the Sale. By way of example only, if the Sale occurs on the last day of the twenty-fourth (24<sup>th</sup>) month after the Commencement Date, then Tenant will pay Port One Hundred Fifty Thousand Dollars (\$150,000). If Sale occurs at any time after the first twelve-month period, then the Seventy-Five Thousand Dollar amount will be pro-rated for such shorter period.

(b) Distribution of, and Port's Participation in, Net Sale Proceeds and Reassessment Events after Early Transfer Date.

(i) **Sale.** Tenant will pay Port one and one-half percent (1.5%) of the Net Sale Proceeds from each Sale occurring on or after the Early Transfer Date.

(ii) **Reassessment Event.** For purposes of calculating Net Sale Proceeds on a Reassessment Event, Tenant's Sale Proceeds from such Reassessment Event will be deemed to be an amount equal to (1) the total ownership interests in Tenant after the Reassessment Event held by the Person causing the Reassessment Event (expressed as a percentage of total ownership interests in Tenant), multiplied by (2) the value assigned to the Leasehold Estate, as evidenced by (A) the estimated fair market value of the Leasehold Estate provided to the Assessor-Recorder's in connection with the Reassessment Event, or (B) if no such estimate is provided to the Assessor-Recorder's, the appraised value of the Leasehold Estate established in an Appraisal Report reasonably approved by Port and Tenant.

(c) **Manner of Payment.** The estimated closing statement will be updated as of the date of closing of the Sale to show the actual (i) Sale Proceeds from such Sale, and (ii) line item description of the deductions and exclusions from Sale Proceeds to arrive at Port's share of Net Sale Proceeds. If escrow is opened for a Sale, then Port's share of the proceeds from such Sale must be distributed through escrow. If no escrow is opened for a Sale, Port's share of proceeds from such Sale must be paid upon the closing of any such Sale.

This provision constitutes notice to Tenant that Port is to be paid in full its share of Net Sale Proceeds through the close of escrow or the closing of the applicable Sale. If Port is



not paid full by such closing date, the amount due Port will be subject to a Late Charge and will accrue interest at the Default Rate from and after the closing until paid in full to Port. Port may reference in any estoppel certificate or other representation requested from Port that payment to Port of Port's share of proceeds from a Sale is a material obligation under the Lease, due and owing upon the closing of any Triggering Event, provided, however, failure to reference such obligation will in no way negate Tenant's obligation to pay, and Port's right to receive, Port's share of Net Sale Proceeds.

Within forty-five (45) days after any Sale, transferor Tenant will submit to Port a statement prepared in accordance with sound accounting principles consistently applied, and certified by transferor Tenant's chief executive officer or chief financial officer (or equivalent position), as current, complete and correct, confirming the actual amount of proceeds received; line item description of the deductions and exclusions from proceeds to arrive at Port's share of Net Sale Proceeds. At Port's option, any overpayments may be either refunded to transferor Tenant or applied to any other amount then due and unpaid under the Lease. Tenant will accompany the statement of Net Sale Proceeds with the amount of any underpayments. The statements delivered to Port under this Section are subject to the audit provisions of Section 3.7 of this Exhibit for determination of the accuracy of Tenant's reporting of Port's share of Net Sale Proceeds.

(d) Survival. The provisions of this Section 3.4 will survive the earlier termination or expiration of this Lease for Sales occurring prior to such termination or expiration. Additionally, any release by Port of Tenant's obligations under this Lease in connection with any Sale is conditioned on Port's receipt of Port's share of Sale Proceeds.

(e) Additional Definitions. The following definitions apply for purposes of this Section 3.4:

"**Cash Consideration**" means (i) cash, or (ii) cash equivalents.

"**Certified Entitlement Costs**" means Entitlement Costs, as certified in accordance with *Attachment 1* to this *Exhibit D*.

"**Certified Total Development Costs**" means the Total Development Costs, as certified in accordance with *Attachment 1 to this Exhibit D*.

"**CofO Issuance Date**" means the date Port, in its regulatory capacity, issues a certificate of occupancy for the Initial Improvements.

"**Costs of Sale**" means only the following costs incurred by Tenant in connection with a Transfer: (i) brokerage commissions paid to licensed real estate brokers (provided, however, that in the case of brokerage commissions paid to Affiliate brokers, such commissions must be commercially reasonable), (ii) finder's fees (provided that in the case of finder's fees to Affiliates, such finder's fees must be commercially reasonable), (iii) reasonable and customary closing fees and costs including recording fees and transfer taxes, title insurance premiums and survey fees, (iv) reasonable advertising and marketing costs, and (v) reasonable Attorneys' Fees and Costs. "**Costs of Sale**" excludes adjustments to reflect prorations of rents, taxes or other items of income or expense customarily prorated in connection with sales of real property.

"**Early Transfer Date**" means the date that Port issues a site permit and first building permit addendum to allow commencement of construction of the Initial Improvements.

"**Entitlement Costs**" means Tenant's reasonable out-of-pocket costs actually incurred from

and after the effective date of the Vertical DDA until the effective date of the Sale and attributable to the following only: designing the Initial Improvements; costs related to all land use approvals and entitlements, including preparation and processing of design review applications under the SUD and the Design Control, subdivision maps specific to the Premises that do not impact the initial Final Map recorded for the first Phase, and costs of compliance with all conditions of approval and CEQA mitigation measures legally required by the City, Port or any other Regulatory Authority as a condition to obtaining the entitlements; architectural, engineering, consultants, community outreach, attorney and other professional fees reasonably necessary to obtain the entitlements; financing costs for loans obtained to finance the Entitlement Costs; and Impositions paid (and not reimbursed by the transferee or adjusted at the closing of the Sale) prior to the effective date of the Sale.

“**Hard Costs**” means reasonable out-of-pocket costs actually incurred by Tenant attributable solely to the cost of labor, materials and construction of the Initial Improvements. “**Hard Costs**” do not include the cost of any improvements for any specific or speculative Subtenant or any costs incurred after the issuance of a Certificate of Completion in accordance with Article 13 of the Vertical DDA.

“**Initial Tenant**” means Mission Rock Parcel A Owner, L.L.C.

“**Net Sales Proceeds**” means Sale Proceeds less:

- (i) Costs of Sale; and
- (ii) Port’s Attorneys’ Fees and Costs associated with Port’s review of the Sale or Reassessment Event; and
- (iii) if the transferor Tenant (x) constructed the Initial Improvements, Tenant’s Purchase Price (but only if such amount is not included in Certified Total Development Costs) plus the Certified Total Development Costs, or (y) if transferor Tenant did not construct the Initial Improvements, Tenant’s Purchase Price; and
- (iv) the total amount of any Net Refinancing Proceeds from any Qualifying Refinancing by the transferor Tenant where Port received its share in such proceeds in accordance with Section 3.5(a) below or any Net Sale Proceeds actually received by Port from any Reassessment Event prior to the last sale in accordance with Section 3.4(b)(ii) of this Exhibit.

“**Non-Cash Consideration**” means consideration received by Tenant in connection with a Sale that is not Cash Consideration.

“**Reassessment Event**” means a change in ownership of real property as described in Cal. Revenue and Taxation Code, Chapter 2 (Change in Ownership and Purchase), Section 64, as that law is in effect as of August 15, 2018 and attached hereto as ***Exhibit BB***.

“**Sale**” means either a Transfer (other than an Excluded Transfer) or Reassessment Event.

“**Sale Proceeds**” means all consideration received by or for the account of Tenant in connection with a Sale, including Cash Consideration, the principal amount of any loan made by Tenant to a purchaser as part of the purchase price, or any other Non-Cash Consideration representing a portion of the purchase price. “**Sale Proceeds**” do not include a commitment by an owner (whether direct or indirect) of Tenant to fund its share of future capital calls to construct the Initial Improvements or Capital Items.

“**Soft Costs**” means reasonable out-of-pocket costs actually incurred by the Tenant that actually constructs the Initial Improvements and attributable solely to architectural, engineering, consultant, attorney, and other professional fees, regulatory fees, CEQA mitigation measures, community benefits, Impact Fees (as defined in the DDA), Port Costs and Other City Costs (as defined in the Vertical DDA), builder’s risk insurance, performance and payment bonds, safety and security measures, and thirty party costs to prepare Certified Total Development Costs, in

each case in connection with the Initial Improvements described in the Scope of Development. “Soft Costs” do not include costs associated with the design or construction any specific or speculative Subtenant improvements or any costs incurred after the issuance of a Certificate of Completion in accordance with Article 13 of the Vertical DDA.

“Tenant’s Purchase Price” means (i) in the case of the Initial Tenant, the “Acquisition Price” under the Vertical DDA and (ii) in the case of each subsequent tenant following the Initial Tenant, the Sale Proceeds paid by such Tenant to the immediately prior tenant for the Leasehold Estate.

“Total Development Costs” means Soft Costs and Hard Costs, excluding costs incurred by Tenant (if any) that are reimbursed by Master Developer or Phase 1 Horizontal Developer, as applicable, in connection with the construction of an engineered vapor mitigation system if required by the Environmental Covenants.

### 3.5 Port Participation in Refinancing Proceeds.

(a) Port’s Participation. In connection with any Qualifying Refinancing, Tenant will pay to Port an amount equal to one and ½ percent (1.5%) of Net Refinancing Proceeds.

(b) Reporting of Refinancing Proceeds. No less than fifteen (15) days prior to the close of escrow for each Qualifying Refinancing, Tenant will deliver to Port, an estimated closing statement that includes the best estimate of the following items:

(i) Gross proceeds from the Qualifying Refinancing;

(ii) The estimated Net Refinancing Proceeds including a separate line item for each of the costs permitted to be deducted from the gross proceeds from the Refinancing, as applicable to arrive at Net Refinancing Proceeds; and

(iii) The estimated Net Refinancing Proceeds allocated to Port and Tenant.

(c) Manner of Payment. The estimated closing statement will be updated as of the date for close of escrow under any Qualifying Refinancing to show the actual (i) gross Refinancing Proceeds, (ii) Net Refinancing Proceeds and Port’s share thereof, as applicable, and (iii) with respect to any Qualifying Refinancing, line item description of the deductions and exclusions from Refinancing Proceeds to arrive at Net Refinancing Proceeds. Tenant must pay Port from the close of escrow of any Qualifying Refinancing, Port’s share of the Net Refinancing Proceeds. Port may reference in any estoppel certificate or other representation requested from Port by a Mortgage lender, that payment to Port of Port’s share of Net Refinancing Proceeds is a material obligation under the Lease, due and owing at close of escrow of any Qualifying Refinancing hereunder, provided, however, failure to reference such obligation will in no way negate Tenant’s obligation to pay, and Port’s right to receive, Port’s share of Net Refinancing Proceeds. This provision constitutes notice to Tenant that Port is to be paid in full its share of Net Refinancing Proceeds through the close of escrow of any Qualifying Refinancing. If Port is not paid full by such closing date, the amount due Port will be subject to a Late Charge and will accrue interest at the Default Rate from and after the closing until paid in full to Port. Within forty-five days (45) after any Qualifying Refinancing, Tenant will submit to Port a statement, prepared in accordance with sound accounting principles consistently applied, and certified by Tenant’s chief executive officer or chief financial officer (or equivalent position) as current,

complete and correct, confirming the actual amount of Refinancing Proceeds, disbursed, permitted deductions made from such proceeds, and the amount of Net Refinancing Proceeds due to Port and actually paid to Port. At Port's option, any overpayments will be either refunded to Tenant, applied to any other amount then due and unpaid, or credited against Rent due. Tenant will accompany the statement of Net Refinancing Proceeds with the amount of any underpayments. The statements delivered to Port under this Section 3.5(d) will be subject to the audit provisions of Section 3.7 of this Exhibit for determination of the accuracy of Tenant's reporting of Net Refinancing Proceeds.

(d) Survival. The provisions of this Section 3.5 will survive the earlier termination or expiration of this Lease for any Qualifying Refinancing occurring prior to such termination or expiration.

(e) Additional Definitions. The following additional definitions will apply for purposes of this Section.

A "Capital Items" means replacements, repairs, and/or improvements to the Premises, the foundation and structural integrity of the Buildings, and all Material Systems serving the Improvements within the Premises that would be deemed capital assets under general accounting principles consistently applied.

B "Net Refinancing Proceeds" means all gross principal amounts of any Refinancing occurring after the Effective Date hereof (plus, in the event of secondary financing, the original principal balance of any existing financing that is not repaid as a part of such secondary financing), after subtracting the following:

(1) amounts needed to pay the lenders' actual costs of such Refinancing paid by Tenant including application fees, closing costs, points and other customary lenders' fees such as lenders' Attorneys' Fees and Costs and title insurance costs paid at close of escrow for such Refinancing;

(2) amounts needed to pay Port's Attorneys' Fees and Costs associated with Port's review of the Refinancing;

(3) amounts needed to pay Tenant's Attorneys' Fees and Costs associated with the Refinancing;

(4) any portion of the Refinancing Proceeds that will be used for Capital Items approved in accordance with *Sections 10.2(d) and 12.1* of this Lease; and

(5) brokerage commissions paid to licensed real estate brokers to arrange the Refinancing (provided, however, if commissions are paid to Affiliate brokers, such commissions must be commercially reasonable).

C "Qualifying Refinancing" means any Refinancing that results in positive Net Refinancing Proceeds that is not in connection with (1) a Sale; or (2) the first permanent financing following Completion of the Initial Improvements that is secured by Tenant's leasehold interest in this Lease.

D     **“Refinancing”** means any secured debt financing or refinancing incurred by Tenant and secured by any Mortgage, which may include secured financing from an Affiliate of Tenant and any refinancing or replacement of existing debt secured by a Mortgage (including any permanent take-out financing for financing the construction of the Initial Improvements (as defined in Article 47 of the Parcel Lease)); provided, however, the term "Refinancing" shall exclude any construction loan incurred by Tenant for the purpose of financing the construction of the Initial Improvements.

E     **“Refinancing Proceeds”** means all sums actually disbursed by a lender in connection with a Refinancing.

**3.6 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 or in connection with any Sale or Refinancing. 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, including proceeds and costs incurred from any Sale and Refinancing. 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.

**3.7 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 matters identified in Section 3.4(b) of this Exhibit) 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, Adjusted Gross Income, Sale Proceeds, Refinancing Proceeds and Port's share of the foregoing, for a period of five (5) years after the applicable rent statement in connection with Rent during the Hold Over Period (or closing statement with respect to a Sale or Refinancing) 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 Sale Proceeds, Net Sale Proceeds, Gross Income during any Hold Over Period, Adjusted Gross Income during any Hold Over Period, Refinancing Proceeds, or Net Refinancing Proceeds 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. If Tenant understates its Adjusted Gross Income during any Hold Over Period, Net Refinancing Proceeds or Net Sale Proceeds, or Port's share of the foregoing proceeds 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.

**3.8 Manner of Payment.** Tenant will pay all 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. Rent and Port's share of Sale Proceeds and Refinancing Proceeds are 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.

**3.9 Interest on Delinquent Rent.** Rent not paid when due will bear interest from the date due until paid 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.

**3.10 Late Charge.** Tenant acknowledges and agrees that late payment by Tenant to Port of Rent 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 a rent statement required hereunder to Port within five (5) days following the date it is due, five percent (5%) of Rent due during a Hold Over Period for the subject period of such 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.

**3.11 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, except as expressly set forth in **Section 28.2** of this Lease.

**3.12 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.

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

## **ATTACHMENT 1 TO EXHIBIT D**

### **PROCEDURES TO CERTIFY ENTITLEMENT COSTS AND TOTAL DEVELOPMENT COSTS**

#### **1. PORT REPRESENTATIVE.**

If Tenant fails to deliver either the Certified Entitlement Cost Statement or the Certified Total Development Cost Statement, as applicable, within the time periods set forth herein, and such failure continues for thirty (30) days after the date Port delivers to Tenant written notice of such failure, Port has the right, among its other remedies under this Lease, to have a Port Representative examine Tenant's books and records as may be necessary to determine all the information required in the Certified Entitlement Cost Statement or Certified Total Development Cost Statement, as applicable. The determination made by Port Representative will be binding upon Tenant, absent manifest error, and Tenant must promptly pay to Port the total cost of the examination.

#### **2. CERTIFIED COST STATEMENT.**

(a) ***Certified Entitlement Cost Statement.*** Within thirty (30) days prior to a Transfer occurring before the Early Transfer Date or sixty (60) days following the Early Transfer Date for the Tenant that constructs the Initial Improvements, as applicable, Tenant will furnish Port with an itemized statement setting forth in detail the Entitlement Cost incurred by Tenant to the Building Permit Date or thirty (30) days prior to a Qualifying Early Sale, as applicable, certified as true, accurate and complete by an independent certified public accountant (the "**Certified Entitlement Cost Statement**").

(b) ***Certified Total Development Cost Statement.*** Within the earlier of one hundred twenty (120) days following the issuance of a Certificate of Completion or thirty (30) days prior to a Sale after the Early Transfer Date, the Tenant that constructed the Initial Improvements will furnish Port with an itemized statement setting forth in detail the Total Development Cost incurred by such Tenant to the CofO Issuance Date, certified as true, accurate and complete by an independent certified public accountant (the "**Certified Total Development Cost Statement**").

(b) ***Port Review.*** Port will notify the Tenant within sixty (60) days following Port's receipt of the Certified Entitlement Cost Statement or the Certified Total Development Cost Statement, as applicable, of Port's agreement or disagreement with such statement. If Port disagrees with any such statement, the Parties will meet to resolve the disagreement. If the Parties are unable to resolve their disagreement, either may Party exercise its rights under Section 3 (Audit Rights) of this Attachment 1 to Exhibit D.

#### **3. AUDIT RIGHTS.**

If Port disagrees with either the Certified Entitlement Cost Statement or the Certified Total Development Cost Statement, Port may request that such records be audited by an independent certified public accounting firm mutually acceptable to Port and Tenant, or if the Parties are unable to agree, either Party may apply to the Superior Court of the State of California in and for the County of San Francisco for appointment of an auditor meeting the foregoing qualifications. If the court denies or otherwise refuses to act upon such application, either Party may apply to the American Arbitration Association, or any similar provider of professional commercial arbitration services, for appointment in accordance with the rules and procedures of such organization of an independent auditor. Such audit will be binding on the Parties, except in the case of fraud, corruption or undue influence. Port will pay the entire cost of the audit unless the audit discovers that Tenant has overstated the Entitlement Cost or the Total Development Cost, as applicable, by more than three percent (3%) of the lower amount, in which case Tenant will pay the entire cost of the audit.

#### **4. BOOKS AND RECORDS RELATED TO TOTAL DEVELOPMENT COSTS.**



Tenant must keep accurate books and records of the Entitlement Costs and Total Development Costs incurred to date, funds expended by Tenant, outstanding Tenant capital, Tenant capital return accrued, and debt or other third-party proceeds received by or on behalf of Initial Tenant in connection with the development of the Initial Improvements, all in accordance with accounting principles generally accepted in the construction industry. Port, including its Agents, has the right to inspect Tenant's books and records regarding the development of the Initial Improvements, the costs incurred in connection therewith, and all other Entitlement Costs and Total Development Costs, including funds expended by Tenant, return accrued on such funds, and debt or other third party proceeds received by or on behalf of Tenant in connection with the development of the Initial Improvements in a location within San Francisco during regular business hours and upon reasonable advance notice.

EXHIBIT E

Project Approvals

## **EXHIBIT E**

### **PROJECT APPROVALS**

1. **Final Environmental Impact Report** (Planning Dept. Case No. 2013.0208ENV)
  - Certify FEIR and adopt CEOA Findings: Planning Commission Motion No. 20017 and Motion No. 20018, October 5, 2017
  - Adopt CEOA Findings and MMRP: Port Resolution No. 18-03, January 30, 2018
  - Affirm Planning Commission's certification of FEIR and adopt CEOA Findings and MMRP: Board of Supervisors Resolution No. 36-18, February 13, 2018
2. **Planning Code and Zoning Map amendments**
  - Recommend: Planning Commission Resolution No. 20019, October 5, 2017
  - Consent: Port Resolution No. 18-04, January 30, 2018
  - Approve: Board of Supervisors Ordinance No. 31-18, February 27, 2018
3. **Development Agreement and amendments and waivers of specified provisions of the Administrative and Subdivision Codes**
  - Recommend: Planning Commission Resolution No. 20020, October 5, 2017
  - Consent: Port Resolution No. 18-06, January 30, 2018
  - Consent: SFPUC Resolution No. 18-0014, January 23, 2018
  - Consent: SFMTA Resolution No. 180206-025, February 6, 2018,
  - Approve: Board of Supervisors Ordinance No. 33-18, February 27, 2018
4. **Mission Rock Design Controls**
  - Approve: Planning Commission Motion No. 20021, October 5, 2017
  - Approve: Port Resolution No. 18-04, January 30, 2018
5. **Waterfront Land Use Plan / Waterfront Design and Access Element amendments**
  - Adopt public trust findings and approve: Port Resolution No. 18-03 (Public Trust Findings) January 30, 2018, and Resolution No. 18-05 (Waterfront Land Use Plan), January 30, 2018
6. **Infrastructure Financing District Project Area I and Sub-Project Areas**
  - Adopt public trust findings, approve, and recommend: Port Resolution No. 18-08 January 30, 2018
  - Approve: Board of Supervisors Ordinance Nos. 34-18, February 27, 2018
7. **Memorandum of Understanding re Collection and Allocation of Taxes**
  - Approve and recommend: Port Resolution No. 18-09, January 30, 2018
  - Approve: Board of Supervisors Resolution No. 45-18, February 13, 2018
8. **Special Tax District No. 2020-1 (Mission Rock Facilities and Services)**
  - Resolution of formation: Board of Supervisors Resolution No. 160-20, April 24, 2020

9. **Final Map 9443**

- Approve and recommend: Public Works Order No. 203194, May 22, 2020
- Approve: Board of Supervisors Motion No. M20-60, June 2, 2020

EXHIBIT F

Permitted Title Exceptions

## 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 that arise by reason of:

**THE FOLLOWING MATTERS AFFECT PARCELS ONE AND TWO:**

1. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2020-2021.

(Affects Parcels One and Two)

2. Intentionally deleted

3. All or a part of the Land herein described does not appear to be assessed on the Tax Roll for the year(s) 2019-2020. Said Land is subject to the possible assessment and collection of property taxes for the current year.

(Affects Parcels One and Two)

4. The Land 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.

(Affects Parcels One and Two)

None now due and payable as of the date of the policy.

5. 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.

(Affects Parcels One and Two)

None now due and payable as of the date of the policy.

6. Intentionally deleted

## SCHEDULE B (Continued)

7. 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 1333 of the Statutes of 1968, (the Burton Act) as amended by Chapters 1296 and 1400, Statutes of 1969, Chapter 670, Statutes of 1970, Chapter 1253, Statutes of 1971, Chapter 660, Statutes of 2007 and Chapter 529, Statutes of 2016 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 and that certain Agreement Relating to Transfer of the Port of San Francisco from the State of California to the City and County of San Francisco, executed by and between the City and County of San Francisco and the Director of Finance of the State of California and the San Francisco Port Authority, recorded January 30, 1969, Book B308, Page 686, Series No. R404013, of Official Records as modified by Chapters 1296 and 1400, Statutes of 1969, Chapter 670, Statutes of 1970, Chapter 1253, Statutes of 1971, Chapter 660, Statutes of 2007 and Chapter 529, Statutes of 2016 and as may be further modified.

(Affects Parcels One and Two)

8. Intentionally deleted

9. Intentionally deleted

10. Matters contained in that certain document

Entitled: Development Agreement  
 Dated: August 15, 2018  
 Executed by: The City and County of San Francisco and Seawall Lot 337 Associates, LLC, a Delaware limited liability company  
 Recording Date: August 17, 2018  
 Recording No: 2018-K656939-00, Official Records

Reference is hereby made to said document for full particulars.

### Assignment and Assumption Agreement

Assignor: Seawall Lot 337 Associates, LLC, a Delaware limited liability company and Mission Rock Horizontal Sub (Phase 1), L.L.C., a Delaware limited liability company  
 Assignee: Mission Rock Parcel A Owner, L.L.C., a Delaware limited liability company  
 Recorded: , 2020, as Instrument No. 2020- , Official Records

(Affects Parcels One and Two)

11. Intentionally deleted

## SCHEDULE B (Continued)

12. Covenants, conditions and restrictions set forth in that certain Permit No. 2017-004-00 dated June 29, 2018 granted by the San Francisco Bay Conservation and Development Commission, recorded August 17, 2018, Recording No. 2018-K656942-00, of Official Records, but omitting any covenant or restriction, if any, based upon race, color, religion, sex, handicap, familial status or national origin as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law.

A First Amendment to BCDC Permit, recorded June 18, 2020, as Instrument No. 2020-K942228-00, Official Records.

A Second Amendment to BCDC Permit recorded June 18, 2020, as Instrument No. 2020-K942229-00, Official Records.

(Affects Parcels One and Two)

13. Ordinance 209-19: Street and Public Service Easement Vacation Order – Mission Rock Project, upon the terms and conditions contained therein.

Recorded: May 15, 2020, as Instrument No. 2020-K931482-00, Official Records

Said instrument provides for the reservation of various temporary rights and easements in favor of the City and County of San Francisco and Pacific Gas and Electric Company.

(Affects Parcels One and Two)

14. The herein described property lies within the boundaries of a Mello-Roos Community Facilities District (CFD) as follows:

CFD No:	2020-1
For:	Mission Rock Facilities and Services
Disclosed by:	Notice of Special Tax Lien
Recorded:	May 22, 2020, as Instrument No. 2020-K933385-00, Official Records

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 of San Francisco County of San Francisco. The tax may not be prepaid.

(Affects Parcels One and Two)

15. Recitals as shown on that certain map/plat entitled "Final Map 9443"

Recording Date:	June 12, 2020, as Instrument No. 2020-K940602-00, Official Records
Recording No.:	Book 1 of Final Maps, Pages 28-38, inclusive



**SCHEDULE B  
(Continued)**

## 16. Matters contained in that certain document

Entitled: Public Improvement Agreement  
Dated: June 12, 2020  
Executed by: The City and County of San Francisco and Seawall Lot 337 Associates, LLC, a Delaware limited liability company  
Recording Date: June 12, 2020, as Instrument No. 2020-K940619-00, Official Records

Reference is hereby made to said document for full particulars.

(Affects Parcels One and Lots A, B, C, D, E, F, G, H, I, J, K and L of Book 1 of Final Maps, at Page(s) 28-38, inclusive of Parcel Two.)

## 17. The matters set forth in the document shown below which, among other things, contains or provides for: certain easements; liens and the subordination thereof; provisions relating to partition; restrictions on severability of component parts; and covenants, conditions and restrictions but omitting any covenants or restrictions, if any, including, but not limited to those based upon race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, veteran or military status, genetic information, medical condition, citizenship, primary language, and immigration status, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law.

Entitled: Mission Rock Master Declaration of Restrictions  
Recorded: June 25, 2020, as Instrument No. 2020-K944344-00, Official Records

Said covenants, conditions and restrictions provide that a violation thereof shall not defeat the lien of a first mortgage or first deed of trust made in good faith and for value.

Liens and charges as set forth in the above mentioned declaration,

Payable to: Mission Rock Owners Association, a California nonprofit corporation

## 18. Any rights of the tenants listed below, as tenants only with no options to purchase or rights of first refusal.

a) None

## 19. Any rights, interests, or claims which may exist or arise by reason of the following matters disclosed by survey,

Job No.: S-9229.1  
Dated: August 11, 2020  
Prepared by: Martin M. Ron Associates  
Matters shown:

No matters to reflect

## 20. Intentionally deleted

**SCHEDULE B  
(Continued)**

- 21. Intentionally deleted
- 22. Intentionally deleted
- 23. Intentionally deleted
- 24. Notice of Special Restrictions

Recording Date:  
Recording No: 2020- Official Records

Reference is hereby made to said document for full particulars

- 25. Memorandum of Vertical Disposition and Development Agreement, upon the terms, covenants, conditions and provisions set forth therein

Dated: , 2020  
Executed by: The City and County of San Francisco, a municipal corporation and Mission Rock Parcel A Owner, L.L.C., a Delaware limited liability company  
Recorded: , 2020, as Instrument No. 2020- , Official Records  
(Affects Parcel One)

Reference is hereby made to said document for full particulars.

- 26. Matters contained in that certain document

Entitled: Agreement to Comply with CFD Matters  
Executed by: The City and County of San Francisco and Mission Rock Parcel A Owner, L.L.C., a Delaware limited liability company  
Recording Date: , 2020  
Recording No: 2020-K , Official Records  
(Affects Parcel One)

Reference is hereby made to said document for full particulars

**THE FOLLOWING MATTERS AFFECT ONLY PARCEL TWO:**

- 27. Matters contained in that certain document

Entitled: City and County of San Francisco Department of Public Works Street Encroachment Agreement  
Dated: April 13, 2000  
Executed by: City and County of San Francisco and China Basin Ballpark Company, LLC  
Recording Date: May 15, 2000  
Recording No: 2000-G773008-00, Official Records

Reference is hereby made to said document for full particulars.

(Affects: Lot H, I and J of Book 1 of Final Maps, at Page(s) 28-38, inclusive of Parcel Two)

## SCHEDULE B (Continued)

28. Conditions and restrictions as set forth in a document recorded by the City and County of San Francisco, Department of Public Works.

Type of Permit: San Francisco Bay Conservation and Development Commission Permit No. M201404200  
 Recording Date: August 4, 2015  
 Recording No.: 2015-K105732-00, Official Records

Reference is made to said document for full particulars.

(Affects: Lot K of Book 1 of Final Maps, at Page(s) 28-38, inclusive of Parcel Two)

29. Matters contained in that certain document

Entitled: Disposition and Development Agreement  
 Dated: August 15, 2018  
 Executed by  
 And between: City and County of San Francisco, acting by and through the San Francisco Port Commission and Seawall Lot 337 Associates, LLC, a Delaware limited liability company  
 Recording Date: August 17, 2018  
 Recording No.: 2018-K656938-00, Official Records

Reference is hereby made to said document for full particulars.

Assignment and Assumption Agreement (Mission Rock Project, Phase 1)

Dated: December 18, 2019  
 Executed by: Seawall Lot 337 Associates, LLC, a Delaware limited liability company and Mission Rock Horizontal Sub (Phase 1), L.L.C., a Delaware limited liability company  
 Recording Date: December 19, 2019  
 Recording No.: 2019-K879368-00, Official Records

Reference is hereby made to said document for full particulars.

A First Amendment to Disposition and Development Agreement  
 Recorded: June 26, 2020, as Instrument No. 2020-K944593-00, Official Records

(Affects Lots A, B, C, D, E, F, G, H, I, J, K and L of Book 1 of Final Maps, at Page(s) 28-38, inclusive of Parcel Two.)

## SCHEDULE B (Continued)

30. An unrecorded lease with certain terms, covenants, conditions and provisions set forth therein as disclosed by the document

Entitled: Memorandum of Lease  
 Lessor: The City and County of San Francisco, operating by and through the San Francisco Port Commission  
 Lessee: Seawall Lot 337 Associates, LLC, a Delaware limited liability company  
 Recording Date: August 17, 2018  
 Recording No: 2018-K656941-00, Official Records

Matters contained in that certain document

Entitled: First Amendment to Memorandum of Master Lease  
 Dated: January 31, 2020  
 Executed by: The City and County of San Francisco, a municipal corporation operating by and through the San Francisco Port Commission and Seawall Lot 337 Associates, LLC, a Delaware limited liability company  
 Recording Date: January 31, 2020  
 Recording No: 2020-K898106-00, Official Records

Reference is hereby made to said document for full particulars.

The present ownership of the leasehold created by said lease and other matters affecting the interest of the lessee are not shown herein.

(Affects Lots A, B, C, D, E, F, G, H, I, J, K and L of Book 1 of Final Maps, at Page(s) 28-38, inclusive of Parcel Two.)

31. Any rights of the tenants, as tenants only with no options to purchase or rights of first refusal.
32. Any rights, interests, or claims which may exist or arise by reason of the following matters disclosed by survey,

Job No.: S-9229.1  
 Dated: August 11, 2020  
 Prepared by: Martin M. Ron Associates  
 Matters shown:

No matters to reflect

33. Offer of Improvements upon the terms and conditions contained therein.

Recording Date: June 12, 2020, as Instrument No. 2020-K940595-00, Official Records

(Affects Lots A, B, C, D, E, F, G, H, I, J, K and L of Book 1 of Final Maps, at Page(s) 28-38, inclusive of Parcel Two)

34. Rights and Easements for Commerce, Navigation and Fishery.

(Affects Parcel Two)

**SCHEDULE B  
(Continued)**

35. Matters contained in that certain document

Entitled: Covenant to Restrict Use of Property – Environmental Restrictions  
Dated: July 24, 2002  
Executed by: City and County of San Francisco  
Recorded: July 25, 2002, as Instrument No. 2002-H209674-00, Official Records

Reference is hereby made to said document for full particulars

Affects: Parcel Two

36. Matters contained in that certain document

Entitled: Amended Covenant to Restrict Use of Property Environmental Restriction  
Executed by: The City and County of San Francisco, a Charter City and County, in Trust, and  
The Department of Toxic Substances Control  
Recording Date: September 2019  
Recording No: 2019-K835128-00, Official Records

Reference is hereby made to said document for full particulars

Affects: Parcel Two

**END OF SCHEDULE B**

**This is a pro forma policy** furnished to or on behalf of the party to be insured. It neither reflects the present status of title, nor is it intended to be a commitment to insured. The inclusion of endorsements as a part of the pro forma policy in no way evidences the willingness of the company to provide any affirmative coverage shown therein. There are requirements which must be met before a final policy can be issued in the same form as the pro forma policy. A commitment to insure setting forth these requirements should be obtained from the Company.

**Additional Matters** may be added or other amendments may be made to this pro forma policy by reason of any defects, liens or encumbrances that appear for the first time in the Public Records or come to the attention of the Company and are created or attached between the issuance of this pro forma policy and the issuance of a policy of title insurance. The Company shall have no liability because of such addition or amendment.

EXHIBIT G

Executed Notice of Special Tax

NOTICE OF SPECIAL TAX

CITY AND COUNTY OF SAN FRANCISCO  
SPECIAL TAX DISTRICT NO. 2020-1  
(MISSION ROCK FACILITIES AND SERVICES)

TO: THE PROSPECTIVE TENANT OF THE REAL PROPERTY IDENTIFIED AS FOLLOWS (THE “PROPERTY”):

**Lot 1 shown on the Final Map No. 9443 approved by the Board of Supervisors of the City and County of San Francisco on June 2, 2020**

THIS IS A NOTIFICATION TO YOU PRIOR TO YOUR ENTERING INTO A CONTRACT TO LEASE THIS PROPERTY. THE LANDLORD IS REQUIRED TO GIVE YOU THIS NOTICE AND TO OBTAIN A COPY SIGNED BY YOU TO INDICATE THAT YOU HAVE RECEIVED AND READ A COPY OF THIS NOTICE.

Each Assessor’s Parcel (a “Parcel”) of this Property (in existence now or as further subdivided in the future) is subject to a development special tax (the “**Development Special Tax**”), an office special tax (the “**Office Special Tax**”), a shoreline special tax (the “**Shoreline Special Tax**”), and a contingent services special tax (the “**Contingent Services Special Tax**”) and, with the Development Special Tax, Office Special Tax, and Shoreline Special Tax, collectively, the “**Special Taxes**”) that are in addition to the regular property taxes and any other charges, fees, special taxes, and benefit assessments on the Property. The Special Taxes are imposed on each Parcel of the Property because it is a new development, and is not necessarily imposed generally upon property outside of this new development. If you fail to pay the Special Taxes levied on the leasehold interest in a Parcel of the Property when due each year, the delinquent leasehold interest in the Parcel may be foreclosed upon and sold. The Special Taxes are used to provide facilities and services that are likely to particularly benefit the Property. YOU SHOULD TAKE THE SPECIAL TAXES AND THE BENEFITS FROM THE FACILITIES AND SERVICES FOR WHICH THEY PAY INTO ACCOUNT IN DECIDING WHETHER TO LEASE THIS PROPERTY.

The Property you are leasing is located within the boundaries of Tax Zone 1 of the City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services) (“**Mission Rock STD**”). The Special Taxes are levied pursuant to a Rate and Method of Apportionment of Special Taxes (the “**Rate and Method**”) for the Mission Rock STD. A copy of the Rate and Method applicable to this Property is attached as Exhibit “C” to the Notice of Special Tax Lien attached hereto as Exhibit 1 (the “**Notice of Special Tax Lien**”). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Rate and Method.

### **Classification of Property**

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor's Parcel numbers for all Taxable Parcels. The Administrator shall also determine: (i) whether each Taxable Parcel is Developed Property or Undeveloped Property; (ii) the Planning Parcel and Tax Zone within which each Taxable Parcel is located; (iii) for Developed Property, the Market-Rate Residential Square Footage and Office Square Footage within each building; (iv) the Taxpayer for each Leasehold Interest in a Taxable Parcel; and (v) the Development Special Tax Requirement, Office Special Tax Requirement, Shoreline Special Tax Requirement, and, if applicable, Services Special Tax Requirement for the Fiscal Year.

The Property will become Developed Property for purposes of the levy of the Special Taxes as set forth in the definition of Developed Property in the Rate and Method, which means "in any Fiscal Year, all Taxable Parcels for which the 24-month anniversary of the Parcel Lease Execution Date has occurred in a preceding Fiscal Year, regardless of whether a Permit has been issued. For any Taxable Parcel on which a structure is built and occupied without execution of a Parcel Lease, such Taxable Parcel shall be categorized as Developed Property in the Fiscal Year in which a Certificate of Occupancy was issued on or prior to June 30 of the preceding Fiscal Year."

When a Parcel becomes Developed Property, the Administrator and Review Authority shall reference the Permit for each building on the Parcel to determine the Market-Rate Residential Square Footage and/or Office Square Footage within the building(s). If the Market-Rate Residential Square Footage and/or Office Square Footage is not identified on the Permit, the square footage assumptions used in the appraisal prepared when the Vertical DDA and/or Parcel Lease for such Parcel was executed shall be used to determine Market-Rate Residential Square Footage and/or Office Square Footage within the building. If, after review of the Permit and appraisal, there is still no clear indication of the Market-Rate Residential Square Footage and/or Office Square Footage for a building, the Review Authority shall review the Development Approval Documents and make a determination as to the amount of Market-Rate Residential Square Footage and/or Office Square Footage in the building.

When a Parcel becomes Developed Property, the Administrator and Review Authority shall also identify and document the Initial Exempt Square Footage for the building or buildings on or expected on the Parcel. The Administrator shall keep a record of the Initial Exempt Square Footage broken down by Exempt Use. After the First Bond Sale, as square footage within a building is designated for Exempt Uses, the Administrator shall compare the actual square footage used for each Exempt Use to the Initial Exempt Square Footage by Exempt Use. If, at any point in time, there is determined to be Excess Exempt Square Footage within a building, the Administrator and Review Authority shall use this comparison to determine which square footage should be designated Excess Exempt Square Footage. In addition, the Administrator shall determine whether the Excess Exempt Square Footage resulted in a reduction in Market-Rate Residential Square Footage or Office Square Footage expected in the building and, based on this determination, identify the applicable Maximum Special Taxes for the Excess Exempt Square Footage pursuant to the tables in Section C of the Rate and Method.



The Administrator shall also: (i) coordinate with the Deputy Director to confirm Parcel Increment; (ii) coordinate with the Treasurer-Tax Collector's Office to determine if there have been any Special Tax delinquencies or repayment of Special Tax delinquencies in prior Fiscal Years; (iii) review the Development Approval Documents and communicate with the Developer and Vertical Developers regarding proposed Land Use Changes; and (iv) upon each annexation, Land Use Change, and notification of Parcel Lease Execution Dates, update Attachment 3 to the Rate and Method to reflect the then-current Expected Land Uses, Expected Maximum Development Special Tax Revenues, Expected Maximum Office Special Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues.

The Developer, Port, or Vertical Developer shall notify the Administrator each time a Parcel Lease is executed in order for the Administrator to keep track of Parcel Lease Execution Dates.

In addition, the Port will: (i) provide the Administrator with copies of all leases that establish a Leasehold Interest, (ii) notify the Administrator of renewals of leases that establish a Leasehold Interest, and (iii) identify the buildings, Parcels, and Square Footage subject to such leases that establish a Leasehold Interest. Any time a lease on property within the Mission Rock STD is terminated, the Port will immediately notify the Administrator of such termination.

Prior to the First Bond Sale, the Administrator, Port, Developer, and any Vertical Developers shall coordinate to review the Expected Land Uses and determine if changes should be made to reflect more current estimates for land uses on each Planning Parcel. Based on this review, the Administrator shall update Attachment 3 to the Rate and Method with the then-current Expected Land Uses and Expected Maximum Development Special Tax Revenues, Expected Maximum Office Special Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues, which will be used to size the sale of Bonds unless and until there are additional updates of Attachment 3 to the Rate and Method.

### **Maximum Special Taxes**

In calculating Maximum Special Taxes pursuant to Section C of the Rate and Method, in any Fiscal Year in which the boundaries of the Planning Parcels are not identical to the boundaries of the then-current Assessor's Parcels, the Administrator shall review the Expected Land Uses for each Planning Parcel and assign the Maximum Special Taxes to the then-current Assessor's Parcels. The Maximum Special Tax Revenues after such allocation shall not be less than the Maximum Special Tax Revenues prior to the allocation.

***Developed Property:*** The Maximum Development Special Tax, the Maximum Office Special Tax, the Maximum Shoreline Special Tax, and the Maximum Contingent Services Special Tax are defined in the Rate and Method as follows:

**"Maximum Development Special Tax"** means the greatest amount of Development Special Tax that can be levied on a Leasehold Interest in a Taxable Parcel in any Fiscal Year determined in accordance with Sections C, D, and E of the Rate and Method. When a Taxable Parcel in Tax Zone 1 or Tax Zone 2 becomes Developed Property, the Administrator shall use the Base Development Special Taxes for the applicable Tax Zone shown in Table 1 of the Rate

and Method and apply the steps set forth in Section C.2a of the Rate and Method to determine the Maximum Development Special Tax for Leasehold Interests in a Taxable Parcel. ***The Base Development Special Tax for each Tax Zone as shown in Table 1 of the Rate and Method shall be escalated beginning July 1, 2020, and each July 1 thereafter, by 2% of the amount in effect in the prior Fiscal Year.***

“Maximum Office Special Tax” means the greatest amount of Office Special Tax that can be levied on a Leasehold Interest in a Taxable Parcel in any Fiscal Year determined in accordance with Sections C, D, and E of the Rate and Method. When a Taxable Parcel in Tax Zone 1 or Tax Zone 2 becomes Developed Property, the Administrator shall use the Base Office Special Taxes for the applicable Tax Zone shown in Table 2 of the Rate and Method and apply the steps set forth in Section C.2b of the Rate and Method to determine the Maximum Office Special Tax for Leasehold Interests in a Taxable Parcel. ***The Base Office Special Tax for each Tax Zone as shown in Table 2 of the Rate and Method shall be escalated beginning July 1, 2020, and each July 1 thereafter, by 2% of the amount in effect in the prior Fiscal Year.***

“Maximum Shoreline Special Tax” means the greatest amount of Shoreline Special Tax that can be levied on a Leasehold Interest in a Taxable Parcel in any Fiscal Year determined in accordance with Sections C, D, and E of the Rate and Method. When a Taxable Parcel in Tax Zone 1 or Tax Zone 2 becomes Developed Property, the Administrator shall use the Base Shoreline Special Taxes for the applicable Tax Zone shown in Table 3 of the Rate and Method and apply the steps set forth in Section C.2c of the Rate and Method to determine the Maximum Shoreline Special Tax for Leasehold Interests in a Taxable Parcel. ***The Base Shoreline Special Tax for each Tax Zone as shown in Table 3 of the Rate and Method shall be escalated beginning July 1, 2020, and each July 1 thereafter, by 2% of the amount in effect in the prior Fiscal Year.***

“Maximum Contingent Services Special Tax” means, after the Trigger Event, the greatest amount of Contingent Services Special Tax that can be levied on a Leasehold Interest in a Taxable Parcel in any Fiscal Year determined in accordance with Sections C, D, and E of the Rate and Method. In the first Fiscal Year after the Fiscal Year in which the Trigger Event occurs, and in each Fiscal Year thereafter, Section C.2d of the Rate and Method shall be applied to determine the Contingent Services Special Tax for each Taxable Parcel in the Mission Rock STD. When a Taxable Parcel in Tax Zone 1 or Tax Zone 2 becomes Developed Property, the Administrator shall use the Base Contingent Services Special Taxes for the applicable Tax Zone shown in Table 4 of the Rate and Method and apply the steps set forth in Section C.2d of the Rate and Method to determine the Maximum Contingent Services Special Tax for Leasehold Interests in a Taxable Parcel. ***The Base Contingent Services Special Tax for each Tax Zone as shown in Table 4 of the Rate and Method shall be escalated beginning July 1, 2020, and each July 1 thereafter, by the Escalator.***

#### ***Undeveloped Property:***

Development Special Tax, Office Special Tax, and Shoreline Special Tax. The Maximum Development Special Tax, Maximum Office Special Tax, and Maximum Shoreline Special Tax for Leasehold Interests in Undeveloped Property in all Tax Zones shall be the Expected Maximum Development Special Tax Revenues, Expected Maximum Office Special

Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues shown in Attachment 3 of the Rate and Method, as it may be amended as set forth in the Rate and Method. Each of these Special Taxes shall be escalated beginning July 1, 2020, and each July 1 thereafter, by 2% of the amount in effect in the prior Fiscal Year.

Contingent Services Special Tax. No Contingent Services Special Tax shall be levied on Parcels of Undeveloped Property in any Tax Zone within the Mission Rock STD.

### **Adjustments to the Maximum Special Taxes**

Section D of the Rate and Method describes the circumstances in which the Maximum Special Taxes may be adjusted, including as a result of (i) annual escalation of the Base Development Special Tax for each Tax Zone, the Base Office Special Tax for each Tax Zone; the Base Shoreline Special Tax for each Tax Zone; the Expected Maximum Development Special Tax Revenues, the Expected Maximum Office Special Tax Revenues, and the Expected Maximum Shoreline Special Tax Revenues in Attachment 3 to the Rate and Method; and the Maximum Development Special Tax, the Maximum Office Special Tax, and the Maximum Shoreline Special Tax assigned to the Leasehold Interests in each Taxable Parcel, (ii) annual escalation of the Base Contingent Services Special Tax for each Tax Zone and the Maximum Contingent Services Special Tax assigned to the Leasehold Interests in each Taxable Parcel, (iii) rezoning or other Land Use Changes, (iv) changes in Expected Land Uses, and (v) changes in the boundaries of the Planning Parcels.

In addition, the Base Development Special Tax may be reduced prior to the First Bond Sale as described in Section D.5.

### **Offset of Parcel Increment**

For a discussion of the offset of the Parcel Increment against the Development Special Tax for Assessed Parcels, see Section F.1 of the Rate and Method.

### **Term of the Special Taxes**

Special Taxes shall be collected in the same manner and at the same time as ordinary ad valorem property taxes on the regular tax roll, provided, however, that the City may directly bill Special Taxes, may collect Special Taxes at a different time or in a different manner, and may collect delinquent Special Taxes through foreclosure or other available methods as authorized by the CFD Law. The Board of Supervisors has ordered any Special Taxes to be levied on Leasehold Interests to be levied on the secured roll. The Special Tax bill for any Taxable Parcel subject to a Leasehold Interest will be sent to the same party that receives the possessory interest tax bill associated with the Leasehold Interest unless it is sent directly to the Taxpayer.

In calculating the Development Special Tax Requirement, Office Special Tax Requirement, or Shoreline Special Tax Requirement, under no circumstances may the Development Special Tax, Office Special Tax, or Shoreline Special Tax that is levied on a Leasehold Interest in a Taxable Parcel in a Fiscal Year be increased by more than ten percent (10%) of the Maximum Development Special Tax, Maximum Office Special Tax, or Maximum Shoreline Special Tax for that Parcel (or such lesser amount required by the CFD Law) as a

consequence of delinquency or default in payment of Special Taxes levied on Leasehold Interests in another Parcel(s) in the Mission Rock STD (the “**Delinquency Levy**”).

The Delinquency Levy, if any, is determined when calculating the Development Special Tax Requirement. Accordingly, when determining the levy of Development Special Taxes on Leasehold Interests in Assessed Parcels pursuant to Step 1 of Section F.1 of the Rate and Method, the Delinquency Levy, if any, has already been applied and, therefore, the Administrator shall not levy any additional Delinquency Levy on an Assessed Parcel that has its Development Special Tax levy reduced or eliminated by Parcel Increment.

The Development Special Tax shall be levied and collected on Leasehold Interests in each Taxable Parcel until the earlier of: (i) the Fiscal Year in which the Port determines that all Authorized Expenditures that will be funded by the Mission Rock STD have been funded and all Development Special Tax Bonds have been fully repaid; (ii) the Fiscal Year after the Fiscal Year in which Tax Increment is no longer collected within the Sub-Project Area within which the Taxable Parcel is located and all Development Special Tax Bonds have been fully repaid, as determined by the Administrator with direction from the Deputy Director; and (iii) Fiscal Year 2093-94.

The Office Special Tax shall be levied on and collected from Leasehold Interests in each Taxable Parcel for 120 Fiscal Years.

The Shoreline Special Tax shall be levied on and collected from Leasehold Interests in each Taxable Parcel for 120 Fiscal Years.

Beginning in the first Fiscal Year after the Fiscal Year in which the Trigger Event occurs, the Contingent Services Special Tax shall be levied and collected in perpetuity.

#### **Prepayment**

The Special Taxes may not be prepaid.

#### **Authorized Facilities and Services**

The authorized facilities that are being paid for by the Development Special Tax, the Office Special Tax, and the Shoreline Special Tax, and by the money received from the sale of bonds that are being repaid by these Special Taxes, are described in Exhibit “B” to the Notice of Special Tax Lien attached hereto as Exhibit 1.

*These facilities may not yet have all been constructed or acquired and it is possible that some may never be constructed or acquired.*

The authorized public services that may be paid for by the Contingent Services Special Tax, if levied, are described in Exhibit “B” to the Notice of Special Tax Lien attached hereto as Exhibit 1.

**Further Information**

YOU MAY OBTAIN A COPY OF THE RESOLUTION OF FORMATION THAT AUTHORIZED CREATION OF MISSION ROCK STD, AND THAT SPECIFIES MORE PRECISELY HOW THE SPECIAL TAXES ARE APPORTIONED TO EACH PARCEL OF THE PROPERTY AND HOW THE PROCEEDS OF THE SPECIAL TAXES WILL BE USED, FROM THE SPECIAL TAX CONSULTANT, GOODWIN CONSULTING GROUP, INC., 333 UNIVERSITY AVE # 160, SACRAMENTO, CA 95825, TELEPHONE: (916) 561-0890. THERE MAY BE A CHARGE FOR THESE DOCUMENTS NOT TO EXCEED THE REASONABLE COST OF PROVIDING THE DOCUMENTS.

**Acknowledgment**

I (WE) ACKNOWLEDGE THAT I (WE) HAVE READ THIS NOTICE AND RECEIVED A COPY OF THIS NOTICE PRIOR TO ENTERING INTO A CONTRACT TO LEASE OR DEPOSIT RECEIPT WITH RESPECT TO THE ABOVE-REFERENCED PROPERTY. I (WE) UNDERSTAND THAT I (WE) MAY TERMINATE THE VERTICAL DDA OR DEPOSIT RECEIPT WITHIN THREE DAYS AFTER RECEIVING THIS NOTICE IN PERSON OR WITHIN FIVE DAYS AFTER IT WAS DEPOSITED IN THE MAIL BY GIVING WRITTEN NOTICE OF THAT TERMINATION TO THE OWNER, SUBDIVIDER, OR AGENT LEASING THE PROPERTY.

DATE: 8/6/20

MISSION ROCK PARCELA OWNER, L.L.C.,  
a Delaware limited liability company

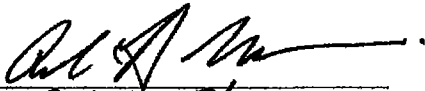
By:   
Name: Carl D. Shannon  
Its: Authorized Signatory

EXHIBIT 1  
NOTICE OF SPECIAL TAX LIEN

[See attached]

Recording Requested by

Angela Calvillo  
Clerk of the Board of Supervisors  
City and County of San Francisco  
1 Dr Carlton B Goodlett Place  
San Francisco, CA 94102

When Recorded Mail to

Angela Calvillo  
Clerk of the Board of Supervisors  
City and County of San Francisco  
1 Dr Carlton B Goodlett Place  
San Francisco, CA 94102

Assessor Parcel Numbers (APN) 8719A-002

Address 1051 Third Street and No Site Address



San Francisco Assessor-Recorder  
Carmen Chu, Assessor-Recorder  
**DOC- 2020-K933385-00**  
Acct 28-SFCC Board of Supervisors  
Friday, MAY 22, 2020 08:44:59  
Ttl Pd \$0.00 Rcpt # 0006192255  
VT1/VV/1-72

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**NOTICE OF SPECIAL TAX LIEN**

(Please fill in Document Title(s) above this line)

This document is exempt from the \$75 Building Homes and Jobs Act Fee (per Government Code §27388 1(a)(2)(D)) as the document is a real estate instrument, paper, or notice executed or recorded by the state or any county, municipality, or other political subdivision of the state

**This page added to provide adequate space for recording information  
(additional recording fee applies)**

## **NOTICE OF SPECIAL TAX LIEN**

### **CITY AND COUNTY OF SAN FRANCISCO Special Tax District No. 2020-1 (Mission Rock Facilities and Services)**

Pursuant to the requirements of Section 3114.5 of the California Streets and Highways Code of California and Section 53328.3 of the California Government Code, the undersigned Clerk of the Board of Supervisors of the City and County of San Francisco, State of California, hereby gives notice that a lien to secure payment of a special tax is hereby imposed by the Board of Supervisors of the City and County of San Francisco, State of California. The special tax secured by this lien is authorized to be levied for the purpose of (1) financing directly the acquisition and construction of all or a portion of the facilities described in Exhibit B attached hereto (the "Authorized Facilities"), (2) financing the services described in Exhibit B attached hereto (the "Authorized Services"), (3) paying principal and interest on bonds (and other debt as defined in the Mello-Roos Community Facilities Act of 1982 cited below), the proceeds of which are being used to finance the acquisition and construction of all or a portion of the Authorized Facilities, and (4) paying the cost of administering the Special Tax District (defined below).

#### **TAXES LEVIED BY THE SPECIAL TAX DISTRICT MAY BE USED TO PAY FOR CLEANUP OF HAZARDOUS SUBSTANCES**

The special tax is authorized to be levied within "City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services)" (the "Special Tax District") which has now been officially formed under the San Francisco Special Tax Financing Law (Admin. Code ch. 43, art. X), which incorporates the Mello-Roos Community Facilities Act of 1982 (Cal. Gov't Code Section 53311 et seq.), and the lien of the special tax is a continuing lien that shall secure each annual levy of the special tax and that shall continue in force and effect until the special tax obligation is prepaid, permanently satisfied, and canceled in accordance with law or until the special tax ceases to be levied and a notice of cessation of special tax is recorded in accordance with Section 53330.5 of the Government Code.

The rate, method of apportionment, and manner of collection of the authorized special tax is as set forth in Exhibit C attached hereto and hereby made a part hereof. Conditions under which the obligation to pay the special tax may be prepaid and permanently satisfied and the lien of the special tax canceled are as follows: None.

Notice is further given that upon the recording of this notice in the office of the Assessor-Recorder the obligation to pay the special tax levy shall become a lien upon all nonexempt real property within the Special Tax District in accordance with Section 3115.5 of the Streets and Highways Code of California. The nonexempt real property consists of leasehold or possessory interests in land owned by the City and County of San Francisco or the San Francisco Port Commission.

The nonexempt leasehold or possessory interests will be in the parcels listed in Exhibit A attached hereto and hereby made a part hereof. Exhibit A lists the name(s) of the owner(s) and the assessor's tax parcel numbers of such parcels.

Reference is made to the boundary map of the Special Tax District recorded in the Assessor-Recorder's Office for the City and County of San Francisco, State of California on March 31, 2020 at 11:03 a.m. as Document No. 2020-K920032-00 in Book 001 Pages 173-174 of the



Book of Maps of Assessment and Special Tax Districts, which map is now the final boundary map of the Special Tax District

For further information concerning the current and estimated future tax liability of owners or purchasers of the leasehold or possessory interests in real property subject to this special tax lien, interested persons should contact the Director of the Office of Public Finance, City and County of San Francisco, 1 Dr Carlton B Goodlett Place, San Francisco, California 94102, Telephone (415) 554-5956.

Dated As of May 21, 2020

By



Angela Calvillo  
Clerk of the Board of Supervisors,  
City and County of San Francisco

**EXHIBIT A**

**NOTICE OF SPECIAL TAX LIEN**

**CITY AND COUNTY OF SAN FRANCISCO  
Special Tax District No. 2020-1  
(Mission Rock Facilities and Services)**

**ASSESSOR'S PARCEL NUMBERS AND OWNERS OF LAND  
WITHIN SPECIAL TAX DISTRICT**

<b>Assessor's Tax Parcel Number</b>	<b>Landowner</b>
8719A-002	CITY AND COUNTY OF SAN FRANCISCO, ACTING BY AND THROUGH THE SAN FRANCISCO PORT COMMISSION

**Note** Upon the recording of this notice in the office of the Assessor-Recorder the obligation to pay the special tax levy shall become a lien upon all nonexempt real property within the Special Tax District in accordance with Section 3115.5 of the Streets and Highways Code of California. The nonexempt real property consists of leasehold or possessory interests in the listed parcels that are owned by the City and County of San Francisco or the San Francisco Port Commission.

## **EXHIBIT B**

### **NOTICE OF SPECIAL TAX LIEN**

#### **CITY AND COUNTY OF SAN FRANCISCO Special Tax District No. 2020-1 (Mission Rock Facilities and Services)**

### **DESCRIPTION OF AUTHORIZED FACILITIES AND SERVICES**

City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services) (as originally configured and as expanded through annexation of property in the future, the "STD"), is authorized to finance the Facilities, Services and Incidental Costs described in this Exhibit A. Capitalized terms used in this Exhibit A but not defined herein have the meanings given them in the Appendix to Transaction Documents for the Mission Rock 28-Acre Site Project, attached as an appendix to the Disposition and Development Agreement ("DDA"), dated as of August 15, 2018, by and between the Port and the Developer, including all exhibits and attachments, as may be amended from time to time. When used in this Exhibit B, "including" has the meaning given to it in the DDA.

### **AUTHORIZED FACILITIES**

The STD is authorized to finance the purchase, construction, reconstruction, expansion, improvement, or rehabilitation of all or any portion of the facilities authorized to be financed by the San Francisco Special Tax Financing Law (Admin. Code ch. 43, art. X) and the Mello-Roos Community Facilities Act of 1982 (Cal. Gov't Code Section 53311 et seq.), including

- 1 Land Acquisition – includes, but is not limited to, acquisition of land for public improvements or for other requirements under the DDA
- 2 Demolition and Abatement – includes, but is not limited to, Site Preparation costs, including abatement of hazardous materials, removal of below-grade, at-grade, and above-grade facilities, and recycling or disposal of waste, including demolition and abatement within future vertical sites that is necessary for Horizontal Improvements
- 3 Auxiliary Water Supply System - includes, but is not limited to, main pipe, laterals, valves, fire hydrants, cathodic protection, tie-ins, and any other components required for onsite and offsite high pressure water supply network intended for fire suppression
- 4 Low Pressure Water - includes, but is not limited to, main pipe, laterals, water meters, water meter boxes, back flow preventers, gate valves, air valves, blow-offs, fire hydrants, cathodic protection, tie-ins, and any other components required for onsite and offsite low pressure water supply network intended for domestic use
- 5 Non-Potable Water System (Blackwater Treatment Facility) - includes, but is not limited to, water recycling production equipment such as buffer and treatment tanks, reverse osmosis and ultraviolet treatment equipment, and plant auxiliary equipment such as pumps, valves, and electrical equipment, distribution facilities such as main pipes, laterals, and valves, customer interface equipment such as water meters, back flow preventers,

and valves, along with financing costs and any other components required for non-potable water supply system (whether publicly or privately owned) intended to provide treated wastewater for use in, among other things, irrigation of parks, landscaping, and non-potable uses within buildings, and any other components or administrative costs required for non-potable water system

- 6 District Energy System - includes, but is not limited to, whether publicly or privately-owned, district energy production equipment such as boilers, chillers, heat pumps, cooling towers, bay water interface equipment and piping, and plant auxiliary equipment such as pumps, valves, and electrical equipment, distribution facilities such as main pipes, laterals, and valves, customer interface equipment such as energy meters and energy transfer stations, along with financing costs and any other components or administrative costs required for district energy system intended to provide heating and cooling or domestic hot water within buildings
- 7 Sanitary Sewer, Storm Drain, and Stormwater Management- includes, but is not limited to, retrofit of existing combined sewer facilities, new gravity main pipe, force main pipe and associated valves, laterals, manholes, catch basins, traps, air vents, pump stations, outfalls, lift stations, connections to existing systems, stormwater treatment best management practices (BMPs) such as detention vaults, and any other components required for a network intended to convey storm water and sanitary sewage, including components, such as ejector pumps, associated with vertical buildings to meet design criteria for the Horizontal Improvements
- 8 Joint Trench & Dry Utilities – includes, but is not limited to, installation of primary and secondary conduits, overhead poles, pull boxes, vaults, subsurface enclosures, gas main, and anodes for dry utilities including electrical, gas, telephone, cable, internet, and information systems, as well as any payment obligations related to providing such services
- 9 Earthwork and Retaining Walls – includes, but is not limited to, Site Preparation activities including importation of clean fill materials, clearing and grubbing, slope stabilization, ground improvement, installation of geogrid, surcharging, wick drains, excavation, rock fragmentation, grading, lightweight cellular concrete, geofoam, placement of fill, compaction, retaining walls, subdrainage, erosion control, temporary fencing, and post-construction stabilization such as hydroseeding Also, includes, but is not limited to, excavation of future vertical development sites if the excavated soils is used on site for purposes of raising Horizontal Improvements
- 10 Roadways – includes, but is not limited to, Public ROWs, roads and paseos in Public Space, road subgrade preparation, aggregate base, concrete roadway base, asphalt wearing surface, concrete curb, concrete gutter, medians, colored asphalt and concrete, pavers, speed bumps, sawcutting, grinding, conform paving, resurfacing, any other components required for onsite and offsite roadways, transit stops, bus facilities, permanent pavement marking and striping, traffic control signage, traffic light signals, offsite traffic improvements, and any other components or appurtenant features as required in the approved Improvement Plan details and specifications through the permitting process
- 11 Streetscape – includes, but is not limited to, subgrade preparation, aggregate base, sidewalks, pavers, ADA curb ramps, detectable tiles, streetlights, light pole foundations,

signage, emergency services infrastructure, landscaping (including trees and Silva cells and/or structural soil), irrigation, street furniture, waste receptacles; bike racks, shared bike parking facilities (whether publicly or privately owned), newspaper stands, any other components or appurtenant features as required in the approved Improvement Plan details and specifications through the permitting process, and wayfinding and interpretative signage and facilities

- 12 Parks and Public Space – includes, but is not limited to, fine grading, storm drainage and treatment, sanitary sewer, low pressure water, park lighting, community wifi, distributed antenna systems, security infrastructure, low-voltage electrical, various hardscaping, irrigation, landscaping, various concrete structures, site furnishings, public art, wayfinding, interpretive and other park signage, viewing platforms, water access facilities (including boat launch), retrofit of shoreline structures and slopes (including demolition, excavation, installation of revetment, structural repair, construction and occupancy costs of park structures, and any other components, e.g., Shoreline Improvements), and any other associated work in publicly accessible spaces such as parks, open spaces, plazas, and mid-block passages, including publicly-accessible parks, plazas, mid-block passages and open space that is located on private property, but identified as public open space in the DDA, Design Controls documents, or Subdivision Map
- 13 Water-based Transportation Improvements – includes, but not limited to, modes of water-based transportation and all infrastructure, design, and permitting costs related to providing water-based transportation facilities at the Project
- 14 Historic Rehabilitation Required for Horizontal Improvements – includes, but is not limited to, eligible cost for relocation, structural retrofit, repair, and rehabilitation of historic Pier 48
- 15 Hazardous Soil Removal – includes, but is not limited to, removal and disposal of contaminated soil which cannot be reused on site in accordance with the Mission Rock Development Soil Management Plan, dated October 18, 2019, Dust Control Plan, dated November 1, 2019, Asbestos Dust Mitigation Plan, dated November 15, 2019, and other related documents, and associated with public improvements
- 16 Shoreline Adaptation Studies - includes, but is not limited to, analysis and planning to characterize the preferred Shoreline Protection Project and alternatives, including pre-entitlement planning and design work, environmental review, negotiation, and Regulatory Approvals related to the Shoreline Protection Facilities
- 17 Shoreline Protection Facilities includes, but is not limited to, waterfront improvements at the San Francisco Bay shoreline to provide stability, to protect the area from perils associated with seismic events and climate change, including sea level rise and floods, and other public improvements approved by the Port Commission and the Board of Supervisors
- 18 Deferred Infrastructure
- 19 Entitlement costs, including Entitlement Costs and costs to obtain approvals necessary to proceed with development incurred after the Reference Date, such as the cost to comply with the California Environmental Quality Act, negotiate transaction documents, permitting of Horizontal Improvements, subdivision mapping, conduct community outreach, and prepare development design and land use requirements, but not expenses related to any

campaign or ballot measure or any other expenses prohibited by law. Entitlement costs may include interim costs as approved from time to time by the Board of Supervisors.

- 20 Associated Public Benefits – including, but not limited to, costs required to provide Associated Public Benefits related to transportation, childcare, public open space, sustainability, community meeting space and programs, and other public-benefitting improvements and expenditures
- 21 Miscellaneous Horizontal Development Costs - any other Horizontal Development Costs associated with implementing the DDA, including any additional costs that the Parties agree shall be incurred by the Developer for the Project, including workforce liaisons, studies and consultants required to comply with the DDA, such as auditors, inspectors, attorneys and appraisers, replacement and rework costs, including repairs to correct incidental damage that occurs throughout the course of construction and restoration of roadway pavement in areas where there are trenches excavated after the initial roadway is paved, and maintenance prior to acceptance by the City and/or Port
- 22 Any other costs authorized to be financed by the STD under the DDA
- 23 Interim improvements required for the use of the Project Site including temporary bike lanes, landscape, hardscape, accessibility infrastructure, grading, furniture and other improvements required for the interim use of the remaining Project Site
- 24 Soft Costs required to support the construction of the Horizontal Improvements and implementation of the DDA, including developer management costs, third party professional services, construction management Fees, and asset management costs
- 25 Developer Mitigation Measures, including the formation of the Transportation Management Association and dust, vibration, asbestos and settlement monitoring
- 26 Insurance, Bonding and Warranty costs as required by the City in connection with the authorized improvements
- 27 Miscellaneous Costs, such as costs associated with implementing the DDA, including any additional costs that the Parties have agreed shall be incurred by the Developer for the Project, such as master planning for each phase, audits, appraisals, workforce development costs (such as a liaison), cash payments and community outreach initiatives

Any facility authorized to be financed by the STD may be financed through the construction and acquisition of the facility or through the payment of fees for such facility.

The facilities authorized to be financed may be located within or outside the boundaries of the STD.

The facilities to be financed shall include all Hard Costs and Soft Costs associated with the facilities, including the costs of the acquisition of land and rights-of-way, the costs of design, engineering and planning, the costs of any environmental or traffic studies, surveys or other reports, costs related to landscaping and irrigation, soils and other environmental testing and observation, permits, plan check, and inspection fees, insurance, legal and related overhead costs, bonding, trailer rental, utility bills, site security, coordination and supervision and any other

costs or appurtenances related to any of the foregoing as further defined in one or more acquisition agreements with the developer of the property in the STD

The facilities to be financed shall also include all incidental expenses, defined as follows

- 1 The cost of planning and designing facilities to be financed by the STD, including the cost of environmental evaluations of those facilities
- 2 The costs associated with the creation of the STD, issuance of bonds, determination of the amount of taxes, collection of taxes, payment of taxes, or costs otherwise incurred in order to carry out the authorized purposes of the STD
- 3 Any other expenses incidental to the construction, completion, and inspection of the authorized work, including costs for temporary facilities with a useful life of at least 3 years that are required to construct an authorized facility.
- 4 Special taxes levied on a property in the STD and paid by the Developer on behalf of a local agency or other landowner prior to the development of the property

The facilities to be financed also includes the interim cost of the facilities, which shall mean the Developer Return or Port Return, as applicable, and any interest payable on any promissory note payable to the STD

The STD may also apply bond proceeds and special taxes to repay the Port Commission for advances made to pay for authorized costs, under any promissory note or otherwise

Special taxes may be collected and set-aside in designated funds and collected over several years (i.e., reserves), and used to fund facilities authorized to be financed by the STD

### **AUTHORIZED SERVICES**

Special taxes collected in the STD may finance, in whole or in part, the services authorized to be financed by the San Francisco Special Tax Financing Law (Admin Code ch 43, art X) and the Mello-Roos Community Facilities Act of 1982 (Cal Gov't Code Section 53311 et seq ), in the STD and, to the extent permitted by the DDA, outside the STD, including

- Maintenance, capital repair, replacement and operation (including public events) of Public Spaces, including facilities for public enjoyment, such as public parks, public recreational facilities, public access, open space, public paseos and other public amenities, some of which may be rooftop facilities or located on privately leased property but identified as public open space in the DDA or Design Controls or Subdivision Map
- Maintenance, capital repair, replacement and operation of Public Right-of-Ways (ROWs), including public streets, sidewalks, shared public ways, mid-block passages, bicycle lanes, and other paths of travel, associated landscaping and furnishings, maintenance, trenching, backfilling, and monitoring of Lightweight Cellular Concrete infrastructure, retaining walls within the ROWs and related amenities in the STD, some of which may be located on privately leased property but identified as public open space in the DDA or Design Controls
- Maintenance, capital repair, replacement and operation of Shoreline Improvements in and adjacent to the STD that were completed per the DDA, such as shoreline restoration, including installation of stone columns, pilings, secant walls, and other structures to stabilize the seawall or shoreline, removal of bay fill, creation of waterfront public access to or environmental remediation of the San Francisco waterfront

- Maintenance, capital repair, replacement and operation of landscaping and irrigation systems and other equipment, material, and supplies directly related to maintaining and replacing landscaped areas and water features in Public Spaces and Public ROWs
- Maintenance, capital repair, replacement and operation as needed of Public Spaces, including street cleaning and paving
- Maintenance, capital repair, replacement and operation of lighting, rest rooms, trash receptacles, park benches, planting containers, picnic tables, bollards, bicycle racks and corrals and other furniture and fixtures and signage in Public Spaces and Public ROWs
- Maintenance, capital repair, replacement and operation of utilities in Public Spaces and Public ROWs
- General liability insurance for any Public ROWs or structures in Public ROWs that Public Works does not submit to the Board of Supervisors for City acceptance for City General Fund liability purposes and other commercially reasonable insurance coverages
- Port, City, or third party personnel, administrative, and overhead costs related to maintenance or to contracting for and managing third-party maintenance, including rent for storage space needed to support the maintenance activities
- Any other costs authorized to be financed by the STD under the DDA

Special taxes may be collected and set-aside in designated funds and collected over several years (i.e., reserves), and used to fund services authorized to be financed by the STD. The term "operation" includes providing security and hosting special events.

### **INCIDENTAL COSTS**

Special taxes collected in the STD will also fund, in whole or in part, the incidental costs associated with the facilities and services authorized to be financed. Incidental costs include, but are not limited to:

- 1 Administrative expenses and fees including costs incurred to form the STD, to annex territory to the STD, to annually administer the STD, to levy and collect special taxes for the STD, and any other costs incurred in standard administration of the STD by the City or their authorized consultants,
- 2 Any amounts needed to cure actual or estimated delinquencies in special taxes for the current or previous fiscal years,
- 3 Bond related expenses, including underwriters discount, reserve fund, capitalized interest, bond, disclosure, and underwriter counsel fees and all other incidental expenses, and
- 4 Reimbursement of costs related to the formation of the STD advanced by the City and any landowner(s) in the STD, or any party related to any of the foregoing, as well as reimbursement of any costs advanced by the City or any landowner(s) in the STD or any party related to any of the foregoing, for facilities, fees or other purposes or costs of the STD



### **COMPLIANCE WITH CFD GOALS**

The City hereby waives the requirements of the CFD Goals to the extent inconsistent with this Exhibit A

**EXHIBIT C**

**NOTICE OF SPECIAL TAX LIEN**

**CITY AND COUNTY OF SAN FRANCISCO  
Special Tax District No. 2020-1  
(Mission Rock Facilities and Services)**

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX**

Special Taxes applicable to the Leasehold Interest in each Taxable Parcel in the City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services) shall be levied and collected according to the tax liability determined by the Administrator through the application of the appropriate amount or rate for Leasehold Interests in Taxable Parcels, as described below. The Leasehold Interest in all Taxable Parcels in the STD shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to the STD

Special Taxes shall be levied only on Leasehold Interests in Taxable Parcels. In the event a Leasehold Interest in a Taxable Parcel is terminated, the Special Taxes shall be levied on any successor Leasehold Interest in the Taxable Parcel. If a Leasehold Interest terminates while a Special Tax that was previously levied remains unpaid, the owner of the successor Leasehold Interest will take the interest subject to the obligation to pay the unpaid Special Tax along with any applicable penalties and interest.

The City will covenant in each Indenture that, as long as any Bonds are outstanding, it will not terminate, and it will inhibit the Port from terminating, any Leasehold Interest in a Taxable Parcel unless the Port enters into a new lease the term of which ends on or after the final maturity date of the Bonds and that covers substantially the same real property and improvements as the terminated lease. It will not be a violation of this

covenant if the City or the Port initiates judicial foreclosure of any such lease pursuant to the CFD Law.

#### **A. DEFINITIONS**

The terms hereinafter set forth have the following meanings

**"Administrative Expenses"** means any or all of the following the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of the City carrying out duties with respect to the STD and the Bonds, including, but not limited to, levying and collecting the Special Taxes, the fees and expenses of legal counsel, charges levied by the City, including the Controller's Office, the Treasurer and Tax Collector's Office, the City Attorney, and the Port, costs related to property owner inquiries regarding the Special Taxes, costs associated with appeals or requests for interpretation associated with the Special Taxes and this RMA, costs associated with annexation of property into the STD, amounts needed to pay rebate to the federal government with respect to the Bonds, costs associated with complying with any continuing disclosure requirements for the City and any other major property owner (whether or not deemed to be an obligated person), costs associated with foreclosure and collection of delinquent Special Taxes, and all other costs and expenses of the City in any way related to the establishment or administration of the STD

**"Administrator"** means the Director of the Office of Public Finance or his/her designee who shall be responsible for administering the Special Taxes according to this RMA

**"Affordable Housing Project"** means a residential or primarily residential project, as determined by the Review Authority, within which 100% of the residential units are Affordable Units

**"Affordable Square Footage"** means both (i) the entire square footage of an Affordable Housing Project, and (ii) the aggregate net rentable square footage that is or is expected to be associated with Affordable Units within a building on a Parcel of Developed Property. The Review Authority shall make the final determination as to the amount of Affordable Square Footage within a building in the STD.

**"Affordable Unit"** means a Residential Unit for which a deed restriction has been recorded that (i) limits the rental rates on the unit or (ii) in any other way is intended to restrict the current or future value of the unit, as determined by the Review Authority

**"Appendix"** means the Appendix to the DDA.

**"Assessed Parcel"** means, in any Fiscal Year, any Taxable Parcel that meets all five of the following conditions: (i) there is a building on the Taxable Parcel for which a Certificate of Occupancy has been issued, (ii) based on all information available to the Administrator, the Baseline Assessed Value has been determined for the Taxable Parcel, (iii) ad valorem taxes have been levied on the Taxable Parcel based on the Baseline Assessed Value of the building, (iv) by the end of the prior Fiscal Year, at least one year of ad valorem taxes based upon the Baseline Assessed Value of the building have been paid, and (v) the Taxable Parcel does not have outstanding delinquencies in the payment of ad valorem property taxes or Special Taxes at the latest point at which the Administrator is able to receive delinquency information from the County prior to submitting the Development Special Tax levy in any Fiscal Year. Once a Taxable

Parcel has been categorized as an Assessed Parcel, such Taxable Parcel shall be considered an Assessed Parcel in all future Fiscal Years in which there are no outstanding delinquencies for the Parcel, regardless of increases or decreases in assessed value

**"Assessor's Parcel" or "Parcel"** means a lot or parcel shown on an Assessor's Parcel Map with an assigned Assessor's Parcel number.

**"Assessor's Parcel Map"** means an official map of the County Assessor designating Parcels by Assessor's Parcel number

**"Association"** means a homeowners or property owners association, including any master or sub-association, that provides services to, and collects dues, fees, or charges from, property within the STD

**"Association Square Footage"** means square footage within a building that is (i) on property in the STD that is leased to an Association, not including any such property that is located directly under a residential structure, and (ii) used for purposes of the Association and not leased or otherwise used for purposes that are not part of the operation of the Association.

**"Authorized Expenditures"** means, separately with respect to the Development Special Tax, Office Special Tax, Shoreline Special Tax, and Contingent Services Special Tax, those costs, facilities or public services authorized to be funded by the applicable Special Tax as set forth in the Financing Plan and the documents adopted by the Board at STD Formation, as may be amended from time to time

**"Base Contingent Services Special Tax"** means, for any Square Footage Category, the per-square-foot Contingent Services Special Tax for square footage within such Square Footage Category, as identified in Table 4 in Section C below, that can be levied on a Leasehold Interest in a Taxable Parcel.

**"Base Development Special Tax"** means, for any Square Footage Category, the per-square-foot Development Special Tax for Square Footage within such Square Footage Category, as identified in Table 1 in Section C below, that can be levied on a Leasehold Interest in a Taxable Parcel

**"Base Office Special Tax"** means, for Office Square Footage and Excess Exempt Square Footage, the per-square-foot Office Special Tax identified in Table 2 in Section C below, that can be levied on a Leasehold Interest in a Taxable Parcel

**"Base Shoreline Special Tax"** means, for any Square Footage Category, the per-square-foot Shoreline Special Tax for Square Footage within such Square Footage Category, as identified in Table 3 in Section C below, that can be levied on a Leasehold Interest in a Taxable Parcel

**"Base Special Tax"** means, collectively, the Base Development Special Tax, the Base Office Special Tax, the Base Shoreline Special Tax, and the Base Contingent Services Special Tax

**"Baseline Assessed Value"** means, after a Certificate of Occupancy has been issued for a Taxable Parcel, the assessed value that the Port and Vertical Developer mutually agree is the final, unappealable value for the Taxable Parcel

**"Board"** means the Board of Supervisors of the City, acting as the legislative body of STD No. 2020-1.

**"Bond Sale"** means, for the Development Special Tax, issuance of Development Special Tax Bonds, for the Office Special Tax, issuance of Office Special Tax Bonds, and, for the Shoreline Special Tax, issuance of Shoreline Special Tax Bonds

**"Bonds"** means bonds or other debt (as defined in the CFD Law), whether in one or more series, that are issued or assumed by or for the STD to finance Authorized Expenditures including any Development Special Tax Bonds, Office Special Tax Bonds, and Shoreline Special Tax Bonds. The term "Bonds" includes any promissory note executed by or on behalf of STD No. 2020-1 for the benefit of the Port.

**"Capitalized Interest"** means funds in any capitalized interest account available to pay debt service on Bonds.

**"Certificate of Occupancy"** means the first certificate, including any temporary certificate of occupancy, issued by the Port to confirm that a building or a portion of a building has met all of the building codes and can be occupied for residential or non-residential use. For purposes of this RMA, "Certificate of Occupancy" shall not include any certificate of occupancy that was issued prior to January 1, 2019 for a building within the STD, however, any subsequent certificates of occupancy that are issued for new construction, or expansion of a building shall be deemed a Certificate of Occupancy and the Special Taxes shall apply to the associated square footage. For Pier 48, only a certificate of occupancy issued in association with the permanent reuse of the building (as determined by the Port) shall qualify as a "Certificate of Occupancy" for purposes of this RMA.

**"CFD Law"** means the San Francisco Special Tax Financing Law (Admin Code ch. 43, art. X), which incorporates the Mello-Roos Act

**"City"** means the City and County of San Francisco, California.

**"Contingent Services Special Tax"** means a special tax levied in any Fiscal Year after the Trigger Event on a Leasehold Interest in a Taxable Parcel to pay the Services Special Tax Requirement

**"County"** means the City and County of San Francisco, California

**"DDA"** means the Disposition and Development Agreement between the Port and the Developer, including all exhibits and attachments, as may be amended from time to time

**"Deputy Director"** means the Deputy Director of Finance and Administration for the Port or other such official that acts as the chief financial officer for the Port

**"Developed Property"** means, in any Fiscal Year, all Taxable Parcels for which the 24-month anniversary of the Parcel Lease Execution Date has occurred in a preceding Fiscal Year, regardless of whether a Permit has been issued. For any Taxable Parcel on which a structure is built and occupied without execution of a Parcel Lease, such Taxable Parcel shall be categorized as Developed Property in the Fiscal Year in which a Certificate of Occupancy was issued on or prior to June 30 of the preceding Fiscal Year.



**"Developer"** means Seawall Lot 337 Associates, LLC, or any successor or assign that takes over as tenant under the Master Lease.

**"Development Approval Documents"** means, collectively, the DDA, any Vertical DDA, any Final Maps, Review Authority approvals, or other such approved or recorded document or plan that identifies the type of structures, acreage, and Market-Rate Residential Square Footage and Office Square Footage approved for development on Taxable Parcels

**"Development Special Tax"** means a special tax levied in any Fiscal Year on a Leasehold Interest in a Taxable Parcel to pay the Development Special Tax Requirement.

**"Development Special Tax Bonds"** means any Bonds secured solely by Development Special Taxes

**"Development Special Tax Requirement"** means the amount necessary in any Fiscal Year to: (i) pay principal and interest on Development Special Tax Bonds that are due in the calendar year that begins in such Fiscal Year; (ii) pay periodic costs on Development Special Tax Bonds, including but not limited to, credit enhancement, liquidity support and rebate payments, (iii) replenish reserve funds created for Development Special Tax Bonds under the Indenture to the extent such replenishment has not been included in the computation of the Development Special Tax Requirement in a previous Fiscal Year, (iv) cure any delinquencies in the payment of principal or interest on Development Special Tax Bonds which have occurred in the prior Fiscal Year, (v) in any Fiscal Year in which there is a Development Special Tax levied on one or more Parcels pursuant to Step 1d in Section F below, pay the fee imposed by the

City for levying such Development Special Tax on the County tax roll, (vi) pay other obligations described in the Financing Plan, and (vii) pay directly for Authorized Expenditures, so long as such levy under this clause (vii) does not increase the Development Special Tax levied on Undeveloped Property. The amount calculated to pay items (i) through (vii) above may be reduced in any Fiscal Year by (a) interest earnings on or surplus balances in funds and accounts for the Development Special Tax Bonds to the extent that such earnings or balances are available to apply against such costs pursuant to the Indenture, (b) in the sole and absolute discretion of the Port, proceeds received by the STD from the collection of penalties associated with delinquent Development Special Taxes, and (c) any other revenues available to pay such costs, as determined by the Administrator, the City, and the Port.

**"Escalator"** means the lesser of the following (i) the annual increase, if any, in the Consumer Price Index (CPI) for All Urban Consumers in the San Francisco-Oakland-Hayward region (base years 1982-1984=100) published by the Bureau of Labor Statistics of the United States Department of Labor, or, if such index is no longer published, a similar escalator that is determined by the Port and City to be appropriate, and (ii) five percent (5%)

**"Estimated Base Development Tax Revenues"** means, at any point in time, the amount calculated by the Administrator by multiplying the Base Development Special Tax by square footage within each Square Footage Category proposed for development and, if applicable, already in completed buildings on a Taxable Parcel

**"Estimated Base Office Special Tax Revenues"** means, at any point in time, the amount calculated by the Administrator by multiplying the Base Office Special Tax by

square footage within each Square Footage Category proposed for development and, if applicable, already in completed buildings on a Taxable Parcel

**"Estimated Base Shoreline Special Tax Revenues"** means, at any point in time, the amount calculated by the Administrator by multiplying the Base Shoreline Special Tax by square footage within each Square Footage Category proposed for development and, if applicable, already in completed buildings on a Taxable Parcel

**"Excess Exempt Square Footage"** means, after the First Bond Sale, any square footage in a building on a Parcel of Developed Property that is determined by the Review Authority to exceed the amount of Exempt Square Footage for such building  
Excess Exempt Square Foot means a single square-foot unit of Excess Exempt Square Footage

**"Exempt Square Footage"** means, prior to the First Bond Sale, any square footage in or expected in a building on a Parcel of Developed Property that is determined by the Review Authority to be used or reserved for an Exempt Use After the First Bond Sale, "Exempt Square Footage" for any building on a Parcel of Developed Property shall be the sum of following, as determined by the Review Authority

1. The Initial Exempt Square Footage for the building, and
2. Square footage in or expected in the building that (i) exceeds the Initial Exempt Square Footage, and (ii) if exempted from Special Taxes, would not reduce coverage on outstanding Bonds below the Required Coverage

**"Exempt Use"** means any of the following uses

- 1) Affordable Square Footage
- 2) Association Square Footage
- 3) Child Care – child care uses that qualify for exemption from the Special Taxes, as determined by the Review Authority after review and consideration of the criteria and requirements set forth in the Parcel Lease and DDA
- 4) Parking – areas reserved for automobile, motorcycle, or bicycle parking
- 5) Retail – commercial establishments that sell general merchandise, hard goods, food and beverage, personal services, and other items directly to consumers, including but not limited to restaurants, bars, entertainment venues, health clubs, laundromats, dry cleaners, repair shops, storage facilities, and parcel delivery shops. In addition (i) all street-level retail bank branches, real estate brokerages, and other such ground-level uses that are open to the public, and (ii) any area designated, pursuant to Section 102 of the Planning Code or successor sections, for "Planning, Distribution, and Repair" (PDR) services, which includes but will not be limited to the following uses: industrial or agricultural use, ambulance services, animal hospital, automotive service station, automotive repair, automotive wash, arts activities, business services, cat boarding, catering service, commercial storage, kennel, motor vehicle tow service, livery stable, parcel delivery service, public utilities yard, storage yard, trade office, trade shop, wholesale sales, or wholesale storage
- 6) Utilities – areas reserved for facilities associated with the treatment of water or sewer, or the transmission or provision of gas and electricity, or the heating and cooling of buildings.
- 7) Amenity Square Footage – areas reserved for sitewide amenities, such as a welcome center, leasing office, sitewide management, or sitewide security.

**"Expected Land Uses"** means the total Market-Rate Residential Square Footage and Office Square Footage expected on each Planning Parcel in the STD. The Expected

Land Uses at STD Formation are identified in Attachment 3 and may be revised pursuant to Sections B, C, D, and E below

**"Expected Maximum Development Special Tax Revenues"** means the aggregate Development Special Tax that can be levied based on application of the Base Development Special Tax to the Expected Land Uses. The Expected Maximum Development Special Tax Revenues for each Planning Parcel at STD Formation are shown in Attachment 3 and may be revised pursuant to Sections B, C, D, and E below

**"Expected Maximum Office Special Tax Revenues"** means the aggregate Office Special Tax that can be levied based on application of the Base Office Special Tax to the Expected Land Uses. The Expected Maximum Office Special Tax Revenues for each Planning Parcel at STD Formation are shown in Attachment 3 and may be revised pursuant to Sections B, C, D, and E below

**"Expected Maximum Shoreline Special Tax Revenues"** means the aggregate Shoreline Special Tax that can be levied based on application of the Base Shoreline Special Tax to the Expected Land Uses. The Expected Maximum Shoreline Special Tax Revenues for each Planning Parcel at STD Formation are shown in Attachment 3 and may be revised pursuant to Sections B, C, D, and E below.

**"Final Map"** means a final map, or portion thereof, recorded by the County pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq ) that creates individual lots on which Permits for new construction or historic rehabilitation may be issued without further subdivision

**"Financing Plan"** means the Financing Plan attached as Exhibit C1 and incorporated into the DDA, as such plan may be amended or supplemented from time to time in accordance with the terms of the DDA

**"First Bond Sale"** means, (i) for the Development Special Tax, a Bond Sale of the first series of Development Special Tax Bonds, (ii) for the Office Special Tax, a Bond Sale of the first series of Office Special Tax Bonds, and (iii) for the Shoreline Special Tax, a Bond Sale of the first series of Shoreline Special Tax Bonds

**"Fiscal Year"** means the period starting July 1 and ending on the following June 30

**"Future Annexation Area"** means that geographic area that, at STD Formation, was considered potential annexation area for the STD and which was, therefore, identified as "future annexation area" on the recorded STD boundary map. Such designation does not mean that any or all of the Future Annexation Area will annex into the STD, but should owners of property designated as Future Annexation Area choose to annex, the annexation may be processed pursuant to the annexation procedures in the CFD Law for territory included in a future annexation area, as well as the procedures established by the Board and any other applicable provisions of the CFD Law.

**"Indenture"** means any indenture, fiscal agent agreement, resolution, or other instrument pursuant to which Bonds are issued, as modified, amended, or supplemented from time to time, and any instrument replacing or supplementing the same

**"Initial Exempt Square Footage"** means, for any building on a Parcel of Developed Property, the square footage in or expected in the building that, at the time the Parcel

became Developed Property, was determined by the Review Authority to be reserved for an Exempt Use

**"Land Use Change"** means a change to the Expected Land Uses after STD Formation

**"Leasehold Interest"** means a Master Lease, ground lease, or any other lease arrangement of a Parcel or Parcels against which Special Taxes may be levied in any current or future Fiscal Year. The Review Authority shall make the final determination as to whether a Parcel or building in the STD is subject to a Leasehold Interest for purposes of this RMA

**"Management Agreement"** means the agreement between the Port and the Association (or related entity) for maintenance, operations, and event planning of the entire public realm (parks, streets, other ROWs) within the Project Site

**"Market-Rate Residential Square Footage"** means, in any building on a Taxable Parcel, the net rentable square footage that is or is expected to be used for one or more of the following uses (i) Market-Rate Units, (ii) any type of group or student housing that provides lodging for a week or more and may or may not have individual cooking facilities, including but not limited to boarding houses, dormitories, housing operated by medical institutions, and single room occupancy units, or (iii) a residential care facility, that is not staffed by licensed medical professionals. As set forth in Section B below, the Review Authority shall make the determination as to the amount of Market-Rate Residential Square Footage on a Taxable Parcel in the STD. Market-Rate Residential Square Foot means a single square-foot unit of Market-Rate Residential Square Footage.

**"Market-Rate Unit"** means a Residential Unit that is not an Affordable Unit.

**"Master Lease"** means a lease for all or part of the Project Site that allows the Developer to take possession of the Master Lease Premises and construct horizontal improvements approved under the DDA and to conduct other uses as provided in the DDA.

**"Master Lease Premises"** means, at any point in time, the area subject to the Master Lease

**"Maximum Contingent Services Special Tax"** means, after the Trigger Event, the greatest amount of Contingent Services Special Tax that can be levied on a Leasehold Interest in a Taxable Parcel in any Fiscal Year determined in accordance with Sections C, D, and E below.

**"Maximum Contingent Services Special Tax Revenues"** means, at any point in time after the Trigger Event, the aggregate Maximum Contingent Services Special Tax that can be levied on all Leasehold Interests in all Taxable Parcels

**"Maximum Development Special Tax"** means the greatest amount of Development Special Tax that can be levied on a Leasehold Interest in a Taxable Parcel in any Fiscal Year determined in accordance with Sections C, D, and E below.

**"Maximum Development Special Tax Revenues"** means, at any point in time, the aggregate Maximum Development Special Tax that can be levied on all Leasehold Interests in all Taxable Parcels



**"Maximum Office Special Tax"** means the greatest amount of Office Special Tax that can be levied on a Leasehold Interest in a Taxable Parcel in any Fiscal Year determined in accordance with Sections C, D, and E below.

**"Maximum Office Special Tax Revenues"** means, at any point in time, the aggregate Maximum Office Special Tax that can be levied on all Leasehold Interests in all Taxable Parcels

**"Maximum Shoreline Special Tax"** means the greatest amount of Shoreline Special Tax that can be levied on a Leasehold Interest in a Taxable Parcel in any Fiscal Year determined in accordance with Sections C, D, and E below

**"Maximum Shoreline Special Tax Revenues"** means, at any point in time, the aggregate Maximum Shoreline Special Tax that can be levied on all Leasehold Interests in all Taxable Parcels

**"Maximum Special Tax"** means, for any Leasehold Interest in a Taxable Parcel in any Fiscal Year, the sum of the Maximum Development Special Tax, Maximum Office Special Tax, Maximum Shoreline Special Tax, and Maximum Contingent Services Special Tax

**"Maximum Special Tax Revenues"** means, collectively, the Maximum Development Special Tax Revenues, Maximum Office Special Tax Revenues, Maximum Shoreline Special Tax Revenues, and Maximum Contingent Services Special Tax Revenues

**"Mello-Roos Act"** means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2 5, (commencing with Section 53311), Part 1, Division 2 of Title 5 of the Government Code of the State of California

**"Office Special Tax"** means a special tax levied in any Fiscal Year on Office Square Footage within a Leasehold Interest in a Taxable Parcel to pay the Office Special Tax Requirement

**"Office Special Tax Bonds"** means any Bonds secured solely by Office Special Taxes.

**"Office Special Tax Requirement"** means the amount necessary in any Fiscal Year to (i) pay principal and interest on Office Special Tax Bonds that are due in the calendar year that begins in such Fiscal Year, (ii) pay periodic costs on Office Special Tax Bonds, including but not limited to, credit enhancement, liquidity support and rebate payments, (iii) replenish reserve funds created for Office Special Tax Bonds under the Indenture to the extent such replenishment has not been included in the computation of the Office Special Tax Requirement in a previous Fiscal Year, (iv) cure any delinquencies in the payment of principal or interest on Office Special Tax Bonds which have occurred in the prior Fiscal Year, (v) pay Administrative Expenses, (vi) pay other obligations described in the Financing Plan, and (vii) pay directly for Authorized Expenditures, so long as such levy under this clause (vii) does not increase the Office Special Tax levied on Undeveloped Property. The amount calculated to pay items (i) through (vii) above may be reduced in any Fiscal Year by (a) interest earnings on or surplus balances in funds and accounts for the Office Special Tax Bonds to the extent that such earnings or balances are available to apply against such costs pursuant to the Indenture, (b) in the sole and absolute discretion of the Port, proceeds received by the STD from the collection of penalties associated with delinquent Office Special Taxes, and (c) any

other revenues available to pay such costs, as determined by the Administrator, the City, and the Port

**"Office Square Footage"** means, within any building on a Taxable Parcel (i) the planning gross square footage for which a Prop. M allocation has been secured, (ii) square footage that is or is expected to be part of a hotel operation, including square footage of hotel rooms, restaurants, meeting and convention facilities, gift shops, spas, offices, and other related uses, and (iii) any other square footage in the building that does not meet the definition of Market-Rate Residential Square Footage, Exempt Square Footage, or Excess Exempt Square Footage. The Review Authority shall make the final determination as to the amount of Office Square Footage within a building in the STD. Office Square Foot means a single square-foot unit of Office Square Footage

**"Parcel Increment"** means, in any Fiscal Year, the amount of Tax Increment and funds from any tax increment reserve fund maintained by the City that the Deputy Director has determined, pursuant to the Financing Plan, is available to reduce the amount of Development Special Tax levied against Assessed Parcels

**"Parcel Lease"** means a contract in the form set forth as an exhibit to the DDA by which the Port will convey a leasehold interest in a Taxable Parcel to a Vertical Developer

**"Parcel Lease Execution Date"** means the effective date of a Parcel Lease that was fully executed by the Port and a Vertical Developer

**"Permit"** means (i) for Pier 48, a permit issued by the Port that allows for rehabilitation of the existing historic structures, and (ii) for all property in the STD (other than Pier 48 if it is annexed to the STD), the first permit, whether a site permit or building permit,

issued by the Port that, immediately upon issuance or ultimately after addenda to the permit, allows for vertical construction of a building or buildings

**"Pier 48"** is defined in the Appendix

**"Planning Code"** means the Planning Code of the City and County of San Francisco, as it may be amended from time to time

**"Planning Parcel"** means a geographic area within the STD that, for planning and entitlement purposes, has been designated as a separate Parcel with an alpha, numeric, or alpha-numeric identifier to be used for reference until an Assessor's Parcel is created and an Assessor's Parcel number is assigned. The Planning Parcels at STD Formation are identified in Attachment 1 hereto

**"Port"** means the Port of San Francisco

**"Project Area I"** means the area within the City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco) that covers the Project Site and was formed by Ordinance No. 34-18

**"Project Site"** is defined in the Appendix

**"Prop. M"** means Proposition M, the citizen-sponsored initiative passed by San Francisco voters in November 1986 that created an annual limit on the square footage of certain office development in the City, and any subsequent proposition that limits office square footage within the STD.

**"Proportionately"** means, for Developed Property, that the ratio of the actual Contingent Services Special Tax levied in any Fiscal Year to the Maximum Contingent Services Special Tax authorized to be levied in that Fiscal Year is equal for all Parcels of Developed Property. For Undeveloped Property, "Proportionately" means that the ratio of the actual Development Special Tax, Office Special Tax, and Shoreline Special Tax levied to the Maximum Development Special Tax, Office Special Tax, and Shoreline Special Tax, respectively, is equal for all Parcels of Undeveloped Property.

**"Public Property"** means any property within the boundaries of the STD that is owned by or leased to the federal government, State of California, City, or public agency other than the Port. Parcels of Public Property, and/or Leasehold Interests in Public Property, that do not fall within the definition of Exempt Square Footage shall be taxed as Developed Property or Undeveloped Property, as determined by the Administrator pursuant to the definitions set forth in this RMA.

**"Remainder Special Taxes"** means, as calculated between September 1st and December 31st of any Fiscal Year, any Development Special Tax, Office Special Tax, and Shoreline Special Tax revenues that were collected in the prior Fiscal Year and were not needed to (i) pay debt service on the applicable Development Special Tax Bonds, Shoreline Special Tax Bonds, or Office Special Tax Bonds that was due in the calendar year that begins in the Fiscal Year in which the Remainder Special Taxes were levied, (ii) pay periodic costs on the applicable Development Special Tax Bonds, Shoreline Special Tax Bonds, or Office Special Tax Bonds, including but not limited to, credit enhancement, liquidity support and rebate payments (iii) replenish reserve funds created for the applicable Development Special Tax Bonds, Shoreline Special Tax Bonds, or Office Special Tax Bonds under the applicable Indenture, (iv) cure any delinquencies in the payment of principal or interest on applicable Development Special

Tax Bonds, Shoreline Special Tax Bonds, or Office Special Tax Bonds which have occurred in the prior Fiscal Year, or (v) pay Administrative Expenses that have been incurred, or are expected to be incurred, by the City or Port prior to the receipt of Development Special Tax, Shoreline Special Tax or Office Special Tax proceeds

**"Required Coverage"** means (i) for Development Special Tax Bonds, the amount by which the Maximum Development Special Tax Revenues must exceed the Development Special Tax Bond debt service and priority Administrative Expenses (if any), as set forth in the applicable Indenture, Certificate of Special Tax Consultant, or other STD Formation Proceedings or Bond document that sets forth the minimum required debt service coverage, (ii) for Shoreline Special Tax Bonds, the amount by which the Maximum Shoreline Special Tax Revenues must exceed the Shoreline Special Tax Bond debt service and priority Administrative Expenses (if any), as set forth in the applicable Indenture, Certificate of Special Tax Consultant, or other STD Formation Proceedings or Bond document that sets forth the minimum required debt service coverage, and (iii) for Office Special Tax Bonds, the amount by which the Maximum Office Special Tax Revenues must exceed the Office Special Tax Bond debt service and priority Administrative Expenses (if any), as set forth in the applicable Indenture, Certificate of Special Tax Consultant, or other STD Formation Proceedings or Bond document that sets forth the minimum required debt service coverage

**"Residential Unit"** means an individual residential housing unit in a residential or mixed-use building

**"Review Authority"** means the Deputy Director of Real Estate & Development for the Port or an alternate designee from the Port or the City who is responsible for approvals and entitlements of a development project.

**"RMA"** means this Rate and Method of Apportionment of Special Taxes.

**"Services Special Tax Requirement"** means the amount necessary in any Fiscal Year to (i) pay the costs of operations and maintenance or other public services that are included as Authorized Expenditures, (ii) cure delinquencies in the payment of Contingent Services Special Taxes in the prior Fiscal Year, and (iii) pay Administrative Expenses.

**"Shoreline Special Tax"** means a special tax levied in any Fiscal Year to pay the Shoreline Special Tax Requirement

**"Shoreline Special Tax Bonds"** means any Bonds secured solely by Shoreline Special Taxes that have been levied and are available after dividing the Shoreline Special Taxes as set forth in Financing Plan Section 4 7, and factoring in debt service coverage and related Indenture requirements, as determined by the Administrator

**"Shoreline Special Tax Requirement"** means the amount necessary in any Fiscal Year to pay (i) pay principal and interest on Shoreline Special Tax Bonds that are due in the calendar year that begins in such Fiscal Year, (ii) pay periodic costs on Shoreline Special Tax Bonds, including but not limited to, credit enhancement, liquidity support and rebate payments, (iii) replenish reserve funds created for Shoreline Special Tax Bonds under the Indenture to the extent such replenishment has not been included in the computation of the Shoreline Special Tax Requirement in a previous Fiscal Year, (iv) cure any delinquencies in the payment of principal or interest on Shoreline Special Tax Bonds which have occurred in the prior Fiscal Year, (v) pay Administrative Expenses, (vi) pay directly for the costs of shoreline improvements so long as such levy

under this clause (vi) does not increase the Shoreline Special Tax levied on Undeveloped Property, and (vii) pay other obligations described in the Financing Plan. The amount calculated to pay items (i) through (vii) above may be reduced in any Fiscal Year by (a) interest earnings on or surplus balances in funds and accounts for the Shoreline Special Tax Bonds to the extent that such earnings or balances are available to apply against such costs pursuant to the Indenture, (b) in the sole and absolute discretion of the Port, proceeds received by the STD from the collection of penalties associated with delinquent Shoreline Special Taxes, and (c) any other revenues available to pay such costs, as determined by the Administrator, the City, and the Port.

**"Special Taxes"** means the Development Special Tax, Shoreline Special Tax, Office Special Tax, and Contingent Services Special Tax.

**"Square Footage Category"** means, individually, Market-Rate Residential Square Footage, Office Square Footage, and Excess Exempt Square Footage.

**"STD"** or **"STD No. 2020-1"** means the City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services).

**"STD Formation"** means the date on which the Board approved documents to form the STD.

**"STD Formation Proceedings"** means the proceedings to form the STD, including all resolutions, reports, and notices.

**"Sub-Project Areas"** means all sub-project areas designated within Project Area I.



**"Tax-Exempt Port Parcels"** means Port-owned Parcels that are or are intended to be used as streets, walkways, alleys, rights of way, parks, open space, or other similar uses. The final determination as to whether a Parcel is a Tax-Exempt Port Parcel shall be made by the Review Authority

**"Tax Increment"** means the tax increment generated from all Sub-Project Areas.

**"Taxable Parcel"** means any Parcel within the STD that is not a Tax-Exempt Port Parcel or a Parcel for which the Special Tax has been prepaid pursuant to Sections 53317.3 or 53317.5 of the Mello-Roos Act.

**"Taxpayer"** means the lessee of a Taxable Parcel within the STD

**"Tax Zone"** means a separate and distinct geographic area in the STD within which one or more Special Taxes are applied at a rate or in a manner that is different than in other areas within the STD. The two Tax Zones at STD Formation are identified in Attachment 2 hereto. Parcels that annex into the CFD may annex into Tax Zone 1, Tax Zone 2, or establish a new Tax Zone upon annexation. The Port will determine the applicable Tax Zone for Parcels that annex into the STD

**"Trigger Event"** means the earlier of (i) any amendment to the Management Agreement that expressly authorizes the levy of Contingent Services Special Taxes, (ii) the expiration or earlier termination of the Management Agreement, or (iii) any Taxable Parcel becoming Developed Property prior to a Management Agreement being executed by both the Port and the Association (or related entity)

**"Undeveloped Property"** means, in any Fiscal Year, all Taxable Parcels that are not Developed Property

**"Vertical Developer"** means a developer that has entered into a Parcel Lease for construction of vertical improvements on a Taxable Parcel or rehabilitation of Pier 48

## **B. DATA FOR STD ADMINISTRATION**

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor's Parcel numbers for all Taxable Parcels. The Administrator shall also determine (i) whether each Taxable Parcel is Developed Property or Undeveloped Property, (ii) the Planning Parcel and Tax Zone within which each Taxable Parcel is located, (iii) for Developed Property, the Market-Rate Residential Square Footage and Office Square Footage within each building, (iv) the Taxpayer for each Leasehold Interest in a Taxable Parcel, and (v) the Development Special Tax Requirement, Office Special Tax Requirement, Shoreline Special Tax Requirement, and, if applicable, Services Special Tax Requirement for the Fiscal Year

When a Parcel becomes Developed Property, the Administrator and Review Authority shall reference the Permit for each building on the Parcel to determine the Market-Rate Residential Square Footage and/or Office Square Footage within the building(s). If the Market-Rate Residential Square Footage and/or Office Square Footage is not identified on the Permit, the square footage assumptions used in the appraisal prepared when the Vertical DDA and/or Parcel Lease for such Parcel was executed shall be used to determine Market-Rate Residential Square Footage and/or Office Square Footage within the building. If, after review of the Permit and appraisal, there is still no clear indication of the Market-Rate Residential Square Footage and/or Office Square Footage for a building, the Review Authority shall review the

Development Approval Documents and make a determination as to the amount of Market-Rate Residential Square Footage and/or Office Square Footage in the building

When a Parcel becomes Developed Property, the Administrator and Review Authority shall also identify and document the Initial Exempt Square Footage for the building or buildings on or expected on the Parcel. The Administrator shall keep a record of the Initial Exempt Square Footage broken down by Exempt Use. After the First Bond Sale, as square footage within a building is designated for Exempt Uses, the Administrator shall compare the actual square footage used for each Exempt Use to the Initial Exempt Square Footage by Exempt Use. If, at any point in time, there is determined to be Excess Exempt Square Footage within a building, the Administrator and Review Authority shall use this comparison to determine which square footage should be designated Excess Exempt Square Footage. In addition, the Administrator shall determine whether the Excess Exempt Square Footage resulted in a reduction in Market-Rate Residential Square Footage or Office Square Footage expected in the building and, based on this determination, identify the applicable Maximum Special Taxes for the Excess Exempt Square Footage pursuant to the tables in Section C below.

The Administrator shall also (i) coordinate with the Deputy Director to confirm Parcel Increment, (ii) coordinate with the Treasurer-Tax Collector's Office to determine if there have been any Special Tax delinquencies or repayment of Special Tax delinquencies in prior Fiscal Years, (iii) review the Development Approval Documents and communicate with the Developer and Vertical Developers regarding proposed Land Use Changes, and (iv) upon each annexation, Land Use Change, and notification of Parcel Lease Execution Dates, update Attachment 3 to reflect the then-current Expected Land Uses, Expected Maximum Development Special Tax Revenues,

Expected Maximum Office Special Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues. The Developer, Port, or Vertical Developer shall notify the Administrator each time a Parcel Lease is executed in order for the Administrator to keep track of Parcel Lease Execution Dates. In addition, the Port will (i) provide the Administrator with copies of all leases that establish a Leasehold Interest, (ii) notify the Administrator of renewals of leases that establish a Leasehold Interest, and (iii) identify the buildings, Parcels, and Square Footage subject to such leases that establish a Leasehold Interest. Any time a lease on property within the STD is terminated, the Port will immediately notify the Administrator of such termination.

Prior to the First Bond Sale, the Administrator, Port, Developer, and any Vertical Developers shall coordinate to review the Expected Land Uses and determine if changes should be made to reflect more current estimates for land uses on each Planning Parcel. Based on this review, the Administrator shall update Attachment 3 with the then-current Expected Land Uses and Expected Maximum Development Special Tax Revenues, Expected Maximum Office Special Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues, which will be used to size the sale of Bonds unless and until there are additional updates of Attachment 3.

In any Fiscal Year, if it is determined that (i) a parcel map or condominium plan was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created Parcels into the then current tax roll), (ii) because of the date the map or plan was recorded, the Assessor does not yet recognize the newly-created Parcels, and (iii) one or more of the newly-created Parcels meets the definition of Developed Property, the Administrator shall calculate the Special Taxes for the property affected by recordation of the map or plan by determining the Special Taxes that applies separately to each newly-created Parcel, then applying the sum of

the individual Special Taxes to the Parcel that was subdivided by recordation of the parcel map or condominium plan

### **C. MAXIMUM SPECIAL TAXES**

In calculating Maximum Special Taxes pursuant to this Section C, in any Fiscal Year in which the boundaries of the Planning Parcels are not identical to the boundaries of the then-current Assessor's Parcels, the Administrator shall review the Expected Land Uses for each Planning Parcel and assign the Maximum Special Taxes to the then-current Assessor's Parcels. The Maximum Special Tax Revenues after such allocation shall not be less than the Maximum Special Tax Revenues prior to the allocation

#### **1. Undeveloped Property**

##### **1a. Development Special Tax, Office Special Tax, Shoreline Special Tax**

The Maximum Development Special Tax, Maximum Office Special Tax, and Maximum Shoreline Special Tax for Leasehold Interests in Undeveloped Property in all Tax Zones shall be the Expected Maximum Development Special Tax Revenues, Expected Maximum Office Special Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues shown in Attachment 3 of this RMA, as it may be amended as set forth herein

##### **1b. Contingent Services Special Tax**

- No Contingent Services Special Tax shall be levied on Parcels of Undeveloped Property in any Tax Zone within the STD

## **2. Developed Property**

### **2a. Development Special Tax**

When a Taxable Parcel in Tax Zone 1 or Tax Zone 2 becomes Developed Property, the Administrator shall use the Base Development Special Taxes shown in Table 1 below and apply the steps set forth in this Section 2a to determine the Maximum Development Special Tax for Leasehold Interests in the Taxable Parcel. For property that annexes into the CFD, different maximum rates and different Square Footage Categories may be established by creating a separate Tax Zone for such annexed property. Alternatively, property may be annexed into Tax Zones that were established prior to the annexation, and such property shall be subject to the Maximum Special Taxes applicable to that Tax Zone

<b>Table 1</b> <b>Base Development Special Tax</b>		
<b>Square Footage Category</b>	<b>Base Development Special Tax Tax Zone 1 (FY 2019-20) *</b>	<b>Base Development Special Tax Tax Zone 2 (FY 2019-20) *</b>
Market-Rate Residential Square Footage	\$8.58 per Market-Rate Residential Square Foot	\$8.58 per Market-Rate Residential Square Foot
Office Square Footage	\$6.50 per Office Square Foot	\$6.50 per Office Square Foot
Excess Exempt Square Footage	\$8.58 per Excess Exempt Square Foot if Market-Rate Residential Square Footage was reduced or \$6.50 per Excess Exempt Square Foot if Office Square Footage was reduced	\$8.58 per Excess Exempt Square Foot if Market-Rate Residential Square Footage was reduced or \$6.50 per Excess Exempt Square Foot if Office Square Footage was reduced

**\*\*The Base Development Special Tax shown above for each Tax Zone shall be escalated as set forth in Section D.1.**

**Step 1** Identify the Market-Rate Residential Square Footage, Office Square Footage, and/or Excess Exempt Square Footage in the building(s) on the Taxable Parcel pursuant to Section B above.

**Step 2** Multiply the applicable Base Development Special Tax from Table 1 by the actual and/or expected Market-Rate Residential Square Footage and Office Square Footage included in Leasehold Interests in the Taxable Parcel Prior to the First Bond Sale, the Maximum Development Special Tax for Leasehold Interests in the

Taxable Parcel shall be the sum of the amounts calculated for Market-Rate Residential Square Footage and Office Square Footage, and Step 3 below shall not apply

After the First Bond Sale, the Administrator shall apply Step 3 to determine the Maximum Development Special Tax for Leasehold Interests in the Taxable Parcel.

**Step 3** Compare the Estimated Base Development Special Tax Revenues from Step 2 to the Expected Maximum Development Special Tax Revenues, and, apply one of the following, as applicable

If the Estimated Base Development Special Tax Revenues are (i) greater than or equal to the Expected Maximum Development Special Tax Revenues or (ii) less than the Expected Maximum Development Special Tax Revenues, but the Maximum Development Special Tax Revenues, assuming the same land uses that went into the calculation of the Estimated Base Development Special Tax Revenues, are still sufficient to provide Required Coverage, then the Maximum Development Special Tax for Leasehold Interests in the Taxable Parcel shall be determined by multiplying the applicable Base Development Special Taxes by the actual and/or expected Market-Rate Residential Square Footage and Office Square Footage within each building on the Taxable Parcel. The Administrator shall update Attachment 3 to reflect the change in the Expected Maximum Development Special Tax Revenues.

If the Estimated Base Development Special Tax Revenues are less than the Expected Maximum Development Special Tax Revenues, and the Maximum Development Special Tax Revenues, assuming the same land uses that went into the calculation of the Estimated Base Development Special Tax Revenues, are insufficient to provide Required Coverage, then the Administrator and Review Authority shall coordinate with



the Developer and Vertical Developer, and the Review Authority shall determine which of the following shall occur

(i) the Base Development Special Taxes that were applied to Market-Rate Residential Square Footage and/or Office Square Footage in Step 2 shall be increased proportionately until the amount that can be levied on Leasehold Interests in the Taxable Parcel, combined with the Expected Maximum Development Special Tax Revenues from all other Taxable Parcels in the STD, is sufficient to maintain Required Coverage, or

(ii) if Estimated Base Development Special Tax Revenues are less than the Expected Maximum Development Special Tax Revenues due to Excess Exempt Square Footage, then the Base Development Special Tax for Excess Exempt Square Footage shall be levied against all Excess Exempt Square Footage included in Leasehold Interests in the Taxable Parcel.

If, pursuant to (i) above, the Base Development Special Taxes are proportionately increased to maintain Required Coverage, the Administrator shall use the adjusted per-square-foot rates to calculate the Maximum Development Special Tax for each building on the Taxable Parcel. The Administrator shall revise Attachment 3 to reflect any changes to the Expected Land Uses (including the addition of Excess Exempt Square Footage) and the Expected Maximum Development Special Tax Revenues

If, in any Fiscal Year, the Maximum Development Special Tax is determined for Leasehold Interests in any Parcel of Developed Property for which a Permit had not yet been issued, and if, when a Permit is issued for a building(s) on the Parcel, the Market-Rate Residential Square Footage and/or Office Square Footage of such building(s) is

different than that used to determine the Maximum Development Special Tax, then the Administrator shall once again apply Steps 1 through 3 in this Section C 2a to recalculate the Maximum Development Special Tax for Leasehold Interests in the Parcel based on the Market-Rate Residential Square Footage and/or Office Square Footage that was determined when the Permit was issued

The Administrator shall do a final check of the Market-Rate Residential Square Footage and Office Square Footage within each building when a Certificate of Occupancy is issued. Once again, if the Market-Rate Residential Square Footage and/or Office Square Footage is different than the Market-Rate Residential Square Footage and/or Office Square Footage that was used to determine the Maximum Development Special Tax after the Permit was issued, then the Administrator shall apply Steps 1 through 3 in this Section C 2a to recalculate the Maximum Development Special Tax for Leasehold Interests in the Parcel.

#### **2b. Office Special Tax**

When a Taxable Parcel in Tax Zone 1 or Tax Zone 2 becomes Developed Property, the Administrator shall use the Base Office Special Taxes shown in Table 2 below and apply the steps set forth in this Section 2b to determine the Maximum Office Special Tax for Leasehold Interests in the Taxable Parcel. For property that annexes into the CFD, different maximum rates and different Square Footage Categories may be established by creating a separate Tax Zone for such annexed property. Alternatively, property may be annexed into Tax Zones that were established prior to the annexation, and such property shall be subject to the Maximum Special Taxes applicable to that Tax Zone.

Table 2 Base Office Special Tax		
Square Footage Category	Base Office Special Tax Tax Zone 1 (FY 2019-20) *	Base Office Special Tax Tax Zone 2 (FY 2019-20) *
Office Square Footage	\$1 92 per Office Square Foot	\$1 61 per Office Square Foot
Excess Exempt Square Footage	\$1 92 per Excess Exempt Square Foot	\$1 61 per Excess Exempt Square Foot

\* The Base Office Special Tax shown above for each Tax Zone shall be escalated as set forth in Section D.1.

**Step 1** Identify the Office Square Footage and Excess Exempt Square Footage in the building(s) on the Taxable Parcel pursuant to Section B above.

**Step 2** Multiply the applicable Base Office Special Tax from Table 2 by the actual and/or expected Office Square Footage included in Leasehold Interests in the Taxable Parcel which, prior to the First Bond Sale, shall be the Maximum Office Special Tax for Leasehold Interests in the Taxable Parcel, Step 3 below shall not apply

After the First Bond Sale, the Administrator shall apply Step 3 to determine the Maximum Office Special Tax for Leasehold Interests in the Taxable Parcel

**Step 3.** Compare the Estimated Base Office Special Tax Revenues from Step 2 to the Expected Maximum Office Special Tax Revenues, and, apply one of the following, as applicable

- *If the Estimated Base Office Special Tax Revenues are (i) greater than or equal to the Expected Maximum Office Special Tax Revenues or (ii) less than the Expected Maximum Office Special Tax Revenues, but the Maximum Office Special Tax Revenues, assuming the same Office Square Footage that went into the calculation of the Estimated Base Office Special Tax Revenues, are still sufficient to provide Required Coverage, then the Maximum Office Special Tax for Leasehold Interests in the Taxable Parcel shall be determined by multiplying the applicable Base Office Special Taxes by the actual and/or expected Office Square Footage within each building on the Taxable Parcel. The Administrator shall update Attachment 3 to reflect the change in the Expected Maximum Office Special Tax Revenues.*
  
- *If the Estimated Base Office Special Tax Revenues are less than the Expected Maximum Office Special Tax Revenues, and the Maximum Office Special Tax Revenues, assuming the same Office Square Footage that went into the calculation of the Estimated Base Office Special Tax Revenues, are insufficient to provide Required Coverage, then the Administrator and Review Authority shall coordinate with the Developer and Vertical Developer, and the Review Authority shall determine which of the following shall occur:*
  - (i) *the Base Office Special Taxes that were applied to Office Square Footage in Step 2 shall be increased proportionately until the amount that can be levied on Leasehold Interests in the Taxable Parcel, combined with the Expected Maximum Office Special Tax Revenues from all other Taxable Parcels in the STD, is sufficient to maintain Required Coverage, or*

(ii) If Estimated Base Office Special Tax Revenues are less than the Expected Maximum Office Special Tax Revenues due to Excess Exempt Square Footage, then the Base Office Special Tax for Excess Exempt Square Footage shall be levied against all Excess Exempt Square Footage included in Leasehold Interests in the Taxable Parcel

If, pursuant to (i) above, the Base Office Special Taxes are proportionately increased to maintain Required Coverage, the Administrator shall use the adjusted per-square-foot rates to calculate the Maximum Office Special Tax for each building on the Taxable Parcel. The Administrator shall revise Attachment 3 to reflect any changes to the Expected Land Uses (including the addition of Excess Exempt Square Footage) and the Expected Maximum Office Special Tax Revenues

If, in any Fiscal Year, the Maximum Office Special Tax is determined for Leasehold Interests in any Parcel of Developed Property for which a Permit had not yet been issued, and if, when a Permit is issued for a building(s) on the Parcel, the Office Square Footage of such building(s) is different than that used to determine the Maximum Office Special Tax, then the Administrator shall once again apply Steps 1 through 3 in this Section C.2b to recalculate the Maximum Office Special Tax for Leasehold Interests in the Parcel based on the Office Square Footage that was determined when the Permit was issued

The Administrator shall do a final check of the Office Square Footage within each building when a Certificate of Occupancy is issued. Once again, if the Office Square Footage is different than the Office Square Footage that was used to determine the Maximum Office Special Tax after the Permit was issued, then the Administrator shall

apply Steps 1 through 3 in this Section C.2b to recalculate the Maximum Office Special Tax for Leasehold Interests in the Parcel

**2c. Shoreline Special Tax**

When a Taxable Parcel in Tax Zone 1 or Tax Zone 2 becomes Developed Property, the Administrator shall use the Base Shoreline Special Taxes shown in Table 3 below and apply the steps set forth in this Section 2c to determine the Maximum Shoreline Special Tax for Leasehold Interests in the Taxable Parcel. For property that annexes into the CFD, different maximum rates and different Square Footage Categories may be established by creating a separate Tax Zone for such annexed property. Alternatively, property may be annexed into Tax Zones that were established prior to the annexation, and such property shall be subject to the Maximum Special Taxes applicable to that Tax Zone

<b>Table 3</b> <b>Base Shoreline Special Tax</b>		
<b>Square Footage Category</b>	<b>Base Shoreline Special Tax Tax Zone 1 (FY 2019-20) *</b>	<b>Base Shoreline Special Tax Tax Zone 2 (FY 2019-20) *</b>
Office Square Footage	\$1 82 per Office Square Foot	\$1.82 per Office Square Foot
Excess Exempt Square Footage	\$1 82 per Excess Exempt Square Foot if Market-Rate Residential Square Footage was reduced or \$1 82 per Excess Exempt Square Foot if Office Square Footage was reduced	\$1 82 per Excess Exempt Square Foot if Market-Rate Residential Square Footage was reduced or \$1.82 per Excess Exempt Square Foot if Office Square Footage was reduced

\* The Base Shoreline Special Tax shown above for each Tax Zone shall be escalated as set forth in Section D.1.

**Step 1** Identify the Market-Rate Residential Square Footage, Office Square Footage, and/or Excess Exempt Square Footage in the building(s) on the Taxable Parcel pursuant to Section B above

**Step 2** Multiply the applicable Base Shoreline Special Tax from Table 3 by the actual and/or expected Market-Rate Residential Square Footage and Office Square Footage included in Leasehold Interests in the Taxable Parcel Prior to the First Bond Sale, the Maximum Shoreline Special Tax for Leasehold Interests in the Taxable Parcel shall be the sum of the amounts calculated for Market-Rate Residential Square Footage and Office Square Footage, and Step 3 below shall not apply.

After the First Bond Sale, the Administrator shall apply Step 3 to determine the Maximum Shoreline Special Tax for Leasehold Interests in the Taxable Parcel.

**Step 3** Compare the Estimated Base Shoreline Special Tax Revenues from Step 2 to the Expected Maximum Shoreline Special Tax Revenues, and, apply one of the following, as applicable:

If the Estimated Base Shoreline Special Tax Revenues are (i) greater than or equal to the Expected Maximum Shoreline Special Tax Revenues or (ii) less than the Expected Maximum Shoreline Special Tax Revenues, but the Maximum Shoreline Special Tax Revenues, assuming the same land uses that went into the calculation of the Estimated Base Shoreline Special Tax Revenues, are still sufficient to provide Required Coverage, then the Maximum Shoreline Special Tax for Leasehold Interests in the Taxable Parcel shall be determined by multiplying the applicable Base Shoreline Special Taxes by the actual and/or expected Market-Rate Residential Square Footage and Office Square Footage within each building on the Taxable Parcel. The Administrator shall update Attachment 3 to reflect the change in the Expected Maximum Shoreline Special Tax Revenues.

If the Estimated Base Shoreline Special Tax Revenues are less than the Expected Maximum Shoreline Special Tax Revenues, and the Maximum Shoreline Special Tax Revenues, assuming the same land uses that went into the calculation of the Estimated Base Shoreline Special Tax Revenues, are insufficient to provide Required Coverage, then the Administrator and Review Authority shall coordinate with the Developer and Vertical Developer, and the Review Authority shall determine which of the following shall occur:



(i) the Base Shoreline Special Taxes that were applied to Market-Rate Residential Square Footage and/or Office Square Footage in Step 2 shall be increased proportionately until the amount that can be levied on Leasehold Interests in the Taxable Parcel, combined with the Expected Maximum Shoreline Special Tax Revenues from all other Taxable Parcels in the STD, is sufficient to maintain Required Coverage, or

(ii) if Estimated Base Shoreline Special Tax Revenues are less than the Expected Maximum Shoreline Special Tax Revenues due to Excess Exempt Square Footage, then the Base Shoreline Special Tax for Excess Exempt Square Footage shall be levied against all Excess Exempt Square Footage included in Leasehold Interests in the Taxable Parcel

If, pursuant to (i) above, the Base Shoreline Special Taxes are proportionately increased to maintain Required Coverage, the Administrator shall use the adjusted per-square-foot rates to calculate the Maximum Shoreline Special Tax for each building on the Taxable Parcel. The Administrator shall revise Attachment 3 to reflect any changes to the Expected Land Uses (including the addition of Excess Exempt Square Footage) and the Expected Maximum Shoreline Special Tax Revenues.

If, in any Fiscal Year, the Maximum Shoreline Special Tax is determined for Leasehold Interests in any Parcel of Developed Property for which a Permit had not yet been issued, and if, when a Permit is issued for a building(s) on the Parcel, the Market-Rate Residential Square Footage and/or Office Square Footage of such building(s) is different than that used to determine the Maximum Shoreline Special Tax, then the Administrator shall once again apply Steps 1 through 3 in this Section C 2c to

recalculate the Maximum Shoreline Special Tax for Leasehold Interests in the Parcel based on the Market-Rate Residential Square Footage and/or Office Square Footage that was determined when the Permit was issued.

The Administrator shall do a final check of the Market-Rate Residential Square Footage and Office Square Footage within each building when a Certificate of Occupancy is issued. Once again, if the Market-Rate Residential Square Footage and/or Office Square Footage is different than the Market-Rate Residential Square Footage and/or Office Square Footage that was used to determine the Maximum Shoreline Special Tax after the Permit was issued, then the Administrator shall apply Steps 1 through 3 in this Section C 2c to recalculate the Maximum Shoreline Special Tax for Leasehold Interests in the Parcel

**2d. Contingent Services Special Tax**

In the first Fiscal Year after the Fiscal Year in which the Trigger Event occurs, and in each Fiscal Year thereafter, this Section C 2d shall be applied to determine the Contingent Services Special Tax for each Taxable Parcel in the STD

When a Taxable Parcel in Tax Zone 1 or Tax Zone 2 becomes Developed Property, the Administrator shall use the Base Contingent Services Special Taxes shown in Table 4 below and apply the steps set forth in this Section 2d to determine the Maximum Contingent Services Special Tax for Leasehold Interests in the Taxable Parcel For property that annexes into the CFD, different maximum rates may be established by creating a separate Tax Zone for such annexed property Alternatively, property may be annexed into Tax Zones that were established prior to the annexation, and such property shall be subject to the Maximum Special Taxes applicable to that Tax Zone.

<b>Table 4</b> <b>Base Contingent Services Special Tax</b>		
<b>Square Footage Category</b>	<b>Base Contingent Services Special Tax Tax Zone 1 (FY 2019-20) *</b>	<b>Base Contingent Services Special Tax Tax Zone 2 (FY 2019-20) *</b>
Market-Rate Residential Square Footage	\$1.40 per Market-Rate Residential Square Foot	\$1 40 per Market-Rate Residential Square Foot
Office Square Footage	\$1 40 per Office Square Foot	\$1 40 per Office Square Foot
Excess Exempt Square Footage	\$1.40 per Excess Exempt Square Foot	\$1.40 per Excess Exempt Square Foot

**\* The Base Contingent Services Special Tax for each Tax Zone shown above shall be escalated as set forth in Section D.2.**

**Step 1** Identify the Market-Rate Residential Square Footage, Office Square Footage, and/or Excess Exempt Square Footage in the building(s) on the Taxable Parcel pursuant to Section B above.

**Step 2** Multiply the applicable Base Contingent Services Special Tax from Table 4 by the actual and/or expected Market-Rate Residential Square Footage, Office Square Footage, and Excess Exempt Square Footage included in Leasehold Interests in the Taxable Parcel. The Maximum Contingent Services Special Tax for Leasehold Interests in the Taxable Parcel shall be the sum of the amounts calculated for Market-Rate Residential Square Footage, Office Square Footage, and Excess Exempt Square Footage.

If additional structures are anticipated to be built on the Taxable Parcel as shown in the Development Approval Documents, the Administrator shall, regardless of the definitions set forth herein, categorize each building for which a Permit has been issued as Developed Property, and any remaining buildings for which Permits have not yet been issued shall not be subject to a Contingent Services Special Tax until a Permit is issued for such remaining buildings. To determine the Contingent Services Special Tax for any such Taxable Parcel, the Administrator shall take the sum of the Contingent Services Special Taxes determined for each building

#### **D. CHANGES TO THE MAXIMUM SPECIAL TAXES**

##### **1 Annual Escalation of Development Special Tax, Office Special Tax, and Shoreline Special Tax**

Beginning July 1, 2020 and each July 1 thereafter, each of the following amounts shall be increased by 2% of the amount in effect in the prior Fiscal Year the Base Development Special Tax for each Tax Zone, the Base Office Special Tax for each Tax Zone, the Base Shoreline Special Tax for each Tax Zone, the Expected Maximum Development Special Tax Revenues, the Expected Maximum Office Special Tax Revenues, and the Expected Maximum Shoreline Special Tax Revenues in Attachment 3, and the Maximum Development Special Tax, the Maximum Office Special Tax, and the Maximum Shoreline Special Tax assigned to the Leasehold Interests in each Taxable Parcel

##### **2. Annual Escalation of Contingent Services Special Tax**

Beginning July 1, 2020 and each July 1 thereafter, the Base Contingent Services Special Tax for each Tax Zone and the Maximum Contingent Services Special Tax assigned to the Leasehold Interests in each Taxable Parcel shall be adjusted by the Escalator

**3. Changes in Square Footage Category on a Parcel of Developed Property**

If any Parcel that had been taxed as Developed Property in a prior Fiscal Year is rezoned or otherwise has a Land Use Change, as determined by the Review Authority, the Administrator shall, separately for each of the Special Taxes, multiply the applicable Base Special Tax by the new square footage within each Square Footage Category, if the First Bond Sale has not yet occurred, this amount shall be the Maximum Special Tax for Leasehold Interests in the Parcel. If the First Bond Sale has taken place, the Administrator shall apply the remainder of this Section D.3

If the Maximum Special Tax that would apply to Leasehold Interests in the Parcel after the Land Use Change is greater than the Maximum Special Tax that applied to Leasehold Interests in the Parcel prior to the Land Use Change, the Administrator shall increase the Maximum Special Tax for the Parcel to the amount calculated for each new Square Footage Category. If the Maximum Special Tax after the Land Use Change is less than the Maximum Special Tax that applied prior to the Land Use Change, there will be no change to the Maximum Special Tax for Leasehold Interests in the Parcel. Under no circumstances shall the Maximum Special Tax on Leasehold Interests in any Parcel of Developed Property be reduced, regardless of changes in Square Footage Category or square footage on the Parcel, including reductions in square footage that may occur due to demolition, fire, water damage, or acts of God

#### 4. Changes to Planning Parcels and Expected Land Uses

If, at any time prior to the First Bond Sale, the Developer or a Vertical Developer makes changes to the boundaries of the Planning Parcels or the Expected Land Uses within one or more Planning Parcels, as determined by the Review Authority, the Administrator shall update the Expected Land Uses and Expected Maximum Development Special Tax Revenues, Expected Maximum Office Special Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues, which will be reflected on an updated Attachment 3. In addition, the Administrator will request updated Attachments 1 and 2 from the Developer. Updated attachments shall be maintained by the Administrator for purposes of applying this RMA, and such updates shall not require recordation of an amended RMA.

If, after the First Bond Sale, the Developer or a Vertical Developer proposes to make changes to the boundaries of the Planning Parcels or the Expected Land Uses within one or more Planning Parcels, the Administrator shall meet with the Port, Developer, and any affected Vertical Developers to review the proposed changes and evaluate the impact on the Expected Maximum Development Special Tax Revenues, Expected Maximum Office Special Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues. If the Administrator determines that such changes will not reduce Required Coverage on Bonds that have been or will be issued, the Port will decide whether to allow the proposed changes and corresponding redistribution of the Expected Maximum Development Special Tax Revenues, Expected Maximum Office Special Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues. If such changes are permitted, the Administrator will update Attachment 3 and request updated Attachments 1 and 2 from the Developer. Updated attachments shall be maintained by the Administrator for purposes of applying this RMA, and such updates

shall not require recordation of an amended RMA. If the Administrator determines that the proposed changes will reduce Required Coverage on Bonds that have been issued, the Port will not permit the changes.

#### **5 Reduction in Maximum Development Special Taxes Prior to First Bond Sale**

Prior to the First Bond Sale, if the City, Port and Developer determine that assumptions that were factored into estimates of Tax Increment at STD Formation have changed, and the estimated Tax Increment is expected to be lower than the original estimates, the Port and Developer may agree to a proportional or disproportional reduction in the Base Development Special Tax as set forth in Section 4.5(e) of the Financing Plan. If the parties agree to such a reduction, the Port will direct the Administrator to use the reduced Base Development Special Tax for purposes of levying the taxes pursuant to this RMA, and an amended Notice of Special Tax Lien reflecting the reduction will be recorded against all Taxable Parcels within the STD. The reduction shall be made without a vote of the qualified STD electors.

### **E. ANNEXATIONS**

If, in any Fiscal Year, a property owner within the Future Annexation Area wants to annex property into the STD, the Administrator shall apply the following steps as part of the annexation proceedings:

**Step 1** Working with Port staff, the Administrator shall determine the Expected Land Uses for the area to be annexed and the Tax Zone into which the property will be placed.

**Step 2**        The Administrator shall prepare or have prepared updated Attachments 1, 2, and 3 to reflect the annexed property and identify the revised Expected Land Uses, Expected Maximum Development Special Tax Revenues, Expected Maximum Office Special Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues. After the annexation is complete, the application of this RMA shall be based on the adjusted Expected Land Uses and Maximum Development Special Tax Revenues, Maximum Office Special Tax Revenues, and Maximum Shoreline Special Tax Revenues, as applicable, including the newly annexed property.

**Step 3**        The Administrator shall ensure that a Notice of Special Tax Lien is recorded against all Parcels that are annexed to the STD.

## **F.        METHOD OF LEVY OF THE SPECIAL TAXES**

### **1.        Development Special Tax**

Each Fiscal Year, the Administrator shall determine the Development Special Tax Requirement for the Fiscal Year, and the Development Special Tax shall be levied according to the steps outlined below.

**Step 1.**        The Administrator shall determine the Development Special Tax to be levied on Leasehold Interests in each Taxable Parcel of Developed Property, as follows:



**Step 1a.** Calculate the Maximum Development Special Tax for each Leasehold Interest in each Parcel of Developed Property

**Step 1b** In consultation with the City, determine which Parcels of Developed Property are Assessed Parcels.

**Step 1c.** For all Parcels of Developed Property that are not Assessed Parcels, levy the Maximum Development Special Tax on Leasehold Interests in such Parcels Any Remainder Special Taxes collected shall be applied pursuant to the Financing Plan

**Step 1d** For all Assessed Parcels

**Step 1dA.** Determine the amount of the Parcel Increment.

**Step 1dB** If the total amount of Parcel Increment available is equal to or greater than the total aggregate Maximum Development Special Taxes for all Assessed Parcels, then the levy on each Assessed Parcel shall be zero (\$0)

**Step 1dC** If the total amount of Parcel Increment available is less than the aggregate Maximum Development Special Taxes for all Assessed Parcels, the Administrator shall apply the appropriate sub-step below

**Substep 1dC(i).** If, after coordination with the City and Port, the Administrator is provided with a breakdown of Parcel Increment on a Parcel-by-Parcel basis in time for submission of the Special Tax levy, the Administrator shall determine the net tax levy on Leasehold Interests in each Assessed Parcel (the "Net Assessed Parcel Tax Levy") by

taking the following steps in the following order of priority (i) subtract from the Maximum Development Special Tax for each Assessed Parcel the amount of Parcel Increment generated from the applicable Assessed Parcel, and (ii) for each Assessed Parcel whose tax levy was not reduced to \$0 pursuant to item (i) in this paragraph, apply any remaining Parcel Increment that was not applied pursuant to item (i) in this paragraph to each such Assessed Parcel on a pro rata basis (based on the Assessed Parcel's net remaining tax levy as a percentage of the aggregate net remaining tax levy for all Assessed Parcels for which Parcel Increment was insufficient to pay the full amount of the Assessed Parcel's Maximum Development Special Tax) The Administrator shall levy on Leasehold Interests in each Assessed Parcel the Net Assessed Parcel Tax Levy for such Assessed Parcel. Any Remainder Special Taxes collected shall be applied pursuant to the Financing Plan

*Substep 1dC(ii)* If, after coordination with the City and Port, the Administrator determines that a breakdown of Parcel Increment on a Parcel-by-Parcel basis cannot be provided in time for submission of the Special Tax levy, the Administrator shall determine the net tax levy on the Leasehold Interest in each Assessed Parcel (the "Net Assessed Parcel Tax Levy") by subtracting from the Maximum Development Special Tax for each Assessed Parcel a pro rata share of the Parcel Increment, with such pro rata share determined based on each Assessed Parcel's Maximum Development Special Tax as a percentage of the aggregate Maximum Development Special Tax for all Assessed Parcels in the STD The Administrator shall levy on the Leasehold Interest in each Assessed Parcel the Net Assessed Parcel Tax Levy for such Assessed Parcel. Any Remainder Special Taxes collected shall be applied pursuant to the Financing Plan

The Review Authority shall make the final determination regarding available Parcel Increment, the Maximum Development Special Tax that applies to a Parcel based on the Leasehold Interests in the Parcel, and the application of Parcel Increment pursuant to Substeps 1dC(i) and 1dC(ii) above

*Step 2* After the First Bond Sale, if additional revenue is needed after Step 1 in order to meet the Development Special Tax Requirement after Capitalized Interest has been applied to reduce the Development Special Tax Requirement, the Development Special Tax shall be levied Proportionately on Leasehold Interests in each Taxable Parcel of Undeveloped Property, in an amount up to 100% of the Maximum Development Special Tax for Leasehold Interests in each Taxable Parcel of Undeveloped Property for such Fiscal Year

## **2. Office Special Tax**

Each Fiscal Year, the Administrator shall determine the Office Special Tax Requirement for the Fiscal Year, and the Office Special Tax shall be levied according to the steps outlined below

*Step 1.* Levy the Maximum Office Special Tax on Leasehold Interests in each Taxable Parcel of Developed Property Any Remainder Special Taxes collected shall be applied pursuant to the Financing Plan

*Step 2* After the First Bond Sale, if additional revenue is needed after Step 1 in order to meet the Office Special Tax Requirement after Capitalized Interest has been applied to reduce the Office Special Tax Requirement, the Office Special Tax shall be levied Proportionately on Leasehold Interests in each Taxable Parcel of

Undeveloped Property, in an amount up to 100% of the Maximum Office Special Tax for Leasehold Interests in each Taxable Parcel of Undeveloped Property for such Fiscal Year

### **3. Shoreline Special Tax**

Each Fiscal Year, the Administrator shall determine the Shoreline Special Tax Requirement for the Fiscal Year, and the Shoreline Special Tax shall be levied according to the steps outlined below

*Step 1* Levy the Maximum Shoreline Special Tax on Leasehold Interests in each Taxable Parcel of Developed Property Any Remainder Special Taxes collected shall be applied pursuant to the Financing Plan.

*Step 2* After the First Bond Sale, if additional revenue is needed after Step 1 in order to meet the Shoreline Special Tax Requirement after Capitalized Interest has been applied to reduce the Shoreline Special Tax Requirement, the Shoreline Special Tax shall be levied Proportionately on Leasehold Interests in each Taxable Parcel of Undeveloped Property, in an amount up to 100% of the Maximum Shoreline Special Tax for Leasehold Interests in each Taxable Parcel of Undeveloped Property for such Fiscal Year

### **4. Contingent Services Special Tax**

Each Fiscal Year after the Fiscal Year in which the Trigger Event occurs, the Administrator shall coordinate with the City and the Port to determine the Services Special Tax Requirement for the Fiscal Year The Contingent Services Special Tax

shall then be levied Proportionately on Leasehold Interests in each Taxable Parcel of Developed Property, in an amount up to 100% of the Maximum Contingent Services Special Tax for Leasehold Interests in each Parcel of Developed Property for such Fiscal Year until the amount levied is equal to the Services Special Tax Requirement. The Contingent Services Special Tax may not be levied on Undeveloped Property.

#### **G. COLLECTION OF SPECIAL TAXES**

Special Taxes shall be collected in the same manner and at the same time as ordinary ad valorem property taxes on the regular tax roll, provided, however, that the City may directly bill Special Taxes, may collect Special Taxes at a different time or in a different manner, and may collect delinquent Special Taxes through foreclosure or other available methods as authorized by the CFD Law. The Board of Supervisors has ordered any Special Taxes to be levied on Leasehold Interests to be levied on the secured roll. The Special Tax bill for any Taxable Parcel subject to a Leasehold Interest will be sent to the same party that receives the possessory interest tax bill associated with the Leasehold Interest unless it is sent directly to the Taxpayer.

In calculating the Development Special Tax Requirement, Office Special Tax Requirement, or Shoreline Special Tax Requirement, under no circumstances may the Development Special Tax, Office Special Tax, or Shoreline Special Tax that is levied on a Leasehold Interest in a Taxable Parcel in a Fiscal Year be increased by more than ten percent (10%) of the respective Maximum Development Special Tax, Maximum Office Special Tax, or Maximum Shoreline Special Tax for that Parcel (or such lesser amount required by the CFD Law) as a consequence of delinquency or default in payment of Special Taxes levied on Leasehold Interests in another Parcel(s) in the STD (the "Delinquency Levy").

The Delinquency Levy, if any, is determined when calculating the Development Special Tax Requirement. Accordingly, when determining the levy of Development Special Taxes on Leasehold Interests in Assessed Parcels pursuant to Step 1 of Section F.1, the Delinquency Levy, if any, has already been applied and, therefore, the Administrator shall not levy any additional Delinquency Levy on an Assessed Parcel that has its Development Special Tax levy reduced or eliminated by Parcel Increment.

The Development Special Tax shall be levied and collected on Leasehold Interests in each Taxable Parcel until the earlier of (i) the Fiscal Year in which the Port determines that all Authorized Expenditures that will be funded by the STD have been funded and all Development Special Tax Bonds have been fully repaid, (ii) the Fiscal Year after the Fiscal Year in which Tax Increment is no longer collected within the Sub-Project Area within which the Taxable Parcel is located and all Development Special Tax Bonds have been fully repaid, as determined by the Administrator with direction from the Deputy Director, and (iii) Fiscal Year 2093-94.

The Office Special Tax and the Shoreline Special Tax shall be levied on and collected from Leasehold Interests in each Taxable Parcel for 120 Fiscal Years.

Beginning in the first Fiscal Year after the Fiscal Year in which the Trigger Event occurs, the Contingent Services Special Tax shall be levied and collected in perpetuity.

#### **H. EXEMPTIONS**

Notwithstanding any other provision of this RMA, no Special Taxes will be levied on fee simple interests in the STD, including Tax-Exempt Port Parcels.

## **I. INTERPRETATION OF SPECIAL TAX FORMULA**

The City may interpret, clarify, and revise this RMA to correct any inconsistency, vagueness, or ambiguity, by resolution or ordinance, as long as such interpretation, clarification, or revision does not materially affect the levy and collection of the Special Taxes and any security for any Bonds

## **J. SPECIAL TAX APPEALS**

Any Taxpayer who wishes to challenge the accuracy of computation of the Special Taxes in any Fiscal Year may file an application with the Administrator. The Administrator, in consultation with the City Attorney, shall promptly review the Taxpayer's application. If the Administrator concludes that the computation of the Special Taxes was not correct, the Administrator shall correct the Special Tax levy and, if applicable in any case, a refund shall be granted. If the Administrator concludes that the computation of the Special Taxes was correct, then such determination shall be final and conclusive, and the Taxpayer shall have no appeal to the Board from the decision of the Administrator.

The filing of an application or an appeal shall not relieve the Taxpayer of the obligation to pay the Special Taxes when due

Nothing in this Section J shall be interpreted to allow a Taxpayer to bring a claim that would otherwise be barred by applicable statutes of limitation set forth in the CFD Law or elsewhere in applicable law

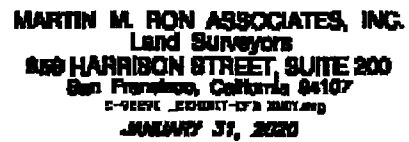
**ATTACHMENT 1  
CITY AND COUNTY OF SAN FRANCISCO  
SPECIAL TAX DISTRICT NO. 2020-1  
(MISSION ROCK FACILITIES AND SERVICES)**

**IDENTIFICATION OF PLANNING PARCELS**

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## IDENTIFICATION OF PLANNING PARCELS



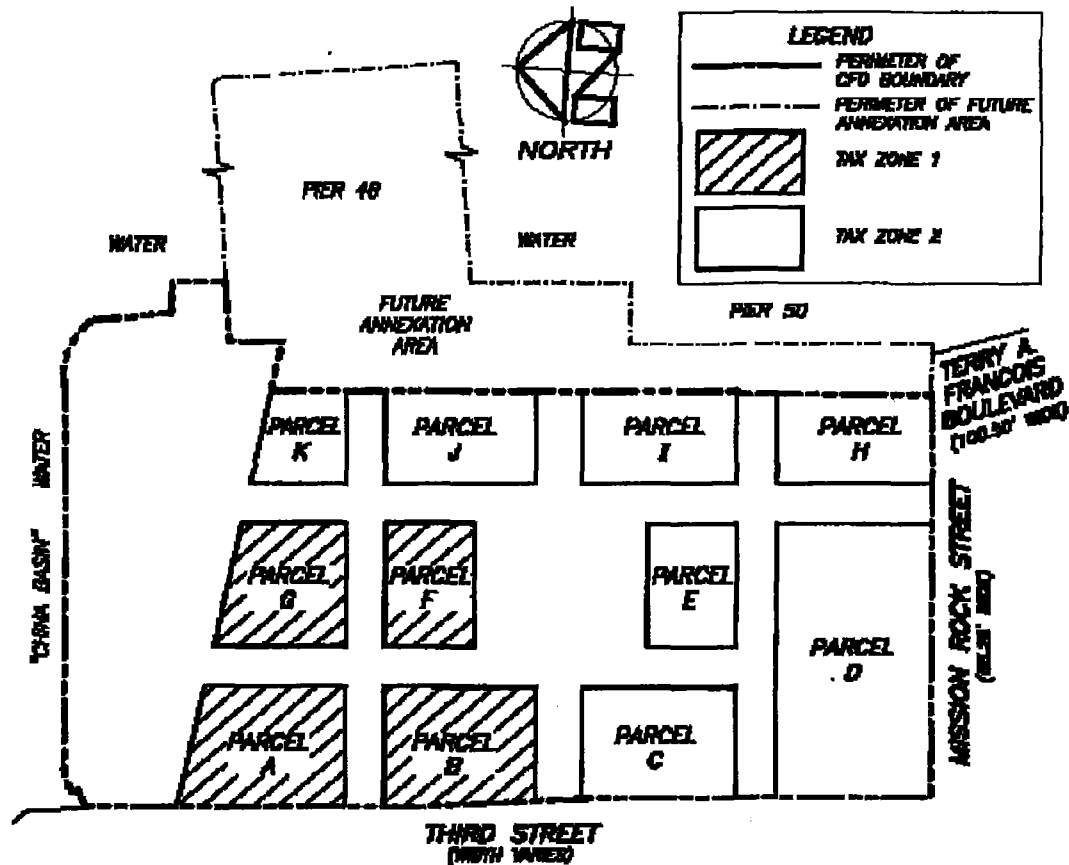
**ATTACHMENT 2**

**CITY AND COUNTY OF SAN FRANCISCO  
SPECIAL TAX DISTRICT NO. 2020-1  
(MISSION ROCK FACILITIES AND SERVICES)**

**IDENTIFICATION OF TAX ZONES**

**ATTACHMENT 2**  
**City and County of San Francisco**  
**Special Tax District No. 2020-1**  
**(Mission Rock Facilities and Services)**

**IDENTIFICATION OF TAX ZONES**



MARTIN M. RON ASSOCIATES, INC.  
Land Surveyors  
850 HARRISON STREET, SUITE 200  
San Francisco, California 94107  
C-77891, EXHIBIT-CFD STUDY AND  
JANUARY 31, 2020

**ATTACHMENT 3**  
**City and County of San Francisco**  
**Special Tax District No. 2020-1**  
**(Mission Rock Facilities and Services)**

**Expected Land Uses, Expected Maximum Development Special Tax Revenues,  
Expected Maximum Office Special Tax Revenues, and  
Expected Maximum Shoreline Special Tax Revenues**

Planning Parcel	Expected Land Uses	Expected Square Footage	Expected Maximum Development Special Tax Revenues (FY 2019-20)*	Expected Maximum Office Special Tax Revenues (FY 2019-20)*	Expected Maximum Shoreline Special Tax Revenues (FY 2019-20)*
<b>Tax Zone 1</b>					
Parcel A	Market Rate Residential Square Footage	146,000	\$1,252,680	\$0	\$0
	Office Square Footage	48,447	\$314,906	\$93,018	\$88,174
Parcel B	Market Rate Residential Square Footage	0	\$0	\$0	\$0
	Office Square Footage	255,008	\$1,657,552	\$489,615	\$464,115
Parcel G	Market Rate Residential Square Footage	0	\$0	\$0	\$0
	Office Square Footage	283,323	\$1,841,600	\$543,980	\$515,648
Parcel F	Market Rate Residential	113,000	\$969,540	\$0	\$0

Planning Parcel	Expected Land Uses	Expected Square Footage	Expected Maximum Development Special Tax Revenues (FY 2019-20)*	Expected Maximum Office Special Tax Revenues (FY 2019-20)*	Expected Maximum Shoreline Special Tax Revenues (FY 2019-20)*
	Square Footage				
	Office Square Footage	0	\$0	\$0	\$0
<b>Tax Zone 2</b>					
Parcel C	Market Rate Residential Square Footage	0	\$0	\$0	\$0
	Office Square Footage	355,000	\$2,307,500	\$571,550	\$646,100
Parcel D	Market Rate Residential Square Footage	76,800	\$658,944	\$0	\$0
	Office Square Footage	0	\$0	\$0	\$0
Parcel E	Market Rate Residential Square Footage	0	\$0	\$0	\$0
	Office Square Footage	141,000	\$916,500	\$227,010	\$256,620
Parcel H	Market Rate Residential Square Footage	96,000	\$823,680	\$0	\$0
	Office Square Footage	49,999	\$324,994	\$80,498	\$90,998

Planning Parcel	Expected Land Uses	Expected Square Footage	Expected Maximum Development Special Tax Revenues (FY 2019-20)*	Expected Maximum Office Special Tax Revenues (FY 2019-20)*	Expected Maximum Shoreline Special Tax Revenues (FY 2019-20)*
Parcel I	Market Rate Residential Square Footage	0	\$0	\$0	\$0
	Office Square Footage	152,000	\$988,000	\$244,720	\$276,640
Parcel J	Market Rate Residential Square Footage	0	\$0	\$0	\$0
	Office Square Footage	152,000	\$988,000	\$244,720	\$276,640
Parcel K	Market Rate Residential Square Footage	62,400	\$535,392	\$0	\$0
	Office Square Footage	49,999	\$324,994	\$80,498	\$90,998
<b>TOTAL EXPECTED REVENUES (FY2019-20)</b>			<b>\$13,904,280</b>	<b>\$2,575,611</b>	<b>\$2,705,932</b>

\*Beginning July, 2020 and each July 1 thereafter, the Base Development Special Tax, the Base Office Special Tax, and the Base Shoreline Special Tax shall be escalated as set forth in Section D.1.

EXHIBIT H

CFD and Assessment Matters

## Parcel Lease Exhibit H: CFD and Assessment Matters

All matters addressed in this Exhibit relate to the following actions (the “**CFD Actions**”), all of which the City undertook 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**”), approved by the Board of Supervisors pursuant to a resolution of formation (the “**Formation Resolution**”) to form the Special Tax District (as defined herein) to implement the Financing Plan in the DDA between the Master Developer and the Port (collectively, the “**CFD Provisions**”). Capitalized terms not otherwise defined hereinafter shall have the meaning set forth in the DDA (as such term is defined in the Parcel Lease). 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 CFD Actions included:

- (a) formation of a special tax district designated as “*City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services)*” (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 of special taxes for the Special Tax District (the “**Rate and Method**”), a copy of which is attached to the Formation Resolution, for the calculation and levy of (i) the Development Special Tax, the Shoreline Special Tax, and the Office Special Tax (as each term is defined in the Rate and Method and collectively referred to herein as the “**Facilities Special Taxes**”), and (ii) the Contingent Services Special Tax (as such term is defined in the Rate and Method and referred to herein as the “**Contingent Services Special Tax**” and together with the Facilities Special Taxes, 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 pursuant to California Government Code Section 53328.3;
- (e) authorization to issue bonds secured by one or more of the Facilities Special Taxes (“**Bonds**”);
- (f) authorization to use Bond proceeds and Facilities Special Taxes to finance the construction, completion, and acquisition of improvements described in the Formation Resolution (the “**CFD Improvements**”); and
- (g) following the Trigger Event (as defined in the Rate and Method), authorization to levy and use Contingent Services 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 Interest Subject to CFD Provisions. The Tenant acknowledges and agrees as follows.



(a) Its leasehold interest in the Premises will be 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 leasehold interest in the Premises were reduced or eliminated, coordination of CFD Improvements and Services 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 leasehold interest in the Premises;

iv. the authorization to issue, and the timing, amount, and structure of the issuance of, 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 Taxes 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 the Parcel Lease has on the date of execution of the Parcel 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 the Parcel Lease;
- ii. a review of documents that the person determined were reasonably necessary to obtain knowledge of the matters set forth in the Parcel 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 without 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:

(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 executed in connection with the issuance of municipal bonds relating to Related Property in projects in California.

6. Acknowledgment of the Special Tax Rates. The Rate and Method has been provided to the Tenant prior to the Effective Date of the Parcel Lease. The Tenant has read and, if deemed necessary, consulted with counsel, regarding the Rate and Method.

7. Issuance of Bonds. This Section will apply to the Special Tax District's issuance of each and every series 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 leasehold interest in 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 Premises;
- 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. customary 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. any 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. customary opinions of counsel for the Tenant requested by any of the Financing Participants, which may include any of the matters 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 with the consent of the Master Developer in accordance with the Financing Plan 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 leasehold interest in 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 leasehold interest in 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 the Parcel 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 customarily 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, (i) 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, and (ii) the assumption of any continuing disclosure agreement will be a condition precedent to the Effective Date of the Parcel 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 leasehold interest in 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. Intentionally Omitted.

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) Tenant may initiate a Reassessment to reduce a Baseline Assessed Value of the Premises, but may not initiate and waives any right to initiate, a Reassessment of the Subsequent 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:

- i. For each year during the period provided in clause (ii) below, 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.
- ii. 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 IFD Termination Date; and (B) when the Assessment Shortfall is reduced to zero.
- iii. Payment of the Assessment Shortfall will constitute a cure of any Event of Default with respect to any breach by "Tenant" of the covenant and waiver in Section 5.2(d)(i) (Tenant Waiver and Covenant) of the Parcel Lease.

#### 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 tenant of the entirety of the Premises and require each such tenant 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 tenants

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 the Parcel 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 hereto as Exhibit E and the Tenant shall execute and return to the Port a copy of the Notice of Special Tax within three business days after being provided a copy of the Notice of Special Tax.

(f) The covenants and provisions contained in this Exhibit remain in effect for the term of the Parcel Lease.

Attachment 1: Certain Representations of Tenant  
Exhibit G to Parcel Lease: Notice of Special Tax



**Attachment 1:**

**Certain Representations of Tenant**

None.

EXHIBIT I

Assessor Information

## PARCEL LEASE EXHIBIT I - ASSESSORS INFORMATION

### Overview of major events

- Pre-event information
- Assessable/actionable events for ASR
  - Initial land sale/transfer of title
  - Mapping
  - Tax certificates
  - Lien date new construction
  - Completed new construction
  - Final ownership changes/sales to users

### Pre-event information

- Project timeline of major events
- Points of contact for the project (City PM, developer, etc.)
- Physical boundaries and clear legal descriptions of what is being conveyed, built, sold, etc. in each phase of the project and at the time of map recordation
- Anticipated final land use for each phase of the project
- Current federal/state maps if available

*Advance notice and communication of updates at each step in the process*

### Event information

#### 1. Initial land sale / transfer of title

- a. Assessable: any recorded change in ownership or ground lease/changes to existing ground lease
- b. Information needed:
  - i. Deeds (transfer maps do not convey title for ASR purposes)
  - ii. Subdivision maps and how they correspond to recorded deeds
  - iii. Appraisal for transfers from government entities or non-arm's length transactions
- c. Timing: at the time of recording for a basis of calculating transfer tax

#### 2. Mapping

- a. Justification/Purpose: ASR needs this information to reserve new block and lot numbers for the project.
- b. Information needed:
  - i. Tentative maps that overlay future parcel changes and project phases (with current APNs and future reserved APNs)
  - ii. Federal/state maps if applicable
  - iii. Timeline of subdivision activity and how the current parcels will be divided/combined/adjusted in each phase of the subdivision
  - iv. Initial subdivision maps and what deeds they correspond to
- c. Timing:
  - i. Upon request to reserve APNs for new project

### 3. Tax certificates (Treasurer & Tax Collector's Office provides to ASR)

- a. Justification: ASR needs this information to (1) ensure that any outstanding changes in ownership have been recorded and any completed or anticipated new construction has been valued and (2) to generate a new assessed value for TTX to use for tax pre-payment purposes.
- b. Information needed:
  - i. Pre-final map
  - ii. TTX Form A and B (depending on how complicated the development is)
- c. Timing: whenever requested by the taxpayer, ASR has four weeks to review and determine new value

### 4. Lien date new construction

- a. Justification/Purpose: ASR needs this information to accurately assess the value of new construction in progress as of January 1<sup>st</sup> as required by the Revenue & Taxation Code.
- b. Information needed:
  - i. The date construction started and the estimated completion date. If construction was in progress on January 1<sup>st</sup>, the percentage of construction completed.
  - ii. A complete list of all the construction and/or demolition cost incurred as of this date, including direct and indirect costs and entrepreneurial profit. *(sample provided for reference)*
  - iii. Copies of any leases signed.
  - iv. A detailed description of all work to be completed or any changes to the work description.
  - v. A copy of the pro forma, feasibility study or appraisal used to support the building of this project.
  - vi. Copies of all application for building permits.
  - vii. Certified copy of the lender's disbursement of funds.
  - viii. Cost not funded by construction loan.
  - ix. Details on any current or anticipated efforts to sell the property, if applicable.
  - x. Any additional information, if not referenced above, that would influence the market value of the property.
  - xi. Name, mailing address, phone number and e-mail of person(s) to contact regarding additional questions and inspection of property.
- c. Timing:
  - i. By January 31<sup>st</sup> of each year the construction is in progress

### 5. Completed new construction

- a. Justification: ASR needs this information to accurately assess the value of completed new construction as of the date of completion as required by the Revenue & Taxation Code.
- b. Information needed:
  - i. All property types
    - 1. The date construction started and completion date.
    - 2. A detailed description of all work completed (attach referenced floor plans, etc.)
    - 3. Copies of all applications for building permits.
    - 4. A complete list of all construction costs (see form) including direct, indirect costs and anticipated or actual entrepreneurial profit.
    - 5. Detailed information on costs not funded by construction loans.
    - 6. A copy of the pro forma, feasibility study or appraisal used to support the building of this project.
    - 7. Details on any current or anticipated efforts to sell the property, if applicable.
    - 8. Copies of any leases signed or currently in negotiation. Please include asking rents for spaces not leased.
    - 9. A copy of the land lease or other document that indicates the value of the land, if applicable.
    - 10. Projected or actual income and expense statement and a schedule of asking rent, if applicable. For actual statements, please provide the source document.

11. Certified copy of the lender's disbursement of funds.
  12. Details on parking stall rents and any miscellaneous income.
  13. Any appraisal completed.
  14. Any additional information, if not referenced above, that would influence the market value of the property.
  15. Name, address, phone number and email of person to contact for questions/arrange for a site inspection.
- ii. Office
1. Rent roll showing net rentable areas by floor and area leased by each tenant; the type of lease (FSG, NNN or IG); the date and terms of each lease; the move in date; options to renew; escalation clauses; tax clauses; free rent or any lease concessions, landlord tenant improvement allowances.
  2. The gross and net rentable areas of the building.
  3. Projected or actual sales volume of the property.
  4. A copy of any existing operating agreements, if applicable.
  5. A copy of the feasibility study.
  6. A copy of the stacking plan, if applicable.
  7. XFactor or BOMA recalculation of square footage, if applicable.
  8. If the construction project includes a parking garage:
    - a. How will it be operated (i.e. leased to a second party for contract rent or net income to the owner)?
    - b. What is the anticipated number of spaces and vehicle capacity (with valet services if applicable)?
    - c. What will be the monthly fee for parking?
- iii. Retail
1. Rent roll showing net rentable areas by floor and area leased by each tenant; the type of lease (FSG, NNN or IG); the date and terms of each lease; the move in date; options to renew; escalation clauses; tax clauses; free rent or any lease concessions, landlord tenant improvement allowances.
  2. The gross and net rentable areas of the building.
  3. Details on parking stall rents and any miscellaneous income.
  4. Projected or actual sales volume of the property.
  5. A copy of the operating agreement signed with the mall owner, if applicable.
- iv. Apartments
1. Tenant Rent Roll for residential and commercial units that includes the unit number, unit type (number of beds/baths), number of rooms, market rate or BMR unit, occupancy, square footage, contract rental rate, date lease signed, market rental rate, other fees collected – parking, storage, pet. Overall parking spaces, any upgrades, floor and view premiums (if applicable). Please provide a rent roll as of the certificate of occupancy and/or when stabilized occupancy is achieved.
  2. A finish schedule.
  3. Total square footage of improvements allocated by use (residential, retail, common area, parking, etc.). Area (sq. ft.) of each floor including basement, mezzanine, penthouse, etc.
- v. Condos
1. The Parcel Split/Condo Conversion Questionnaire (*attached, Excel is strongly preferred.*)
  2. For any units retained by the developer (i.e. parking, storage, retail, etc.), please provide copies of any signed leases, details on any leases in negotiation or proposed, or a summary of asking rents. Include a tenant rent roll, projected or actual income and expense statements, and net rentable area of each retained unit.
  3. Condo map/plan (if applicable) – required for us to split a new condo project or condo conversion

vi. Hotel

1. A list of the number of hotel rooms, the average daily rates, and projected occupancy levels.
2. Percentage of guest segmentation.
3. A copy of the Management Agreement.
4. A copy of the Franchise Fee Agreement, specifically identifying the franchise fees and how they are determined.
5. Breakdown of real property and personal property.
6. Current or projected rent roll showing any net rentable areas of the building by floor and area leased by each retail tenant (if any); the type of lease (FSG, NNN, or IG); the date and terms of each lease, the move in date; options to renew, escalation clauses, tax clauses, free rent or any lease concessions, or landlord/tenant improvement allowances. If there are no leasable office or retail areas on the property, so state.

c. Timing: within 60 days upon completion of construction for each project phase

6. Final ownership changes/sales to users

a. Event: any recorded change in ownership or new lease/changes to existing lease

b. Information needed:

i. All property types

1. Information about the sale:
  - a. The purchase agreement and closing statement
  - b. Identify the broker or agent on the sale
  - c. Original list price
  - d. Days on market
2. Details and terms of financing the property.
3. Details on any anticipated deferred maintenance costs or capital expenditures anticipated by buyer at the time of the sale (i.e. renovations, major repairs, seismic retrofitting, and asbestos abatement) and a detailed schedule of when the work is to be completed.
4. If the purchase price was not considered market value for the property, an explanation of why.
5. Detailed anticipated income and expense operating statements of the new owner at time of purchase and/or acquisition and the prior two (2) years.
6. Copies of any leases or lease abstracts, amendments or renewals, including free rent and tenant improvement allowances agreed to.
7. Marketing materials and/or asking rents to lease vacant space as of the transfer date.
8. Any anticipated changes in use.

ii. Office

1. A copy of the Offering Memorandum distributed by selling agent.
2. Copies of any appraisal prepared for purchase financing.
3. The investor's pro-forma and market rent assumptions generated by Argus investment analysis or other format (Excel preferred).
4. A rent roll as of the change in ownership date showing; all tenants with corresponding suite numbers, suite sizes (sf), monthly or annual rent, date and terms of leases, scheduled rent escalations and any vacant rentable space (Excel format preferred).
5. Indicate if any lease expense agreements are other than full-service gross with a base year (FSG).
6. If vacancy is above 10%, provide historical vacancy or occupancy ratios (on an annual or bi-annual basis) over the previous three (3) years.
7. A detailed annual income and expense summary for the year of sale and the prior two (2) years. If historical income and operating statements were not provided by the seller, please substitute your operating budget as of the purchase date (Excel format preferred).

iii. Retail

1. Any cash flow analysis, pro forma worksheets or investment analysis in the acquisition of the property.
2. Any appraisal prepared for the acquisition or financing of the subject property.
3. Details on the financing involved for the purchase and/or acquisition of the subject property.
4. Current rent roll showing net rentable areas by floor and area leased by each tenant; the type of lease (FSG, NNN or IG); the date and terms of each lease; the move in date; options to renew; escalation clauses; tax clauses; free rent or any lease concessions, landlord tenant improvement allowances.
5. The gross and net rentable areas of the building.
6. At the time of transfer, indicate the amount of net rentable vacant space, identify its location within the building and indicate the asking rental rates.
7. The anticipated sales volume of the property.

iv. Apartments

1. Rent roll as of the change in ownership date, showing the list of all tenants with monthly rent and move-in date. For retail tenants, please provide copies of the lease(s), including any amendments or renewals (Excel format preferred).
2. The anticipated rental rates for any vacant units.
3. The anticipated operating income and expenses at the time of purchase/change in ownership. If available, provide the operating income and expenses statements for the two (2) years preceding change in ownership (Excel format preferred).
4. Details on any miscellaneous income (parking, laundry, storage, etc.)
5. A copy of any appraisal prepared for any purpose (financing, insurance, investment) within two (2) years of the event date.
6. A description of each unit; number of rooms, bedrooms, bathrooms, furnished or unfurnished.

v. Hotel

1. Any appraisal, pro forma or feasibility study made to assist in the acquisition of the subject property, or for any other purpose (i.e. insurance, investment, financing) prepared within two (2) years of the event date.
2. List of the number of hotel rooms, the average daily rates and occupancy levels as of the change in ownership date and for the previous two (2) years.
3. The guest segmentation, by percentage.
4. Detailed, historic income and expense statement for the two (2) years prior to the event date, and the budgeted or anticipated income and expense statement for the first year following the change in ownership date.
5. Copy of the Management Agreement.
6. Copy of the Franchise Agreement, specifically identifying the franchise fees and how they are determined.
7. Copy of the Smith Travel Report for the property, as of the same year as the change in ownership.
8. The current rent roll showing net rentable areas by floor and area leased by each retail tenant (if any); the type of lease (FSG, NNN or IG); the date and terms of each lease; the move in date; options to renew; escalation clauses; tax clauses; free rent or any lease concessions, landlord tenant improvement allowances. If there are no leasable areas of the property, so state.
9. Copy of the sale agreement with detailed itemizations of all real property and business personal property components included in the sale.

vi. Single Family Homes/Condos

1. No additional information needed, recorded deed is sufficient

c. Timing: within 60 days of a change to the fee owner of the property

## Attachments

1. In Progress and Completed New Construction Cost Report template
2. Parcel Split/Condo Conversion Questionnaire



**EXHIBIT J**

**Leasing Activity Report**

Parcel Lease Exhibit J

Form of Leasing Activity Report

**LEASING ACTIVITY REPORT**

Parcel: [   ]

Date: [   ]

This Leasing Activity Report is being delivered to Port pursuant to Section 9.3(a) of that certain Lease dated \_\_\_\_\_ by and between \_\_\_\_\_ ("Tenant") and the Port. Initially capitalized terms used herein are defined in the Lease.

Item	As of the Above-Listed Date
Total square footage available for Sublease at the Premises	
Total square footage of Subleased Space	
Number of Subtenants	
Average rental rate for Subleased Space (expressed as monthly rate of dollars per square foot of Subleased Space)	
Gross revenues from the Premises [Note: If gross revenues haven't been made available in other public forums, such as government filings, then Tenant is not required to disclose the same in this Leasing Activity Report and may write "N/A" in the column at right]	

The contents of this Leasing Activity Report were prepared by the undersigned, who, as an officer of the Tenant, certified that to the best of his/her knowledge this Leasing Activity Report is a true and correct copy. The undersigned has executed this Leasing Activity Report in his/her capacity as an officer of Tenant, and shall incur no personal liability in connection herewith.

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT K**

**Mitigation Monitoring and Reporting Program**

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
NOTE: Each mitigation measure in this document applies to the proposed project and all variants, unless noted otherwise.				
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility (Public Agency)	Monitoring Schedule
MITIGATION MEASURES FOR THE SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
<del>Cultural Resources, Archeological Resources, Mitigation Measures</del>				
<p><b>M-CP-2: Archeological Testing.</b> 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 sponsor shall retain the services of an archeological consultant from the rotational Qualified Archeological Consultants List (QACL) maintained by the Planning Department archeologist. The project sponsor shall contact the Planning 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 4 weeks. At the direction of the ERO, the suspension of construction can be extended beyond 4 weeks only if such a suspension is the only feasible means to reduce to a less-than-significant level of potential effects on a significant archeological resource, as defined in CEQA Guidelines, Sections 15064.5 (a) and (c).</p>	<p>Permittee for horizontal improvements, such as infrastructure, in public right-of-ways, and public spaces (hereinafter "infrastructure developer") or vertical developer(s) for work on vertical development parcels and related improvements (hereinafter "vertical developer(s)").<sup>1</sup> as applicable, to retain qualified professional archaeologist from the rotational pool of archaeological consultants maintained by the Planning</p>	<p>Prior to issuance of site permits.</p>	<p>Infrastructure developer or vertical developer, as applicable, to retain the qualified archeological consultant for the project who shall report to the ERO. Qualified archeological consultant will scope archeological testing program with ERO.</p>	<p>Considered complete when infrastructure developer or vertical developer(s), as applicable, retains a qualified professional archaeological consultant and archaeological consultant has approved scope by the ERO and submits any required reports to ERO for the archeological testing program.</p>

<sup>1</sup> Where applicable, "vertical developer" includes the Pier 48 developer.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
NOTE: Each mitigation measure in this document applies to the proposed project and all variants, unless noted otherwise.				
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility (Public Agency)	Monitoring Schedule
<i>Consultation with Descendant Communities:</i> On discovery of an archaeological site <sup>2</sup> associated with descendant Native Americans, the overseas Chinese, or other potentially interested descendant group, an appropriate representative <sup>3</sup> 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 offer recommendations to the ERO regarding appropriate archeological treatment of the site, recovered data from the site, and, if applicable, 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.	Infrastructure developer or vertical developer(s) (as applicable) and archaeological consultant.	For the duration of soil-disturbing activities and data recovery of potentially significant archeological sites.	Infrastructure developer or vertical developer(s) (as applicable) and/or archaeological consultant shall contact the ERO and descendant group representative upon discovery of an archaeological site associated with descendant Native Americans, Overseas Chinese, or interested descendant group. 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. Archaeological Consultant shall prepare a Final Archaeological Resources	Considered complete upon submittal of Final Archaeological Resources Report.

<sup>2</sup> The term "archeological site" is intended here to include any archeological deposit, feature, burial, or evidence of burial.

<sup>3</sup> An "appropriate representative" of the descendant group is here defined to mean, in the case of Native Americans, any individual listed in the current Native American contact list for the City and County of San Francisco maintained by the NAHC or, in the case of overseas Chinese, the Chinese Historical Society of America. An appropriate representative of other descendant groups should be determined in consultation with the department archeologist.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
NOTE: Each mitigation measure in this document applies to the proposed project and all variants, unless noted otherwise.				
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility (Public Agency)	Monitoring Schedule
			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.	
<i>Archeological Testing Program.</i> 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 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 identify and evaluate whether any archeological resource encountered on the site constitutes a historical resource under CEQA.	Infrastructure developer or vertical developer(s) (as applicable) and archeological consultant in consultation with the ERO. Development of ATP for a defined geographic area and/or specified construction activities.	Prior to any excavation, site preparation or construction, and prior to testing, submit an ATP for a defined geographic area and/or specified construction activities to and obtain approval by the ERO. A single ATP or multiple ATPs may be produced to address project phasing.	Archaeological consultant to undertake ATP in consultation with ERO.	Prior to any soil disturbing activities. Considered complete upon approval of the ATP by the ERO and finding by the ERO that the ATP is implemented.
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. No archeological data recovery shall be undertaken without the prior approval of the ERO or the Planning Department archeologist. 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 sponsor:	Infrastructure developer or vertical developer(s) (as applicable) and archeological consultant in consultation with the ERO.	Upon completion of the archeological testing program.	Archaeological consultant to submit results of testing, and, in consultation with ERO, determine whether additional measures are warranted. If significant archaeological resources are present and may be adversely affected, the infrastructure developer or vertical developer(s) (as applicable), at its discretion, may elect to redesign a project, or implement data	Considered complete after ERO review and approval of report(s) on ATP findings.

<b>MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT</b>				
<b>NOTE: Each mitigation measure in this document applies to the proposed project and all variants, unless noted otherwise.</b>				
<b>MEASURES ADOPTED AS CONDITIONS OF APPROVAL</b>	<b>Implementation Responsibility</b>	<b>Mitigation Schedule</b>	<b>Monitoring/Reporting Responsibility (Public Agency)</b>	<b>Monitoring Schedule</b>
			recovery program, unless ERO determines the archaeological resource is of greater interpretive than research significance and that interpretive use is feasible.	
<p>A. The proposed project shall be redesigned so as to avoid any adverse effect on the significant archaeological resource, or</p> <p>B. A data recovery program shall be implemented, unless the ERO determines that the archaeological resource is of greater interpretive than research significance and that interpretive use of the resource is feasible.</p>	Written report on ATP findings: Infrastructure developer or vertical developer(s) (as applicable) and archaeological consultant in consultation with the ERO.	At the completion of each archaeological testing program.	Archaeological consultant shall submit report of the findings of the ATP to the ERO.	After completion of archaeological testing program.
<p><i>Archaeological Monitoring Program.</i> If the ERO, in consultation with the archaeological consultant, determines that an archaeological monitoring program shall be implemented, the archaeological monitoring program shall include the following provisions:</p> <ul style="list-style-type: none"> <li>The archaeological consultant, project sponsor, and ERO shall meet and consult on the scope of the archaeological monitoring program reasonably prior to any project-related soil-disturbing activities commencing. The ERO, in consultation with the archaeological consultant, shall determine what project activities shall be archaeologically monitored. In most cases, any soil-disturbing activities, such as demolition, foundation removal, excavation, grading, utility installation, foundation work, pile driving (foundation, shoring, etc.), site remediation, etc., shall require archaeological monitoring because of the risk these activities pose to potential archaeological resources and their depositional context.</li> <li>The archaeological consultant shall advise all project contractors to be on the alert for evidence of the presence of the expected resource(s), know how to identify evidence of the expected resource(s), and know the appropriate protocol in the event of apparent discovery of an archaeological</li> </ul>	Infrastructure developer or vertical developer(s) (as applicable) and archaeological consultant in consultation with the ERO.	The archaeological consultant, infrastructure developer or vertical developer(s) (as applicable), and ERO shall meet prior to the commencement of soil-disturbing activities for a defined geographic area and/or specified construction activities. The ERO in consultation with the archaeological	If required, archaeological consultant to prepare the AMP in consultation with the ERO. Infrastructure developer or vertical developer(s) (as applicable), project archaeological consultant, and infrastructure developer(s) or vertical developer(s) contractors shall implement the AMP, if required by the ERO.	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.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
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<p>resource;</p> <ul style="list-style-type: none"> <li>The archeological monitor(s) shall be present on the project site according to the 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> <li>If an intact archeological deposit is encountered, all soil-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, the pile-driving activity shall be terminated 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.</li> <li>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.</li> </ul>		consultant shall determine what archeological monitoring is necessary. A single AMP or multiple AMPs may be produced to address project phasing.		
<p><i>Archeological Data Recovery Program.</i> The archeological data recovery program shall be conducted in accordance with an archeological data recovery plan (ADRP). The archeological consultant, project sponsor, 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</p>	Infrastructure developer or vertical developer(s) (as applicable) and archeological consultant in consultation with 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 upon review and approval of the ADRP(s) by the ERO.



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<p>address the applicable research questions. Data recovery, in general, should 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 any portions of the archeological resources if nondestructive methods are practical.</p> <p>The scope of the ADRP shall include the following elements:</p> <ul style="list-style-type: none"> <li>Field Methods and Procedures. Descriptions of proposed field strategies, procedures, and operations.</li> <li>Cataloging and Laboratory Analysis. Description of selected cataloging system and artifact analysis procedures.</li> <li>Discard and Deaccession Policy. Description of and rationale for field and post-field discard and deaccession policies.</li> <li>Interpretive Program. Consideration of an onsite/offsite public interpretive program during the course of the archeological data recovery program.</li> <li>Security Measures. Recommended security measures to protect the archeological resource from vandalism, looting, and nonintentionally damaging activities. Final Report. Description of proposed report format and distribution of results.</li> <li>Curation. 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><i>Final Archeological Resources Report.</i> The archeological consultant shall submit a Draft 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. A separate, brief, non-confidential summary of findings that can be made available to the public shall be submitted with each FARR.</p>	<p>Infrastructure developer or vertical developer(s) (as applicable) and archaeological consultant in consultation with the ERO.</p>	<p>For infrastructure developer-prior to acceptance of work. Prior to issuance of Certificate of Temporary or Final Occupancy, whichever occurs first.</p>	<p>If applicable, archaeological consultant to submit a Draft FARR to ERO.</p>	<p>Considered complete on submittal of FARR and approval by ERO.</p>

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Once approved by the ERO, copies of the FARR shall be distributed as follows: California Archeological Site Survey Northwest Information Center (NWIC) shall receive one copy, the ERO shall receive a copy of the transmittal of the FARR to the NWIC, and 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 public interest in or high interpretive value of the resource, the ERO may require a final report content, format, and distribution different from that presented above. --	Archaeological consultant at the direction of the ERO.	Upon approval of the FARR by the ERO.	Archaeological consultant to distribute FARR.	Considered complete when archaeological consultant provides written certification to the ERO that the required FARR distribution has been completed.
<b>M-CP-3: Treatment of Human Remains, Associated or Unassociated Funerary Objects.</b> The treatment of human remains and associated or unassociated funerary objects discovered during any soil-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 Native American Heritage Commission (NAHC), which shall appoint a Most Likely Descendant (MLD) (PRC Section 5097.98). The ERO will also be immediately notified. The archaeological consultant, project sponsor, ERO, and MLD shall have up to but not beyond 6 days after the discovery to make all reasonable efforts to develop an agreement for the treatment of human remains and associated or unassociated funerary objects with appropriate dignity (CEQA Guidelines, Section 15064.5(d)). The agreement should take into consideration the appropriate excavation, removal, recordation, analysis, custodianship, curation, and final disposition of the human remains and associated or unassociated funerary objects. Nothing in existing state regulations or in this mitigation measure compels the project sponsor and the ERO to accept recommendations of an MLD. The archaeological 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 archaeological consultant and the ERO.	Infrastructure developer or vertical developer(s) (as applicable) and archaeological consultant, in consultation with the San Francisco Coroner, NAHC, ERO, and MLD.	In the event human remains and/or funerary objects are encountered during soils disturbing activity.	Archaeological consultant or archaeological monitor or infrastructure developer or vertical developer(s) or contractor to contact San Francisco County Coroner and ERO Implement regulatory requirements, if applicable, regarding discovery of Native American human remains and associated and/or unassociated funerary objects. Contact archaeological consultant and ERO.	Considered complete on notification of the San Francisco County Coroner, ERO, and NAHC, if necessary, and completion of treatment agreement and/or analysis.

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<p><b>M-CP-4: Tribal Cultural Resources Interpretive Program.</b></p> <p>If the ERO determines that a significant archeological resource is present, and if in consultation with the affiliated Native American tribal representatives, the ERO determines that the resource constitutes a tribal cultural resource (TCR) and that the resource could be adversely affected by the proposed project, the proposed project shall be redesigned so as to avoid any adverse effect on the significant tribal cultural resource, if feasible.</p> <p>If the Environmental Review Officer (ERO) determines that preservation-in-place of the tribal cultural resource (TCR) pursuant to Mitigation Measure M-CP-2, Archeological Testing, is both feasible and effective, then the archeological consultant shall prepare an archeological resource preservation plan (ARPP). Implementation of the approved ARPP by the archeological consultant shall be required when feasible.</p> <p>If the Environmental Review Officer (ERO), if in consultation with the affiliated Native American tribal representatives and the Project Sponsor, determines that preservation-in-place of the tribal cultural resources is not a sufficient or feasible option, the project sponsor shall implement an interpretive program of the TCR in consultation with affiliated tribal representatives. An interpretive plan produced in consultation with the ERO and affiliated tribal representatives, at a minimum, and approved by the ERO would be required to guide the interpretive program. The plan shall identify, as appropriate, proposed locations for installations or displays, the proposed content and materials of those displays or installation, the producers or artists of the displays or installation, and a long-term maintenance program. The interpretive program may include artist installations, preferably by local Native American artists, oral histories with local Native Americans, artifacts displays and interpretation, and educational panels or other informational displays.</p>	<p>Infrastructure developer or vertical developer(s) (as applicable), archaeological consultant, and ERO, in consultation with the affiliated Native American tribal representatives.</p>	<p>If significant archeological resources are present, during implementation of the project.</p>	<p>Infrastructure developer, vertical developer(s), or archaeological consultant shall implement the project redesign, completion of archeological resource preservation plan, or interpretive program of the TCR, if required.</p>	<p>Considered complete upon project redesign, completion of ARPP, or interpretive program of the TCR, if required.</p>
<b>Transportation and Circulation Mitigation Measures</b>				
<p><b>M-TR-3: Parking Garage and Intersection Queue Impacts.</b></p> <p>The easternmost driveway on Lung Bridge Street (i.e., closest to Bridgeview Street) shall be restricted to right-in, right-out access during all times. Restricted access could be accomplished by placing signage (i.e., on Lung Bridge Street to direct westbound traffic to the westernmost garage driveway, and within the parking garage for exiting traffic to indicate outbound right</p>	<p>Infrastructure developer, garage operator, or vertical developer(s) of garage.</p>	<p>Prior to issuance of certificate of occupancy of Block D2 parking garage. Note: Mitigation</p>	<p>SFMTA, in consultation with the Planning Department and the Port, to review and sign off on detailed plans regarding driveways to ensure design will</p>	<p>Considered complete upon approval of the final driveway plans by SFMTA.</p>

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turn movement only allowed) as well as delineators of a sufficient length in the middle of Long Bridge Street to block left-turn access to the driveway.		Measure M-TR-3 is not applicable to Variant 3 (Reconfigured Parking).	sufficiently restrict movements at driveway to right-in, right-out.	Planning Department, and the Port.
<p><b>M-TR-4.1: Provide Fair-Share Contribution to Improve 10 Townsend Line Capacity.</b></p> <p>Upon completion and occupancy of Phase 1 of the proposed project and upon completion and occupancy of each subsequent phase as defined in the Development Agreement the project sponsor shall obtain from SFMTA the current ridership on the 10 Townsend and conduct an assessment of the capacity utilization at the screenline's Maximum Load Point (MLP) for weekday AM and PM peak hour conditions.</p> <p>If the capacity utilization exceeds 85 percent, a fair share contribution payment shall be made to SFMTA by the project sponsor, calculated as further provided in a Transit Mitigation Agreement described below, and attached to or incorporated into the Development Agreement. Such payment shall be adjusted, as appropriate, to the extent, if any, that the proposed project reflects either the High Residential Assumption or High Commercial Assumption based upon all phases of the proposed project that have been completed up to such date. Accordingly, the fair share contributions by phase may differ by scenario because the number of transit riders varies due to different mixes of land use.</p> <p>If the capacity utilization based on SFMTA's ridership data is less than 85 percent, then the project sponsor's fair share payment for that phase shall be \$0 and the process will repeat at the next subsequent phase. Each subsequent fair share calculation shall take account of amounts paid for prior phases, to ensure that payments are not duplicative for the same transit rider impacts.</p> <p>The project sponsor shall enter into a Transit Mitigation Agreement with the SFMTA pursuant to which the project sponsor will make a fair share contribution to the cost of providing additional bus service or otherwise improving service on the 10 Townsend. The fair share contribution as documented in the Transportation Impact Study for the proposed project shall not exceed the following amounts, in total across all phases:</p> <p>a. \$991,230 for High Commercial Assumption</p>	Infrastructure developer and/or vertical developer(s), Transportation Coordinator, and SFMTA.	Prior to issuance of certificate of occupancy of Phase 1 of the proposed project, enter into Transit Mitigation Agreement. Upon issuance of a certificate of occupancy for each phase of development as defined in the Development Agreement, SFMTA to provide ridership data and assess capacity utilization and, if capacity utilization exceeds 85 percent, the infrastructure developer/vertical developer(s) would pay fair share contribution fees as specified in this measure, which would be used by	Infrastructure developer and/or vertical developer(s) and Transportation Coordinator to obtain current ridership on the 10 Townsend from SFMTA and conduct an assessment of the capacity utilization associated with the project, as described in the measure. If the capacity utilization of the 10 Townsend line at its maximum load point exceeds 85 percent as measured at the completion of any individual project phase, and the SFMTA has committed to implement M-TR-4.1, the infrastructure developer shall provide a fair share contribution subject to the limits stated in M-TR-4.1 to capital costs for SFMTA to implement one of the designated capacity enhancement measures.	Considered complete upon execution of Transit Mitigation Agreement and payment of fair share contribution as described in this M-TR-4.1 for any phase of development for which such contribution is determined to be necessary.

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<p>b. \$782,706 for High Residential Assumption</p> <p>SFMTA will determine whether adding bus(es) or other measures are more desirable to increase capacity along the route and will use the funds provided by the project sponsor to implement the most desirable measure(s), which may include but is not limited to the following measures:</p> <ol style="list-style-type: none"> <li>1. Convert to using higher-capacity vehicles on the 10 Townsend route. In this case, the project sponsor's fair share contribution may be utilized 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 be extended by removing one or more parking spaces at locations where appropriate space is available.</li> <li>2. Instead of adding more buses to a congested route, increase travel speeds along the route which would allow for buses to move faster thus increasing efficiency and reliability. In this case, the project sponsor's fair share contribution may 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 enough to increase capacity along the bus route. Such improvements could include transit only lanes, transit signal priority, and transit boarding improvements.</li> <li>3. Increase capacity along the corridor by adding a new Muni service route in this area. If this option is selected, the project sponsor's fair share contribution may fund the purchase of the new vehicles.</li> </ol>		SFMTA to increase capacity.		
<p><b>M-TR-4.2: Provide Fair-Share Contribution to Improve 30 Stockton Line Capacity Proposed Project.</b></p> <p>Upon completion and occupancy of Phase 1 of the proposed project and upon completion and occupancy of each subsequent phase as defined in the Development Agreement, the project sponsor shall obtain from SFMTA the current ridership on the 30 Stockton and conduct an assessment of the capacity utilization at the Maximum Load Point (MLP) on the route between the proposed project and Market Street for weekday PM peak hour conditions.</p> <p>If the capacity utilization exceeds 85 percent, a fair share contribution payment shall be made by the project sponsor, calculated as further provided in Transit Mitigation Agreement described below, and attached to or incorporated into the Development Agreement. Such payment shall be</p>	Infrastructure developer and/or vertical developer(s), or Transportation Coordinator, and SFMTA.	Prior to issuance of certificate of occupancy of Phase 1 of the proposed project, enter into Transit Mitigation Agreement. Upon issuance of a certificate of occupancy for each phase of development as	Infrastructure developer or Transportation Coordinator to obtain current ridership on the 30 Stockton from SFMTA and conduct an assessment of the capacity utilization associated with the project, as described in the measure. If the capacity utilization of the 30 Stockton line at its maximum load point exceeds 85 percent as measured at	Considered complete upon execution and implementation of Transit Mitigation Agreements and payment of fair share contribution as described in this M-TR-4.2 for any phase for which

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<p>adjusted, as appropriate, to the extent, if any, that the proposed project reflects either the High Commercial Assumption or the High Residential Assumption, the latter of which does not require any fair share contribution. The fair share contributions differ by scenario because the number of transit riders varies due to different mixes of land use.</p> <p>If the capacity utilization based on SFMTA's ridership data is less than 85 percent, then the project sponsor's fair share payment for that phase shall be \$0 and the process will repeat at the next subsequent phase. Each subsequent fair share calculation shall take account of amounts paid for prior phases, to ensure that payments are not duplicative for the same transit rider impacts.</p> <p>The project applicant shall enter into a Transit Mitigation Agreement with the SFMTA pursuant to which the project applicant will make a fair share contribution to the cost of providing additional bus service or otherwise improving service on the 30 Stockton. The fair share contribution as documented in the Transportation Impact Study for the proposed project shall not exceed the following amounts, in total across all phases:</p> <p>a. \$417,691 for High Commercial Assumption b. \$0 for High Residential Assumption</p> <p>SFMTA will determine whether adding bus(es) or other measures are more desirable to increase capacity along the route and will use the funds provided by the project sponsor to implement the most desirable measure(s), which may include but is not limited to the following measures:</p> <ol style="list-style-type: none"> <li>1. Convert to using higher-capacity vehicles on the 30 Stockton route. In this case, the project sponsors fair share contribution may be utilized 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 be extended by removing one or more parking spaces at locations where appropriate space is available.</li> <li>2. Instead of adding more buses to a congested route, increase travel speeds along the route which would allow for buses to move faster thus increasing efficiency and reliability. In this case, the project sponsor's fair share contribution may 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 enough to increase capacity along the</li> </ol>		<p>defined in the Development Agreement, SFMTA to provide ridership data and assess capacity utilization and, if capacity utilization exceeds 85 percent, the infrastructure developer/vertical developer(s) would pay fair share contribution fees as specified in this measure, which would be used by SFMTA to increase capacity.</p>	<p>the completion of any individual project phase, and the SFMTA has committed to implement M-TR-4.2, the infrastructure developer shall provide the fair share contribution subject to the limits stated in M-TR-4.2 to capital costs for SFMTA to implement one of the designated capacity enhancement measures.</p>	<p>such contribution is determined to be necessary.</p>

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bus route. Such improvements could include transit only lanes, transit signal priority, and transit boarding improvements. 3. Increase capacity along the corridor by adding a new Muni service route in this area. If this option is selected, the project sponsor's fair share contribution may fund the purchase of the new vehicles.				
<b>M-TR-6: Parking Garage and Intersection Queue Impacts on Transit Delay</b> A. The westernmost driveway on Mission Rock Street (i.e., closest to Third Street) shall be restricted to right-in, right-out access and closed during large AT&T Park events. Restricted access could be accomplished by placing signage as well as delineators of a sufficient length on the center line on Mission Rock Street to east of Third Street to block left-turn access to the driveway.	Infrastructure developer and/or garage operator SFMTA, Planning Department, Transportation Coordinator, onsite transportation staff, parking garage management staff, event staff.	Prior to certificate of occupancy for Block D garage.	SFMTA, in consultation with the Planning Department and the Port, to review and sign off on detailed plans regarding driveways to ensure design will sufficiently restrict movements at driveway to right-in, right-out.	Infrastructure developer's/garage operator's obligations deemed complete once construction of listed improvements are complete.
B. A "keep clear" zone shall be provided in front of the easternmost driveway on Mission Rock Street (i.e., closest to Bridgeview Street) to prevent westbound queues at the Third Street/Mission Rock traffic signal from blocking inbound access to the driveway. The Keep Clear pavement markings shall be placed in the westbound lane immediately in front of the easternmost driveway for the Block D2 parking garage.	Infrastructure developer and/or garage operator SFMTA, Planning Department, Transportation Coordinator, onsite transportation staff, parking garage management staff, event staff.	Prior to the opening of the Block D2 garage.	SFMTA, in consultation with the Planning Department and the Port, to review and sign off on detailed plan regarding the easternmost driveway keep clear zone.	Infrastructure developer's/garage operator's obligations deemed complete once construction of listed improvements are complete.
C. The southbound left-turn lane at the Third Street/Mission Rock Street intersection shall be restriped to extend the length of the left-turn lane to 350 feet. Advance traffic signal detection equipment shall be installed at the end of the newly striped left-turn pocket to detect when queues fill up the left-turn pocket and extend north to the end of the pocket near the Third Street/Channel Street intersection, allowing additional green time to be allocated to the southbound left-turn movement at the Third Street/Mission Rock Street traffic signal.	Infrastructure developer and/or garage operator SFMTA, Planning Department, Transportation Coordinator, onsite transportation staff, parking garage	Prior to certificate of occupancy for Block D garage; sequencing and selection of interventions outlined within Item C shall be at the direction of the	SFMTA, in consultation with the Planning Department and the Port, to review and sign off on detailed plans regarding extension of the left-turn pocket on Third Street/Mission Rock Street.	Infrastructure developer's/garage operator's obligations deemed complete once construction of listed improvements are complete.

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	management staff, event staff.	SFMTA. In the case that the SFMTA identifies any of these intervention as technically challenging, infeasible, or undesirable because of resultant operational issues, other interventions must be selected.		
D. Wayfinding signs including Static and Variable Message Signs will be installed to provide directions to the parking garages and to provide traffic alerts, messages, and alternate driving routes for drivers traveling to the Block D2 aboveground garage, to destinations in the vicinity, or through the area. Four High Visibility Static Signs will be installed, three on the approaches to the Third Street/Mission Rock Street intersections (for southbound, eastbound and northbound directions) and one for northbound drivers on Terry A. Francois Boulevard, south of Mission Rock Street. One permanent Variable Message Sign shall be installed for southbound drivers on Third Street, between King Street and Berry Street.	Infrastructure developer and/or garage operator SFMTA, Planning Department, Transportation Coordinator, onsite transportation staff, parking garage management staff, event staff.	Prior to certificate of occupancy for Block D garage.	SFMTA, in consultation with the Planning Department and the Port, to review and sign off on detailed plans regarding wayfinding signs including Static and Variable Message Signs.	Infrastructure developer's/ garage operator's obligations deemed complete once construction of listed improvements is complete.
E. The project sponsor shall enter into an Event Mitigation Agreement with the SFMTA that provides for Parking Control Officers (PCOs) to manage traffic within the project site adjacent to the proposed project's parking garages and on Exposition Street (between Third Street and the Shared Public Way) during all AT&T Park events and on-site events with 15,000 or more attendees.	Infrastructure developer and/or garage operator, SFMTA, Planning Department, Transportation Coordinator, onsite transportation staff, parking garage management staff.	Enter into Event Mitigation Agreement prior opening of the Block D2 parking garage. Prior to commencement of construction on the site, and on-going	Infrastructure developer and/or garage operator to enter in Event Management Agreement with SFMTA, who should provide for implementation of all of these items, as well as closure of the westernmost driveway during AT&T events per Item A.	Considered complete upon Infrastructure developer and SFMTA entering into Event Mitigation Agreement.



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	event staff.	through the life of project.		
F. The site's transportation coordinator shall be a member of the Mission Bay Ballpark Transportation Coordination Committee and provide notification prior to the start of any on-site event that would overlap with an event at AT&T Park or the Warriors arena.	Infrastructure developer and/or garage operator SFMTA, Planning Department, Transportation Coordinator, onsite transportation staff, parking garage management staff, event staff.	Enter into Event Mitigation Agreement prior opening of the Block D2 parking garage. With commencement of construction, and on-going through life of the project.	Infrastructure developer and/or garage operator to enter into Event Management Agreement with SFMTA, who should provide for implementation of all of these items, as well as closure of the westernmost driveway during AT&T events per Item A.	Upon infrastructure developer and SFMTA entering into Event Mitigation Agreement and ongoing during project operations.
G. Traffic destined for the proposed project's parking garages will be monitored by the owner/operator during all AT&T Park events and on-site events with 15,000 or more attendees, and periodically during weekday a.m. and p.m. peak hours, to ensure that garage access queues do not affect operations of the T Third transit line. Action will be taken by the Mission Rock Transportation Coordinator, onsite transportation staff, parking garage management staff, event staff, and/or PCOs assigned to event traffic management to implement real-time traffic management strategies (i.e., alternative traffic routing, temporal parking pricing, enhanced garage driveway controls, etc.) to reduce vehicle garage access queues so they do not affect operations of the T Third line.	Infrastructure developer and/or garage operator SFMTA, Planning Department, Transportation Coordinator, onsite transportation staff, parking garage management staff, event staff.	Enter into Event Mitigation Agreement prior opening of the Block D2 parking garage. With commencement of construction, and on-going through life of the project; the weekday (non-event) AM and PM peak-hour monitoring shall be conducted quarterly on a Tuesday, Wednesday, or Thursday of a	Infrastructure developer and/or garage operator to enter into Event Management Agreement with SFMTA, who should provide for implementation of all of these items, as well as closure of the westernmost driveway during AT&T events per Item A.	Upon Infrastructure developer and SFMTA entering into Event Mitigation Agreement and ongoing during project operations.

<b>MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT</b>				
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		non-holiday week.		
<p>11. If the SFMTA Director, or his or her designee, receives information that a recurring queue that could affect the operation of the T Third line is imminent or present, SFMTA shall notify the property owner in writing. Upon request, the owner/operator shall hire a qualified transportation consultant to evaluate the conditions at the site for no less than 7 days. The consultant shall prepare a monitoring report to be submitted to SFMTA for review. If SFMTA determines that a recurring queue does exist, the facility owner/operator shall have 45 days from the date of the written determination to abate the excessive recurring queue. Approaches to queue abatement could include but are not limited to: changing parking access and revenue collection system (PARCS) technology to process vehicles more rapidly; adjusting the layout of the garage's ground floor to accommodate more queuing vehicles within the garage; implementing peak-period surge pricing to encourage garage access and egress outside of times with recurrent excessive queues; installing additional variable message signage further upstream from the site to direct drivers to garage access routes away from affected intersections; and/or closing, limiting or controlling Mission Rock Street access from Third Street during times with excessive recurrent queuing and redirecting garage-bound traffic to Terry A. Francois Boulevard.</p>	<p>Infrastructure developer and/or garage operator vertical, SFMTA, Planning Department, Transportation Coordinator, onsite transportation staff, parking garage management staff, event staff.</p>	<p>As may be requested during operations, per written notification by SFMTA. With commencement of operation of the Block D2 garage and on-going through the life of the project. If analysis is requested, the analysis shall be conducted during a period that is representative of standard traffic patterns, e.g. on week that does not contain a holiday, is not during winter break, or off-season, etc. The analysis period chosen by the infrastructure developer/garage operator and consultants must be approved by the SFMTA.</p>	<p>SFMTA.</p>	<p>Ongoing during project operations after opening of Block D2 garage.</p>

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<p><b>M-TR-9: Install Traffic Signals and Related Intersection Improvements at Unsignalized Intersections on Fourth Street at Mission Rock Street and Long Bridge Street.</b></p> <p>Prior to issuance of approval of the third building site permit, but in no event later than the site permit for the Block D2 parking garage, the project sponsor shall provide funding to SFMTA, for a maximum amount of \$1 million for SFMTA to design and construct (1) a traffic signal at the intersection of Fourth Street/Long Bridge Street and (2) a traffic signal at the intersection of Fourth Street/Mission Rock Street. These improvements should be constructed by SFMTA prior to opening of the Block D2 parking garage.</p>	Infrastructure developer. SFMTA.	Payment to SFMTA: Prior to issuance of approval of the third building site permit, but in no event later than the site permit for the Block D2 parking garage. Installation of traffic signals: Prior to opening of the Block D2 parking garage.	SFMTA.	Infrastructure developer's obligations deemed complete once payment is made. SFMTA's obligations deemed complete once traffic signals are constructed.
<p><b>M-TR-10: Bicycle-Truck Interface at Pier 48.</b></p> <p>The project shall construct a highly visible crossing treatment across the driveway as well as bollards and detectable warning pavers that satisfy ADA requirements at the Pier 48 driveway's beginning and end locations along the Blue Greenway path to warn cyclists and pedestrians of the upcoming driveway crossing.</p>	Pier 48 developer.	Prior to occupancy of Pier 48.	Planning Department will monitor.	Considered complete when crossing treatment is constructed.
<p>The project shall provide a traffic control staff at the junction of the Blue Greenway and the driveway to the Pier 48 valley during deliveries to manage bicycle and truck traffic. A flagger shall be provided to manage bicycle and pedestrian travel along the Blue Greenway at the Pier 48 valley driveway whenever trucks back into Pier 48.</p>	Pier 48 developer.	During deliveries.	Pier 48 developer to document arrangement for traffic control staff to manage traffic during deliveries. Planning Department to review documentation.	Ongoing during deliveries.

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<p><b>M-TR-11.1: Commercial Loading Supply – Monitor Loading Activity and Implement Additional Loading Management Strategies as Needed.</b></p> <p>After completion of the first phase of the proposed project and prior to approval of each subsequent phase, the project sponsor shall conduct a study of utilization of commercial loading spaces. The methodology for the study shall be reviewed and approved by the Planning Department prior to completion. 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 sponsor shall implement additional loading management strategies and/or provide additional or expanded off-street loading supply sufficient to meet the loading demand in subsequent phases of the project in either the garages or in off-street parking in individual buildings, consistent with the proposed project's design intent. Additional loading strategies could include (but are not limited to): expanding efforts to coordinate with parcel delivery companies to schedule deliveries to the site during hours outside the peak hour of loading, installing parcel lock boxes that allow parcel delivery personnel unsupervised access to enable off-hour deliveries, coordinating delivery services across buildings to enable the delivery of several buildings' packages to a single location, and/or encouraging deliveries to the retail and restaurant components of the projects to happen during early morning or late evening hours. The project sponsor may also address a shortfall by reserving parking spaces for smaller delivery vehicles such as autos or vans, which comprise approximately two-thirds of the vehicle types for freight delivery service, on the ground floor of the Block D2 garage during peak or appropriate business hours for small-vehicle deliveries and, in connection therewith, providing hand trucks, bicycles, or electric wheeled carts for distribution of packages to buildings throughout the site.</p> <p>If plans for individual buildings include a driveway to off-street loading or parking (maximum 10 off-street spaces) along a frontage that has a designated on-street loading zone, an equivalent amount or level of off-street loading space shall be provided to effectively replace the lost on-street loading area.</p>	<p>Infrastructure developer, vertical developer(s) or garage operators (as applicable).</p>	<p>Study completion: after completion of the first phase of the proposed project and prior to approval of each subsequent phase. If additional loading management strategies ongoing in subsequent phases are needed: after completion of each phase for which additional strategies are applicable.</p>	<p>Planning Department, in consultation with the SFMTA, will review and approve methodology of utilization study. Infrastructure developer, vertical developer(s), and garage operators (as applicable) will provide report to Planning Department on implementation of additional loading management strategies, if required.</p>	<p>Considered complete for each phase after Planning Department staff reviews and approves the study, in consultation with the SFMTA, and, if deemed necessary, the infrastructure developer, vertical developer(s), and garage operators (as applicable) incorporate provides a report of how it incorporated any additional management strategies for loading into each applicable phase.</p>

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<p><b>M-TR-11.2: Coordinate Deliveries and Tenant Moving Activities.</b> The project's transportation coordinator and in-building concierges shall coordinate with building tenants and delivery services to minimize deliveries and moving activities during peak periods, and endeavor to spread deliveries across the full day and moving activities to time periods after regular working hours, thereby reducing activity during the peak hour for loading. Although many deliveries cannot be limited to specific hours, the transportation coordinator and in-building concierges shall work with tenants to find opportunities to consolidate deliveries and reduce the need for peak-period deliveries, wherever possible.</p>	Project Transportation Coordinator and vertical developer(s).	Ongoing.	Planning Department will monitor.	On-going during project operations.
<p><b>M-C-TR-4: Provide Fair-Share Contribution to Improve 10 Townsend Line Capacity Proposed Project.</b> Upon completion and occupancy of Phase 1 and upon completion and occupancy of each subsequent phase of the proposed project as defined in the Disposition and Development Agreement, the project sponsor shall fund a transit capacity study to be reviewed and approved by the SFMTA. The project sponsor shall obtain from SFMTA the current ridership on the 10 Townsend and conduct an assessment of the capacity utilization at the screenline's Maximum Load Point (MLP) for weekday AM and PM peak hour conditions. If the capacity utilization exceeds 85 percent, a fair share payment shall be made to SFMTA by the project sponsor, calculated as further provided in a Transit Mitigation Agreement. Such payment shall be calculated in light of the project's progress towards one or the other of the development scenario (i.e. High Commercial or High Residential) as reflected by all phases of the project that have been completed up to such date. The fair share contributions by phase differ by scenario because the number of transit riders varies due to different mixes of land use. If the capacity utilization based on SFMTA's ridership data is less than 85 percent, then the project sponsor's fair share payment for that phase shall be \$0 and the process will repeat at the next subsequent phase. Each subsequent fair share calculation shall take account of amounts paid for prior phases, to ensure that payments are not duplicative for the same transit rider impacts.</p>	Infrastructure developer and/or vertical developer(s), Transportation Coordinator, and SFMTA.	Prior to issuance of certificate of occupancy of Phase 1 of the proposed project, enter into Transit Mitigation Agreement. Upon issuance of a certificate of occupancy for each phase of development as defined in the Development Agreement, SFMTA to provide ridership data and assess capacity utilization and, if capacity utilization exceeds 85 percent, the infrastructure developer/vertical developer(s) would pay fair share contribution fees as	Infrastructure developer and/or vertical developer(s) and Transportation Coordinator to obtain current ridership on the 10 Townsend from SFMTA and conduct an assessment of the capacity utilization associated with the project as described in the measure. If the capacity utilization of the 10 Townsend line at its maximum load point exceeds 85 percent as measured at the completion of any individual project phase, and the SFMTA has committed to implement M-C-TR-4, the infrastructure developers shall provide the fair share contribution subject to the limits stated in M-C-TR-3 to capital costs for SFMTA to implement one of the designated capacity enhancement measures.	Considered complete upon execution of Transit Mitigation Agreement for each phase of development, for which this measure is determined to be necessary.

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<p>The project sponsor shall enter into a Transit Mitigation Agreement with the SFMTA under which the agreement shall provide for the project sponsor to make a fair share contribution to the cost of providing additional bus service or improving service on the 10 Townsend by paying a fee. The fair share contribution as documented in the Transportation Impact Study from the proposed project shall not exceed the following amounts, in total across all phases:</p> <p>a. \$391,179 for High Commercial</p> <p>b. \$324,595 for High Residential</p> <p>SFMTA may determine that other measures to increase capacity along the route would be more desirable than adding buses and may use the funds provided by the project sponsor to implement these other measures, which include but are not limited to the following measures:</p> <ol style="list-style-type: none"> <li>1. Convert to using higher-capacity vehicles on the 10 Townsend route. In this case, the project sponsor's fair share contribution may be utilized 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 be extended by removing one or more parking spaces at locations where appropriate space is available.</li> <li>2. Instead of adding more buses to a congested route, it would be more desirable to increase travel speeds along the route which would allow for buses to move faster thus increasing efficiency and reliability. In this case, the project sponsor's fair share contribution may 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 enough to increase capacity along the bus route. Such improvements could include transit only lanes, transit signal priority, and transit boarding improvements.</li> <li>3. Another option to increase capacity along the corridor is to add a new Muni service route in this area. If this option is selected, the project sponsor's fair share contribution may fund the purchase of the new vehicles.</li> </ol>		specified in this measure, which would be used by SFMTA to increase capacity.		

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<i>Noise and Vibration Mitigation Measures</i>				
<p><b>M-NOI-1: Prepare and Implement a Construction Noise Control Plan to Reduce Construction Noise at Noise-Sensitive Land Uses.</b></p> <p>The project sponsor shall develop a noise control plan that requires the following:</p> <ul style="list-style-type: none"> <li>Construction contractors shall specify noise-reducing construction practices that will be employed to reduce construction noise from construction activities. The measures specified by the project sponsor shall be reviewed and approved by the City prior to the issuance of building permits. Measures that can be used to limit noise include, but are not limited to, those listed below. <ul style="list-style-type: none"> <li>Locate construction equipment as far as feasible from noise-sensitive uses.</li> <li>Require that all construction equipment powered by gasoline or diesel engines have sound control devices that are at least as effective as those originally provided by the manufacturer and that all equipment be operated and maintained to minimize noise generation.</li> <li>Idling of inactive construction equipment for prolonged periods shall be prohibited (i.e., more than 5 minutes).</li> <li>Prohibit gasoline or diesel engines from having unmuffled exhaust systems.</li> <li>Use noise-reducing enclosures around noise-generating equipment that has the potential to disturb nearby land uses.</li> <li>Ensure that equipment and trucks used for project construction utilize the best available noise control techniques (e.g., improved mufflers, equipment redesign, intake silencers, ducts, engine enclosures, acoustically attenuating shields or shrouds) wherever feasible.</li> <li>Monitor the effectiveness of noise attenuation measures by taking noise measurements. A plan for noise monitoring shall be provided to the City for review prior to the commencement of each construction phase.</li> </ul> </li> </ul>	Infrastructure developer and/or vertical developer(s) (as applicable).	Prior to the issuance of building permits; implementation ongoing during construction.	Infrastructure developer or vertical developer(s) (as applicable) to submit the Construction Noise Control Plan to the Port's Building Permit Group. <sup>4</sup> A single Noise Control Plan or multiple Noise Control Plans may be produced to address project phasing.	Considered complete upon submittal of the Construction Noise Control Plan to the Port's Building Permit Group.

<sup>4</sup> The Port may designate another agency, such as the Planning Department, to carry out monitoring and reporting, and any reference to Port responsibilities includes such designated agencies.

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<ul style="list-style-type: none"> <li>Impact tools (e.g., jack hammers, pavement breakers, rock drills) used for project construction shall be "quiet" gasoline-powered compressors or electrically powered compressors, and electric rather than gasoline- or diesel-powered engines shall be used to avoid noise associated with compressed air exhaust from pneumatically powered tools. However, where the use of pneumatic tools is unavoidable, an exhaust muffler on the compressed air exhaust shall be used; this muffler can lower noise levels from the exhaust by up to about 10 dBA. External jackets on the tools themselves shall be used; which could achieve a reduction of 5 dBA. Quieter equipment shall be used when feasible, such as drills rather than impact equipment.</li> <li>Construction contractors shall be required to use "quiet" gasoline-powered compressors or electrically powered compressors and electric rather than gasoline- or diesel-powered forklifts for small lifting.</li> <li>Stationary noise sources, such as temporary generators, shall be located as far from nearby receptors as possible; they shall be muffled and enclosed within temporary enclosures and shielded by barriers, which could reduce construction noise by as much as 5 dB, or other measures, to the extent feasible.</li> </ul>				
<ul style="list-style-type: none"> <li>Prior to the issuance of the building permit, along with the submission of construction documents, the project sponsor shall submit to the Planning Department and Department of Building Inspection a list of measures for responding to and tracking complaints pertaining to construction noise. These measures shall include: <ul style="list-style-type: none"> <li>Identification of measures that will be implemented to control construction noise.</li> <li>A procedure and phone numbers for notifying the Department of Building Inspection, the Department of Public Health, or the Police Department of complaints (during regular construction hours and off hours).</li> <li>A sign posted onsite describing noise complaint procedures and a complaint hotline number that shall be answered at all times during construction.</li> <li>Designation of an onsite construction complaint and enforcement manager for the project.</li> </ul> </li> </ul>	Infrastructure developer and/or vertical developer(s) (as applicable).	Prior to the issuance of each building permit for duration of the project.	Infrastructure developer and/or vertical developer(s) (as applicable) to submit a list of measures for handling noise complaints to the Planning Department and Department of Building Inspection.	Considered complete upon review and approval of the complaint tracking measures by the Planning Department and Department of Building Inspection.



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<ul style="list-style-type: none"> <li>A plan for notification of neighboring residents and nonresidential building managers within 300 feet of the project construction area at least 30 days in advance of extreme noise-generating activities (defined as activities that generate noise levels of 90 dBA or greater) about the estimated duration of the activity and the associated control measures that will be implemented to reduce noise levels.</li> </ul>				
<p><b>Mitigation Measure M-NOI-2.1: Noise Control Plan for Special Outdoor Amplified Sound.</b></p> <p>To reduce potential impacts related to noise generated by events in project outdoor use areas, the project sponsor 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 sponsor shall comply with noise controls and restrictions in applicable entertainment permit requirements for outdoor concerts, and shall comply with the Port of San Francisco's "Good Neighbor" standards, unless the Port Commission makes a specific finding that a particular condition is unnecessary or infeasible.</li> <li>Speaker systems shall be directed away from the nearest sensitive receptors to the degree feasible.</li> <li>In order to limit or prevent sleep disturbance, events with amplified sound shall, to the extent reasonable and appropriate given the nature and context of the event, end at 10:00 p.m.</li> </ul>	Infrastructure developer and/or park manager, the Port, parks management entity and/or parks programming entity.	Prior to the issuance of event permit.	Infrastructure developer and/or park manager, the Port, parks management entity and/or parks programming entity to submit the Noise Control Plan to the Port.	Considered complete upon submission and approval of the Noise Control Plan by the Port, although the Noise Control Plan may be adjusted as needed.
<p><b>Mitigation Measure M-NOI-2.2: Stationary Equipment Noise Controls.</b></p> <p>Noise attenuation measures shall be incorporated into all stationary equipment (including HVAC equipment and emergency generators) installed on all buildings that include such stationary equipment as necessary to meet noise limits specified in Section 2909 of the Police Code. Interior 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 residential uses, and restriction of generator testing to the daytime hours.</p>	Vertical developer(s).	Prior to the issuance of certificate of occupancy for each building located on the site.	The Port's Building Permit Group to review construction plans regarding noise attenuation measures for stationary equipment.	Considered complete after submittal and approval of plans including noise attenuation measures by the Port's Building Permit Group.

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<p><b>Mitigation Measure M-NOI-2.3: Design of Future Noise-Sensitive Uses.</b> Prior to issuance of a building permit for a residential building on Mission Rock Boulevard between Terry A. Francois Boulevard and Third Street, a noise study shall be conducted by a qualified acoustician to 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 the projected increase in traffic noise as a result of project traffic along Mission Rock Boulevard between Terry A. Francois Boulevard and Third Street and 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>	Vertical developer(s) and qualified acoustician.	Prior to the issuance of the building permit for vertical construction of any residential building on each parcel on Mission Rock Boulevard between Terry A. Francois Boulevard and Third Street.	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.
<p><b>Mitigation Measure M-NOI-2.4: Design of Future Noise-Generating Uses near Residential Uses.</b> Future land uses shall be designed to minimize the potential for sleep disturbance (defined as exceeding 45 dBA at residential interiors during the hours of 10 p.m. to 7 a.m.) at any future adjacent residential uses. Design approaches including, but not limited to, the following shall 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>• Design of Future Noise-Generating Uses. To reduce potential conflicts between sensitive receptors and new noise-generating land 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 (e.g., residences). If this is not feasible, these types of facilities shall be enclosed or equipped with appropriate noise shielding.</li> <li>• Design of Future Above-Ground Parking Structure on Block D2. For parking garage on Block D2, 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>	Garage developer (for Block D2 garage) and vertical developer(s) (for commercial/office buildings).	Prior to the issuance of a building permit for each commercial/office building, and prior to issuance of building permit for Block D2 parking garage.	The Port's Building Permit Group to review construction plans to confirm that future noise-generating land uses meet the requirements of this Measure M-NOI-2.4.	Considered complete after submittal and approval of construction plans by the Port's Building Permit Group.

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<p><b>M-NOI-3.1: Pile-Driving Control Measures – Annoyance.</b></p> <p>To reduce impacts associated with pile driving, a set of site-specific vibration attenuation measures shall be implemented under the supervision of a qualified acoustical consultant during the project construction period. These attenuation measures shall include as feasible, in consideration of technical and structural requirements and conditions, the following control strategy, as well as any other effective strategies to the extent necessary to achieve a PPV vibration level at neighboring properties of less than the strongly perceptible level of 0.10 in/sec.</p> <p>The project sponsor shall require the construction contractor to limit pile-driving activity so that the PPV vibration level at neighboring uses is less than 0.10 in/sec to the extent it is practical and necessary, and, to the extent it is practical, implement "quiet" pile-driving technology, such as predrilling piles, using sonic pile drivers, or using more than one pile driver to shorten the total duration of pile driving.</p>	Infrastructure developer and/or vertical developer(s) (as applicable), qualified acoustical consultant.	Prior to issuance of building permit for each proposed building.	Infrastructure developer or vertical developer(s) (as applicable) to submit the Construction Noise Control Plan (detailed in M-NOI-1) to the Port's Building Permit Group documenting site-specific vibration attenuation measures. A single Noise Control Plan or multiple Noise Control Plans may be produced to address project phasing.	Considered complete upon submittal and approval of the Construction Noise Control Plan (including vibration attenuation measures) to the Port's Building Permit Group.
<p><b>M-NOI-3.2: Pile-Driving Vibration Control Measures – Damage.</b></p> <p>To reduce the potential for damage to Pier 48, the following measures shall be implemented:</p> <ul style="list-style-type: none"> <li>The Port of San Francisco shall be notified in writing prior to construction activity that construction may occur within 100 feet of the Pier 48 buildings.</li> <li>The project sponsor shall retain a structural engineer, an architectural historian, and a licensed historical architect (hereafter referred to as the building evaluation team) to evaluate potentially affected buildings and determine their susceptibility to damage. The structural engineer shall evaluate the building structure. The architectural historian and licensed historical architect shall evaluate architectural elements. This building evaluation team shall then establish building-specific vibration thresholds that will (a) identify the level of vibration affected historic buildings will tolerate so as to preclude structural damage to the building of a nature that would result in material damage to any historic features of the buildings, and (b) identify the level of vibration at which cosmetic damage may begin to occur to buildings.</li> <li>The building evaluation team shall inventory and document existing cracks in paint, plaster, concrete, and other building elements.</li> </ul>	Infrastructure developer and/or vertical developer(s) (as applicable), building evaluation team.	Prior to construction activities adjacent to Pier 48.	Infrastructure developer or vertical developer(s) (as applicable) to submit proposed building-specific vibration thresholds with input from structural engineer, architectural historian, and historic architect; an inventory of the condition of Pier 48; a vibration monitoring plan; and results of the inspection following construction activities to the Port's Building Permit Group for review and approval.	Considered complete upon submittal and approval of documentation incorporating identified measures by the Port's Building Permit Group.

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<ul style="list-style-type: none"> <li>The building evaluation team shall develop a ground-borne vibration monitoring plan that will include monitoring vibration at the buildings of concern to determine if the established thresholds are exceeded.</li> <li>The project sponsor shall retain a qualified acoustical consultant or engineering firm to implement the vibration monitoring plan at Pier 48. As part of the monitoring plan, the consultant shall conduct regular periodic inspections for cosmetic damage to each building within 160 feet of planned ground-disturbing activity on the project site.</li> <li>Should vibration levels be observed in excess of the cosmetic damage threshold or cosmetic damage be observed below that level, the driving of piles within 100 feet of the Pier 48 structure (or within the impact distance determined by the study of building-specific vibration thresholds, per second bullet above, whichever distance is shorter) shall be halted until measures are implemented to prevent cosmetic damage to the extent feasible. These measures include use of alternative construction techniques, including, but not limited to, use of pre-drilled piles if soil conditions allow, use of smaller, lighter equipment, using vibratory hammers in place of impact hammers, and using pile cushioning or equipping the impact hammer with wooden cushion blocks to increase the period of time over which the energy from the driver is imparted to the pile. Should cosmetic damage to a building occur as a result of ground-disturbing activity on the site notwithstanding the use of alternative construction techniques, the building(s) shall be remediated to its pre-construction condition at the conclusion of ground-disturbing activity on the site.</li> <li>Should vibration levels be observed that reach the threshold designed to protect historic buildings from material damage to historic features, pile-driving within impact distances of the Pier 48 building, as determined by the building evaluation team, shall be halted and a structural bracing program or other appropriate protective measures for the potentially affected buildings shall be designed by the building evaluation team and implemented by the project sponsor. The structural bracing program or other protective measures shall be designed to prevent damage to the potentially affected buildings that could materially impair their historic resource status consistent with CEQA Guidelines Section 15064.5(b)(2).</li> </ul>				

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<p>In addition, the structural bracing program shall be consistent with the proposed rehabilitation of the Pier 48 buildings and meet the Secretary of the Interior's Standards for Rehabilitation.</p> <p>Following completion of construction, the project sponsor shall conduct a second inspection to inventory changes in existing cracks and new cracks or damage, if any, that occurred as a result of pile driving. If new damage is found, then the project sponsor shall promptly arrange to have the damage repaired in accordance with recommendations made by the building evaluation team.</p>				
<b>Air Quality Mitigation Measures</b>				
<p><b>Mitigation Measure M-AQ-1.1: Off-Road Construction Equipment Emissions Minimization.</b></p> <p>The project sponsor shall require all construction contractors to implement the following measures to reduce construction emissions.</p> <p><b>A. Engine Requirements</b></p> <ol style="list-style-type: none"> <li>1. All off-road equipment greater than 25 horsepower and operating for more than 20 total hours over the entire duration of construction activities shall have engines that meet or exceed either USEPA or ARB Tier 4 Interim off-road emissions standards. Tier 4 final equipment, which may be largely available in the Bay Area, may be used to comply with this requirement (since Tier 4 final engines must comply with a stricter standard than Tier 4 interim engines, Tier 4 final engines meet Tier 4 interim standards and thus comply with this requirement).</li> <li>2. Where access to alternative sources of power are available, portable diesel engines shall be prohibited.</li> <li>3. Diesel engines, whether for off-road or on-road equipment, shall not be left idling for more than 2 minutes at any location, except as provided in exceptions to the applicable state regulations regarding idling for off-road and on-road equipment (e.g., traffic conditions, safe operating conditions). The contractor shall post legible and visible signs in English, Spanish, and Chinese in designated queuing areas and at the construction site to remind operators of the 2-minute idling limit.</li> </ol>	Infrastructure developer and/or vertical developer(s) (as applicable).	<p>Prepare and Implement Construction Emissions Minimization Plan: Prior to issuance of grading, excavation, or demolition permits and ongoing during demolition and construction activities.</p> <p>Quarterly Monitoring Reports: Quarterly after start of construction activities.</p> <p>Final Construction Report: After completion of construction activities but prior to receiving a final certificate of occupancy.</p>	<p>Infrastructure developer and/or vertical developer(s) (as applicable) or contractor to submit a Construction Emissions Minimization Plan to Port staff for review and approval.</p> <p>Quarterly reports to be submitted to Port staff documenting compliance with the plan for review and approval.</p> <p>Final Construction Report to be submitted to Port staff for review and approval.</p>	<p>Considered complete upon Port review and approval of Construction Emissions Minimization Plan, ongoing review and approval of quarterly reports, and review and approval of final construction report.</p>

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT													
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<p>4. The contractor shall instruct construction workers and equipment operators regarding the maintenance and tuning of construction equipment and require that such workers and operators properly maintain and tune equipment in accordance with manufacturers' specifications.</p> <p>B. Waivers</p> <p>1. The Planning Department's Environmental Review Officer (ERO) or designee may waive the requirement for an alternative source of power from Subsection (A)(2) if an alternative source of power is limited or infeasible at the project site. If the ERO grants the waiver, the contractor must submit documentation that the equipment used for onsite power generation meets the requirements of Subsection (A)(1).</p> <p>2. The ERO may waive the equipment requirements of Subsection (A)(1) if use of a particular piece of off-road equipment with a Tier 4 interim-compliant engine is not feasible or reasonable, the equipment would not produce the desired emissions reductions because of the expected operating modes, installation of the equipment would create a safety hazard or impair visibility for the operator, or there is a compelling emergency that requires use of off-road equipment that is not Tier 4 interim-compliant. If seeking an exception, the project sponsor shall demonstrate to the ERO's satisfaction that the resulting construction emissions would not exceed the health risk thresholds of significance for cancer risk and PM<sub>2.5</sub> concentrations with respect to sensitive receptors, as identified within the EIR under Impact AQ-4. If the ERO grants the waiver, the contractor must use the next-cleanest piece of available off-road equipment, according to the table below.</p> <p>3. Off-road Equipment Compliance Step-down Schedule</p> <table border="1"> <thead> <tr> <th>Compliance Alternative</th> <th>Engine Emissions Standard</th> <th>Emissions Control</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Tier 3</td> <td>ARB Level 2 VDECS</td> </tr> <tr> <td>2</td> <td>Tier 2</td> <td>Alternative Fuel*</td> </tr> </tbody> </table> <p>VDECS = Verified Diesel Emissions Control Strategies * Alternative fuels are not a VDECS.</p>	Compliance Alternative	Engine Emissions Standard	Emissions Control	1	Tier 3	ARB Level 2 VDECS	2	Tier 2	Alternative Fuel*				
Compliance Alternative	Engine Emissions Standard	Emissions Control											
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<b>MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT</b> <b>NOTE: Each mitigation measure in this document applies to the proposed project and all variants, unless noted otherwise.</b>				
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<p>4. How to use the table: If the ERO determines that the equipment requirements cannot be met, then the project sponsor must attempt to meet Compliance Alternative 1. If the ERO determines that the contractor cannot supply off-road equipment that meets Compliance Alternative 1, then the contractor must meet Compliance Alternative 2.</p> <p>C. Construction Emissions Minimization Plan</p> <p>Before starting onsite construction activities, the contractor shall submit a Construction Emissions Minimization Plan to the ERO for review and approval. The plan shall state, in reasonable detail, how the contractor shall meet the requirements of Section A.</p> <ol style="list-style-type: none"> <li>1. The plan shall include estimates of the construction timeline by phase, with a description of each piece of off-road equipment required for every construction phase. The description may include, as such information is available, but is 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 VDECS installed, the description may include technology type, serial number, make, model, manufacturer, ARB verification number level, and installation date and hour meter reading on installation date. For off-road equipment using alternative fuels, the description shall also specify the type of alternative fuel being used. Renewable diesel shall be considered an alternative fuel if it can be demonstrated to the Planning Department or the City's air quality specialists that it is compatible with tiered engines and that emissions of ROG and NOx from the transport of fuel to the project site will not offset its NOx reduction potential.</li> <li>2. The project sponsor shall ensure that all applicable requirements of the plan have been incorporated into the contract specifications. The plan shall include a certification statement, stating that the contractor agrees to comply fully with the plan.</li> <li>3. The contractor shall make the plan available to the public for review onsite during working hours. The contractor shall post at the construction site a legible and visible sign summarizing the plan. The sign shall also state that the public may ask to inspect the plan for the project at any time during working hours and explain how to request</li> </ol>				

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<p>to inspect the plan. The contractor shall post at least one copy of the sign in a visible location on each side of the construction site facing a public right of way.</p> <p>D. Monitoring</p> <p>After start of construction activities, the contractor shall submit quarterly reports to the ERO, documenting compliance with the plan. After completion of construction activities but prior to receiving a final certificate of occupancy, the project sponsor shall submit to the ERO a final report, summarizing construction activities, including the start and end dates, the duration of each construction phase, and the specific information required in the plan.</p>				
<p><b>Mitigation Measure M-AQ-1.2: On-Road Material Delivery and Haul Trucks Construction Emissions Minimization.</b></p> <p>The project sponsor shall require all construction contractors to implement the following measures to reduce construction haul truck emissions.</p> <p>A. Engine Requirements</p> <p>1. The project sponsor shall also ensure that all on-road heavy-duty diesel trucks with a gross vehicle weight rating of 19,500 pounds or greater used at the project site (such as haul trucks, water trucks, dump trucks, and concrete trucks) be model year 2010 or newer.</p> <p>B. Construction Emissions Minimization Plan</p> <p>As part of the <i>Construction Emissions Minimization Plan</i> identified above for Mitigation Measure M-AQ-1.1 Section C, the contractor shall state, in reasonable detail, how the contractor shall meet the requirements of Section A.</p> <p>1. The plan shall include estimates of the construction timeline by phase, with a description of how the on-road haul truck fleet required for every construction phase will comply with the engine requirements stated above. The plan shall also include expected fuel usage (or miles traveled) and hours of operation for the on-road haul truck fleet. For on-road trucks using alternative fuels, the description shall also specify the type of alternative fuel being used. Renewable diesel shall be considered as an alternative fuel if it can be demonstrated to the Planning Department or the City's air quality specialists that it is compatible with on-road truck engines and that emissions of ROG and NOx from transport of fuel to the project site will not offset its NOx reduction potential.</p>	Infrastructure developer and/or vertical developer(s) (as applicable).	Prepare and Implement Construction Emissions Minimization Plan including engine requirements: Prior to issuance of a grading, excavation, or demolition permits and ongoing during demolition and construction activities. Quarterly Monitoring Reports: Quarterly after start of construction activities. Final Construction Report: After completion of construction	Infrastructure developer and/or vertical developer(s) (as applicable) or contractor to submit a Construction Emissions Minimization Plan including engine requirements to Port staff for review and approval. Quarterly reports to be submitted to Port staff documenting compliance with the plan for review and approval. Final Construction Report to be submitted to Port staff for review and approval.	Considered complete upon Port review and approval of Construction Emissions Minimization Plan, ongoing review and approval of quarterly reports, and review and approval of final construction report.



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<p>a. See Mitigation Measure M-AQ-1.1 Section C, Part 2. b. See Mitigation Measure M-AQ-1.1 Section C, Part 3. C. Monitoring See Mitigation Measure M-AQ-1.1 Section D.</p>		activities but prior to receiving a final certificate of occupancy.		
<p><b>Mitigation Measure M-AQ-1.3: Low-VOC Architectural Coatings.</b> The project sponsor shall use low-VOC (i.e., ROG) coatings, beyond local requirements (i.e., Regulation 8, Rule 3: Architectural Coatings), for at least 90 percent of all residential and nonresidential interior and exterior paints. This includes all architectural coatings applied during both construction and reapplications throughout the project's operational lifetime. At least 90 percent of coatings applied must meet the "super-compliant" VOC standard of less than 10 grams of VOC per liter of paint. After start of construction activities, the contractor shall submit quarterly reports to the ERO documenting compliance with this measure by providing an inventory listing the VOC content of all coatings purchased and applied during construction activities. For the reapplication of coatings during the project's operational lifetime, the Declaration of Covenants, Conditions, and Restrictions shall also contain a stipulation that low-VOC coatings must be used and a list of potential coatings shall be provided. A list of "super-compliant" coatings can be found on the South Coast Air Quality Management District's website: <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>.</p>	Vertical developer(s).	At the start of construction activities and quarterly during construction and the project's operational lifetime.	Vertical developer(s) to submit initial report and quarterly reports to the Port's Building Permit Group documenting compliance for review and approval.	Ongoing throughout construction and operation.
<p><b>Mitigation Measure M-AQ-1.4: Best Available Control Technology for In-Water Construction Equipment.</b> The project sponsor shall require all construction contractors to implement the following measures to reduce emissions from in-water equipment. A. Engine Requirements 1. The project sponsor shall ensure that the construction barge shall have engines that meet or exceed USEPA marine engine Tier 3 emissions standards. 2. The project sponsor shall also ensure that the construction work boat engine shall be model year 2005 or newer or meet NOx and PM emissions standards for that model year.</p>	Pier 48 developer.	Prepare and Implement Construction Emissions Minimization Plan including barge and work boat engine requirements; Prior to issuance of a grading, excavation, or demolition permits	Pier 48 developer or contractor to submit a Construction Emissions Minimization Plan including barge and work boat engine requirements to Port staff for review and approval. Quarterly reports to be submitted to Port staff documenting compliance with the plan for review and approval.	Considered complete upon Port review and approval of Construction Emissions Minimization Plan, ongoing review and approval of quarterly reports, and review and

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<p><b>B. Construction Emissions Minimization Plan</b> As part of the <i>Construction Emissions Minimization Plan</i> identified above for Mitigation Measure M-AQ-1.1 Section C, the contractor shall state, in reasonable detail, how the contractor shall meet the requirements of Section A.</p> <p>1. The plan shall include estimates of the construction timeline by phase, with a description of how each in-water equipment piece (e.g. barge engines, work boats) required for every construction phase will comply with the engine requirements stated above. The plan shall also include expected fuel usage and hours of operation for in-water equipment. For in-water equipment using alternative fuels, the description shall also specify the type of alternative fuel being used. Renewable diesel shall be considered as an alternative fuel if it can be demonstrated to the Planning Department or the City's air quality specialists that it is compatible with tiered engines and that emissions of ROG and NOx from transport of fuel to the project site will not offset its NOx reduction potential.</p> <p>a. See Mitigation Measure M-AQ-1.1 Section C, Part 2. b. See Mitigation Measure M-AQ-1.1 Section C, Part 3.</p> <p><b>C. Monitoring</b> See Mitigation Measure M-AQ-1.1 Section D.</p>		<p>and ongoing during demolition and construction activities.</p> <p>Quarterly Monitoring Reports: Quarterly after start of construction activities.</p> <p>Final Construction Report: After completion of construction activities but prior to receiving a final certificate of occupancy.</p>	<p>Final Construction Report to be submitted to Port staff for review and approval.</p>	<p>approval of final construction report.</p>
<p><b>Mitigation Measure M-AQ-1.5: Emissions Offsets for Construction and Operational Ozone Precursor Emissions.</b> Prior to the estimated first year of exceedance, the project sponsor, with oversight of the Planning Department, shall elect to either:</p> <p>1. Directly implement a specific offset project or program to achieve emission reductions of up to 9.6 tons of ozone precursors to offset the combined emissions from construction and operations remaining above significance levels after implementation of identified mitigation measures. To qualify under this mitigation measure, the specific emissions reduction project must result in emissions reductions within the SFBAAB that are real, surplus, quantifiable, and enforceable and would not otherwise be achieved through compliance with existing regulatory requirements or any other legal requirement. Prior to implementation of the offset project, the project sponsor must obtain the</p>	<p>Infrastructure developer.</p>	<p>Implement a specific offset project or program: Prior to the estimated first year of exceedance and notify the Port within 6 months of completion of the offset project.</p> <p>Mitigation Fee: Installment for each development block to be paid</p>	<p>Implementation of specific offset project or program: Port approval of proposed offset program. Port verification of successful completion of offset program.</p> <p>Mitigation Fee: Infrastructure developer, BAAQMD, and Port to determine fee. BAAQMD and infrastructure developer to develop and implement MOU.</p>	<p>Implementation of specific offset project or program: Complete upon Port's verification of successful completion of offset program.</p> <p>Mitigation Fee: Complete for each block upon payment of fee</p>

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<p>Planning Department's approval of the proposed offset project by providing documentation of the estimated amount of emissions of ROG and NOx to be reduced (tons per year) within the SFBAAB from the emissions reduction project(s). The project sponsor shall notify the Planning Department within 6 months of completion of the offset project for Planning Department verification.</p> <p>2. Pay a mitigation offset fee to the BAAQMD Bay Area Clean Air Foundation (Foundation) in installments, as further described below, with each installment amount to be determined prior to the estimated first year of exceedance. This fee is intended to fund emissions reduction projects to achieve reductions totaling up to 10.5 tons of ozone precursors per year, the estimated maximum tonnage of operational and construction-related emissions offsets required to reduce emissions below significance levels after implementation of other identified mitigation measures. This total emissions offset amount was calculated by summing the maximum daily construction and operational emissions of ROG and NOx (pounds/day), multiplying by 260 work days per year for construction and 365 days per year for operation, and converting to tons. The amount represents the total estimated operational and construction-related ROG and NOx emissions offsets required.</p> <p>The fee shall be paid in up to 12 installments, each installment payable at the time of application for a site permit for each development block, representing the portion of the 10.5 tons of ozone precursors per year attributable to each building, as follows: (a) Blocks A, G, and K: 6.6% or 0.70 tons per each development block; (b) Pier 48: 18.6% or 1.95 tons; (c) Blocks B, C, and D: 9% or 0.95 tons per each development block; (d) Blocks E and F: 10.3% or 1.08 tons per each development block; and (e) Blocks H, I, and J: 4.6% or 0.49 tons per each development block. The mitigation offset fee, currently estimated at approximately \$18,262 per weighted ton, shall not exceed \$35,000 per weighted ton of ozone precursors plus an administrative fee of no more than 5 percent of the total offset to fund one or more emissions reduction projects within the SFBAAB. The not to exceed amount of \$35,000 will be adjusted to reflect annual California Consumer Price Index adjustments between 2017 and the estimated first year of exceedance. Documentation of payment shall be provided to the Planning Department.</p>		with site permit application for each block, if no specific project or program is identified. Enter into MOU with BAAQMD Foundation and pay offset fee in installments for each development block.		installment outlined in the MOU.

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Unless directly implementing a specific offset project (or program) as described above, the project sponsor would enter into a Memorandum of Understanding (MOU) with the BAAQMD Foundation in connection with each installment payment described above. The MOU will include details regarding the funds to be paid, the administrative fee, and the timing of the emissions reductions project. Acceptance of this fee by the BAAQMD shall serve as acknowledgment and a commitment to (1) implement an emissions reduction project(s) within a time frame to be determined, based on the type of project(s) selected, after receipt of the mitigation fee to achieve the emissions reduction objectives specified above and (2) provide documentation to the Planning Department and the project sponsor describing the project(s) funded by the mitigation fee, including the amount of emissions of ROG and NOx reduced (tons per year) within the SFBAAB from the emissions reduction project(s). To qualify under this mitigation measure, the specific emissions reduction project must result in emission reductions within the SFBAAB that are real, surplus, quantifiable, and enforceable and would not otherwise be achieved through compliance with existing regulatory requirements or any other legal requirement.				
<b>Mitigation Measure M-AQ-2.1: Best Available Control Technology for Operational Diesel Generators.</b> The project sponsor shall ensure that the operational backup diesel generators comply with the following: (1) ARB Airborne Toxic Control Measure (ATCM) emissions standards for model year 2008 or newer engines; and (2) meet or exceed one of the following emission standards for particulate matter: (A) Tier 4 interim certified engine or (B) Tier 2 or Tier 3 certified engine that is equipped with an ARB Level 3 VDECS. A nonverified diesel emissions control strategy may be used if the filter has the same particulate matter reduction as the identical ARB-verified model and BAAQMD approves of its use. The project sponsor shall submit documentation of compliance with the BAAQMD NSR permitting process (Regulation 2, Rule 2, and Regulation 2, Rule 5) and the emissions standard requirement of this measure to the Planning Department for review and approval prior to issuance of a permit for a backup diesel generator from any City agency.	Vertical developer(s).	Prior to issuance of permit for each backup diesel generator from BAAQMD.	Vertical developer(s) shall submit documentation of compliance to the Port for review and approval.	Considered complete upon review and approval of documentation by Port staff.

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<p><b>Mitigation Measure M-AQ-2.2: Reactive Organic Gases Emissions Reduction Measures.</b></p> <p>To reduce ROG emissions associated with the project, the project sponsor shall provide education for residential and commercial tenants to help reduce area source (e.g., architectural coatings, consumer products, and landscaping) emissions associated with residential and building operations. Prior to receipt of any building permit and every 5 years thereafter, the project sponsor shall work with the San Francisco Department of Environment to develop electronic correspondence, which will be distributed by email annually to tenants of the project that encourages the purchase of consumer products that are better for the environment and generate fewer VOC emissions. The correspondence shall encourage environmentally preferable purchasing and include contact information and links to SF APPROVED. While microbreweries do not typically implement emission control devices, to further reduce ROG (primarily ethanol) emissions associated with Pier 48 industrial operations, the project sponsor shall implement technologies to reduce ethanol emissions if available and practicable. Such measures could include wet scrubbers, ethanol recovery and capture (e.g., carbon absorption) or incineration. At the time when specific designs for the Pier 48 use are submitted to the City for approval, the project sponsor shall provide an analysis that quantifies the emissions, based on the specific design proposal, and evaluates ROG emission control technologies.</p>	Vertical developer(s).	Prior to issuance of any building permit and every 5 years thereafter.	Vertical developer(s) to work with the San Francisco Department of Environment to develop materials. San Francisco Department of the Environment to review and approve materials.	Considered complete after documentation provided to the Department of Environment of distribution of educational materials to residential and commercial tenants.
<p><b>Mitigation Measure M-AQ-2.3: Transportation Demand Management.</b></p> <p>The project sponsors shall prepare and implement a Transportation Demand Management (TDM) Plan. The TDM Plan shall have a goal of reducing estimated aggregate daily one-way vehicle trips by 20 percent compared to the aggregate daily one-way vehicle trips identified in the project's travel demand memo, prepared by Aduvant Consulting, dated June 30, 2015 ("Travel Demand Memo"), and attached as Appendix 4-4 to the Draft EIR. The project sponsors shall be responsible for monitoring implementation of the TDM Plan and proposing adjustments to the TDM Plan if its goal is not being achieved, in accordance with the following provisions.</p> <p>The TDM Plan may include, but is not limited to, the types of measures summarized below by way of example. TDM Plan measures shall generally be consistent with the City's adopted TDM Program Standards and the draft</p>	Transportation Coordinator and/or infrastructure developer to prepare the TDM Plan, which will be implemented by the Transportation Coordinator and will be binding on all development parcels.	Transportation Coordinator and/or Infrastructure developer to prepare TDM Plan and submit to Planning Department staff prior to approval of the project.	Transportation Coordinator to submit the TDM Plan to Planning Department staff for review and approval. Transportation Coordinator to submit monitoring report annually to Planning Department staff and implement TDM Plan Adjustments (if required).	The TDM Plan is considered complete upon approval by the Planning Department staff, in consultation with the SFMTA. Annual monitoring reports would be on-going during project buildout.

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<p>proposed TDM Plan prepared by Nelson Nygaard, dated September 2016, and attached as Appendix 4-5 to the Draft EIR. The TDM Plan describes the scope and applicability of candidate measures in detail, and may include, for example:</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 wayfinding signage, transportation information displays, and tailored transportation marketing services;</li> <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 describe each measure, including the degree of implementation (e.g., how long will it be in place, how many tenants or visitors it will benefit, on which locations within the site it will be placed, etc.) and the population that each measure is intended to serve (e.g., residential tenants, retail visitors, employees of tenants, visitors). The TDM Plan shall commit to monitoring vehicle trips to and from the project site to determine the TDM Plan's effectiveness, as required by TDM Plan Monitoring and Reporting outlined below.</p> <p>The TDM Plan shall have been approved by the Planning Department prior to site permit application for the first building and the TDM Plan shall be implemented as to each new building upon the issuance of the certificate of occupancy for that building.</p>				<p>or until five consecutive reporting periods show that the fully-built project has met its reduction goals, at which point reports would be submitted every three years.</p>

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<p>The TDM Plan shall remain a component of the proposed project to be implemented for the duration of the project.</p> <p><i>TDM Plan Monitoring and Reporting:</i> the Transportation Coordinator shall collect data, prepare monitoring reports and submit them to the Planning Department. To ensure the goal of reducing by 20 percent the aggregate daily one-way vehicle trips is reasonably achievable, the project sponsor shall monitor daily one-way vehicles trips for all buildings that have received a Certificate of Occupancy, and compare these vehicle trips to the aggregate daily one-way vehicle trips anticipated for the those buildings based on the trip generation rates contained within the proposed project Travel Demand Memo.</p> <ul style="list-style-type: none"> <li>• <b>Timing:</b> The Transportation Coordinator shall collect monitoring data and shall begin submitting monitoring reports to the Planning Department beginning 18 months after the completion and commencement of operation of the proposed garage on Block D. Thereafter, annual monitoring reports shall be submitted (referred to as "reporting periods") until five consecutive reporting periods show that the project has met the reduction goal, at which point monitoring data shall be submitted to the Planning Department once every 3 years. The project sponsor shall complete each trip count and survey (see below for description) 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 project sponsor shall modify the timing of monitoring reports such that a new monitoring report is submitted 12 months after adjustments are made to the TDM Plan in order to meet the reduction goal, as may be required under the "TDM Plan Adjustments" heading, below. In addition, the Planning Department may modify the timing of monitoring reports as needed to consolidate this requirement with other monitoring and/or reporting requirements for the project, such as annual reporting under the proposed project Development Agreement.</li> <li>• <b>Term:</b> The Project Sponsor shall monitor, submit monitoring reports, and make plan adjustments as provided below until the earlier of: (i) the expiration of the Development Agreement, or (ii) the reduction goal has been met for up to eight consecutive reporting periods as determined by the Planning Department. Notwithstanding the foregoing or any other provision of this mitigation measure, all obligations for monitoring,</li> </ul>				

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<p>reporting and for making adjustments to the TDM Plan shall terminate if the project sponsor has paid and/or made a commitment to pay the offset fee for any shortfall in the TDM Plan's meeting the reduction goal as provided below.</p> <ul style="list-style-type: none"> <li>• <b>Components:</b> The monitoring and reporting, including trip counts, surveys and travel demand information, shall include the following components or comparable alternative methodology and components, as approved, accepted or provided by Planning Department staff: <ul style="list-style-type: none"> <li>○ <b>Trip Count and Intercept Survey:</b> Provide a site-wide trip count and intercept survey of persons and vehicles arriving and leaving the project site, other than on AT&amp;T Park ballgame or other major event (e.g., concert or other event substantially occupying the capacity of AT&amp;T Park) days or hours, for no less than two days during 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 survey consultant, and the Planning Department shall approve the methodology prior to the Project Sponsors conducting the components of the trip count and intercept survey. The Planning Department anticipates it will have a standard trip count and intercept survey methodology developed and available to project sponsors at the time of data collection.</li> <li>○ <b>Travel Demand Information:</b> The above trip count and survey information shall be able to provide the 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>○ <b>Documentation of Plan Implementation:</b> The transportation coordinator shall work in conjunction with the Planning Department to develop a survey (online or paper) that can be reasonably completed by the transportation coordinator and/or Transportation</li> </ul> </li> </ul>				



MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
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<p>Management Association (TMA) staff members to document implementation of TDM program elements and other basic information during the reporting period. The project sponsors shall include this survey in the monitoring report submitted to the Planning Department.</p> <ul style="list-style-type: none"> <li>o Assistance and Confidentiality: The Planning Department will assist the transportation coordinator with questions regarding the components of the monitoring report and will assist the transportation coordinator in determining ways to protect the identity of individual survey responders.</li> </ul> <p><b>TDM Plan Adjustments.</b> The project sponsors shall adjust the TDM Plan according to the 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 the Planning Department and may require refinements to existing measures (e.g., changes to subsidies, increased bicycle parking), inclusion of new measures (e.g., a new technology or project operational changes not inconsistent with any agreements with the Port), or removal of existing measures (e.g., measures that are ineffective or induce vehicle trips).<sup>5</sup> If three consecutive reporting periods' monitoring results demonstrate that measures within the TDM Plan are not achieving the reduction goal, the project sponsors shall propose TDM Plan adjustments to be incorporated in the TDM Plan within 270 days following the last reporting period. The project sponsors shall implement the TDM Plan adjustments until the results of three consecutive reporting periods demonstrate that the reduction goal is being achieved.</p> <p>If after implementing TDM Plan adjustments as described above, and the project sponsors have not met the reduction goal for up to eight consecutive reporting periods as determined by the Planning Department, the project sponsors may, at any time thereafter, elect to address the shortfall in meeting the TDM Plan reduction target by, in addition to paying the emission offset fees set forth in Mitigation Measure M-AQ-1.5, also paying an additional</p>				

<sup>5</sup> No parking-related restrictive measures on the project site shall by design or effect, restrict parking on the project site for patrons of AT&T ballpark games or events.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
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offset fee in accordance with Mitigation Measure M-AQ-1.5, in the amount required to address, both the shortfall in reduction during the previously monitored years and the anticipated shortfall in the remaining expected years of project operations, the latter of which shall be based on the shortfall that occurred in the most recently monitored year. Calculations of emissions to be offset shall be based on the total amount of emissions anticipated to be reduced by achieving the 20 percent TDM goal adjusted for the actual percentage of aggregate daily one-way vehicle trip reduction achieved in the most recently monitored year.				
<b>Wind and Shadow Mitigation Measures</b>				
<p><b>M-WS-1: Assessment and Mitigation of Wind Hazards on a Building-by-Building Basis.</b></p> <p>1. Prior to or as part of the submittal package for the schematic design of a new building (Proposed Building), the Proposed Building developer shall submit to the Planning Department, for its review and approval, a scope of work and, following approval of the scope, a report from a Qualified Wind Consultant (QWC) that reviews the Proposed Building schematic design, absent landscaping.<sup>6</sup> "QWC" means a wind consultant retained by the Proposed Building(s) developer and approved by the Planning Department for preparation of the report. The EIR wind consultant for the proposed project and any other wind consultant on the City's then approved list or otherwise approved by the City will be considered a QWC.</p> <p>2. The QWC report shall evaluate whether the Proposed Building(s) would create a Significant Wind Impact. "Significant Wind Impact" means a substantial increase on a site-wide basis in the number of hours per year that the 26 mph wind hazard criterion is exceeded or, if baseline wind conditions are greater than 26 mph, a substantial increase in the area subjected to winds greater than 26 mph. This analysis shall focus on the entire project area that was studied in wind tunnel tests conducted for the EIR and not just the area immediately surrounding the Proposed Building(s).</p>	Vertical developer(s) and qualified wind consultant. Vertical developer(s) to implement architectural or landscaping features, or a combination of such features, that have been demonstrated in wind tunnel to reduce the Proposed Building's wind hazards to a level no greater than those of either	Prior to or as part of the submittal package for the schematic design of a new building.	Vertical developer(s) to submit to the Planning Department and the Port, for their review and approval, a scope of work and, following the approval of the scope of work by Planning Department and Port staff, a report from a qualified wind consultant that determines building-specific wind conditions.	Considered complete upon approval of wind report by the Planning Department and Port.

<sup>6</sup> The scope of work for this report shall use the same methodology and wind test point locations as the Wind Study prepared for this EIR.

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<p>3. The QWC shall consider the Proposed Building(s) in the context of the "Current Project," which, at any given time during construction of the Project, shall be defined as the building masses used in the Original Model (Wind Study Configuration B),<sup>7</sup> except as updated to reflect schematic design submittals for any previously approved building that has not yet commenced construction, and construction permit designs for on-site buildings that are under construction or have completed construction. This model shall be referred to as the "Current Project" and shall be updated over time as architectural design for each proposed project block/building is completed.</p> <p>4. The Proposed Building shall be tested in the wind tunnel as proposed, including any architectural features that can be shown on plans to mitigate wind effects.<sup>8</sup> Testing may not include any existing or proposed onsite landscaping. A separate test shall be conducted with existing and proposed onsite landscaping included, if required per Section 5, below. The accompanying report shall compare the wind tunnel results analyzing the Proposed Building in the context of the Current Project to the following two baselines: (1) the EIR baseline conditions for the project site (Wind Study Configuration A), and (2) Existing Plus Project (i.e., with Mission Rock proposed project) conditions used in the EIR (Wind Study Configuration B).</p> <p>5. No further analysis shall be required if the QWC concludes, and the Planning Department concurs, that the Proposed Building's schematic design, absent proposed onsite landscaping, would not create a Significant Wind Impact. If the QWC concludes that the Proposed Building's schematic design, absent proposed onsite and existing offsite landscaping, would create a Significant Wind Impact, as defined above, then a second wind tunnel test shall be conducted, taking into account proposed onsite landscaping and existing offsite landscaping. The intent of landscaping is</p>	Wind Study Configuration A or Wind Study Configuration B.			

<sup>7</sup> All references to the Wind Study refer to the Mission Rock EIR Pedestrian Wind Study Wind Tunnel Tests Report prepared by RWDI, final report, January 25, 2017, which can be found in Appendix 7-1 to this EIR.

<sup>8</sup> These could include features such as setbacks, wind baffles, randomized balconies, overhangs, canopies, awnings and the like, provided they are consistent with the project's Design Controls and shown on schematic architectural plans for the Proposed Building.

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<p>to emulate the function and effect of a manmade wind screen. The following parameters have been determined to be the minimum requirements for landscaping features to be effective in controlling wind:<sup>9</sup></p> <ul style="list-style-type: none"> <li>It is the combined effect of a cluster or group of landscaping features that is most effective, rather than the maturity of one tree.</li> <li>Since a general rule is that vertical wind control features should be taller than the average height of a person, foliage from the ground up is most effective at a height of approximately 6 to 8 feet.</li> <li>Since winds can easily flow under tree crowns, underplantings (e.g., shrub plantings at the base of a tree) should be included where trunks are bare for the first 5 to 6 feet of a tree measured from the ground.</li> <li>Tree crowns with at least 60 percent cover (density of leafage) and even spread of branches are most effective.</li> </ul>				
<b>Biological Resources Mitigation Measures</b>				
<p><b>M-BI-3.1: Conduct Impact Hammer Pile Driving during Periods that Avoid Special-Status Fish Species' Spawning and Migration Seasons.</b> In-water pile installation using impact hammers shall occur within the work window of June 1 to November 30, which has been established for dredging in San Francisco Bay to reduce potential effects on special-status fish species.</p>	Pier 48 developer.	During the construction work window of June 1 to November 30.	Pier 48 developer to submit detailed construction schedule to Port staff for review and approval.	Considered complete upon approval of construction schedule by Port staff.
<p><b>M-BI-3.2: Pile-Driving Noise Reduction for the Protection of Fish.</b> Prior to the start of pile driving in the Bay, the project sponsor shall develop an underwater noise monitoring and attenuation plan and obtain approval from NMFS. The NMFS-approved plan or any modifications shall be provided to the City Planning Department for determination of consistency with the requirements in this measure. The plan shall provide details regarding the estimated underwater sound levels expected, sound attenuation methods, methods used to monitor and verify sound levels during pile-driving activities, and management practices</p>	Pier 48 developer.	Prior to the start of pile driving in the Bay.	Pier 48 developer to prepare an underwater noise monitoring and attenuation plan and obtain approval from NMFS. The NMFS-approved plan or any modifications to be provided to the Port staff for determination of consistency with the requirements in this	Considered complete upon review and approval of the sound attenuation and monitoring plan by NMFS and consistency determination by

<sup>9</sup> RWDI, Landscaping, December 8, 2016.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
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<p>to be taken to reduce pile-driving sound in the marine environment to below NMFS thresholds for injury to fish. The plan shall incorporate, but not be limited to, the following BMPs:</p> <ul style="list-style-type: none"> <li>All steel pilings shall be installed with a vibratory pile driver to the deepest depth practicable. An impact pile driver may be used only where necessary, as determined by the contractor and/or project engineer, to complete installation of the steel pilings, in accordance with seismic safety or other engineering criteria.</li> <li>The smallest pile driver and minimum force shall be used to complete the work necessary to meet NMFS requirements, as determined by the contractor and/or project engineer.</li> <li>The hammer shall be cushioned using a 12-inch-thick wood block during all impact hammer pile-driving operations.</li> <li>To reduce impacts to levels below injury thresholds, based on hydroacoustic monitoring and the amount of impact pile driving occurring on a particular day, a bubble curtain, wood block cushion, air barrier, or similar technology shall be employed during impact pile-driving activities.</li> <li>A "soft start"<sup>10</sup> technique shall be employed upon initial pile-driving activities every day to allow fish an opportunity to vacate the area.</li> <li>During impact pile driving, the contractor shall limit the number of strikes per day to the minimum necessary to complete the work, as determined by the contractor and/or project engineer.</li> <li>No pile driving shall occur at night.</li> <li>During impact pile driving, a qualified fish biologist shall monitor the project site for fish that exhibit signs of distress. If fish are observed exhibiting signs of injury or distress, work shall be halted by the biologist, and the cumulative SEL up to that point shall be examined. If the cumulative SEL is close to the threshold or exceeds the threshold, then pile-driving activities will cease until the next day.</li> </ul>			measure.	Port staff.

<sup>10</sup> Soft starts require an initial set of three strikes from the impact hammer at 40 percent energy, followed by a 1-minute waiting period between subsequent three-strike sets. Soft starts for vibratory hammers will initiate noise at 15 seconds at reduced energy, followed by a 1-minute waiting period between subsequent starts. This process should continue for a period of no less than 20 minutes.

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<ul style="list-style-type: none"> <li>All pile-driving and pile-removal activity shall be monitored by a NMFS-approved biological monitor before and during all pile driving. The biological monitor shall maintain a monitoring log of daily pile-driving activities, any field sound measurements, fish sightings, and implementation of soft-start and shut-down requirements. A monitoring report shall be prepared for submission to NMFS and the City (submitted monthly and at the completion of all pile-driving/pile-removal activities).</li> </ul>				
<p><b>M-BI-3.3: Pile-Driving Noise Reduction for Protection of Marine Mammals.</b> Prior to the start of pile driving in the Bay, as part of the underwater noise monitoring and attenuation plan required by Mitigation Measure M-BI-3.2, the project sponsor shall provide details regarding the estimated underwater sound levels expected, not just from impact hammer pile driving that may affect fish but also from vibratory pile driving and removal because these sound levels may affect marine mammals. The plan shall also address sound attenuation methods, methods used to monitor and verify sound levels during pile-driving activities, and management practices to be taken to reduce pile-driving sound in the marine environment to below NMFS thresholds for injury to marine mammals. As part of implementation of the sound attenuation monitoring plan, the project sponsor shall take actions to reduce the effect of underwater noise transmission on marine mammals. These actions shall include, at a minimum:</p> <ul style="list-style-type: none"> <li>The establishment of initial safety zones, based on the estimated NMFS injury threshold contours for the different marine mammals (as shown in Table 4.1-8 and Table 4.1-9). The initial size of the safety zones may be modified, based on subsequent analysis of the anticipated noise levels and the actually proposed piles, equipment, and activity prior to construction but only with the approval of NMFS.</li> <li>Hydroacoustic monitoring, according to the NMFS-approved sound attenuation and monitoring plan, shall be completed during initial pile driving to verify projected isopleths for pile driving and removal. The plan shall require real-time hydroacoustic monitoring for a sufficient number of piles to determine and verify modeled noise isopleths. The safety zones established prior to construction may be modified, based on field measurements of noise levels from different pile-driving activities, if the field measurements indicate that different noise threshold contours than those estimated prior to construction are appropriate but only with approval of NMFS.</li> </ul>	Pier 48 developer.	Prior to the start of pile driving in the Bay.	Pier 48 developer to prepare an underwater noise monitoring and attenuation plan (including estimated underwater sound levels expected) and obtain approval from NMFS. The NMFS-approved plan or any modifications to be provided to Port staff for determination of consistency with the requirements in this measure.	Considered complete upon review and approval of the sound attenuation and monitoring plan by NMFS and consistency determination by Port staff.

<b>MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT</b>				
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<ul style="list-style-type: none"> <li>Halting of work activities when a marine mammal enters a safety zone (specific to that species) and resumed only after the animal has not been observed within the safety zone for a minimum of 15 minutes.</li> <li>Use of a "soft start"<sup>11</sup> technique each day upon commencement of pile-driving activity, any time after ceasing pile-driving activity for more than 1 hour, and any time after shutdown due to marine mammal entry into a safety zone.</li> <li>Monitoring by an NMFS-approved biological monitor of all pile-driving and pile-removal activity before and during all pile driving/removal to inspect the work zone and adjacent Bay waters for marine mammals and implement the safety zone requirements described above. The biological monitor shall maintain a monitoring log of daily pile-driving/removal activities, any field sound measurements, marine mammal sightings, and implementation of soft-start, shut-down, and safety-zone requirements. A monitoring report shall be prepared for submission to the City and NMFS (submitted monthly and at the completion of all pile-driving/pile-removal activities).</li> </ul>				
<b>M-BI-5: Conduct Pre-Construction Surveys for Nesting Migratory Birds.</b> To facilitate compliance with state and federal laws (California Fish and Game Code and the MBTA) and prevent impacts on nesting migratory birds, the project sponsor shall avoid vegetation/structure removal, ground-disturbing activities, and elevated noise levels near suitable nesting habitat during the nesting season (February 1 through August 31) or conduct pre-construction surveys, as described below. Alternatively, the project sponsor may remove vegetation or structures that may support nesting birds outside of the breeding season such that no breeding habitat would be present should construction start in the normal breeding season.	Infrastructure or vertical developer(s) (as applicable), qualified wildlife biologist (if necessary).	Infrastructure or vertical developer(s) (as applicable) to avoid vegetation and/or structure removal, ground-disturbing activities, and elevated noise levels near suitable nesting habitat	Avoid Removal during Nesting Season: contractor to provide detailed construction schedule to Port to confirm affected activities fall outside nesting season or removal of trees and/or structures occurs outside breeding season. Nesting Surveys: If necessary, wildlife biologist to complete a memorandum	Avoid Removal during Nesting Season: complete upon review and approval of construction schedule by Port staff. Nesting Surveys: Considered complete upon review and

<sup>11</sup> Soft starts require an initial set of three strikes from the impact hammer at 40 percent energy, followed by a 1-minute waiting period between subsequent three-strike sets. Soft starts for vibratory hammers will initiate noise at 15 seconds at reduced energy, followed by a 1-minute waiting period between subsequent starts. This process should continue for a period of no less than 15 minutes.

MITIGATION-MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
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<p>If it is not feasible to avoid the nesting season and suitable nesting areas remain on the project site, the project sponsor shall hire a qualified wildlife biologist with demonstrated nest-searching experience to conduct surveys for nesting birds, including raptors. The following list details the nesting bird survey requirements for this project.</p> <ul style="list-style-type: none"> <li>One nesting bird assessment is required at the beginning of each year, at the start of the nesting bird season (February), to determine if suitable nesting habitat remains or has been reinstated (e.g., the project site is revegetated).</li> <li>If suitable nesting habitat is present, one nesting survey shall be conducted between February and April, and one nesting survey shall be conducted between April and June.</li> <li>Additional nesting surveys are required when construction work stops at a portion of the site where suitable nesting habitat remains for more than 15 days or if construction is phased in such a way that no disturbance has occurred in a portion of the project site.</li> <li>If active nests are observed during construction when the wildlife biologist is not present, all work within 250 feet of the nest shall stop, and wildlife biologist shall be contacted immediately. All personnel shall move at least 250 feet away from the nest. To the extent feasible, after consulting with the wildlife biologist, construction equipment shall be shut down or moved 250 feet away from the nest.</li> </ul> <p>Nesting bird surveys shall be performed no earlier than 7 days prior to the commencement of ground-disturbing activities and vegetation removal (including clearing, grubbing, and staging). The area surveyed shall include all construction areas as well as areas within 250 feet outside the boundaries of the areas to be cleared or as otherwise determined by the biologist.</p> <p>If the wildlife biologist finds any active nests (e.g., a nest with eggs, chicks, or young) during the survey, the biologist shall establish no-disturbance species-specific buffer zones for each nest, marked with high-visibility fencing, flagging, or pin flags. No construction activities shall be allowed within the buffer zones. The size of the buffer shall be based on the species' sensitivity to disturbance and planned work activities in the vicinity; typical buffer sizes are 250 feet for raptors and 50 feet for other birds. The buffer shall remain in effect until the chicks have fledged from the nest or the nest is no longer active, which will be verified by the biologist.</p>		<p>during the nesting season (February 1 through August 31), conduct pre-construction surveys (February through June), or remove vegetation and/or structures outside breeding season.</p>	<p>detailed the survey effort and results and submit the memorandum to the infrastructure developer or vertical developer (s) (as applicable) and Port staff within 7 days of survey completion. Port staff to review and approve report.</p>	<p>approval of nesting surveys by Port staff.</p>



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<p>If inactive nests are identified, the project sponsor or its contractor shall remove those nests from the structure/vegetation and install nest exclusion measures on structures (i.e., fine mesh netting, panels, or metal projectors) outside of the nesting season, if deemed necessary and suitable by the qualified wildlife biologist. All exclusionary devices shall be monitored and maintained throughout the breeding season to ensure that they are successful in preventing the birds from accessing the cavities or nest sites.</p> <p>After each survey and/or after nest-deterrence activities are completed, the wildlife biologist shall complete a memorandum detailing the survey effort and results and submit the memorandum to the project sponsor within 7 days of survey completion.</p>				
<b>Geology and Soils Mitigation Measures</b>				
<p><b>M-GE-5: Accidental discovery of paleontological resource.</b></p> <p>Given the potential for paleontological resources to be present at the project site at excavation depths within the Colma Formation, the following measures shall be undertaken to avoid any significant adverse effect from the proposed project on paleontological resources. Before the start of any drilling or pile-driving activities, the project sponsor shall retain a qualified paleontologist, as defined by the SVP, who is experienced in teaching nonspecialists. The qualified paleontologist shall train all construction personnel who are involved with earthmoving activities, including the site superintendent, regarding the possibility of encountering fossils, the appearance and types of fossils that are likely to be seen during construction, and proper notification procedures should fossils be encountered. Procedures to be conveyed to workers include halting construction within 50 feet of any potential fossil find and notifying a qualified paleontologist, who shall evaluate the significance.</p> <p>If paleontological resources are discovered during earthmoving activities, the construction crew shall immediately cease work near the find and notify the project sponsor and the San Francisco Planning Department.</p> <p>Construction work in the affected areas shall remain stopped or be diverted to allow recovery of fossil remains in a timely manner. The project sponsor shall retain a qualified paleontologist to evaluate the resource and prepare a recovery plan in accordance with SVP guidelines. The recovery plan may include a field survey, construction monitoring, sampling and data recovery</p>	Infrastructure developer and/or vertical developer(s) (as applicable), and qualified paleontologist.	Before the start of any drilling or pile-driving activities.	Infrastructure developer or vertical developer(s) (as applicable) to retain qualified paleontologist and notify Port staff. Port staff to approve selection of paleontologist. If necessary, paleontologist to prepare and submit a recovery plan for Port review and approval.	Considered complete once training is complete, once construction is complete, or once the Planning Department approves the recovery plan and the infrastructure developer or vertical developer(s) and qualified paleontologist implements the plan.

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procedures, museum storage coordination for any specimen recovered, and a report of findings. Recommendations in the recovery plan that are determined by the San Francisco Planning Department to be necessary and feasible shall be implemented before construction activities can resume at the site where the paleontological resources were discovered. The San Francisco Planning Department shall be responsible for ensuring that the monitor's recommendations regarding treatment and reporting are implemented.				
IMPROVEMENT MEASURES FOR THE SEAWALL LOT 337 AND PIER 48 MIXED-USED PROJECT				
<p><b>I-TR-1: Construction Management Plan.</b></p> <p><u>Traffic Control Plan for Construction</u> – To reduce potential conflicts between construction activities and pedestrians, bicyclists, transit and autos during construction activities, the project sponsor 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 sponsor and their construction contractor(s) should 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. This includes coordinating project construction activities with nearby City construction projects, such as the Third Street Rehabilitation Project. For any work within the public right-of-way, the contractor would be required to comply with the San Francisco's Regulations for Working in San Francisco Streets, which establishes rules and permit requirements so that construction activities can be conducted safely and with the least possible interference with pedestrians, bicyclists, transit, and vehicular traffic. Additionally, restrict truck movements and deliveries to the maximum feasible extent during peak hours (generally 7:00 to 9:00 a.m. and 4:00 to 6:00 p.m., or other times, as determined by SFMTA and the 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 sponsor 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</p>	Infrastructure developer and/or developer(s) (as applicable) (s).	Construction Management Plan for Construction: Prior to the issuance of a grading, excavation, or building permit. Project Construction Updates: ongoing throughout construction activities.	Infrastructure developer and/or vertical developer(s) (as applicable) and construction contractor(s) to submit Traffic Control Plan for Construction to the Port and SFMTA for review and approval. Project construction update materials would be provided in the annual mitigation and monitoring plan.	Ongoing during project construction.

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<p>impacts. The project sponsor, 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><u>Reduce Single-Occupant Vehicle Mode Share for Construction Workers</u> – To minimize parking demand and vehicle trips associated with construction workers, the project sponsor should require the construction contractor to include in the Traffic Control Plan for Construction methods to encourage walking, bicycling, carpooling, and transit access to the project construction sites 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 sponsor 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>I-TR-7: Garage Access – Pedestrian Design Features.</b> During the final design process for the parking facilities and the pedestrian realm of adjacent streets, improvements should be designed for the safe interface of vehicles and pedestrians at parking facility driveways. This design shall include adequate sight distance, signing, striping, warning devices, and lighting.</p>	Garage developer.	During the final design process for the parking facilities and the pedestrian realm of adjacent streets.	Garage developer to design parking facilities and pedestrian realm for the safe interface of vehicles and pedestrians. SFMTA, in consultation with the Planning Department to review and approve plans.	Considered complete once SFMTA and Planning Department signs off on final plans.
<p><b>I-TR-10: Garage Access – Bicycle-Vehicle Design Features.</b> During the final design process for Long Bridge Street, adequate sight distance should be provided through a combination of signing, striping, and lighting improvements, which should be designed for the safe interface of vehicles and cyclists at the two Block D2 parking facility driveways.</p>	Garage developer.	During final design process for Long Bridge Street.	Garage developer to design Long Bridge Street with adequate sight distance. SFMTA to review and approve plans.	Considered complete once SFMTA signs off on final plans.

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NOTE: Each mitigation measure in this document applies to the proposed project and all variants, unless noted otherwise.				
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility (Public Agency)	Monitoring Schedule
1-TR-12: Strategies to Enhance Transportation Conditions During Large Events. The project's Transportation Coordinator should participate as a member of the Mission Bay Ballpark Transportation Coordination Committee and provide at least 1-month notification prior to the start of any large event that would overlap with an event at AT&T Park.	Project Transportation Coordinator.	Ongoing.	Transportation Coordinator to provide at least 1-month notification to Port, Planning Department, and SFMTA prior to the start of any large event that would overlap with an event at AT&T Park.	On-going during project operations.

**EXHIBIT L**

**Form of Facilities Condition Report**

**Parcel Lease Exhibit L**  
**Form of Facilities Condition Report**

**FACILITIES CONDITION REPORT**

**Parcel [ ]**

**Date: [ ]**

This Facilities Condition Report is being delivered to Port pursuant to Section 10.2 of that certain Lease dated \_\_\_\_\_ by and between \_\_\_\_\_ (“Tenant”) and the Port with respect to the property commonly known as \_\_\_\_\_ (the “Property”). The purpose of this Facilities Condition Report is to document the condition of the Property and to assist Tenant in developing cost estimates needed for capital planning, deferred maintenance and life-cycle replacement costs.

This Facilities Condition Report was prepared by \_\_\_\_\_ following a visual inspection of the Property and review of written notices of Building Code violations, if any, received by the Property owner (a “Code Violation Notice”).

<b><u>Building System or Component</u></b>	<b><u>Narrative Summary of Condition</u></b>	<b><u>Immediate Repair Recommended to Address any Code Violation Notice</u></b> (If none, write “None”)	<b><u>Short Term Repair and Renewal Recommendations<sup>1</sup></u></b> (If none, write “None”)	<b><u>Long Term Repair and Renewal Recommendations<sup>2</sup></u></b> (If none, write “None”)	<b><u>Estimated Cost of Recommended Repair</u></b>	<b><u>Estimated Remaining Useful Life</u></b>
1. Building Site (Topography, drainage, retaining walls, paving, curbing, lighting)						

<sup>1</sup> Short term repairs will include any repair recommended to occur prior to the next regularly scheduled Facilities Condition Report.  
<sup>2</sup> Long term repairs will include any repair recommended to occur following the next regularly scheduled Facilities Condition Report.

<u>Building System or Component</u>	<u>Narrative Summary of Condition</u>	<u>Immediate Repair Recommended to Address any Code Violation Notice</u> (If none, write "None")	<u>Short Term Repair and Renewal Recommendations<sup>1</sup></u> (If none, write "None")	<u>Long Term Repair and Renewal Recommendations<sup>2</sup></u> (If none, write "None")	<u>Estimated Cost of Recommended Repair</u>	<u>Estimated Remaining Useful Life</u>
2. Building Envelope (Windows and Walls)						
3. Structural (Foundation and Framing)						
4. Interior Elements (Stairways, hallways, common areas)						
5. Roofing Systems						
6. Major Mechanical Systems (Heating, Ventilation, and Air Conditioning)						
7. Major Plumbing Systems						
8. Major Electrical Systems						
9. Vertical						

<u>Building System or Component</u>	<u>Narrative Summary of Condition</u>	<u>Immediate Repair Recommended to Address any Code Violation Notice</u> (If none, write "None")	<u>Short Term Repair and Renewal Recommendations<sup>1</sup></u> (If none, write "None")	<u>Long Term Repair and Renewal Recommendations<sup>2</sup></u> (If none, write "None")	<u>Estimated Cost of Recommended Repair</u>	<u>Estimated Remaining Useful Life</u>
Transportation (Elevators and escalators)						
10. [If Tenant elects to include in the Facilities Condition Report: Site-specific testing, such as infrared thermography for energy loss, air leakage, roofing and building envelope moisture intrusion]						



EXHIBIT M

Workforce Development Plan

**EXHIBIT M**

**WORKFORCE DEVELOPMENT PLAN**

For purposes of this ***Exhibit M***, references to Exhibit B6-A in the attached Workforce Development Plan will mean this ***Exhibit M*** to this Lease.

## **Parcel Lease Exhibit M**

### **Workforce Development Plan**

The development plan for Mission Rock under the Transaction Documents provides for the development of a new mixed-use neighborhood composed of commercial/office, retail, garage, market rate and affordable residential uses and major new and expanded parks. This Workforce Development Plan sets forth the activities Port, Developer and Vertical Developer shall undertake, and require their Contractors, Consultants, Subcontractors, Subconsultants, Commercial Tenants, Lessees, Service Providers and Professional Service Providers, as applicable, to undertake, to support workforce development in the pre-construction, construction and end use phases of the Project, as set forth in this Exhibit B6-A.<sup>1</sup>

The Port and Developer shall enter into the DDA which will provide for the development of the 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 Project. Developer will enter into contracts with Contractors and Consultants to construct all Horizontal Improvements allowed under the Master Lease.

Developer will submit Phase Submittals to the Port pursuant to the Transaction Documents. Following each Phase Approval, the Port will authorize the Chief Harbor Engineer to issue Port permits necessary for Developer to begin to construct Horizontal Improvements in accordance with the DDA and the Master Lease. Upon exercise of an Option in accordance with the DDA, the Port will convey each Development Parcel through Parcel Leases to a Vertical Developer. A Vertical Developer will enter into contracts with Contractors and Consultants to construct the Vertical Improvements, including residential and commercial improvements, in accordance with the Parcel Lease and Vertical DDA. 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.

The foregoing summary is provided for convenience and for informational purposes only. In case of any conflict, the provisions of the DDA and each Vertical DDA shall control.

#### **A. First Source Operations and Pre-Construction Hiring Agreement.**

1. Developer shall, with respect to Horizontal Improvements, and the Port shall require that each Vertical Developer shall, with respect to each Vertical Improvement, comply with the operational requirements of the First Source Hiring Program pursuant to San Francisco Administrative Code Chapter 83 ("**Chapter 83**") and upon entering into: (a) leases or any other occupancy contracts for commercial space at Vertical Improvements that are subject to Chapter 83 with a tenant ("**Lessee**"), provided, however, that no Lessee occupying less than 5,000 square

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<sup>1</sup> Any capitalized term used in this Exhibit B6-A, including its Attachments, that is not defined herein, or in such Attachments, or in the referenced Administrative Code Sections, shall have the meaning given to such term in the DDA.

feet in floor area within the Project Site shall have an obligation to enter into a First Source Hiring Agreement or comply with the requirements of Chapter 83; or (b) janitorial, security, landscape, operations and maintenance contracts, will include in each such lease or contract a requirement that such third party enter into a First Source Hiring Agreement in the form attached hereto as Attachment A, and provide a signed copy thereof to the Office of Economic and Workforce Development within 10 business days of execution. The Port shall cause (i) Developer to comply with the above requirements by including such requirements as a material term in the Master Lease applicable to such Contract and (ii) each Vertical Developer to comply with the above requirements by including such requirements as a material term in the Vertical DDA applicable to such Contract.

2. Further, Developer shall, with respect to Horizontal Improvements, and the Port shall require that each Vertical Developer shall, with respect to each Vertical Improvement, voluntarily include within its good faith efforts to comply with Chapter 83 a requirement to include pre-construction work within the Project's First Source Hiring Program and upon entering into professional services contracts for architectural and engineering services, provided, however, that no professional services firm performing work through a contract valued at less than \$500,000 or a contract for services relating to the construction of any tenant improvements within a leased premises comprised of less than 15,000 square feet in floor area shall have an obligation to enter into a First Source Hiring Agreement, include in each such contract a requirement that such third party enter into a First Source Hiring Agreement in the form attached hereto as Attachment A, and provide a signed copy thereof to the Office of Economic and Workforce Development within 10 business days of execution. The Port shall cause (i) Developer to comply with the above requirements by including such requirements as a material term in the Master Lease applicable to such Contract and (ii) each Vertical Developer to comply with the above requirements by including such requirements as a material term in the Vertical DDA applicable to such Contract.

3. Residential units within the Project shall not be subject to any obligations under this Section A and the tenants of such residential units shall have no obligation to enter into a First Source Hiring Agreement.

4. The Office of Economic and Workforce Development ("OEWD") is the sole administrator of the First Source Hiring Program per San Francisco Administrative Code Chapter 83. OEWD's Business Services team will manage the First Source Hiring Agreement and will be the point of contact for Lessees and Service Providers. OEWD's Business Team will provide Referrals for the permanent Entry Level Positions located within the Project where required under Chapter 83.

5. Incorporation into contract provisions.

i. Developer or Vertical Developer shall include in its Contracts provisions that require Lessees and Service Providers to enter into a First Source Hiring Agreement and follow the good faith efforts within such agreements towards the hiring goals of Chapter 83. Developer or Vertical Developer shall also include in such 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.

ii. Developer or Vertical Developer shall include in its Professional Service Contracts provisions that require Professional Service Providers to enter into a First Source Hiring Agreement and follow the good faith efforts within such agreement towards the hiring goals of Chapter 83. Developer or Vertical Developer shall also include in such Professional Service Contracts provisions that require Professional 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.

6. Pre-start conference and access.

i. Developer or Vertical Developer shall meet with OEWD prior to initial occupancy of Vertical Improvements at the Project Site for a pre-start conference to assess the operation goals of the First Source Hiring Program, including commercial tenant operations, janitorial, security, landscape, operations and maintenance services and provide projections for Entry Level Position employment opportunities within such fields with respect to the Horizontal Improvements or Vertical Improvements. Developer or Vertical Developer shall also provide OEWD access to meet Lessees and Service Providers at the Project Site and encourage the same to meet with OEWD regarding their respective First Source Hiring Obligations.

ii. With respect to each Horizontal Improvement, Developer shall meet with OEWD upon submission of a Phase Submittal, and, with respect to each Vertical Improvement, Vertical Developer shall meet with OEWD upon entering into a Vertical DDA at the Project Site for a pre-start conference to assess the pre-construction goals of the First Source Hiring Program, including architectural and engineering services and provide projections for Entry Level Position employment opportunities within such fields with respect to such Horizontal Improvement or Vertical Improvement. Developer or Vertical Developer shall also provide OEWD access to meet Professional Service Providers at the Project Site and encourage the same to meet with OEWD regarding their respective First Source Hiring Obligations.

7. Compliance with the operational goals of Chapter 83 shall be determined on an individual Contract or Professional Service Contract basis. Lessees and Service Providers shall demonstrate good faith efforts towards the hiring goals of Chapter 83. Professional Service Providers shall demonstrate good faith efforts towards the hiring goals of their First Source Hiring Agreement.

8. For the purposes of a First Source Hiring Agreement, (i) Contract shall mean: (a) any commercial lease or other commercial occupancy agreement with respect to a Vertical Improvements; and (b) any contract for janitorial, security, landscape, or operations and maintenance services performed at a Horizontal Improvement or Vertical Improvement; (ii) Professional Service Contract shall mean any contract for architectural or engineering services performed with respect to a Horizontal Improvement or Vertical Improvement, (iii) Service Provider shall mean any person(s), firm, partnership, corporation, government agency, nonprofit or combination thereof, who owns or operates a commercial business that enters into a Contract to perform janitorial, security, landscape, and operations and maintenance services with respect a Horizontal Improvement or Vertical Improvement, and (iv) Professional Service Provider shall mean any person(s), firm, partnership, corporation, government agency, nonprofit or combination thereof, who owns or operates a commercial business that enters into a Contract to

perform architectural or engineering services with respect a Horizontal Improvement or Vertical Improvement.

9. OEWD shall notify any Lessees, Service Providers or Professional Service Providers in writing, with a copy to Developer or Vertical Developer, as applicable, and to the Port, of any alleged breach on the part of that entity of its obligations under the First Source Hiring Agreement, as applicable, and provide such entity a reasonable opportunity to cure its alleged breach before seeking an assessment of liquidated damages pursuant to Section 83.12 of the Administrative Code. OEWD sole remedy against a Lessees, Service Providers and Professional Service Providers shall be as set forth in Chapter 83, including the enforcement process. Upon OEWD's request, Port, Developer or Vertical Developer, as applicable, shall reasonably cooperate with OEWD in any such enforcement action against any Lessees, Service Providers or Professional Service Providers, provided in no event shall Port, Developer or Vertical Developer, as applicable, be liable for any breach by a Lessees, Service Providers or Professional Service Providers.

10. If Port, Developer or Vertical Developer, as applicable, fulfills its obligations as set forth in this Section A, it shall not be held responsible for the failure of Lessee, Service Provider or Professional Service Provider or any other person or party to comply with the requirements of Chapter 83, their applicable First Source Hiring Agreement or this Section A. If Developer or Vertical Developer, as applicable, fails to fulfill its obligations under this Section A, the applicable provisions of Chapter 83 shall apply as to Developer or Vertical Developer, as applicable, though the Port and Developer shall have the right to invoke the dispute resolution process set forth in Article 10 of the DDA.

11. This Section A is an approved "First Source Hiring Agreement" as referenced in Sections 83.9 and 83.11 of the Administrative Code.

**B. Local Hiring Agreement.**

1. Developer, with respect to each Horizontal Improvement, shall, and the Port shall require that each Vertical Developer, with respect to each Vertical Improvement, shall (i) include in each Contract for construction work a provision requiring each Contractor to enter into a Local Hiring Agreement in the form attached hereto as Attachment B before beginning any construction work, and (ii) provide a signed copy thereof to the Office of Economic and Workforce Development ("OEWD") and CityBuild within 10 business days of execution, provided, however, that no person or entity entering into leases or other occupancy contracts for commercial space at a Vertical Improvement within the Project site ("**Commercial Tenant**") which occupies less than 15,000 square feet in floor area within such Vertical Improvement shall have an obligation to enter into a Local Hiring Agreement or be subject to the Local Hiring Program pursuant to Chapter 82, as defined below.<sup>2</sup> All future tenant improvements performed subsequent to any initial tenant improvements within such Vertical Improvement shall be subject to the local hiring requirement within Attachment B on a good faith basis only. The Port shall cause (i) Developer to comply with the above requirements by including such requirements as a

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<sup>2</sup> Any capitalized term used in this Section B that is defined in Attachment B will have the definition given to such term in such Attachment.

material term in the Master Lease applicable to such Contract and (ii) each Vertical Developer to comply with the above requirements by including such requirements as a material term in the Vertical DDA applicable to such Contract.

2. CityBuild shall represent OEWD and will provide referrals of Targeted Workers for positions on the construction work for Improvements subject to a Local Hiring Agreement in accordance with San Francisco Administrative Code Chapter 82 ("**Chapter 82**").

3. Incorporation into contract provisions. Developer and Vertical Developer, as applicable, shall include in their respective contracts provisions that require prospective Contractors and Subcontractors to comply with the requirements set forth in the Local Hiring Agreement Attachment B.

4. Tenant improvements performed within any residential units within the Project shall not be subject to any obligations under this Section B and the tenants of such residential units shall have no obligation to enter into a Local Hiring Agreement.

5. Compliance with the construction requirements of Chapter 82 for Horizontal Improvements shall be determined on a Phase by Phase basis. Compliance will be measured by dividing the number of Construction Work Hours performed by Local Residents or Apprentices, as applicable, by the total number of Construction Work Hours performed on Horizontal Improvements within a Phase. If Developer exceeds its obligations set forth in its applicable Local Hiring Agreement with respect to an individual Horizontal Improvement, Developer may, at its option, allocate such excess towards the compliance of another Horizontal Improvement within the Project Site, subject to the requirements of Attachment B. Notwithstanding anything to the contrary, Developer may, at its election, require that compliance be determined on a Project-wide basis by giving notice to OEWD and the Port of such election during the submission of the penultimate Phase Submittal.

6. Compliance with the construction requirements of Chapter 82 for Vertical Improvements shall be determined on an individual Vertical Improvement basis. Compliance will be measured by dividing the number of Construction Work Hours performed by Local Residents or Apprentices, as applicable, by the total number of Construction Work Hours performed on the Vertical Improvement. If a Vertical Developer exceeds its obligations set forth in its applicable Local Hiring Agreement with respect to an individual Vertical Improvement, the Vertical Developer of such Vertical Improvement may, at its option, allocate such excess towards the compliance of another Vertical Improvement within the Project Site, subject to the requirements of Attachment B. Notwithstanding anything to the contrary, Developer may, at its election, require that compliance be determined on a Phase-wide basis by giving notice to OEWD and the Port of such election during the submission of a Phase Submittal.

7. OEWD shall notify Contractor, Subcontractor and Commercial Tenant, as applicable, in writing, with a copy to the Port and Developer or Vertical Developer, as applicable, of any alleged breach on the part of that entity of its obligations under Chapter 82 or its Local Hiring Agreement, as applicable, and provide such entity an opportunity to cure its obligations before seeking an assessment of liquidated damages pursuant to Section 82.8 of the Administrative Code. OEWD's sole remedies against a Contractor, Subcontractor or Commercial

Tenant shall be as set forth in Chapter 82, including the enforcement process. Upon OEWD's request, Port, Developer or Vertical Developer, as applicable, shall reasonably cooperate with OEWD in any such enforcement action against any Contractor, Subcontractor or Commercial Tenant, provided that in no event shall Port, Developer or Vertical Developer, as applicable, be liable for any breach by a Contractor, Subcontractor or Commercial Tenant.

8. If Port, Developer or Vertical Developer, as applicable, fulfills its obligations as set forth in this Section B, it shall not be held responsible for the failure of a Contractor, Subcontractor, Commercial Tenant or any other person or party to comply with the requirements of Chapter 82 or this Section B. If Developer or Vertical Developer, as applicable, fails to fulfill its obligations under this Section B, the applicable provisions of Chapter 82 shall apply, though the Port and Developer, as applicable, shall have the right to invoke the process set forth in Article 10 of the DDA.

9. This Section B complies with the requirements of Chapter 82, including Sections 82.5 and 82.7 and the requirements of Chapter 83 related to construction work.

**C. Workforce Job Readiness and Training Funds.**

Vertical Developers, on behalf of the Project, shall contribute to OEWD \$1,000,000 (One Million Dollars) to support workforce job readiness and training ("Workforce Job Readiness and Training Funds") for allocation to OEWD's CityBuild and First Source Hiring programs and qualified local community based organizations. Such funds shall be paid to OEWD, and used as provided below, over the course of the Project on a Development Parcel by Development Parcel basis in eleven equal installments. Each equal installment shall be paid by a Vertical Developer at issuance of site permit for the development of Vertical Improvements upon a Development Parcel, except for the development of the parking garage parcel, pursuant to a Vertical DDA.

Priority for OEWD's use and allocation of Workforce Job Readiness and Training Funds shall be to organizations that have backgrounds in workforce readiness and training, an established program with a demonstrated history of performing workforce readiness and training and an existing track record of working in economically disadvantaged communities within San Francisco, including, but not limited to the Bayview/Hunters Point, Chinatown, Mission, South of Market, Tenderloin, Visitacion Valley and Western Addition neighborhoods.

1. **Community Based Organizations:** \$500,000 (Five Hundred Thousand Dollars) of the Workforce Job Readiness and Training Funds shall be dedicated to funding community-based organizations that provide services which seek to: reduce barriers to employment for individuals within at-risk populations (the "**Barrier Removal Funds**"); and/or provide job readiness and training ("**Job Readiness Training Funds**") (together, the "**CBO Funds**"). OEWD shall allocate the CBO Funds to qualified local community based organizations based on a competitive process, and distribute the CBO Funds during the construction and operation of the Project until exhausted. The funds will be primarily targeted to support Bayview/Hunters Point, Chinatown, Mission, South of Market, Tenderloin, Visitacion Valley and Western Addition neighborhood residents and residents of surrounding areas. OEWD shall prioritize allocating funds to organizations that have a background in workforce readiness and training, an established program with a demonstrated history of performing workforce readiness and training and an



existing track record of working in economically disadvantaged communities. OEWD shall use good faith efforts to promptly initiate and complete the competitive process and begin distribution of the Barrier Removal Funds within one hundred and eighty (180) days after OEWD's initial receipt of such funds, but in a manner that ensures the resulting programs and services will correspond directly to preparing participants for the jobs created by the project.

i. CBO Funds. OEWD shall allocate a portion of the CBO Funds to support the delivery of services to assist individuals within at-risk populations, including low-income youth and adults with histories of incarceration, homelessness, substance abuse or other factors that may create barriers to employment, with reducing barriers to employment and/or providing job readiness and training. The CBO Funds shall fund programs that provide case management, supportive services (i.e. union dues, tools, uniform/boots), life skills training, basic education, barrier removal (including assistance with attaining a GED or driver's license, if applicable), wrap-around social services, job training, job placement or retention services with a goal of allowing participants to become CityBuild or First Source Hire-ready.

2. **OEWD: \$500,000 (Five Hundred Thousand Dollars)** of the Workforce Job Readiness and Training Funds shall be dedicated to OEWD's programs that train economically disadvantaged adults, workers and local residents in the fields of construction, end use operations and hospitality (the "**OEWD Funds**"). OEWD shall identify and partner with local community-based organizations to promote the programs and identify and recruit program participants. OEWD shall allocate the funds throughout the construction and operation of the Project until exhausted. The resources shall be primarily targeted to support and prepare individuals in the Bayview/Hunters Point, Chinatown, Mission, South of Market, Tenderloin, Visitacion Valley and Western Addition and surrounding areas for construction and operation jobs at the Project. OEWD shall partner with organizations that have a background in workforce readiness and training, an established program with a demonstrated history of performing workforce readiness and training and an existing track record of working in economically disadvantaged communities. OEWD shall use good faith efforts to promptly begin distribution of the OEWD Funds within one hundred eighty (180) days after OEWD's initial receipt of such funds, but in a manner that ensures the resulting programs and services will correspond directly to preparing participants for the jobs created by the project.

i. Operations Training Resources. OEWD, in its discretion, shall dedicate a portion of the OEWD Funds to support programs that provide end use operations job training programs for economically disadvantaged adults, including individuals designated as a targeted population by the San Francisco Workforce Development Board, as an individual who is, or is at risk of, relying upon, or returning to, public assistance, including unemployment benefits, formerly incarcerated, homeless, veterans, out-of-school youth, pregnant or parenting teens, youth in the juvenile justice or foster care systems, people with disabilities, limited English populations, dislocated workers, or residents of public housing (the "**Operations Training Resources Funds**"). OEWD shall allocate Operations Training Resources Funds to programs performing vocational training in the retail, food service, janitorial, landscaping, facilities/open space operations and maintenance employment sectors. The intended use of the Operations Training Resources Funds is to provide additional training tailored towards future employment opportunities at the Project. The programs may also include working with potential

employers regarding any necessary accommodations or additional training, and ongoing support following job placement.

ii. Construction Training Resources. OEWD, in its discretion, shall dedicate a portion of the OEWD Funds to support programs that train disadvantaged workers and local residents in the field of construction work (the “**Construction Training Resources**”). OEWD shall allocate the Construction Training Resources Funds to programs such as 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.

iii. Pile Driving Training Program. OEWD, in its discretion, shall dedicate a portion of the OEWD Funds to support the development and implementation of a pile driving training program for disadvantaged workers and local residents, including individuals that have formerly been incarcerated or are experiencing homelessness (the “**Pile Driver Training Funds**”). The Pile Driving Training Funds shall be managed and implemented by OEWD in conjunction with local unions and community-based organizations. The programs may also include working with potential employers regarding any necessary accommodations or training, and ongoing support following job placement. The Pile Driving Training Program will address the shortage of skilled pile drivers in San Francisco and will augment the pipeline of skilled workers by providing specific training in a high-demand trade. By providing training in a high-demand trade, the program will help to ensure that more local residents are equipped with the education and skills necessary to be successful in the construction industry, thereby supporting local economic empowerment and upward mobility.

3. Accounting. Developer shall 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 Exhibit B<sup>6</sup>-A. The Workforce 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.

4. In the event individuals trained by the programs supported by the Workforce Job Readiness and Training Funds are hired to perform work at the Project, Developer may receive credit toward First Source and Local Hire obligations under San Francisco Administrative Code Chapters 82 and 83, as mutually determined with OEWD.

5. Board Authorization. Any interest earned on the Workforce Job Readiness and Training Funds shall remain in designated accounts for use by OEWD for workforce readiness and training consistent with this Exhibit B<sup>6</sup>-A and shall not be transferred to the City’s general fund.

# City and County of San Francisco First Source Hiring Program



*London N. Breed, Mayor*

Office of Economic and  
Workforce  
Development  
Workforce  
Development Division

## Attachment A: First Source Hiring Agreement

### For Operations and Preconstruction Services

This First Source Hiring Agreement (this "FSHA Agreement"), is made as of \_\_\_\_\_, by and between [(the "Lessee"/ "Service Provider"/ "Professional Service Provider")], and the Office of Economic and Workforce Development, ("OEWD"), collectively the "Parties":

### RECITALS

[Use for Lessee - WHEREAS, [Lessee has plans to occupy a portion of the Vertical Improvement at [Address] (the "Premises") which requires a First Source Hiring Agreement with OEWD 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; and

WHEREAS, as a material part of the consideration given by Lessee under such contract, Lessee has agreed to execute this FSHA Agreement and participate in the First Source Hiring Program managed by OEWD as established by the City and County of San Francisco pursuant to Chapter 83 of the San Francisco Administrative Code ("Chapter 83"), as modified herein;]

[Use for Service Providers contracts - WHEREAS, [Service Provider has plans to provide [ ] services to the [Horizontal Improvement/ Vertical Improvement] at [Address] (the "Premises") which requires a First Source Hiring Agreement with OEWD 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 janitorial, security, landscape, or operations and maintenance contracts that provide services to the Premises; and

WHEREAS, as a material part of the consideration given by Service Provider under such contract, Service Provider has agreed to execute this FSHA Agreement and participate in the First Source Hiring Program managed by OEWD as established by the City and County of San Francisco pursuant to Chapter 83 of the San Francisco Administrative Code ("Chapter 83");]

**[Use for Professional Service Providers contracts -** WHEREAS, [Professional Service Provider has plans to provide [ ] services to the [Horizontal Improvement/ Vertical Improvement] at [Address] (the “Premises”) which requires a First Source Hiring Agreement with OEWD 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 architectural or engineering contracts that provide services to the Premises; and

WHEREAS, as a material part of the consideration given by Professional Service Providers under such contract, Professional Service Providers has agreed to execute this FSHA Agreement and participate in the First Source Hiring Program managed by OEWD as established by the City and County of San Francisco pursuant to Chapter 83 of the San Francisco Administrative Code (“Chapter 83”);]

**[Use for [Developer/Vertical Developer] operations of Vertical Improvement -** WHEREAS, Lessee has plans to operate the building at [Address] (the “Premises”) which required a First Source Hiring Agreement between Lessee and FSHA because the Premises is subject to a property contract between Lessee and the City acting through the San Francisco Port Commission; and

WHEREAS, as a material part of the consideration given by Lessee under the property contract, Lessee has agreed to execute this FSHA Agreement and participate in the Workforce System managed by 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 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. “Contract” shall mean: (a) any commercial lease or other commercial occupancy agreement with respect to the Vertical Improvement; and (b) any contract for janitorial, security, landscape, or operations and maintenance services performed at the Horizontal Improvement or Vertical Improvement.
- c. “DA” means that certain Development Agreement between Developer and the City and County of San Francisco, acting by and through the San Francisco Port Commission with respect to the Project Site.

- d. "DDA" means that certain Disposition and Development Agreement between Developer and the City and County of San Francisco, acting by and through the San Francisco Port Commission with respect to the Project Site.
- e. "Developer" has the meaning set forth in the DDA, including any successor during the term of this FSHA Agreement.
- f. "Horizontal Improvement" has the meaning set forth in the DDA.
- g. "Lessee" includes every commercial tenant, subtenant, or any other entity occupying a Vertical 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, provided, however, that in no event shall the meaning of Lessee include a commercial tenant, subtenant, or any other entity occupying less than 5,000 square feet in floor area within the Vertical Improvement.
- h. "OEWD Resume Database" shall mean the web portal administered by OEWD that connects Lessees, Service Providers and Professional Service Providers with qualified job seekers. The web portal is a free recruiting service to all Lessees, Service Providers and Professional Service Providers and is to be used by the Lessees, Service Providers and Professional Service Providers as part of their FSHA Agreement.
- i. "Professional Service Contract" shall mean any contract for architectural or engineering services performed with respect to a Horizontal Improvement or Vertical Improvement, except for contracts for architectural or engineering services related to the construction of any tenant improvements within a leased premises comprised of less than 15,000 square feet in floor area within a Vertical Improvement.
- j. "Professional Service Provider" shall mean any person(s), firm, partnership, corporation, government agency, nonprofit or combination thereof, who owns or operates a commercial business that enters into a Contract to perform architectural or engineering services with respect the Horizontal Improvement or Vertical Improvement, provided, however, that no professional services firm performing work through a contract valued at less than \$500,000 shall have an obligation to enter into this First Source Hiring Agreement.
- k. "Project Site" shall mean the area consisting of an approximately 16-acre parcel located south of Mission Creek/China Basin Channel, bordered by Third Street on the west, Mission Rock Street on the south, and Terry Francois Boulevard on the east, as reconfigured in accordance with AB 2797.
- l. "Service Provider" shall mean any person(s), firm, partnership, corporation, government agency, nonprofit or combination thereof, who owns or operates a commercial business that enters into a Contract to perform janitorial, security,

landscape, or operations and maintenance with respect the Horizontal Improvement or Vertical Improvement.

- m. “Referral” shall mean a qualified job seeker identified by OEWD as having the appropriate training, background and skill sets for a [Lessee/ Service Provider] specified Entry Level Position.
- n. “Vertical Developer” shall mean [*insert name of applicable Vertical Developer*], including any successor during the term of a FSHA Operations Agreement.
- o. “Vertical Improvement” has the meaning set forth in the DDA.

## 2. LESSEE AND SERVICE PROVIDER OEWD WORKFORCE PARTICIPATION

- a. Lessee or Service Provider, as applicable, shall contact OEWD’s Business Services team to provide headcount projections for Entry Level Positions and register with the OEWD Resume Database upon execution of its Contract.
- b. Lessee or Service Provider, as applicable, shall notify OEWD’s Business Team of every available Entry Level Position by posting job openings for Entry Level Positions on the OEWD Resume Database. Lessee or Service Provider, as applicable, shall provide OEWD a period of time to recruit and refer qualified candidates prior to advertising such position to the general public, starting on the date that the Lessee or Service Provider, as applicable, posts the job opening on the OEWD Resume Database, and ending on the earlier of: (i) 10 business days; or (ii) the date upon which such Lessee or Provider has received OEWD’s list of Referrals and has considered such Referrals for the available Entry Level Position in good faith, subject to Section 5 below. OEWD shall develop a pipeline of potential candidates and shall develop a staffing and implementation plan that is generally designed to allow OEWD to provide Lessee or Service Provider, as applicable, with its list of Referrals within 3 business days after such Lessee or Service Provider has posted a job opening. In the event the OEWD Resume Database is inaccessible, Lessee or Service Provider, as applicable, shall contact OEWD directly regarding their FSHA obligations by emailing [Business.Services@sfgov.org](mailto:Business.Services@sfgov.org), or other email address as may be mutually agreed upon by Professional Service Provider’s single point of contact and OEWD, and submitting Attachment A-1.
- c. Lessee or Service Provider, as applicable, shall consider and screen all Referrals that meet the minimum qualifications of a Lessee’s or Service Provider’s, as applicable, job opening and shall use the OEWD Resume Database to provide feedback regarding Referrals that were screened, interviewed and hired. Hiring decisions shall be entirely at the discretion of Lessee or Service Provider, as applicable.

3. LESSEE AND SERVICE PROVIDER GOOD FAITH EFFORT TO COMPLY WITH ITS OBLIGATIONS HEREUNDER

Lessee or Service Provider, as applicable, will make good faith efforts to comply with its obligations under this FSHA Agreement. Determination of good faith efforts shall be based on all of the following:

- a. Lessee or Service Provider, as applicable, shall execute this FSHA Agreement and Attachment A-1 upon entering into Contracts. Lessee or Service Provider will also accurately complete and submit Attachment A-1 annually to reflect employment conditions.
- b. Lessee or Service Provider, as applicable, shall register with the OEWD Resume Database. Lessee or Service Provider, as applicable, using a resume database not associated with OEWD will not be considered towards the requirements of the FSHA Agreement.
- c. Lessee or Service Provider, as applicable, shall provide OEWD a period of time to recruit and refer qualified candidates prior to advertising such position to the general public, starting on the date that the Lessee or Service Provider, as applicable, posts the job opening on the OEWD Resume Database, and ending on the earlier of: (i) 10 business days; or (ii) the date upon which such Lessee or Provider has received OEWD's list of Referrals and has considered such Referrals for the available Entry Level Position in good faith, subject to Section 5 below. Lessee or Service Provider, as applicable, 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. Lessee or Service Provider, as applicable, shall use the OEWD Resume Database to provide feedback regarding Referrals that were screened, interviewed and hired.

4. PROFESSIONAL SERVICES - ARCHITECTURAL AND ENGINEERING SERVICE PROVIDERS

- a. This section incorporates additional requirements for Professional Service Providers performing architectural or engineering services. Professional Service Providers obligations relate only to preconstruction work and shall terminate upon the completion of the Professional Service Provider's Professional Service Contract.
- b. Participation.
  - i. Professional Service Provider shall contact OEWD's Business Services team to provide headcount projections for Entry Level Positions and register with the OEWD Resume Database upon execution of its Professional Services Contract.
  - ii. Professional Service Provider shall notify OEWD's Business Team of every available Entry Level Position by posting job openings for Entry Level Positions on the OEWD Resume Database. Professional Service Provider shall provide OEWD a period of time

to recruit and refer qualified candidates prior to advertising such position to the general public, starting on the date that the Lessee or Service Provider, as applicable, posts the job opening on the OEWD Resume Database, and ending on the earlier of: (i) 10 business days; or (ii) the date upon which such Lessee or Provider has received OEWD's list of Referrals and has considered such Referrals for the available Entry Level Position in good faith, subject to Section 5 below. In the event the OEWD Resume Database is inaccessible, Professional Service Provider shall contact OEWD directly regarding their FSHA obligations and submit Attachment A-1.

iii. Professional Service Provider shall consider and screen all Referrals that meet the minimum qualifications of a Professional Service Provider's, as applicable, job opening and shall use the OEWD Resume Database to provide feedback regarding Referrals that were screened, interviewed and hired. Hiring decisions shall be entirely at the discretion of Professional Service Provider.

iv. Within 30 days of executing a Professional Services Contract, Professional Service Provider will email OEWD and schedule to meet with staff from the First Source Hiring Program. At the meeting, the Professional Service Provider will provide information on new and available Entry Level Positions, anticipated job opening projections, start dates and rate of pay.

c. Good Faith Compliance.

Compliance with the requirements of subsections i through iv below shall demonstrate Professional Service Provider's good faith compliance with its obligations under this FSHA Agreement.

i. Over the life of the Contract, Professional Service Provider shall make good faith efforts to hire Referrals from the First Source Hiring Program to fulfill new and available Entry Level Positions. Professional Service Provider may decline to hire a Referral if the Contractor considers the Referral in good faith and deems the Referral is not qualified. The final decision to hire a Referral shall be made by the Professional Service Provider.

ii. Professional Service Provider, as applicable, shall execute this FSHA Agreement and Attachment A-1 upon entering into Professional Service Contracts. Professional Service Provider will also accurately complete and submit Attachment A-1 annually to reflect employment conditions.

iii. Professional Service Provider shall register with the OEWD Resume Database. Professional Service Provider using a resume database not associated with OEWD will not be considered towards the requirements of the FSHA Agreement.

iv. Professional Service Provider shall notify OEWD's Business Services Team of all available Entry Level Positions by posting job openings for Entry Level Positions on the OEWD Resume Database. Professional Service Provider shall provide OEWD a period of time to recruit and refer qualified candidates prior to advertising such position to the general public, starting on the date that the Lessee or Service Provider, as applicable, posts the job opening on the OEWD Resume Database, and ending on the earlier of: (i) 10 business days; or (ii) the date upon which such Lessee or Provider has received OEWD's list of Referrals and



has considered such Referrals for the available Entry Level Position in good faith, subject to Section 5 below. OEWD shall develop a pipeline of potential candidates and shall develop a staffing and implementation plan that is generally designed to allow OEWD to provide Lessee or Service Provider, as applicable, with its list of Referrals within 3 business days after such Lessee or Service Provider has posted a job opening. Professional Service Provider 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. Professional Service Provider shall use the OEWD Resume Database to provide feedback regarding Referrals that were screened, interviewed and hired. In the event the OEWD Resume Database is inaccessible, Professional Service Provider shall contact OEWD directly regarding their FSHA obligations by emailing Business.Services@sfgov.org, or other email address as may be mutually agreed upon by Professional Service Provider's single point of contact and OEWD, and submitting Attachment A-1.

- d. OEWD Requirements. OEWD's Referrals to such Professional Service Provider s shall be economically disadvantaged workers identified by OEWD that either: (a) graduated from OEWD's Entry Level Professional Services Training Program; or (b) have the appropriate training, employment background and skill set for any new and available Entry Level Position specified by the Professional Service Provider.

## 5. COMPLIANCE AND ENFORCEMENT

- a. Compliance with the operational goals of Chapter 83 shall be determined on an individual Contract basis and compliance with the voluntary professional service goals within this FSHA Agreement shall be determined on an individual Professional Service Contract basis.
- b. Lessee's, Service Provider's or Professional Service Provider's failure to meet the criteria set forth in Section 3 or 4 above, as applicable, does not impute "bad faith", but shall trigger a review of the Referral process and compliance with this FSHA Agreement. Failure and noncompliance with this FSHA Agreement may result in penalties as defined in Chapter 83, provided, however, that Lessee, Service Provider or Professional Service Provider shall be provided notice and a reasonable opportunity to cure such noncompliance prior to the assessment of any penalties. Lessee or Service Provider, as applicable, agrees to review SF Chapter 83, and execution of the FSHA Agreement denotes that Lessee or Service Provider agrees to its terms and conditions. OEWD agrees and acknowledges that Professional Service Provider's obligations hereunder are opted into voluntarily and such obligations are not based on the requirements of Chapter 83.
- c. Notwithstanding anything to the contrary herein, nothing in this FSHA Agreement precludes Lessees, Service Providers or Professional Service Providers 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 Agreement to make good faith efforts to fill such vacancies permanently with Referrals remains in effect. For these

purposes, “essential functions” means those functions necessary to remain open for business. If Lessee, Service Provider or Professional Service Provider has an immediate need to fill an Entry Level Position that perform essential functions, Lessee, Service Provider or Professional Service Provider 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.

- d. Nothing in this FSHA Agreement shall be interpreted to prohibit the continuation of existing collective bargaining agreements or existing employment policies, including, but not limited to, advertising job openings to existing employees. In the event of a conflict between this FSHA Agreement and an existing collective bargaining agreement, the terms of the existing agreement shall supersede this FSHA Agreement.

#### 6. FSHA AGREEMENT DURATION

- a. Lessees and Service Providers: This FSHA Agreement shall be in full force and effect up to 10 years from the date of the temporary certificate of occupancy of the Vertical Improvement or the earlier termination of Lessee’s Contract with regard to Lessee and 10 years from the date of substantial completion of the Horizontal Improvement or the earlier termination of Service Provider’s Contract with regard to Services Provider. Upon termination of this FSHA Agreement, the Project will be subject to Existing City Laws, as defined in the DA, including the applicable requirements of Chapter 83.
- b. Professional Service Providers: This FSHA Agreement shall be in full force and effect up to the completion of a Professional Service Contract or the earlier termination of such Professional Service Contract.

#### 7. NOTICE

All notices to be given under this FSHA Agreement shall be in writing and sent via mail or email as follows:

If to OEWD:

ATTN:

If to Lessee:

ATTN:

If to Service Provider:

ATTN:

If to Professional Service Provider:

ATTN:

If to Port

ATTN:

If to Developer:

ATTN:

If to Vertical Developer:

ATTN:

8. ENTIRE AGREEMENT

This FSHA 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 Agreement shall be held invalid or unenforceable, the remainder of this FSHA Agreement shall not be affected. If this FSHA 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 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 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.

IN WITNESS WHEREOF, the following have executed this FSHA Agreement as of the date set forth above.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Name of Authorized Signer: \_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

## Attachment A-1 Employer Services Form

The First Source Hiring Program is administered by the Office of Economic and Workforce Development (*OEWD*) and provides recruiting services at no cost to the employer. To find out how we can support your hiring needs, please visit our website at [www.oewd.org/workforce](http://www.oewd.org/workforce).

**Instructions:** Please complete this form and email to [Business.Services@sfgov.org](mailto:Business.Services@sfgov.org)

### **Step 1: Employer Info**

Employer Name: \_\_\_\_\_

Contact Name: \_\_\_\_\_ Phone: \_\_\_\_\_

Job Title: \_\_\_\_\_ Email: \_\_\_\_\_

### **Step 2: Check all that apply to your business**

- |  |   |   |
|--|---|---|
| <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"/> Operations & Maintenance | <input type="checkbox"/> Janitorial                                   |
| <input type="checkbox"/> Landscape           | <input type="checkbox"/> Technology               | <input type="checkbox"/> I don't see my industry<br>(Please Describe) |

### **Step 3: Tell me about your Entry Level Positions**

Job Title	Number of Job Openings	Projected Start Date

**Done! Thank you for taking the time to complete the form.**

**Please email to [Business.Services@sfgov.org](mailto:Business.Services@sfgov.org) and  
a representative will follow up on how we can best support your hiring needs.**

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  
Email : [Business.Services@sfgov.org](mailto:Business.Services@sfgov.org) Website: [www.oewd.org/workforce](http://www.oewd.org/workforce)

## Attachment B: Local Hiring Agreement

This Local Hiring Agreement ("Local Hiring Agreement") is made as of , by and between , the San Francisco Office of Economic and Workforce Development, (the "OEWD"), 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 **[Horizontal Improvements, including [specify improvements]] OR [Vertical Improvements, including [specify improvements]]** ("Construction Work") at , Lots in Assessor's Block , San Francisco California ("Site"), and a copy of this Local Hiring 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 Local Hiring Agreement and comply with the local hiring requirements established by the City and County of San Francisco, pursuant to Chapter 82 of the San Francisco Administrative Code ("Chapter 82"), as further modified herein;

WHEREAS, the provisions of the San Francisco Local Hiring Policy for Construction (the "Policy") as set forth in Chapter 82, as modified herein, are hereby incorporated as a material term of the Contract. Where used in this Attachment B, "Policy" shall include the modifications herein.

WHEREAS, Contractor agrees that (i) Contractor shall comply with all applicable requirements of the Policy; (ii) the provisions of this Local Hiring Agreement 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 Policy.

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:

#### 1.1 SUMMARY

- A. This Local Hiring Agreement incorporates applicable requirements consistent with the Policy as set forth in Chapter 82. The provisions of the Policy are hereby incorporated as a material term of the DDA. Contractor agrees that (i) Contractor shall comply with all applicable requirements of the Policy; (ii) the provisions of 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 Policy.
- B. OEWD is responsible for administering the Policy and will be administering the applicable requirements for the Contract. For more information on the Policy and its implementation, please visit the OEWD website at:  
[www.workforcedevelopmentsf.org](http://www.workforcedevelopmentsf.org).

- C. Capitalized terms not defined herein shall have the meanings ascribed to them in the DDA.

## 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: (i) in the case of Horizontal Improvements, the construction of all Horizontal Improvements required or permitted to be made to the Project Site during a Phase and to be carried out by Developer under the DDA; or (ii) in the case of Vertical Improvements, the construction of a Vertical Improvement to be carried out by a Vertical Developer on a Development Parcel pursuant to an applicable Vertical DDA and Parcel Lease and all tenant improvements therein, except for the construction of any tenant improvements within a leased premises comprised of less than 15,000 square feet in floor area.
- D. "Construction Work Hours" means the total onsite work hours worked on a construction contract for a Construction Work by all apprentices and journey-level workers, whether those workers are employed by the Contractor or any Subcontractor.
- E. "Contractor" means a prime contractor, general contractor, or construction manager contracted by Developer or a Vertical Developer who performs Construction Work on the Project.
- F. "DDA" means that certain Disposition and Development Agreement between Developer and the City and County of San Francisco, acting by and through the San Francisco Port Commission.
- G. "Disadvantaged Worker" means a local resident, who (i) resides in a census tract within the City with a rate of unemployment in excess of 150% of the City unemployment rate; or (ii) at the time of commencing work on a covered project has a household income of less than 80% of the AMI, or (iii) faces or has overcome at least one of the following barriers to employment: being homeless; being a custodial single parent; receiving public assistance; lacking a GED or high school diploma; participating in a vocational English as a second language program; or having a criminal record or other involvement with the criminal justice system.
- H. "Developer" has the meaning set forth in the DDA, including any successor during the term of this Local Hiring Agreement.

- I. “Development Parcel” has the meaning set forth in the DDA.
- J. “Excess Credit Hours” shall mean the number of Construction Work Hours performed within a trade by Local Residents or Apprentices, as applicable, on a Construction Work that exceed the obligations set forth in Section 1.3.
- K. “Horizontal Improvement” has the meaning set forth in the DDA.
- L. “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.
- M. “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 a portion of the Project.
- N. “Non-Covered Construction Work” means any construction work not covered by the San Francisco Local Hiring Policy and the construction of any tenant improvements within a leased premises comprised of less than 15,000 square feet in floor area.
- O. “Parcel Lease” has the meaning set forth in the DDA.
- P. “Phase” has the meaning set forth in the DDA.
- Q. “Project Site” has the meaning set forth in the DDA.
- R. “Specialized Trades” means a list of trades designated as “Specialized Trades” published by OEWD for which the local hiring requirements of the Policy will not apply.
- S. “Targeted Worker” means any Local Resident or Disadvantaged Worker.
- T. “Vertical DDA” has the meaning set forth in the DDA.
- U. “Vertical Developer” has the meaning set forth in the DDA.
- V. “Vertical Improvement” has the meaning set forth in the DDA.

### 1.3 LOCAL HIRING PARTICIPATION

- A. The Contractor will work with OEWD’s CityBuild Program to achieve the following employment participation levels for all Construction Work:
  - 1. Total Construction Work Hours By Trade. For all contracts for Construction Work, the mandatory participation level in terms of Construction Work Hours within each trade to be performed by Local Residents is 30%, with a goal, which is not mandatory under this



agreement, of no less than 15% of Construction Work Hours within each trade to be performed by Disadvantaged Workers.

2. Apprentices. For all Construction Work, at least 30% of the Construction Work Hours performed by apprentices within each trade is required to be performed by local residents. OEWD has a goal of 50%, which is not mandatory under this agreement, and OEWD will work with contractors to look for feasible opportunities by trade to achieve the 50% goal. Where the candidate pool at a given time includes both apprentices referred by CityBuild and other apprentices, Contractors, shall undertake reasonable efforts to interview the apprentices referred by CityBuild first. This Local Hiring Agreement also establishes a goal, which is not mandatory under this agreement, of no less than 15% of Construction Work Hours performed by apprentices within each trade to be performed by Disadvantaged Workers.
3. Out-of-State Workers. For all Construction Works, Construction Work Hours performed by residents of states other than California will not be considered in calculation of the number of Construction Work Hours to which the local hiring requirements apply. Contractors and Subcontractors shall report to OEWD the number of Construction Work Hours performed by residents of states other than California.

- B. Pre-construction or other Local Hire Meeting. Prior to commencement of construction on Construction Works, Contractor and its Subcontractors whom have been engaged by contract and, identified in the forms required under Section 1.6 below as contributing toward the mandatory local hiring requirement, shall attend a preconstruction or other Local Hire meeting convened by OEWD staff. Representatives from Contractor and the Subcontractor(s) who attend such pre-construction or other Local Hire meeting will have hiring authority. OEWD shall approve applicable Construction Work-specific Specialized Trade exemptions, in addition to the list of trades designated by OEWD as Specialized Trades in accordance with the Section 82.5 of the Policy, during such meeting. Contractor and its Subcontractors who are engaged after the commencement of construction shall attend a future preconstruction meeting or meetings as mutually agreed by Contractor and OEWD staff.
- C. The Policy does not limit Contractor's or its Subcontractors' ability to assess qualifications of prospective workers, and to make final hiring and retention decisions. In no event shall hiring preferences required hereunder prevent Contractor's or its Subcontractors' ability to comply with applicable labor agreements or union dispatch procedures. No provision of the Policy 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.
- D. Tenant Improvements. All future tenant improvements performed within a Construction Work subsequent to any initial tenant improvements within such

Construction Work ("Subsequent Tenant Improvements") shall not be subject to the mandatory participation levels set forth in subsection A above. With respect to Subsequent Tenant Improvements, Contractor or Subcontractor, as applicable, are required only to make good faith efforts to hire Local Residents and Disadvantaged Workers to perform construction work for Subsequent Tenant Improvements. Good faith efforts shall include Contractor's or Subcontractor's, as applicable, attendance at a pre-construction or other Local Hire meeting, requesting to connect with potential workers through Citybuild, considering Targeted Workers provided by CityBuild and submitting Local Hiring Forms 1 and 2.

1.4 COMPLIANCE WITH PARTICIPATION OBLIGATIONS CITYBUILD  
WORKFORCE DEVELOPMENT PROGRAM: EMPLOYMENT NETWORKING  
SERVICES

- A. OEWD administers the CityBuild Program. CityBuild shall be the primary resource for Contractor and Subcontractors to use to meet Contractor's local hiring requirements under the Policy. CityBuild has two main goals:
  - 1. Assist with local hiring requirements under the Policy 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 Contractor's or its Subcontractors' preferred or preexisting hiring or staffing procedures or labor agreements for a Construction Work do not enable Contractor to satisfy the local hiring requirements of the Policy, 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 the Policy. Neither Contractor nor its Subcontractors are required to make an independent determination of whether any worker is "disadvantaged" as defined in the Policy.
- C. **Basis of Compliance:**

1. With regard to Horizontal Improvements, OEWD shall determine compliance with this Agreement for each trade on a Phase by Phase basis. OEWD shall measure compliance by dividing the number of Construction Work Hours performed by Local Residents or Apprentices, as applicable, within a trade by the total number of Construction Work Hours performed within the same trade on the Horizontal Improvements within a Phase. In lieu of a Phase by Phase basis, Developer may determine that it can best achieve compliance with this Local Hire Agreement on a Project-wide basis, and may elect to comply on a Project-wide basis by delivering notice to OEWD and the Port of such election during the submission of the penultimate Phase Submittal. After such election, compliance shall be established upon the completion of the Project. In each case, once compliance is established, any Excess Credit Hours shall be confirmed by OEWD and shall be available for Developer, provided developer remains a Giants Affiliate, as defined in the DDA, to use to offset shortfalls in the same trade elsewhere on the Project Site, provided, however that Excess Credits may only be transferred to Horizontal Improvements that complied with the procedures set forth in Sections 1.3B, 1.4B and 1.6 and at completion are still short of attaining the participation levels set forth in Section 1.3A.
2. With regard to Vertical Improvements, OEWD shall determine compliance with this Agreement for each trade on an individual Vertical Improvement basis. OEWD shall measure compliance by dividing the number of Construction Work Hours performed by Local Residents or Apprentices, as applicable, within a trade by the total number of Construction Work Hours performed within the same on the Vertical Improvement. In lieu of an individual Vertical Improvement basis, Developer may determine that it can best achieve compliance with this Local Hire Agreement on a Phase by Phase basis, and may elect to comply on a Phase by Phase basis by delivering notice to OEWD and the Port of such election during the submission of a Phase Submittal. After such election, compliance shall be established upon the completion of the Phase, as applicable. In each case, once compliance is established, any Excess Credit Hours shall be confirmed by OEWD and shall be available to the Vertical Developer of the Vertical Improvement that generated such Excess Credit Hours, to transfer to another Vertical Developer, provided that such Vertical Developer is a Giants Affiliate, as defined in the DDA, to offset shortfalls in the same trade on a Vertical Improvements elsewhere on the Project Site, provided, however that Excess Credits may only be transferred to Vertical Improvements that complied with the procedures set forth in Sections 1.3B, 1.4B and 1.6 and at completion are still short of attaining the participation levels set forth in Section 1.3A.

#### 1.5 WAIVER FROM LOCAL HIRING REQUIREMENTS

- A. Contractor or the Subcontractor may request waivers as follows: (1) Requests for waivers based on Specialized Trades or other non-availability of workers (subsection 1); and (2) other requests for waivers, which may be considered as conditional waivers by OEWD in its discretion, or based on credit for Non-Covered Construction Work or other construction work specified in subsection 3, and/or participation in the programs described in subsections 4 and 5 below or alternative programs identified by OEWD (subsection 2).

1. Specialized Trades and Other Non-Availability Waivers. Specialized Trades are exempt from local hiring requirements and established in accordance with Section 1.3(B). OEWD shall grant waivers based on a Specialized Trades exemption, provided that (a) the Specialized Trade appears on OEWD's approved list or has been approved as a Construction Work-specific Specialized Trade exemption, and (b) notwithstanding the exemption, Contractor and its Subcontractors have reported to OEWD for its records any Construction Work Hours utilized in each designated Specialized Trade and in each OEWD-approved Construction Work-specific Specialized Trade. As of the date of this Agreement, Specialized Trades include any marine diving, underwater, or marine-related pile-driving work, helicopter pilot, crane operators and oilers, boat, barge, dredge, and/or floating equipment operators, deck engineers, oilers, tunnel/underground work performed by operating engineers and laborers, lineman/cable splicer, stainless steel welders, ironworker connectors and millwrights.

In addition to Specialized Trades, Contractor or Subcontractor may from time to time seek a waiver based on non-availability of workers in one or more other trades ("Non-availability Waiver"). OEWD may apply any Excess Credit Hours (on a 1:1 basis of Excess Credit Hours to shortfall hours) to address any shortfalls identified with respect to a completed Construction Work that would otherwise be entitled to request a Non-availability Waiver under this subsection. At OEWD's discretion, Excess Credit Hours may be allocated anywhere within the Project Site, and to either the same or a different trade. Once Excess Credit Hours are allocated by OEWD such Excess Credit Hours shall no longer be available to Developer elsewhere on the Project Site. OEWD shall grant a Non-Availability Waiver pursuant to this subsection regardless of whether Excess Credit Hours are available to address any shortfall in a trade's Construction Work Hours with respect to a Construction Work, provided that Contractor or Subcontractor has submitted evidence of compliance with the procedures set forth in Sections 1.3B, 1.4B and 1.6.

2. Other Non-Compliance and Corrective Action Plan. In the event Contractor or Subcontractor fails to meet the requirements of Section 1.3 on a basis other than as set forth in subsection 1, OEWD may, in its discretion, negotiate a Corrective Action Plan with the Contractor or Subcontractor. The Corrective Action Plan may include a conditional

waiver that allows the Contractor or Subcontractor to avoid financial penalties. In determining whether to approve the waiver, OEWD may establish alternative means to achieve the participation levels set forth in Section 1.3, including, but not limited to, credit accumulated pursuant to subsection 3 or participation in the programs specified in subsections 4 and 5.

3. Credit for Hiring on Non-Covered Construction Work. Contractor and its Subcontractors may accumulate credit hours for hiring Targeted Workers on Non-Covered Construction Work or on other construction work for which for which the Contractor has exceeded project goals in the nine-county San Francisco Bay Area and apply those credit hours to contracts for Construction Work to meet the mandatory local hiring requirement. For hours performed by Targeted Workers on Non-Covered Construction Work, the hours shall be credited toward the local hiring requirement for the Contract provided that:
  - a. the Targeted Workers are paid the prevailing wages or union scale for work on the Non-Covered Construction Work; 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 Construction Work. 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.
4. Sponsoring Apprentices. Contractor or a Subcontractor may agree to sponsor new apprentices in trades in which noncompliance is likely and retain those apprentices for the period of Contractor's or a Subcontractor's work on the Construction Work, provided that OEWD verifies 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.
5. 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 the Policy by Contractor or Subcontractor 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, such as Helmets to

Hardhats, to hire and retain Targeted Workers. Such exception from assessments of penalties is subject to review and approval by OEWD.

## 1.6 LOCAL HIRING FORMS

- A. The Contractor shall provide CityBuild with information about the Contractor's employment needs under the Contract for each Construction Work by utilizing the City's online Project Reporting System ("PRS"). Contractor shall submit the following forms, as applicable, to OEWD:
1. Form 1: Local Hiring Workforce Projection. This Form 1 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 Construction Works 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 Construction Work using OEWD Form 2. Form 2 shall be initially submitted prior to the start of construction and updated quarterly by the Contractor until all subcontracting is completed. Upon commencement of work, Contractor and its Subcontractors may submit Job Notifications to CityBuild to connect with local trades workers.
  3. Form 3: Intentionally Omitted.
  4. Form 4: Waivers. To be completed by Contractor in the event that Contractor or a Subcontractor believes the local hiring requirements cannot be met. Refer to Articles 1.4 and 1.5 for more information regarding such waivers.

## 1.7 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 Local Hiring Agreement. All Subcontractors performing construction work on the Construction Work shall be responsible for complying with the recordkeeping and reporting requirements set forth in this Local Hiring Agreement.
- B. 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 the 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 the Construction Work.
1. Such records shall include the name, address and social security number of each worker who worked on the Construction Work, 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 Construction Work (e.g., core workforce, name call, union hiring hall, CityBuild referral source, or recruitment or hiring method).

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.
- C. Reporting. Contractor shall submit certified payrolls to the City electronically using the Project Reporting System. OEWD will monitor compliance with the Policy electronically.
- D. Monitoring. From time to time and in its sole discretion, OEWD may monitor and investigate compliance of Contractor and Subcontractors working on a Construction Work with requirements of this Local Hiring Agreement and the Policy. Contractor shall allow representatives of OEWD, in the performance of its duties, to engage in random inspections of a Construction Work. Contractor and all Subcontractors shall also allow representatives of OEWD to have access to employees of Contractor and Subcontractors and the records required to be maintained under this Local Hiring Agreement.
- E. Noncompliance and Penalties. Failure of Contractor and/or its Subcontractors to comply with the requirements of this Local Hiring Agreement and the obligations set forth in the Local Hiring Plan may subject Contractor to the consequences of noncompliance, including but not limited to the assessment of penalties if a waiver is not granted. The assessment of penalties for noncompliance shall not preclude the City from exercising any other rights or remedies to which it is entitled.
- a. **Penalties Amount.** Any Contractor or Subcontractor who fails to satisfy Local Hiring Requirements of this agreement applicable to Construction Work Hours performed by Local Residents and who does not receive a waiver shall forfeit to the City, and, in the case of any Subcontractor so failing, the Contractor 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 Construction Work 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 under this agreement.

- b. **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, OEWD shall provide Contractor or Subcontractor, as applicable, notice of such failure and provide such entity a reasonable opportunity to cure its failure. If such entity does not cure such failure, OEWD 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 Construction Work 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 agreement.
- c. **Recourse Procedure.** If the Contractor or Subcontractor disagrees with the assessment of penalties, then the following procedure applies:
  - i. 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.
  - ii. 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.
  - iii. 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.



- iv. 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.
- v. 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 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 Local Hiring Agreement and a Collective Bargaining Agreement, the terms of the Collective Bargaining Agreement shall supersede this Local Hiring Agreement.

#### 1.9 DURATION OF THIS AGREEMENT

This Local Hiring Agreement shall be in full force and effect throughout the term of the Contract. Upon expiration of the Contract, or its earlier termination, this Local Hiring Agreement shall terminate and it shall be of no further force and effect on the parties hereto.

#### 1.10 NOTICE

All notices to be given under this Local Hiring 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 OEWD: OEWD  
1 South Van Ness 5th Fl. San Francisco, CA 94103  
Attn: Ken Nim, Compliance Manager,  
ken.nim@sfgov.org

If to CityBuild: CityBuild Compliance Manager  
OEWD, 1 South Van Ness 5th Fl.  
San Francisco, CA 94103  
Attn: Ken Nim, Compliance Manager,  
ken.nim@sfgov.org

If to Port:

Attn:

If to Developer:

Attn:

If to Vertical Developer:

Attn:

If to Contractor:

Attn:

If to Subcontractor:

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.

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 OEWD 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.

#### 1.11 ENTIRE AGREEMENT

This Local Hiring Agreement and the Transaction Documents contain the entire agreement between the parties to this Local Hiring 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. This Local Hiring 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 Contractor, their obligations shall be joint and several.

#### 1.12 SEVERABILITY

If any term or provision of this Local Hiring Agreement shall, to any extent, be held invalid or unenforceable, the remainder of this Local Hiring Agreement shall not be affected.

#### 1.13 COUNTERPARTS

This Local Hiring 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.

#### 1.14 HEADINGS

Section titles and captions contained in this Local Hiring Agreement are inserted as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Local Hiring Agreement or the intent of any of its provisions

1.15 GOVERNING LAW

This Local Hiring Agreement shall be governed and construed by the laws of the State of California, and interpreted consistent with the requirements of Chapter 82.

IN WITNESS WHEREOF, the following have executed this Local Hiring 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



LOCAL HIRING PROGRAM  
OEWD FORM 1  
CONSTRUCTION CONTRACTS

## FORM 1: LOCAL HIRING WORKFORCE PROJECTION

Contractor: \_\_\_\_\_ Project Name: \_\_\_\_\_

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:

- Please organize the contractors' information based on their Trade Craft work.
- 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.*)
- If you anticipate utilizing apprentices on this project, please note the requirement that 30% of apprentice hours must be performed by San Francisco residents.
- 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	Contractor X	Journey	800	250	31%
		Apprentice	200	100	50%
<i>Example:</i> Laborer	Contractor Y	Journey	500	100	20%
		Apprentice	0	0	0
<i>Example:</i>	TOTAL LABORER	Journey	1300	350	27%
		Apprentice	200	100	50%
<i>Example:</i>	TOTAL		1500	450	30%
		Journey			
		Apprentice			
		Journey			
		Apprentice			
		Journey			
		Apprentice			

**DISCLAIMER:** If the Total Work Hours for a Trade Craft are less than 5% of the Total Construction Work Hours, the Trade Craft is exempt from the Mandatory Requirement. Subsequently, if the Trade Craft exceeds 5% of the Total Construction 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: \_\_\_\_\_

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 Construction 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 Construction 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: WAIVERS**

Contractor: \_\_\_\_\_ Project Name: \_\_\_\_\_

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.

**TRADE WAIVER INFORMATION:** 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 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 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:

Construction Trade	Est. # of Sponsor Positions	Union (Yes / No)	If Yes, Local #	Est. Start Date	Est Duration of Working Days	Est Total Work Hours Performed
		Y <input type="checkbox"/> N <input type="checkbox"/>				
		Y <input type="checkbox"/> N <input type="checkbox"/>				
OEWD APPROVAL: <input type="checkbox"/> Yes <input type="checkbox"/> 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:

Labor Trade, Position, or Title	Est. # of Off-site Hires	Est Total Work Hours Performed	Offsite Project Name	Project Address
Journey				
Apprentice				

OEWD APPROVAL:	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	OEWD Signature:
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**DDA EXHIBIT B6-B**

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**LOCAL BUSINESS ENTERPRISE UTILIZATION PROGRAM**

## **DDA Exhibit B6 - B**

### **Local Business Enterprise (LBE) Utilization Program.**

The development plan for Mission Rock under the Transaction Documents provides for the development of a new mixed-use neighborhood composed of commercial/office, retail, garage, market rate and affordable residential uses and major new and expanded parks. This Workforce Development Plan sets forth the activities Developer and Vertical Developer shall undertake, and require their Contractors, Consultants, Subcontractors, Subconsultants, and Commercial Tenants, as applicable, to undertake, to support local business enterprises in both the construction and operations phases of the Project, as set forth in this Exhibit B6-B.<sup>1</sup>

The Port and Developer shall enter into the DDA which will provide for the development of the 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 Project. Developer will enter into contracts with Contractors and Consultants to construct all Horizontal Improvements allowed under the Master Lease.

Developer will submit Phase Submittals to the Port pursuant to the Transaction Documents. Following each Phase Approval, the Port will authorize the Chief Harbor Engineer to issue Port permits necessary for Developer to begin to construct Horizontal Improvements in accordance with the DDA and the Master Lease. Upon exercise of an Option in accordance with the DDA, the Port will convey each Development Parcel through Parcel Leases to a Vertical Developer. A Vertical Developer will enter into contracts with Contractors and Consultants to construct the Vertical Improvements, including residential and commercial improvements, in accordance with the Parcel Lease and Vertical DDA. 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.

The foregoing summary is provided for convenience and for informational purposes only. In case of any conflict, the provisions of the DDA and each Vertical DDA shall control.

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<sup>1</sup> Any capitalized term used in this Exhibit B6-B, including its Attachments, that is not defined herein, or in such Attachments, or in the referenced Administrative Code Sections, shall have the meaning given to such term in the DDA.

### **LBE Utilization Plan.**

Developer, with respect to Horizontal Improvements, shall, and the Vertical Developer, with respect to each Vertical Improvement, shall comply and require their respective Contractors and Consultants to comply with the Local Business Enterprise Utilization Plan (the "LBE Utilization Plan") set forth in Attachment A hereto. The Port shall cause (i) Developer, pursuant to the DDA and Master Lease, to comply with the Plan by including such requirements as a material term in the DDA and Master Lease applicable to all phases of Horizontal Improvements and (ii) each Vertical Developer to comply with the Plan by including such requirements as a material term in the VDDA and Parcel Lease applicable to each Vertical Improvement. The Port and Developer will seek to, whenever practicable, engage contracting teams to reflect the diversity of the City and include participation of both businesses and residents from the City's most disadvantaged communities including, but not limited to the Bayview/Hunters Point, Chinatown, Mission, South of Market, Tenderloin, Visitacion Valley and Western Addition neighborhoods.

Compliance with the construction requirements of the LBE Utilization Plan for Horizontal Improvements shall be determined on a Phase by Phase basis. Compliance will be measured by dividing the cost of all Contracts for a Phase of Horizontal Improvement awarded to LBE Prime Contractors, Subcontractors, Prime Consultants or Subconsultants divided by the total cost of all Contracts awarded to Prime Contractors, Subcontractors, Prime Consultants or Subconsultants for such Phase of Horizontal Improvement. If Developer exceeds the goals set forth in the LBE Utilization Plan with respect to an individual Horizontal Improvement, Developer may, at its option, allocate such excess, subject to terms outlined below, towards the compliance of another Horizontal Improvement within the Project Site, subject to the requirements of Attachment A. Notwithstanding anything to the contrary, Developer may, at its election, require that compliance be determined on a Project-wide basis by giving notice to CMD and the Port of such election during the submission of the penultimate Phase Submittal.

Compliance with the construction requirements of the LBE Utilization Plan for Vertical Improvements shall be determined on an individual Vertical Improvement basis. Compliance will be measured by dividing the cost of all Contracts for a Vertical Improvement awarded to LBE Prime Contractors, Subcontractors, Prime Consultants or Subconsultants divided by the total cost of all Contracts awarded to Prime Contractors, Subcontractors, Prime Consultants or Subconsultants for such Vertical Improvement. If a Vertical Improvement exceeds goals set forth in the LBE Utilization Plan, the Vertical Developer of such Construction Work may, at its option, allocate such excess towards the compliance of another Vertical Improvement within the Project Site or transfer such excess to another Vertical Developer within the Project Site, subject to the requirements of Attachment A. Notwithstanding anything to the contrary, Developer may, at its election, require that compliance be determined on a Phase-wide basis by giving notice to CMD and the Port of such election, pursuant to Attachment A, during the submission of a Phase Submittal.

The Developer, Vertical Developer(s) and CMD seek to reduce barriers to LBE participation, cost, and time. As such, the Developer and Vertical Developer(s) shall work in

good faith with CMD to design and implement for each Horizontal and Vertical Improvement insurance programs which provides to LBE participating subcontractors access to the required coverage through either the owner, Owner-Controlled Insurance Policy (OCIP), general contractor, Contractor-Controlled Insurance Policy (CCIP), or such other insurance program as may become reasonably commercially available.

CMD shall notify Contractors, Consultants, Subcontractors and Subconsultants, as applicable, in writing, with a copy to the Port and Developer or Vertical Developer, as applicable, of any alleged breach on the part of that entity of its obligations under San Francisco Administrative Code Chapter 14B ("Chapter 14B") or its LBE Utilization Plan, as applicable, and provide such entity an opportunity to cure its failure before seeking an assessment of liquidated damages. CMD's sole remedies against a Contractor, Consultant, Subcontractor and Subconsultant shall be as set forth in the applicable LBE Utilization Plan, including the enforcement process. Upon CMD's request, Port, Developer or Vertical Developer, as applicable, shall reasonably cooperate with CMD in any such enforcement action against any Contractors, Consultants, Subcontractors and Subconsultants, provided that in no event shall Port, Developer or Vertical Developer, as applicable, be liable for any breach by a Contractor, Consultant, Subcontractor or Subconsultant.

If the Port, Developer or Vertical Developer, as applicable, fulfills its obligations as set forth in this Exhibit B2, it shall not be held responsible for the failure of a Contractor, Consultant, Subcontractor and Subconsultant or any other person or party to comply with the requirements of San Francisco Administrative Code Chapter 14B ("Chapter 14B") or this Exhibit B2. If Developer or Vertical Developer, as applicable, fails to fulfill its obligations under this Exhibit B6-B, the applicable provisions of Chapter 82 shall apply, though the Port and Developer, as applicable, shall have the right to invoke the process set forth in Article 10 of the DDA.

This Exhibit B6-B complies with the requirements of Chapter 14B, including Sections 14B.20.

## Attachment A

### **Local Business Enterprise Utilization Plan**

1. **Purpose and Scope.** This Local Business Enterprise Utilization Plan (this "LBE Utilization Plan") governs the Local Business Enterprise obligations of the Workforce Improvement or the Construction Work pursuant to San Francisco Administrative Code Section 14B.20 and satisfies the obligations of Developer, Vertical Developer and their Contractors and Consultants for a LBE Utilization Plan as set forth herein. In the event of any conflict between San Francisco Administrative Code Chapter 14B ("Chapter 14B") and this attachment, this LBE Utilization Plan shall govern.
2. **Roles of Parties.** In connection with the design and construction phases of each Construction Work (as defined below) and the operations of each Workforce Improvement, 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 Vertical shall participate in a local business enterprise program, and the City's Contract Monitoring Division ("CMD") 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 Developer, Vertical Developer, Contractor or professional services firm retained to work on a Construction Work or Workforce Improvement, as the case may be (each, a "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 Developer or Vertical Developer or a Contractor or professional services firm. When Developer or Vertical Developer or a Contractor or professional services firm requires and seeks products from an LBE supplier or distributor, no more than sixty percent of the cost of the product shall be credited towards LBE participation goals. If the listed supplier or distributor does not regularly stock or is a specially manufactured item(s), the required product, no more than five percent of the cost of the product shall be credited towards LBE participation goals.
  - c. "Consultant" shall mean a person or company that has entered into a professional services contract for monetary consideration with Developer or Vertical Developer to provide advice or services to Developer directly related to the architectural or landscape design, physical planning, and/or civil, structural or

~~environmental engineering of a Construction Work or Workforce Improvement.~~

- d. "Construction Work" shall mean: (i) in the case of Horizontal Improvements, construction of all Horizontal Improvements required or permitted to be made to the Project Site during a Phase and to be carried out by Developer under the DDA subject to Chapter 14B; or (ii) in the case of Vertical Improvements, a Vertical Improvement and all tenant improvements therein, except for the construction of any tenant improvements within a leased premises comprised of less than 15,000 square feet in floor area, to be constructed by a Vertical Developer on a Development Parcel pursuant to an applicable Vertical DDA and Parcel Lease.
- e. "Contract(s)" shall mean an agreement, whether a direct contract, or subcontract, for Consultant or Contractor services for all or a portion of a Construction Work or Workforce Improvement.
- f. "Contractor" shall mean a person or entity that enters into a direct Contract with Developer or Vertical Developer to build or construct all or a portion of a Construction Work or operate a Workforce Improvement.
- g. "DDA" means the Disposition and Development Agreement between Developer and the City and County of San Francisco, acting by and through the San Francisco Port Commission.
- h. "Developer" has the meaning set forth in the DDA, including any successor during the term of this LBE Utilization Plan.
- i. "Development Parcel" has the meaning set forth in the DDA.
- j. "Excess Credit" shall mean the total cost of all Contracts for a Construction Work awarded to LBE Prime Contractors, Subcontractors, Prime Consultants or Subconsultants that are Small and Micro-LBEs that exceeds the goals set forth in Section 4.
- k. "Horizontal Improvement" has the meaning set forth in the DDA.
- l. "Good Faith Efforts" shall mean procedural steps taken by Developer, Vertical Developer, Contractor or Consultant with respect to the attainment of the LBE participation goals, as set forth in Section 6 below.
- m. "Local Business Enterprise" or "LBE" means a business that is certified as an LBE under Chapter 14B.3.
- n. "LBE Liaison" shall mean Developer's and Vertical Developer'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.

- o. "Parcel Lease" has the meaning set forth in the DDA.
- p. "Phase" has the meaning set forth in the DDA.
- q. "Port" has the meaning set forth in the DDA.
- r. "Project" has the meaning set forth in the DDA.
- s. "Project Site" has the meaning set forth in the DDA.
- t. "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 a Construction Work or Workforce Improvement.
- u. "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 a Construction Work or Workforce Improvement.
- v. "Vertical DDA" has the meaning set forth in the DDA.
- w. "Vertical Developer" has the meaning set forth in the DDA.
- x. "Workforce Improvement" shall mean all completed Vertical Improvements, but excluding within: (a) any commercial premises occupying less than 15,000 square feet in floor area, and (b) any residential units therein, subject to Chapter 14B.

4. **LBE Participation Goal.** Developer and Vertical Developer agree to participate in this LBE Utilization Plan and CMD agrees to work with Developer and Vertical Developer in this effort, as set forth in this LBE Utilization Plan. As long as this LBE Utilization Plan remains in full force and effect, Developer, with respect to the construction of Horizontal Improvements, and Vertical Developer, with respect to the construction of Vertical Improvements, shall make good faith efforts as defined below to achieve an overall LBE participation goal of 20% of the total cost of all Contracts for a Construction Work awarded to LBE Prime Contractors, Subcontractors, Prime Consultants or Subconsultants that are Small and Micro-LBEs, as set forth in Administrative Code Section 14B.8(A) and a participation goal of 10% during the pre-construction phase of the Project.

5. **Developer/Vertical Developer Obligations.** Developer, with respect to the construction of Horizontal Improvements, and Vertical Developer, with respect to the construction of Vertical Improvements, shall comply with the requirements of this Attachment A as follows: Upon entering into a Contract with a Contractor or Consultant, Developer or Vertical Developer, as applicable, will include each such Contract a provision requiring the Contractor or Consultant to comply with the terms of this Attachment A, and setting forth the applicable percentage goal for such Contract, and provide a signed copy thereof to CMD and the Port within 10 business days of execution. Such Contract shall specify the notice information for the

Contractor or Consultant to receive notice pursuant to Section 16. Developer and each Vertical Developer shall identify a "LBE Liaison" as its main point of contact for outreach/compliance concerns and shall be available to meet with CMD staff on a regular basis or as necessary regarding the implementation of this Attachment A. If Developer, with respect to Horizontal Improvements, or a Vertical Developer, with respect to construction of the Vertical Improvements, fulfills its obligations as set forth in this Section 5 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 Developer or Vertical Developer, as applicable, 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 A.

6. Good Faith Efforts. City acknowledges and agrees that Developer, Vertical Developer, 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 in Section 5, it will nonetheless be deemed to satisfy the good faith effort obligation of this Section 6 and thereby satisfy the requirements and obligations of this Attachment A if the Contractor, Consultants and their Subcontractors and Subconsultants, as applicable, perform the good faith efforts set forth in this Section 6 as follows:

- a. Advance Notice. Notify CMD and the Port in writing of all upcoming solicitations of proposals for work under a Contract at 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, Developer, Vertical Developer, Contractor, Consultant, Subcontractor or Subconsultant will 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. Developer, Vertical Developer, Contractor, Consultant, Subcontractor or Subconsultant will advertise for at least 30 days prior to the opening of bids or proposals, 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 Developer or Vertical Developer or their respective Prime Contractor or Consultant, as applicable. As practicable, convene pre-bid or pre-solicitation meetings no less than 15 days prior to the opening of bids and proposals to all for LBEs to ask questions about the selection process and technical specifications/requirements. Developer or Vertical Developer may request CMD's permission to award a contract without advertising if the work consists of specialty services or otherwise does not provide



opportunities for LBE participation.

- 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.** Developer or Vertical Developer or their respective 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.** Developer or Vertical Developer or their respective 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) shall be or work with a LBE Consultant with experience in and responsibility for making recommendations on how to maximize engagement of local small businesses from disadvantaged communities including, but not limited to the Bayview/Hunters Point, Chinatown, Mission, South of Market, Tenderloin, Visitacion Valley and Western Addition neighborhoods, and 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.** Developer or Vertical Developer shall include in its 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 overall LBE participation goal and any LBE percentage that may be required under such Contract.
- 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. **Insurance and Bonding.** Recognizing that lines of credit, insurance and bonding are problems common to local businesses, 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. Contractor, Subcontractor, Consultant and Subconsultant will work with the Developer, Vertical Developer and CMD in good faith to design and implement for each Horizontal and Vertical Improvement insurance programs which provides to LBE participating subcontractors access to the required coverage through either the owner, Owner-Controlled Insurance Policy (OCIP), general contractor, Contractor-Controlled Insurance Policy (CCIP), or such other insurance program as may become reasonably commercially available.
- l. **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 9 below to identify a strategy to meet the LBE goal;
- m. **Quarterly Reports.** During design and construction, the LBE Liaison(s) shall prepare a quarterly report of LBE participation goal attainment and submit to CMD as required by Section 9 herein; and
- n. **Meet and Confer.** Attend the meet and confer process described in Section 9.

7. **Good Faith Outreach.** Good faith efforts shall be deemed satisfied solely by compliance with Section 6. 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 6.b, and following CMD's notice under Section 8.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.

8. **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 6.b, CMD will work with Developer or its prime 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 Developer or Vertical Developer or their Contractors, Subcontractors, Consultants and Subconsultants in meeting LBE participation goals and/or satisfying good faith efforts requirements.

9. Meet and Confer Process. Commencing with the first Contract that is executed for a Construction Work, and every six (6) months thereafter, or more frequently if requested by either CMD, Developer or a Contractor or Consultant each Contractor and 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 A. When deficiencies are noted, meet and confer with CMD to ascertain and execute plans to increase LBE participation.

10. Prohibition on Discrimination. Developer and Vertical Developer 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 6 and 9 above.

11. Collective Bargaining Agreements. Nothing in this Attachment A 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 A and a Collective Bargaining Agreement, the terms of the Collective Bargaining Agreement shall supersede this Attachment A.

12. 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 6. Developer and Vertical Developer 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 prime 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.

13. Basis of Compliance:

- a. With regard to Horizontal Improvements, CMD shall determine compliance with this Agreement on a Phase-wide basis and measure compliance by dividing the cost of all Contracts for a Construction Work awarded to LBE Prime Contractors, Subcontractors, Prime Consultants or Subconsultants divided by the total cost of all Contracts awarded to Prime Contractors, Subcontractors, Prime Consultants or Subconsultants for such Construction Work. Notwithstanding anything to the contrary, Developer may, at its election, require that compliance be determined on a Project-wide basis by giving notice to CMD and the Port of such election not later than the submission of the penultimate Phase Submittal. After such election, compliance shall be measured upon the completion of the Project. In each case, once compliance is established, any Excess Credit shall be confirmed by CMD and shall be available for Developer, provided Developer remains a Giants Affiliate, as defined in the DDA, to offset shortfalls elsewhere on the Project Site, provided, however that Excess Credits may only be transferred to Horizontal Improvements that complied with the procedures set forth in Section 6 and at completion are short of attaining the participation levels set forth in Section 4.
- b. With regard to Vertical Improvements, CMD shall determine compliance with this Agreement on an individual Vertical Improvement basis and measure compliance by dividing the cost of all Contracts for a Construction Work awarded to LBE Prime Contractors, Subcontractors, Prime Consultants or Subconsultants divided by the total cost of all Contracts awarded to Prime Contractors, Subcontractors, Prime Consultants or Subconsultants for such Vertical Improvement. Notwithstanding anything to the contrary, Developer may, at its election, require that compliance be determined on a Phase-wide basis, as Developer plans to develop each Vertical Improvement in such Phase, by giving notice to CMD and the Port of such election during the submission of a Phase Submittal. After such election, compliance shall be measured upon the completion of the Phase, as applicable. In each case, once compliance is established, any Excess Credits shall be confirmed by CMD and shall be available to the Vertical Developer of the Vertical Improvement that generated such Excess Credits to transfer to another Vertical Developer, provided that such Vertical Developer is a Giants Affiliate, as defined in the DDA, to offset shortfalls in the same trade on Vertical Improvements elsewhere on the Project Site, provided, however that Excess Credits may only be transferred to Vertical Improvements that complied with the procedures set forth in Section 6 and at completion are still short of attaining the participation levels set forth in Section 4.

14. Workforce Improvement Operations. Each Vertical Developer will use good faith efforts to hire LBEs for ongoing service contracts within Workforce Improvements 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.

15. Monitoring and Enforcement. CMD shall both monitor and enforce the standards and requirements, including the good faith efforts, of this Program. CMD Compliance Officers shall schedule meetings with the LBE Liaison(s) through the term of this Program to promote consistent communication and practice.

16. 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 Developer, Vertical Developer, Contractor, Subcontractor, Consultant or Subconsultant, then CMD shall provide written notice to Developer or Vertical Developer, as applicable, each affected prime Contractor or Consultant and, if applicable, also to its Subcontractor or Subconsultant. The prime 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 A. When deficiencies are noted CMD staff will work with the appropriate LBE Liaison(s) to remedy such deficiencies.

17. Remedies. Notwithstanding anything to the contrary in the DDA, the following process and remedies shall apply with respect to any alleged violation of this Attachment A:

Mediation and conciliation shall be the administrative procedure of first resort for any and all compliance disputes arising under this Attachment A. 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 Developer, 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 Developer, Contractor, Consultant, Subcontractor or Subconsultant to file a request for judicial relief.

If a Developer, Vertical Developer, Contractor, Consultant, Subcontractor or Subconsultant is found to be in willful breach of the obligations set forth in this Attachment A, assess against the noncompliant Developer, Vertical Developer, 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 Developer, Vertical Developer, 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 A, the sole remedy for violation shall be specific performance.

18. Duration of this Agreement. This Attachment A shall terminate (i) at the expiration of the Development Agreement, as defined in the DDA, and; (ii) for any Construction Work that has commenced before the termination of the Development Agreement, but is not yet complete upon the termination of the Development Agreement, upon the completion of such Construction Work. Upon such termination, this Attachment A shall be of no further force and effect.

19. Notice. All notices to be given under this Attachment A 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 the Port:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

If to Developer:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

If to Vertical Developer:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

If to Contractor:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

If to Consultant:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

EXHIBIT N

Development Agreement Section 5.8(f) (Electricity)

## EXHIBIT N

### DEVELOPMENT AGREEMENT SECTION §5.8(F) (ELECTRICITY)

#### 5.8 Future City Approvals

##### (f) SFPUC Power.

(i) In accordance with Administrative Code chapter 99, the SFPUC has performed a feasibility study and has determined that it will be able to provide electric power to the Project. SFPUC agrees that applicable SFPUC service will be reasonably available to meet the Project's needs and Developer's schedule, and that the projected price for applicable SFPUC service and related Utility Infrastructure cost allocations are comparable to rates in San Francisco for comparable service. SFPUC will work with Developer to provide applicable SFPUC service for temporary construction and permanent use pursuant to SFPUC *Rules and Regulations for Electric Service*.

(ii) Developer understands and agrees that all applicable SFPUC service for the Project Site will be provided by SFPUC Power under the terms of an ESA to be completed between SFPUC Power and Developer. Among other things, the ESA, in addition to the ESA's standard terms and conditions, will address some or all of the following:

- (1) development schedules and milestones for applicable SFPUC service;
- (2) termination rights and costs;
- (3) offsite Utility Infrastructure requirements, development, costs, and any cost allocation;
- (4) onsite Utility Infrastructure requirements, development, costs, and cost allocations; and
- (5) Developer-provided space for SFPUC electric facilities.

(iii) The Parties agree to act in good faith to finalize the ESA within 180 days after the Reference Date. If the Parties' good faith efforts do not result in a final ESA within 180 days, the Parties will agree to a reasonable extension of time to complete the ESA. If the Parties' diligent good faith negotiations to enter into an ESA as set forth above are unsuccessful, Developer may elect to pursue alternative service arrangements.



EXHIBIT O

Form of Assignment and Assumption Agreement

RECORDING REQUESTED BY:  
AND WHEN RECORDED MAIL TO:

FOR RECORDER'S USE ONLY

APN: Lot [ ], Block [ ]

**PARCEL LEASE EXHIBIT O**  
**ASSIGNMENT AND ASSUMPTION AGREEMENT AND RELEASE**  
(Parcel Lease [and DA])

This ASSIGNMENT AND ASSUMPTION AGREEMENT (this "**Agreement**"), effective as of [ ], (the "**Effective Date**"), is entered into by and between [ ], a [ ] ("**Transferor**"), and [ ], a [ ] ("**Transferee**").

**RECITALS**

**A.** Seawall Lot 337 Associates, LLC, a Delaware limited liability company ("**Horizontal Developer**") and the City entered into that certain Development Agreement (the "**Development Agreement**") dated as of [ ], 2018 for reference purposes, with respect to certain real property owned by Assignor, as such property is more particularly described in the Development Agreement ("**Mission Rock**"). The Development Agreement was recorded in the Official Records on [ ], 2018 as Instrument No. [ ].

**B.** The Development Agreement was assigned by Horizontal Developer to Transferor by that certain Development Agreement Assignment and Assumption Agreement dated as of [ ], 20[xx] and recorded in the Official Records on [ ], 20[xx] as Instrument No. [ ]. **[Note: add if applicable any intervening amendment and/or assignments]**

**C.** Port and Transferor entered into that certain Lease No. L-XXXX dated as of [ ], 20XX (the "**Lease**"), a memorandum of which was recorded in the Official Records on [ ], 20XX as Instrument No. [ ].

**D.** The Property is located within the mixed-use development commonly known as Mission Rock. The Lease, and **[Note: add other agreements if applicable]** any other agreements or documents entered into by and between Port and Transferor pursuant to the Lease are referred to herein collectively, as the "**Property Agreements**."

**E.** Transferor and Transferee have entered into an agreement (the "**Purchase Agreement**") pursuant to which Transferor has agreed to assign all of its right, title and interest in and to the Property Agreements [and certain right title and interest in the Development Agreement] to Transferee, and Transferee has agreed to assume all of Transferor's right title and interest in and to the Property Agreements [and certain right title and interest in the Development Agreement] from Transferor.

F. In order to consummate the transactions contemplated by the Purchase Agreement, Transferor desires to assign and Transferee desires to assume the Property Agreements [and the Development Agreement] on the terms and conditions set forth in this Agreement.

## **AGREEMENT**

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Transferor and Transferee agree as follows:

1. **Assignment by Transferor.** Transferor hereby assigns to Transferee as of the Effective Date each and all of the right, title, interest and obligations of Transferor under the Property Agreements [and certain right title and interest in the Development Agreement and any other agreements or documents entered into by and between City and Transferor pursuant to the Development Agreement] to the extent first arising after the Effective Date.

2. **Assumption by Transferee.**

2.1. **Assumption by Transferee.** Transferee hereby assumes from Transferor as of the Effective Date each and all of the right, title, interest and obligations of Transferor under the Property Agreements [and certain right title and interest in the Development Agreement and any other agreements or documents entered into by and between City and Transferor pursuant to the Development Agreement] to the extent first arising after the Effective Date. Transferee hereby acknowledges that Transferee has reviewed the Property Agreements [and the Development Agreement and any other agreements or documents entered into by and between City and Transferor pursuant to the Development Agreement] and agrees to be bound by all such agreements and all conditions and restrictions to which Transferor is subject under such agreements [and to which Horizontal Developer (or the Transferor, as applicable) is subject under the Development Agreement to the extent applicable to the Property].

2.2. **[Note: add if applicable to residential rental projects] [To be confirmed-subject to further modification] Costa-Hawkins Waiver.** Without limiting the foregoing assumption of rights and obligations by Transferee, Transferee specifically acknowledges that the Development Agreement and the DDA, which includes the Affordable Housing Plan attached thereto as Exhibit [XX], [provide regulatory concessions and significant public investment to Mission Rock that directly reduce development costs at Mission Rock]. The regulatory concessions and public investment include a direct financial contribution of net tax increment and other forms of public assistance specified in California Government Code section 65915. These public contributions result in identifiable, financially sufficient, and actual cost reductions for the benefit of Horizontal Developer and Transferors under California Government Code section 65915. In consideration of the City's direct financial contribution and other forms of public assistance, the parties understand and agree that the Costa-Hawkins Act does not apply to any BMR Unit or Inclusionary Units developed under the AHP for Mission Rock.

3. **Representations and Warranties of Transferor.** Transferor hereby makes the following representations and warranties to Transferee, Port, and the City as of the Effective Date:

3.1. Transferor is a [ ] duly organized and validly existing under the laws of the State of [ ]. Transferor has the requisite power and authority to own its property and conduct its business as presently conducted. Transferor is in good standing in the State of California and is authorized to do business in the State of California and is in good standing therein.

3.2. Transferor has the requisite power and authority to execute and deliver this Agreement and the Transfer Agreement (collectively, the "**Transaction Documents**") and the agreements contemplated hereby and to carry out and perform all of the terms and covenants of the Transaction Documents and the agreements contemplated hereby to be performed by Transferor.

3.3. Neither Transferor's [articles of organization or operating agreement], nor any applicable Law, prohibits Transferor's entry into the Transaction Documents or its performance

thereunder. 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 the Transaction Documents by Transferor and Transferor's performance thereunder, 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 Transferor, and Transferor has not received notice of the filing of any pending suit or proceedings against Transferor before any court, governmental agency, or arbitrator, which might materially adversely affect the enforceability of the Transaction Documents or the business, operations, assets or condition of Transferor.

**3.4.** The execution and delivery of the Transaction Documents and the performance by Transferor thereunder have been duly and validly authorized. When executed and delivered, the Transaction Documents will be legal, valid and binding obligations of Transferor.

**3.5.** The execution, delivery and performance of the Transaction Documents (i) do not and will not violate or result in a violation of, contravene or conflict with, or constitute a default by Transferor under (A) any agreement, document or instrument to which Transferor is a party or by which Transferor is bound, (B) any law, statute, ordinance, or regulation applicable to Transferor or its business, or (C) the articles of organization or the operating agreement of Transferor, and (ii) do not result in the creation or imposition of any lien or other encumbrance upon the assets of Transferor (other than the lien of a Mortgage in accordance with the Parcel Lease).

**3.6.** Except to the extent disclosed to Port in writing, (i) Transferor is not in default under, and has not received notice asserting that it is in default under, any agreement for borrowed money, (ii) Transferor 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 Transferor's ability to meet its obligations under the Transaction Documents, and (iv) to Transferor's knowledge, no involuntary petition naming Transferor as debtor has been filed under any chapter of the U.S. Bankruptcy Code.

**4. Representations and Warranties of Transferee.** Transferee hereby makes the following representations and warranties to Transferor, Port, and the City as of the Effective Date:

**4.1.** Transferee is a [ ] duly organized and validly existing under the laws of the State of [ ]. Transferee has the requisite power and authority to own its property and conduct its business as presently conducted. Transferee is in good standing in the State of California and is authorized to do business in the State of California and is in good standing therein.

**4.2.** Transferee has the requisite power and authority to execute and deliver the Transaction Documents and the agreements contemplated hereby and to carry out and perform all of the terms and covenants of the Transaction Documents and the agreements contemplated hereby to be performed by Transferee.

**4.3.** Neither Transferee's [articles of organization or operating agreement], nor any applicable Law, prohibits Transferee's entry into the Transaction Documents or its performance thereunder. 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 the Transaction Documents by Transferee and Transferee's performance thereunder, 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 Transferee, and Transferee has not received notice of the filing of any pending suit or proceedings against Transferee before any court, governmental agency, or arbitrator, which might materially adversely affect the enforceability of the Transaction Documents or the business, operations, assets or condition of Transferee.

4.4. The execution and delivery of the Transaction Documents and the performance by Transferee thereunder have been duly and validly authorized. When executed and delivered, the Transaction Documents will be legal, valid and binding obligations of Transferee.

4.5. The execution, delivery and performance of the Transaction Documents (i) do not and will not violate or result in a violation of, contravene or conflict with, or constitute a default by Transferee under (A) any agreement, document or instrument to which Transferee is a party or by which Transferee is bound, (B) any law, statute, ordinance, or regulation applicable to Transferee or its business, or (C) the articles of organization or the operating agreement of Transferee, and (ii) do not result in the creation or imposition of any lien or other encumbrance upon the assets of Transferee (other than the lien of a Mortgage in accordance with the Parcel Lease).

4.6. Except to the extent disclosed to Port in writing, (i) Transferee is not in default under, and has not received notice asserting that it is in default under, any agreement for borrowed money, (ii) Transferee 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 Transferee's ability to meet its obligations under the Transaction Documents, and (iv) to Transferee's knowledge, no involuntary petition naming Transferee as debtor has been filed under any chapter of the U.S. Bankruptcy Code.

5. **Qualified Transferee.** Transferee is a Qualified Transferee. "Qualified Transferee" means any transferee that satisfies each of the following criterion: (1) has, or has engaged a property manager with at least ten (10) years' experience operating [use for commercial development parcels: major commercial projects] [use for residential development parcels: residential projects]; (2) satisfies the Net Worth Requirement; and (3) is subject to jurisdiction of the courts of California.

6. **Investigation of Property; No Port or City Representations.** Transferee has conducted a thorough investigation and due diligence of the Property, including all Material Systems, the roof and the structural integrity of the Improvements [Add only if transfer occurs after 20th Anniversary of the Commencement Date: and has received and reviewed the Facilities Condition Report dated \_\_\_\_\_ prepared by or on behalf of Transferor]. Transferee has reviewed and is familiar with the terms and conditions of the Property Agreements [and the Facilities Condition Report]. Transferee recognizes and acknowledges that Port makes no representation or warranty hereby, express or implied, regarding the Property, the Improvements, [the Facilities Condition Report] or the amount, nature, or extent of any representations or warranties with respect to the obligation, liability, or duty under any of the Property Agreements.

7. **Release of Indemnified Parties and the State Lands Indemnified Parties.** Transferee, on behalf of itself and its successors and assigns, waives or will be deemed to waive, any right to recover from, and forever releases, acquits, and discharges Indemnified Parties and the State Lands Indemnified Parties under the Property Agreements of all Losses against the Indemnified Parties and the State Lands Indemnified Parties for the condition of the Improvements or the real property or any claims assignor may have against the Indemnified Parties arising prior to the Effective Date 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.

Transferee understands and expressly accepts and assumes the risk that any facts concerning the Losses released, waived, and discharged in this Agreement includes known and unknown claims, disclosed and undisclosed, and anticipated and unanticipated claims pertaining to the subject matter of the releases, waivers, and discharges, and might be found later to be other than or different from the facts now believed to be true, and agrees that the releases, waivers, and discharges in this Agreement will remain effective. Accordingly, with respect to the claims released, waived, and discharged in this Agreement, Transferee expressly waives the benefits of Section 1542 of the California Civil Code, which provides as follows:

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

By placing its initials below, Transferee specifically acknowledges and confirms the validity of the releases, waivers, and discharges made above and the fact that Transferee was represented by counsel who explained, at the time this agreement was made, the consequences of the above releases, waivers and discharges.

TRANSFEREE INITIALS: \_\_\_\_\_

**8. Release of Transferor.**

From and after the Effective Date, Transferor will be released from all obligations and liability under Parcel Lease to the extent first arising after the Effective Date as long as Transferee has assumed all such obligations and liabilities. In no event will Transferor be liable for a new default under Parcel Lease first arising after the Effective Date so long as Transferee has assumed all obligations and liabilities under Parcel Lease arising as of the Effective Date. The effectiveness of any Transfer hereunder is not in any way to be construed to relieve Transferor of any liability arising out of or with regard to the performance of any covenants or obligations to be performed by Transferor under Parcel Lease before the Effective Date.

**9. General Provisions.**

**9.1. Attorneys' Fees.** If either Party hereto fails to perform any of its respective obligations under this Agreement or if any dispute arises between the parties hereto concerning the meaning or interpretation of any provision of this Agreement, then the defaulting Party or the Party not prevailing in such dispute, as the case may be, will pay any and all costs and expenses incurred by the other party on account of such default or in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees and disbursements.

**9.2. Notices.** The provisions of Section 38 of the Parcel Lease [and Section 14.1 of the Development Agreement] are incorporated by reference with the same effect as if set forth herein; provided, however, the address for Transferee is as follows:

[\_\_\_\_\_]
[\_\_\_\_\_]
[\_\_\_\_\_]
Attn: [\_\_\_\_\_]

With a copy to:

[\_\_\_\_\_]
[\_\_\_\_\_]
[\_\_\_\_\_]
Attn: [\_\_\_\_\_]

**9.3. Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their respective executors, administrators, successors, and assigns.

**9.4. Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which shall constitute one instrument.

**9.5. Captions.** Any captions to, or headings of, the Articles, Paragraphs, or subparagraphs of this Agreement are solely for the convenience of the parties hereto, are not a

part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.

9.6. Amendment to Agreement. The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the parties hereto.

9.7. Exhibits. The Exhibits attached hereto are hereby incorporated herein by this reference for all purposes.

9.8. Waiver. The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

9.9. Applicable Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of California.

9.10. Fees and Other Expenses. Except as otherwise provided herein, each of the parties shall pay its own fees and expenses in connection with this Agreement.

9.11. Partial Invalidity. If any portion of this Agreement as applied to any party or to any circumstances shall be adjudged by a court to be void or unenforceable, such portion shall be deemed severed from this Agreement and shall in no way affect the validity or enforceability of the remaining portions of this Agreement.

9.12. Independent Counsel. Each party hereto acknowledges that: (a) it has been represented by independent counsel in connection with this Agreement; (b) it has executed this Agreement with the advice of such counsel; and (c) this Agreement is the result of negotiations between the parties hereto and the advice and assistance of their respective counsel.

9.13. Defined Terms. All capitalized terms not defined herein are set forth in the Parcel Lease.

*[The remainder of this page has been intentionally left blank]*

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the Effective Date.

**TRANSFEROR:**

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

**TRANSFeree:**

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

The **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, operating by and through the **SAN FRANCISCO PORT COMMISSION**, hereby executes this Agreement with respect only to Article 8 (Release of Transferor) of this Agreement.

**PORT:**

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

By: \_\_\_\_\_  
[NAME]  
Executive Director

**APPROVED AS TO FORM:**

**DENNIS J. HERRERA**, City Attorney

By: \_\_\_\_\_  
[NAME OF DEPUTY]  
Deputy City Attorney



**[Note: Applicable only if DA is assigned and assumed]**

**DEVELOPMENT AGREEMENT RELEASE**

In accordance with Section 11.1 of the Development Agreement, the City hereby releases and discharges [insert Transferor ("**Transferor**")]] from all obligations that are transferred to, and assumed by, [insert transferee ("**Transferee**")]] under the foregoing Assignment and Assumption Agreement between Transferor and Transferee, dated as of [\_\_\_\_], 20XX (the "**Assignment and Assumption Agreement**"), to which this Release is attached. All capitalized terms not defined in this Release are as defined in the Assignment and Assumption Agreement.

**CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation

By: \_\_\_\_\_  
\_\_\_\_\_  
Director of Planning

Date: \_\_\_\_\_

APPROVED AS TO FORM:  
DENNIS J. HERRERA, City Attorney

By: \_\_\_\_\_  
Name: [Name of Deputy]  
Deputy City Attorney

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)  
Signature of Notary Public

**EXHIBIT A**

**LEGAL DESCRIPTION OF PROPERTY**

*[INSERT LEGAL DESCRIPTION FROM PARCEL LEASE]*

EXHIBIT P

Significant Change Certificate

PARCEL LEASE EXHIBIT P

FORM OF SIGNIFICANT CHANGE CERTIFICATE

Port of San Francisco  
Pier 1  
San Francisco, CA 94111  
Attn: Executive Director  
Re: Mission Rock -- Lease No. L-[\_\_\_\_\_]

Re: Significant Change Certificate for Parcel [XX]

This Significant Change Certificate (this "Certificate") is delivered to Port, pursuant to [Use before Certificate of Completion is issued: Section 18.1(b)(ii)] [Use after Certificate of Completion is issued: Section 18.1(g)] of that certain Lease No. L-[\_\_\_\_\_] between the CITY AND COUNTY OF SAN FRANCISCO, operating by and through the SAN FRANCISCO PORT COMMISSION ("Port") and \_\_\_\_\_ ("Tenant"), and dated \_\_\_\_\_, \_\_\_\_ (as may be amended, the "Parcel Lease").

[Use before Certificate of Completion issued: Section 18.1(b)(ii)] [Use after Certificate of Completion issued: Section 18.1(g)] of the Parcel Lease, an officer of Tenant hereby certifies to Port the following information regarding the proposed Significant Change

List (each) Purchaser: \_\_\_\_\_

List Ownership Interest of (each) Purchaser: \_\_\_\_\_% \_\_\_\_\_%

Purchase price for (each) Purchaser: \_\_\_\_\_

Net Sale Proceeds  
(as defined in the Parcel Lease)  
owed to Port (if applicable): \_\_\_\_\_

[Use after Certificate of Completion issued: Section 18.1(g)] All other members/partners of Tenant and their respective ownership interest: \_\_\_\_\_% \_\_\_\_\_%

Furthermore, Tenant hereby reaffirms that it will continue to be obligated under all the terms and conditions of the Parcel Lease and Tenant will be, if not already, a Qualified Transferee immediately following the Significant Change. As the [insert title of person signing] of Tenant, the undersigned certifies that this Certificate is true, accurate and complete. All capitalized terms not defined in this Certificate are defined in the Parcel Lease.

This Certificate is made as of \_\_\_\_\_, 20[ ] and is for the benefit and protection of Port, with the understanding that the Port has the right to rely upon this Certificate.

**[NAME OF TENANT]**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT Q

Form of Tenant Estoppel Certificate

**PARCEL LEASE EXHIBIT Q**  
**FORM OF TENANT ESTOPPEL CERTIFICATE**

[\_\_\_\_\_] a [\_\_\_\_\_] ("Tenant"), is the tenant of the real property having an address at [\_\_\_\_\_] [\_\_\_\_\_] within the mixed-use development commonly known as "Mission Rock" 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" or "Landlord") [and to \_\_\_\_\_] the following as of [\_\_\_\_\_] 20XX:

1. That there is presently in full force and effect that certain Lease [\_\_\_\_\_] dated as of [\_\_\_\_\_] 20[XXX], (as 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, attached hereto as **Exhibit A** is, to the best of Tenant's knowledge, true, correct and complete and has not been modified, assigned, supplemented or amended except as follows: \_\_\_\_\_.

3. **[Note: Use only in connection with request for NDA:]** That the attached Sublease and summary of basic terms attached hereto as **Exhibit B** are true, correct and complete in all material respects and that there have been no changes in the executed Sublease and summary from the electronic copies previously delivered to Port on [\_\_\_\_\_] 20XX].

4. That the Lease [and the following documents: [\_\_\_\_\_] ] represents the entire agreement between Landlord and Tenant with respect to the Premises.

5. That the commencement date under the Lease was [\_\_\_\_\_] 20[XXX], and the expiration date of the Lease is [\_\_\_\_\_] 20[XXX].

6. That the present monthly Base Rent (as defined in the Lease) under the Lease is \$ \_\_\_\_\_.

7. That the Percentage Rent (as defined in the Lease) paid by Tenant for the most recent calendar quarter prior to the date set forth above was \$ \_\_\_\_\_.] **[Insert "Not Applicable" if no percentage rent due under the Lease.]**

8. That the security deposits held by Landlord under the terms of the Lease are as follows: \$ \_\_\_\_\_.

9. That Tenant has accepted possession of the Premises and that, to the best of Tenant's actual knowledge after diligent inquiry, all conditions of the Lease to be satisfied by Landlord have been completed or satisfied to the satisfaction of Tenant.

10. That, to the best of Tenant's actual knowledge after diligent inquiry, Tenant, as of the date set forth above, has no right or claim of deduction, charge, lien or offset against Landlord 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 \_\_\_\_\_.

11. That, to Tenant's actual knowledge, Landlord is not in default or breach of the Lease, nor has Landlord 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 Landlord.

12. That, to the best of Tenant's actual knowledge after diligent inquiry, 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.

13. Except for the following: \_\_\_\_\_, (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, and (iv) to Tenant's knowledge, no involuntary petition naming Tenant as debtor has been filed under any chapter of the U.S. Bankruptcy Code.

14. [Note: Delete if Initial Improvements are complete] The Initial Improvements [have not been completed but approximately XX% has been completed to date] [have not yet commenced].

This Certificate is binding upon Tenant and will inure to the benefit of Port, [ ] and their respective successors and assigns.

[\_\_\_\_\_] ,  
a [\_\_\_\_\_]

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT R

Form of Subtenant Estoppel Certificate

**PARCEL LEASE EXHIBIT R**  
**FORM OF SUBTENANT ESTOPPEL CERTIFICATE**

[\_\_\_\_\_] a [\_\_\_\_\_] ("**Subtenant**"), is the subtenant of the real property having an address at [\_\_\_\_\_] [\_\_\_\_\_] within the mixed-use development commonly known as "**Mission Rock**" 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 [\_\_\_\_\_] 20XX:

1. That there is presently in full force and effect that certain Sublease [\_\_\_\_\_] dated as of [\_\_\_\_\_] 20[XXX], (as modified, assigned, supplemented and/or amended as set forth in **paragraph 3 below**, the "**Sublease**"), between Subtenant, as tenant, and [\_\_\_\_\_] as landlord ("**Landlord**"), covering the Property and other improvements, as further described in the Sublease (the "**Subleased Premises**").
2. The Sublease is subject to that certain Lease No. L-[XXX] dated as of [\_\_\_\_\_] 20[XXX], as amended from time to time, between Landlord, as tenant, and Port, as landlord.
3. **[Note: Use only if Subtenant has an NDA:]** That to the best of Subtenant's knowledge, the Sublease, attached hereto as **Exhibit A** is true, correct and complete and has not been modified, assigned, supplemented or amended except as follows: \_\_\_\_\_ **[Note: add if Sublease has been amended:** The dates of Port approval for such amendments are as follows: [\_\_\_\_\_] **].**
4. That Subtenant has not sub-subleased any portion of the Subleased Premises other than to [\_\_\_\_\_] pursuant to that certain [insert description of the sub-subleases].
5. That the Sublease [and the following documents: [\_\_\_\_\_] ] represents the entire agreement between Landlord and Subtenant with respect to the Subleased Premises.
6. That the commencement date under the Sublease was [\_\_\_\_\_] 20[XXX], and the expiration date of the Sublease is [\_\_\_\_\_] 20[XXX].
7. That the present minimum monthly base rent which Subtenant is paying under the Sublease is \$ \_\_\_\_\_.
8. That the percentage rent paid by Subtenant for the most recent full calendar month prior to the date set forth above was \$ \_\_\_\_\_. **[Insert "Not Applicable" if no percentage rent due under the Sublease.]**
9. That the security deposits held by Landlord under the terms of the Sublease are as follows: \$ \_\_\_\_\_.
10. That Subtenant has accepted possession of the Subleased Premises and that, to the best of Subtenant's actual knowledge after diligent inquiry, all conditions of the Sublease to be satisfied by Landlord have been completed or satisfied to the satisfaction of Subtenant.
11. That, to the best of Subtenant's actual knowledge after diligent inquiry, Subtenant, as of the date set forth above, has no right or claim of deduction, charge, lien or offset against Landlord 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 \_\_\_\_\_.

12. That, to Subtenant's actual knowledge after diligent inquiry, Landlord is not in default or breach of the Sublease, nor has Landlord 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 Landlord.

13. That, to the best of Subtenant's actual knowledge after diligent inquiry, 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.

14. Except for the following: \_\_\_\_\_, (i) Subtenant is not in default under, and has not received notice asserting that it is in default under, any agreement for borrowed money, (ii) Subtenant 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 Subtenant's ability to meet its Sublease obligations hereunder, and (iv) to Subtenant's knowledge, no involuntary petition naming Subtenant as debtor has been filed under any chapter of the U.S. Bankruptcy Code.

This Certificate is binding upon Subtenant and will inure to the benefit of Port, [ ] and their respective successors and assigns.

[\_\_\_\_\_] ,  
a [\_\_\_\_\_]

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT S

Form of Non-Disturbance Agreement

## PARCEL LEASE EXHIBIT S

### FORM OF NON-DISTURBANCE AND ATTORNMENT AGREEMENT

This NON-DISTURBANCE AND ATTORNMENT AGREEMENT (this "Agreement") is made as of [\_\_\_\_\_, 20XXX] (the "Effective Date"), by and among the CITY AND COUNTY OF SAN FRANCISCO ("City"), operating by and through the SAN FRANCISCO PORT COMMISSION ("Port"), [\_\_\_\_\_] a [\_\_\_\_\_] ("Tenant" or "Sublandlord"), and [\_\_\_\_\_] a [\_\_\_\_\_] ("Subtenant"). The exhibits and the recitals and this Agreement are construed as a single instrument and are referred herein as this "Agreement."

### RECITALS

A. Port and Sublandlord entered into that certain Lease No. L-XXXX as may be amended from time to time dated [\_\_\_\_\_, 20XX], ("Parcel Lease") pursuant to which Port leased to Sublandlord that certain premises having an address at [\_\_\_\_\_] (the "Premises"), located in the City and County of San Francisco, California.

B. Subtenant desires to sublease from Sublandlord [insert description of premises, i.e. suite or floor numbers] within the Premises (the "Subleased Premises") pursuant to the terms of the Sublease Agreement between Sublandlord and Subtenant, dated as of [\_\_\_\_\_] (the "Sublease"). A summary of the basic terms of the Sublease certified by an authorized representative of Sublandlord as true, correct, and complete, is attached hereto as *Exhibit A* ("Sublease Summary"). A true, correct, and complete copy of the Sublease is attached hereto as *Exhibit B*.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, Port, Sublandlord and Subtenant agree as follows:

#### 1. SUBLEASE SUBJECT TO PARCEL LEASE.

The Sublease is subordinate at all times to the Parcel Lease and subject to all of its applicable provisions, covenants and conditions thereof.

#### 2. PRE-CONDITIONS TO RECOGNITION.

Port has no obligation to recognize Subtenant's rights under the Sublease or otherwise comply with *Section 4*: (a) if the Parcel Lease is terminated as a result of Sublandlord exercising its termination option due to (i) change in Laws in accordance with [Section 7.3 of the Parcel Lease], (ii) casualty or condemnation in accordance with [Articles 14 and 15 of the Parcel Lease], or (iii) certain Remediation obligations during the last ten (10) years of the Parcel Lease term, as further described in [Section 21.4(d) of the Parcel Lease], or (b) unless all of the following conditions are satisfied as of the effective date the Parcel Lease terminates ("Parcel Lease Termination Date"):

(i) there is no uncured Subtenant event of default, giving effect to any notice and cure period provided therein;

(ii) Subtenant delivers to Port, promptly following Port's notice to Subtenant that the Parcel Lease has terminated, an executed estoppel certificate, substantially in the form attached hereto as *Exhibit C* certifying as of the Parcel Lease Termination Date, among other things:

(1) that the attached Sublease and Sublease Summary are true, correct, and complete copies, and that the Sublease is in full force and effect, or if such Sublease is not in full force and effect, so stating,

(2) which amendments, if any, to the Sublease have been previously approved by Port in writing, including the dates of approval;

(3) the dates, if any, to which any rent and other sums payable thereunder have been paid,

(4) that Sublandlord is not in default, nor is it aware of any events which, with the passage of time or notice or both, would result in a default, except as to those specified in said certificate, and

(5) that Subtenant is not in default, nor is it aware of any events which, with the passage of time or notice or both, would result in a default, except as to those specified in said certificate.

(iii) Without limiting *Section 1*, from and after the Parcel Lease Termination Date, Subtenant hereby agrees that the provisions of [*Article 45* (Other City Requirements)] of the Parcel Lease (collectively, the “**Special Provisions**”) are deemed to be incorporated by reference and made a part of the Sublease as if set forth in full in the Sublease, except that the term “**Tenant**” in such sections will mean the Subtenant; and

(iv) [**Note: Insert if Parcel Lease includes section related to Port’s reservation of rights.**] As described in [Section 1.1(l) of the Parcel Lease], Subtenant hereby agrees that Port will have the continuing rights described in such section (without being in default under the Sublease) and in the event of any conflict with the Sublease, the terms of such section of the Parcel Lease will control.

### **3. NO OBLIGATION TO RECOGNIZE CERTAIN SUBLEASE PROVISIONS.**

Notwithstanding *Section 4*, Subtenant agrees and acknowledges that Port’s recognition of the Sublease from and after the Parcel Lease Termination Date, does not include, and in no event will Port be subject to, liable for, or bound by, any term or condition in the Sublease for any of the following:

(a) Any security deposit, prepaid rent or other charges previously paid by Subtenant to Sublandlord, unless such deposits, prepaid rents, or other charges are transferred to Port;

(b) Any sublandlord indemnity obligation or sublandlord waiver or release of claims under the Sublease for the benefit of Subtenant or any other party;

(c) Any requirement or obligation of the Sublandlord to pay (i) any liquidated damages, or (ii) any unpaid or unreimbursed tenant improvement allowance (provided, however, if Subtenant incurs costs after the Parcel Lease Termination Date that are reimbursable from any remaining and unpaid tenant allowance (“**Reimbursable Subtenant Costs**”), then so long as Subtenant is not in default under the Sublease and Subtenant provides Port with all the information required in the Sublease for Sublandlord to confirm or validate the amount of the tenant improvement allowance payable to Subtenant, and Port has validated such costs, then Subtenant may receive a rent credit of up to fifty percent (50%) of the monthly base rent then payable until the Reimbursable Subtenant Costs are fully reimbursed or the Sublease terminates, whichever is earlier.

(d) Any requirement or obligation of the Sublandlord to perform tenant improvement work; provided, however, if any such tenant improvement work has not been completed by the Parcel Lease Termination Date (the “**Incomplete TI Work**”), then so long as Subtenant is not in default under the Sublease, Subtenant will have the right to perform the Incomplete TI Work and will receive a rent credit of up to fifty percent (50%) of the monthly base rent then payable until Subtenant has received a rent credit equal to the Remaining TI Cost. “**Remaining TI Cost**” means the lesser of (i) the original estimated cost of the tenant improvement work which was to be performed by Sublandlord, as set forth in the attached Sublease Summary, or (ii) the actual cost of completing the Incomplete TI Work. [**Note: If Sublease requires the sublandlord to perform tenant improvement work, then the summary of basic terms must include the original estimated cost of the TI work.**]

(e) Without limiting *Sections 3(c)* and *3(d)*, any offsets, defenses or claims that Subtenant may be able to assert against Tenant as its sublandlord; provided however, the foregoing (other than any matters relating to *Sections 3(c) and 3(d)*) will not limit Port's obligations to correct any conditions that existed as of the date of attornment that violate Port's obligations as the sub landlord under the Sublease;

(f) Any Subtenant right of first offer to purchase, first negotiation to purchase or first refusal to purchase Sublandlord's interest in the Subleased Premises;

(g) Any Sublease term, including options to renew, that extend beyond the scheduled expiration date of the Parcel Lease;

(h) Any sublandlord obligation to pay or be liable for any indirect, consequential, incidental, punitive or special damages;

(i) Any limitation on Subtenant's obligation to indemnify any sublandlord parties based on Subtenant's insurance coverage;

(j) Any limitation on sublandlord's ability to transfer its interest in the Sublease (including any requirement to deliver prior notice to Subtenant or obtain Subtenant's prior approval);

(k) Any confidentiality obligations set forth in the Sublease, whether as the landlord under the Parcel Lease or the Sublease, to the extent that such obligations conflict with Port's obligations under the Public Records Act or the City's Sunshine Ordinance;

(l) Subject to the provisions of *Section 18.5* of the Parcel Lease, Any modification or amendment of the Sublease made without Port's written consent that increase Sublandlord's obligations under the Sublease or decrease the Subtenant's obligations under the Sublease unless such amendment or modification has previously been approved by Port in writing; and

(m) Any sublease provision that conflicts with *Section 18.3(a)* (Qualifying Subleases) of the Parcel Lease.

#### **4. RECOGNITION OF SUBTENANT RIGHTS.**

Provided all the conditions set forth in *Section 2* are fully satisfied, and further subject to the limitations set forth in *Sections 3 and 5*, if the Parcel Lease terminates for any reason other than Sublandlord terminating the Parcel Lease due to change in laws, casualty or condemnation, or certain Remediation obligations, all as further described in *Section 2*, Port agrees that from and after the Parcel Lease Termination Date: Port will (i) not disturb Subtenant's tenancy under the Sublease, (ii) perform the obligations of sublandlord under the Sublease arising after the Parcel Lease Termination Date until such obligations are assumed by another sublandlord or other transferee of Port's interest in the Sublease, and (iii) recognize Subtenant's rights under the Sublease with respect to the Subleased Premises.

#### **5. ATTORNMENT.**

Following the Parcel Lease Termination Date, Subtenant will attorn to Port and continue to perform all of Subtenant's obligations under the Sublease for the benefit of Port or any future sublandlord or other assignee of Port's rights under the Sublease. For such purposes, as between Port and Subtenant, notwithstanding the termination of the Parcel Lease as between Port and Sublandlord, the provisions of the Parcel Lease will be deemed to continue to apply to, and will continue to be incorporated by reference into, the Sublease, and Subtenant will continue to comply with such provisions, to the same extent that such provisions were incorporated into and Subtenant was required to comply with such provisions pursuant to the terms of the Sublease prior to the Parcel Lease Termination Date; provided, however, if there is any conflict between Subtenant's obligation to comply with such provisions in the Sublease and the Special Provisions, the Special Provisions will control.



**6. SELF-OPERATIVE PROVISIONS.**

The provisions contained in *Sections 2(iii)*, [Note: insert as applicable: *2(iv)*], *3, 4, 5* are to be effective and self-operative without the necessity of the execution or delivery of any other documents on the part of either Port or Subtenant.

**7. NOTICE AND OPPORTUNITY TO CURE UNDER SUBLEASE.**

Port will be entitled to notice and the opportunity to cure any default by Sublandlord under the Sublease as follows:

(a) Subtenant will give Port a copy of any and all notices of an event of default (*i.e.*, following the expiration of any notice and cure period) from time to time given to Sublandlord as sublandlord under the Sublease, by Subtenant at the same time as and whenever any such notice will thereafter be given by Subtenant to Sublandlord. Such notice will be addressed to Port in the manner for delivery of notices provided in the Parcel Lease.

(b) In the case of any notice of default given by Subtenant to Sublandlord and Port in accordance with *Section 7(a)*, Port will have the same right (and time period) to cure Sublandlord's default as given to any mortgagee under the Sublease, and Subtenant will accept such performance by or at the instance of Port as if the same had been made by Sublandlord.

**8. BROKERAGE FEES.**

Sublandlord and Subtenant each acknowledge that Port's execution hereof does not operate to impose on Port any liability or obligation whatsoever in connection with the payment of any brokerage or finder's fees or commissions in connection with or relating to the Sublease. In the event any broker, agent or finder makes a claim against Port for payment of any such fees or commission, Sublandlord will indemnify, defend, and hold harmless Port from any losses arising out of such claim.

**9. NO ASSUMPTION OF SUBLEASE.**

Except to the extent specifically provided under *Section 4*, Port will have no liability or obligation to Subtenant relating to Subtenant's occupation of the Subleased Premises under the Sublease, and Port does not assume any of the obligations of Sublandlord set forth therein.

**10. REPRESENTATIONS AND WARRANTIES.**

**10.1. *Summary of Basic Terms.*** Sublandlord and Subtenant each represent and warrant to Port that the Sublease Summary is true and correct in all material respects, and includes all of the basic terms of the Sublease..

**10.2. *Copy of Sublease.*** Sublandlord and Subtenant each represent and warrant to Port that attached as *Exhibit B* is a true, correct, and complete copy of the Sublease and that the Sublease complies with *Sections 18.3* (Subletting by Tenant) and *18.4(b)* (Conditions for Issuance of Non-Disturbance Agreements) of the Parcel Lease.

**10.3. *Sublandlord Representations and Warranties.*** Sublandlord represents and warrants to Port that as of the Effective Date:

(a) Sublandlord has accepted possession of the Premises and that, to the best of Sublandlord's actual knowledge after diligent inquiry, all conditions of the Parcel Lease to be satisfied by Port have been completed or satisfied to the satisfaction of Sublandlord;

(b) To the best of Sublandlord's actual knowledge after diligent inquiry, Sublandlord, as of the date set forth above, has no right or claim of deduction, charge, lien or offset against Port under the Parcel Lease or otherwise against the rents or other charges due or to become due pursuant to the terms of the Parcel Lease other than \_\_\_\_\_;

(c) To Sublandlord's actual knowledge, Port is not in default or breach of the Parcel 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 Parcel Lease by Port;

(d) To the best of Sublandlord's actual knowledge after diligent inquiry, Sublandlord is not in default or in breach of the Parcel Lease, nor 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 Parcel Lease by Sublandlord;

(e) Except for the following: \_\_\_\_\_, (i) Sublandlord is not in default under, and has not received notice asserting that it is in default under, any agreement for borrowed money, (ii) Sublandlord 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 Sublandlord's ability to meet its Parcel Lease obligations thereunder, and (iv) to Sublandlord's knowledge, no involuntary petition naming Sublandlord as debtor has been filed under any chapter of the U.S. Bankruptcy Code.

## 11. EXCULPATION.

Sublandlord and Subtenant each covenant and agree that Port and City will not be responsible for or liable for, and, to the fullest extent allowed by law, each waives all rights against City, Port and their agents and release City, Port and their agents from any and all losses or liabilities relating to any disputes that may exist between Sublandlord and Subtenant relating to the Sublease or the Subleased Premises.

## 12. GENERAL.

**12.1. Successors and Assigns.** This Agreement will be binding upon, and inure to the benefit of, the parties hereto and their respective successors, heirs, administrators and assigns.

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

**12.3. Amendment.** Neither this Agreement nor any of its terms may be terminated, amended, or modified except by a written instrument executed by the parties.

**12.4. Governing Law; Selection of Forum; Notices.** This Agreement will be governed by, and interpreted in accordance with, the laws of the State of California and the City Charter. As part of the consideration for Port's entering into this Agreement, Sublandlord and Subtenant agree that all actions or proceedings arising directly or indirectly under this Agreement may, at the sole option of Port, be litigated in courts within the State of California, and Sublandlord and Subtenant consents to the jurisdiction of any such state or federal court, and consents that any service of process in such action or proceeding may be made by personal service upon Sublandlord or Subtenant wherever Sublandlord or Subtenant, as applicable, may then be located, or by certified or registered mail directed to Sublandlord at the address set forth in the Parcel Lease for the delivery of notices and Subtenant at the address set forth below (or at such other address as may from time to time be specified by written notice to all parties to this Agreement):

To Subtenant:	
With a copy to:	

--	--

**12.5. Attorneys' Fees.** If any party brings an action or proceeding (including any cross-complaint or counterclaim) against any other party by reason of a default, or otherwise arising out of this Agreement, the prevailing party in such action or proceeding will be entitled to recover from the other party its costs and expenses of suit, including but not limited to reasonable attorneys' fees, which will be payable whether or not such action is prosecuted to judgment. "**Prevailing party**" will include a party who substantially obtains or defeats, as the case may be, the relief sought in the action, whether by compromise, settlement, judgment or the abandonment by the other party of its claim or defense. Attorneys' fees under this **Section 12.5** will include reasonable attorneys' fees and all other reasonable costs and expenses incurred in connection with any appeal. For purposes of this Agreement, reasonable fees of attorneys of the 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.

*[Remainder of this page left intentionally blank.]*

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first above written.

*Port:*

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

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

*Sublandlord:*

**[INSERT SUBLANDLORD SIGNATURE BLOCK]**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

*Subtenant:*

**[INSERT SUBTENANT SIGNATURE BLOCK]**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A  
SUBLEASE SUMMARY**

**EXHIBIT B  
COPY OF SUBLEASE**

**EXHIBIT C  
SUBTENANT ESTOPPEL CERTIFICATE**

EXHIBIT T

Insurance Requirements

**EXHIBIT T**  
**INSURANCE REQUIREMENTS**

**20. Insurance.** Tenant will maintain or caused to be maintained throughout the Term, and cause Subtenants, contractors, subcontractors or others in connection with their use or occupancy of, or their activities in, on, under, around, or about the Premises, to maintain throughout the Term, the insurance described in this *Article 20*.

**20.1 Required Insurance Coverage.** Tenant, at no cost to Port, shall maintain, or cause to be maintained, the types and amounts of insurance detailed below; provided, however, that Tenant reserves the right, at its sole discretion, to utilize an owner controlled insurance program (OCIP) or contractor controlled insurance program (CCIP) to satisfy these insurance requirements. Such insurance shall remain in place from the Commencement Date to the later of (i) the last day of the Term, or (ii) the last day Tenant (A) is in possession of the Premises or (B) has the right of possession of the Premises (except as otherwise specified in this *Article 20*).

(a) **General Liability Insurance.** Commercial general liability insurance, with limits not less than Fifteen Million Dollars (\$15,000,000.00) each occurrence and annual aggregate for bodily injury and property damage, including coverages for contractual liability, independent contractors, broad form property damage, personal injury and products and completed operations, as well as damage to premises rented to you with limits not less than Two Hundred Fifty Thousand Dollars (\$250,000.00). Tenant's CGL policy shall contain no exclusion for explosion, collapse and underground liability during any period in which Tenant is conducting any such activity on or Subsequent Construction or Improvement to the Premises with risk of explosion, collapse or underground hazards. This policy or the Automobile Liability Policy described below must also cover non-owned and for-hire vehicles and all mobile equipment or unlicensed vehicles, such as forklifts. A policy written on an Insurance Services Office (ISO) form GC 00 01 as in effect on the Effective Date, or a form at least as broad as such form, meets the requirement of this paragraph.

(b) **Automobile Liability Insurance.** Automobile liability insurance with limits not less than Five Million Dollars (\$5,000,000.00) combined single limit each accident 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.

(c) **Worker's Compensation; Employer's Liability; Jones Act; U.S. Longshore and Harborworker's Act Insurance.** If applicable, 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, if applicable, 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) **Business Personal Property Insurance.** If Tenant uses business personal property in, on, or about the Premises, Tenant, at its sole cost and expense, shall procure or cause to be maintained on all of its business personal property, in, on, or about the Premises, property insurance on an all risk form, excluding earthquake and flood, to the extent of full replacement value.

(e) **Construction Activities.** Insurance required in connection with construction of Initial Improvements and Subsequent Construction, as applicable, is as set forth below:

(i) **Contractor Requirements.** Tenant must require its general contractor(s) and its(their) subcontractors to maintain the following coverages, if applicable:

(1) An Insurance Services Office (or equivalent) Commercial general liability insurance with limits of not less than Five Million (\$5,000,000) each occurrence and annual aggregate for general contractors, and One Million (\$1,000,000) each occurrence and annual aggregate for subcontractors;

(2) An Insurance Services Office (or equivalent) Automobile liability insurance with a policy combined single limit of not less than \$5 million each occurrence for general contractors.

(3) Worker's compensation insurance with statutory limits and employer's liability insurance with limits of not less than One Million (\$1,000,000) each accident, injury, or illness;

(4) Marine liability insurance (only if the scope of work of the particular contractor involves operating watercraft) including protection and indemnity insurance with limits not less than \$6 million each occurrence, or with Port approval, lesser limits and deductible as are readily available in the insurance market at a commercially reasonable cost, including wreck removal, and damages "In Rem" (the vessel), provided on a P&I, Marine General Liability, Marine Bumbershoot and/or other form reasonably acceptable to Port;

(5) Vessel pollution liability insurance (only if the scope of the work of the particular contractor involves operating watercraft with engines or fuel usage) with limits not less than Five Million Dollars (\$5,000,000) per occurrence and Five Million Dollars (\$5,000,000) in the aggregate with a deductible not to exceed \$50,000 without Port approval, which approval shall not be unreasonably withheld if such deductibles as are readily available in the insurance market at a commercially reasonable cost;

(6) Contractor's pollution liability insurance with limits of not less than Five Million Dollars (\$5,000,000) per claim and in the annual aggregate for general contractors; and.

(7) Property insurance on an all risk form, excluding earthquake and flood, on all of its business personal property whether owned, leased or rented, including any of their respective tools and equipment, in, on, or about the Premises.

(ii) **Builder's Risk Requirements.** In addition, if any of the following exposures are not covered by the insurance already required elsewhere Tenant or General Contractor must carry Builder's Risk Insurance: Contractor shall provide "Special Form" (All Risk) including Earthquake, Builder's Risk Insurance on a replacement cost basis as follows:

(1) Amount of Coverage: The amount of coverage shall be equal to the full replacement cost on a completed value basis, including periodic increases or decreases in values through change orders. The policy shall provide for no deduction for depreciation. The Builder's Risk Insurance shall also include the full replacement cost of all City-furnished equipment, if any.

(2) Parties Covered: The Builder's Risk policy shall identify the City and County of San Francisco as loss payee as its interest may appear. The policy shall include as additional named insureds the City and County of San Francisco, Tenant, the Contractor and its subcontractors of every tier. Each insured shall waive all rights of subrogation against each of the other insureds to the extent that the loss is covered by the Builder's Risk Insurance.

(3) Included Coverage: The Builder's Risk Insurance shall include, but shall not be limited to, 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 Project site, to construction plant and temporary structures.

b. The perils of fire, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, smoke damage, damage by aircraft or vehicles, vandalism and malicious mischief, theft, collapse, and water damage.

c. The costs of debris removal, including demolition as may be made reasonably necessary by such covered perils, resulting damage, and any applicable law, ordinance, or regulation with a sub-limit of not less than the lesser of (i) Fifty Million Dollars, or (ii) 25% of the value of the construction contract.

d. Start up and testing and machinery breakdown including electrical arcing.

e. Soft costs and loss of business income for any delayed completion period as caused by any of the perils or hazards set forth in and required to be insured pursuant to *Section 20.1(a)(i)*, for a delay period of not less than two (2) years with a limit of not less than One Million Dollars (\$1,000,000); provided however that Tenant may request approval from the Port, which shall not be unreasonably withheld, of a lesser delay period or limit.

f. If available at commercially reasonable rates, such builders risk insurance will also extend to cover the peril of terrorism.

g. Damages due to earthquake and tidal wave as described below.

(4) Deductibles: The Builder's Risk Insurance may have a deductible clause not to exceed the amounts below. Contractor shall be responsible for paying any and all deductible costs. The deductible for coverage of All Perils shall not exceed \$100,000. Deductibles for earthquake and tidal wave coverage will be subject to the reasonable approval of the Port.

(iii) **Professional Services Requirements.** Tenant will maintain or require to be maintained, project-specific professional liability (errors and omissions) insurance, with limits not less than Five Million Dollars (\$5,000,000) each claim and annual aggregate, with respect to architectural, engineering, geotechnical, and environmental professional services, reasonably necessary or incidental to the construction of the Initial Improvements, with any deductible/self-insured retention not to exceed One Hundred Thousand Dollars (\$100,000). Notwithstanding the foregoing, Tenant may elect, instead of obtaining the foregoing coverages in this paragraph, to require that any architects, contractors and sub-contractors performing professional services in connection with the Initial Improvements carry professional liability insurance (errors and omissions) in an amount not less than Two Million Dollars (\$2,000,000) each claim and annual aggregate with a deductible/self-insured retention not to exceed One Hundred Thousand Dollars (\$100,000). Coverage provided architects, contractors and sub-contractors performing professional services may be provided with a lower limit if either (i) the Tenant maintains an owners' protective professional indemnity (OPPI) policy for the difference or (ii) upon the prior written approval of Port, if requested by Tenant to accommodate the needs and limitations of LBE contractors used by Tenant. Such insurance will provide coverage during the period when such professional services are performed and for a period of three (3) years after Completion of the Initial Improvements. With respect to Subsequent Construction, Tenant will require that any architect, contractor or subcontractor performing professional services in connection with such Subsequent Construction, carry professional liability insurance (errors and omissions) in an amount not less than One Million Dollars (\$1,000,000) each claim and annual aggregate with a deductible/self-insured retention not to exceed One Hundred Thousand Dollars (\$100,000).

(iv) **Contractor's Pollution Legal Liability Insurance.** Tenant will cause to be maintained during the period of construction of the Initial Improvements and during any periods of Subsequent Construction that could reasonably be anticipated to involve a Release of Hazardous Materials on or about the Premises, Contractor's Pollution Legal Liability Insurance for Losses caused by pollution conditions, that are sudden, accidental or gradual, resulting from the Contractor's operations, or for which Contractor is legally liable, in connection with the construction of the Initial Improvements or Subsequent Construction, if applicable, whether such operations be by the Contractor or subcontractors, consultants or suppliers of the Contractor. The foregoing policy will contain minimum liability limits of Five Million Dollars (\$5,000,000) per occurrence and Five Million Dollars (\$5,000,000) in the aggregate with a deductible not to exceed One Hundred Thousand Dollars (\$100,000). The foregoing policy will at a minimum contain coverage for or be specifically endorsed to include coverage for pollution conditions resulting in, arising from or in connection with: (i) bodily injury (including death), property damage and environmental cleanup costs (on-site and off-site) resulting from construction of the Initial Improvements or Subsequent Construction, if applicable; (ii) the use or operation of motor vehicles (whether owned, non-owned or leased) in connection with construction of the Initial Improvements or Subsequent Construction, if applicable, including transportation of any Hazardous Materials to or from the project site, including any interim or temporary storage or transfer sites (such transportation coverage will also include loading/unloading of materials); (iii) claims by third parties (other than a disposal site owner) for bodily injury or property damage arising from any disposal location or facility, both final and temporary, to which any waste that is generated in connection with the construction of the Improvements under the Vertical DDA (if in effect) or any Subsequent Construction for which such coverage is required or in connection with any remediation obligation of Tenant pursuant to *Section 21* is delivered; all such disposal locations/facilities, both final and (where commercially available) temporary, will be scheduled to the foregoing policy as Non-Owned Disposal Sites for coverage under such policy. The foregoing policy will be written on an occurrence form and be in effect during the construction periods described above, or, if not available on an occurrence form, then on a claims-made form. If the foregoing policy is written on a claims made form, then the foregoing policy will be maintained for, or contain an extended reporting period of, at least five (5) years. The foregoing policy definition of "Covered Operations" or any other such designation of services or operations performed by the Contractor must include all work or services performed by such Contractor and its subcontractors, consultants, or suppliers as part of the construction of the Initial Improvements or Subsequent Construction, if applicable.

(f) **Property Insurance; Earthquake and Flood Insurance.**

(i) **Property Insurance.** Upon Substantial Completion of the Initial Improvements, and upon completion of Subsequent Construction of any additional Improvements, Tenant will maintain, or require to be maintained, property insurance policies with coverage at least as broad as Insurance Services Office form CP 10 30 06 95 ("Causes of Loss Special Form" (or its replacement)), in an amount not less than 100% of the then-current full replacement cost of the Improvements including any foundations, pilings, excavations and footings, including increased cost of construction and demolition of damaged and undamaged structures due to the enforcement of Laws, (with a deductible not to exceed One Hundred Thousand Dollars, except as to earthquake and flood insurance). If available at commercially reasonable rates, such insurance will extend to cover the peril of terrorism. In addition to the foregoing, Tenant may insure its Personal Property in such amounts as Tenant deems appropriate; and Port will have no interest in the proceeds of such Personal Property insurance.

(ii) **Earthquake Insurance.**

(1) During Construction, and prior to Substantial Completion, of the Initial Improvements, earthquake insurance will be in an amount equal to at least the lesser of (i) the Probable Maximum Loss to the Initial Improvements or, (ii) the maximum amount that

is available at commercially reasonable rates from recognized insurance carriers (with a deductible of up to but not to exceed ten percent (10%)) of the then-current, full replacement cost of the Initial Improvements without sub-limits for excavations and footings; provided that earthquake coverage is available at commercially reasonable rates), except that a greater deductible will be permitted to the extent that such coverage is not available from recognized insurance carriers or at commercially reasonable rates). "Probable Maximum Loss" means the scenario upper loss (SUL) estimate of damage that may occur to the structures with a ninety percent (90%) confidence of non-exceedance as a result of an earthquake with a return period of 224 years as determined prior to Completion of the Initial Improvements and thereafter not less frequently than every ten (10) years by a consultant chosen and paid for by Tenant who is reasonably satisfactory to Port;

(2) From and after Substantial Completion of the Initial Improvements, earthquake insurance will be in an amount equal to at least the lesser of (i) the Probable Maximum Loss to the Improvements, or (ii) the amount that is available at commercially reasonable rates from recognized insurance carriers, in each case, with a deductible of up to but not to exceed ten percent (10%) of the then-current, full replacement cost of the Initial Improvements, except that a greater deductible will be permitted to the extent that such coverage is not available from recognized insurance carriers or at commercially reasonable rates; and

(3) If Tenant determines that earthquake insurance should not be carried on the Improvements because it is not (or no longer) available at commercially reasonable rates or, in Tenant's reasonable business judgment, is imprudent, then Tenant will request in writing Port's consent to the absence or deletion thereof.

**(iii) Flood Insurance.**

(1) If the Premises is in a designated flood zone as depicted on current Flood Insurance Rate Maps ("FIRMs") issued by the U.S. Department of Homeland Security's Federal Emergency Management Agency ("FEMA") or its successor, then Tenant will, during construction, and prior to Substantial Completion of the Initial Improvements, obtain flood insurance from recognized insurance carriers (or through the National Flood Insurance Program ("NFIP")) equal to at least the lesser of (i) the maximum amount that is available at commercially reasonable rates from recognized insurance carriers or NFIP, or (ii) the then-current, full replacement cost of the Initial Improvements, as applicable, (including building code upgrade coverage and without any deduction being made for depreciation), with a deductible of up to but not to exceed ten percent (10%) of the then-current, full replacement cost of the Improvements, except that a greater deductible will be permitted to the extent that such coverage is not available from recognized insurance carriers or at commercially reasonable rates.

(2) If the Premises is not in a designated flood zone as depicted on current FIRMs issued by the FEMA or its successor, Tenant will, during construction of the Initial Improvements, obtain flood insurance, to the extent available at commercially reasonable rates from recognized insurance carriers (or through the NFIP), in an amount equal to the maximum amount of the then-current, full replacement cost of the Initial Improvements (including building code upgrade coverage and without any deduction being made for depreciation), with a deductible of up to but 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 insurance carriers (or through the NFIP) at commercially reasonable rates;

(3) From and after Substantial Completion of the Initial Improvements, flood insurance will be in an amount equal to at least the amount available at commercially reasonable rates from recognized insurance carriers or through the NFIP, with a deductible of up to but not to exceed ten percent (10%) of the then-current, full replacement cost of the Improvements, except that a greater deductible will be permitted to the extent that such

coverage is not available from recognized insurance carriers or at commercially reasonable rates; and

(4) If Tenant determines that flood insurance should not be carried on the Improvements because it is not (or no longer) available at commercially reasonable rates (or through the NFIP) or, in Tenant's reasonable business judgment, is imprudent, then Tenant will request in writing Port's consent to the absence or deletion thereof.

(g) **Boiler and Machinery Insurance.** If any of the following exposures are not covered by the insurance required by *Section 20.1(a)(ii)(1)*, Tenant will maintain, or require to be maintained, boiler and machinery insurance covering damage to or loss or destruction of machinery and equipment located in, on, under, around, or about the Premises that is used by Tenant for heating, ventilating, air-conditioning, power generation and similar purposes, in an amount not less than one hundred percent (100%) of the actual replacement value of such machinery and equipment.

(h) **Business Income Insurance.** If any of the following exposures are not covered by the insurance required by *Section 20.1(a)(ii)(1)*, from and after Completion of the Initial Improvements, Tenant will maintain business income insurance, including loss of rents and extra expense caused by any of the perils or hazards set forth in and required to be insured pursuant to *Section 20.1(a)(ii)* covering an interruption period of not less than two (2) years, with a limit of not less than twenty-four (24) months' of Gross Income.

(i) **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 carriers 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.

(j) **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* 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 *Section 20.1(c)*, as determined by Port.

## **20.2 General Requirements.**

(a) Insurance provided pursuant to this Section

(i) As to all insurance required hereunder, such insurance 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 will name the Tenant as the first named insured, and will name the Port as a loss payee as its interest may appear. As to general liability, automobile liability, and umbrella or excess liability insurance (including blanket policies), such insurance will name as additional insureds by written

endorsement: "THE CITY AND COUNTY OF SAN FRANCISCO AND THE SAN FRANCISCO PORT COMMISSION AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS" and if applicable, Tenant as additional insureds for claims arising in connection with the Insured's operations.

(iii) As to all insurance required hereunder, such insurance will be evaluated by Port and Tenant for adequacy every five (5) years from the Commencement Date. Following consultation with Tenant, Port may require, upon not less than ninety (90) days prior written notice, that Tenant increase the insurance limits for all or any of its general liability policies if in the reasonable judgment of the City's Risk Manager it is the general commercial practice in San Francisco to carry insurance for facilities or development projects of comparable size and use to the Premises in amounts substantially greater than the amounts being carried by Tenant with respect to risks comparable to those associated with the uses of the Premises. As part of such evaluation, Tenant may request that insurance limits for all or any of its general liability policies be decreased and, if the City's Risk Manager reasonably determines that the insurance limits required under *Section 20.1* may be decreased in light of such commercial practice and the risks associated with the uses of the Premises, Port will notify Tenant of such determination, and Tenant will have the right to decrease the insurance coverage required under this Lease accordingly. In such event, Tenant will promptly deliver to Port a certificate evidencing such new insurance amounts and additional insured endorsements in form reasonably satisfactory to Port, as applicable. If Tenant determines that such other insurance or coverage amount should not be required because it is not available from recognized carriers at commercially reasonable rates, then Tenant will provide to Port evidence supporting Tenant's determination of commercial unreasonableness as to the applicable coverage and any cost to maintain such additional insurance, if required by Port, shall be borne by Port and not by Tenant. 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.

(iv) Thirty (30) days' advance written notice shall be provided to the Port of cancellation, intended non-renewal, or material reduction in coverages, except for non-payment for which no less than ten (10) days' notice shall be provided to Port. Notices shall be sent to the Port address set forth in *Section 38.1* entitled "Notices".

(v) As to commercial general liability and automobile liability insurance, such insurance will provide that it constitutes primary insurance with respect to claims arising in connection with Tenant's completed and ongoing operations, and shall provide cross liability coverage (separation of insureds or severability of interests provision);

(vi) As to liability, automobile, worker's compensation and property insurance required hereunder, such insurance 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 of the type covered under the policies required by *Section 20.1(a)*; and

(vii) All insurance will be subject to the approval of Port, which approval will be limited to whether or not such insurance meets the terms of this Lease, such approval not to be unreasonably withheld. As to any minimum deductible specified hereunder, Tenant may request approval from the Port, which shall not be unreasonably withheld, of a higher deductible.

(b) **Certificates of Insurance; Right of Port to Maintain Insurance.** Tenant will furnish Port certificates and additional insured endorsements in form reasonably satisfactory to Port with respect to the policies required under this Section within thirty (30) days, (i) on or prior to the Commencement Date (to the extent such policy is required to be carried as of the Commencement Date), (ii) for such policies required to be carried after the Commencement Date, on or prior to the date such policies are required, and (iii) with respect to

renewal policies, the policy renewal date of each such policy. Within thirty (30) days after Port's request, Tenant also will provide Port with copies of each such policy, or will otherwise make such policy available to Port for its review. If Tenant has determined that obtaining earthquake or flood insurance prior to commencement of construction of the Initial Improvements pursuant to **Section 20.1(a)(ii)(4)** is not commercially reasonable, then Tenant will provide Port with such documents evidencing such determination. If at any time Tenant fails to maintain the insurance required pursuant to this **Section 20.1**, or fails to deliver certificates and/or endorsements as required pursuant to this **Section 20.1(c)** 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 will 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 (other than employers' liability and professional liability) to be maintained by Subtenants, contractors, subcontractors or others in connection with their use or occupancy of, or their activities in, on, under, around, or about the Premises, Tenant will require that such policies be endorsed to include the CITY AND COUNTY OF SAN FRANCISCO AND THE SAN FRANCISCO PORT COMMISSION AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS as well as Tenant as additional insureds for claims arising in connection with the named insured's operations. Notwithstanding the foregoing, Tenant will require all contractors and sub-contractors performing work in, on, under, around, or about the Premises and all operators and Subtenants of any portion of the Premises to carry the following coverages, if applicable: (i) commercial general liability with limits of no less than One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) annual general aggregate, (ii) workers' compensation in amounts required by law, (iii) employer's liability coverage in an amount not less than One Million Dollars (\$1,000,000) per accident, per employee and policy limit for injury by disease, covering all employees employed at the Premises, (iv) automobile insurance in an amount not less than \$1,000,000 combined single limit covering use of owned, non-owned or hired vehicles utilized in the performance of work in, on, under, around, or about the Premises.

(d) **Primary/Excess Limits.** All total limit requirements may be satisfied by any combination of primary, 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)** to the extent that such loss is reimbursed by an insurer.

**20.4 No Limitation.** The Indemnification requirements under this Lease will not be limited by the insurance requirements of this Lease.

EXHIBIT U

Pre-Existing Hazardous Materials

**EXHIBIT U**  
**PRE-EXISTING HAZARDOUS MATERIALS**

Hazardous Substances Reference List

October 16, 2019

- Baseline Environmental Consulting. 2014. Site History Report, Seawall Lot 337/Pier 48, Mixed-Use Project, San Francisco, California. April.
- California Environmental Protection Agency, Department of Toxic Substances Control, Region 2. 1992. RCRA Facility Assessment, for H&H Ship Service Co., Inc, Berkeley, California. October.
- Camp Dresser & McKee Inc. 1996. Closure Report, Underground Storage Tank, for H&H Ship Service Company. December.
- ENVIRON Corporation. 1999. Risk Management Plan, Mission Bay Area, San Francisco, California, Emeryville, California. May 11.
- Geomatrix. 1999. Results of Article 20 Sampling Program and Health Risk Assessment. Imperial Weitz Parking Lots for the Giants Pacific Bell Ball Park, Area E – Port of San Francisco Property, South of China Basin Channel, San Francisco, California. June.
- Geomatrix. 1999. Site Use History and Proposed Article 20 Sampling Program, Proposed Imperial Weitz Parking Lots, South of China Basin Channel, San Francisco, California. March.
- Geomatrix Consultants, Inc. 1999. Soil Management Plan, Imperial Weitz Parking Lots, for the Giants Pacific Bell Ball Park, Area E – Port of San Francisco Property, San Francisco, California. June.
- Harding Lawson Associates. 1995. Preliminary Screening Evaluation, H&H Ship Service Company, San Francisco, California. September 14.
- Harding Lawson Associates. 1999. RCRA Closure Certification Report, Former H&H Ship Service Facility, San Francisco, California. February 4.
- Harding Law Associates. 1999. RCRA Closure Certification Report – Appendix D, Analytical Laboratory Reports and Chain of Custody Forms, San Francisco, California. February 4.
- Harding Lawson Associates. 1999. Response to Comments, RCRA Closure Certification, Former H&H Ship Service Facility, San Francisco, California. November 2.
- Langan Engineering and Environmental Services, Inc. 2016. Maher Application Transmittal, San Francisco, California. November 14.
- Langan Engineering and Environmental Services, Inc. 2016. Memorandum, Environmental Activities for the Mission Rock Development, Seawall Lot 337, San Francisco, California. December 15.



Langan Engineering and Environmental Services, Inc. 2018. Phase I Environmental Site Assessment, Mission Rock Development, San Francisco, California. April 17.

Langan Engineering and Environmental Services, Inc. 2018. Memorandum, Summary of Analytical Results from Previous Environmental Investigations and Preliminary Risk Assessment, Mission Rock Development, Seawall Lot 337, San Francisco, California. January 18.

Ramboll US Corporation. 2019. Updated Human Health Risk Assessment, Mission Rock Development, San Francisco, California. June 21.

Ramboll US Corporation. 2019. Soil Management Plan & Dust Control Plan, Mission Rock Development, San Francisco, California. September 19.

San Francisco Planning Department. 2017. Draft Environmental Impact Report – Volume 1, Seawall Lot 337 and Pier 48, San Francisco, California. April 26.

San Francisco Planning Department. 2017. Draft Environmental Impact Report – Volume 2, Seawall Lot 337 and Pier 48, San Francisco, California. April 26.

EXHIBIT V

Form of Port Estoppel Certificate

PARCEL LEASE EXHIBIT V

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 [bound by \_\_\_\_\_] [having an address at \_\_\_\_\_], within the mixed-use development commonly known as "**Mission Rock**" in San Francisco, California (the "**Property**"). Port hereby certifies to \_\_\_\_\_, a \_\_\_\_\_ ("**Tenant**") [and to \_\_\_\_\_] the following as of \_\_\_\_\_, 20XX:

1. That there is presently in full force and effect Lease No. L-[\_\_\_\_\_] dated as of \_\_\_\_\_, 20[XXX] (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 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 commencement date under the Lease was \_\_\_\_\_, 20\_\_, and the expiration date of the Lease is \_\_\_\_\_, 20\_\_.

4. That the present monthly minimum rent under the Lease is \$ \_\_\_\_\_ and has been paid through \_\_\_\_\_, 20\_\_.

5. 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 above was \$ \_\_\_\_\_ (mark N/A if not applicable).

6. That the security deposits held by Port under the terms of the Lease are as follows: \$ \_\_\_\_\_.

7. That, to the actual knowledge of Port **[Note: Delete if estoppel is to Mezzanine Lender or prospective Mezzanine Lender]** [after diligent inquiry], 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: \_\_\_\_\_.

8. That, to the actual knowledge of Port **[Note: Delete if estoppel is to Mezzanine Lender or prospective Mezzanine Lender]** [after diligent inquiry], 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: \_\_\_\_\_.

9. That, to the actual knowledge of Port **[Note: Delete if estoppel is to Mezzanine Lender or prospective Mezzanine Lender]** [after diligent inquiry], Tenant, as of the date set forth above, 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 Port has not assigned, conveyed, transferred, or mortgaged its interest in the Lease or the Premises except as follows: \_\_\_\_\_.

11. 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.

12. The undersigned hereby certifies that he or she is duly authorized to sign and deliver this Certificate on behalf of Port.

**[Note: Use for Mezzanine Lender or prospective Mezzanine Lender]** For purposes of this Estoppel Certificate, the term "actual knowledge" shall mean the actual knowledge of [\_\_\_\_], Port's property manager for the Premises without diligent inquiry.

This Certificate shall be binding upon Port and inure to the benefit of Tenant, [\_\_\_\_] 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: \_\_\_\_\_

EXHIBIT W

Other City Requirements

## **EXHIBIT W**

### **Other City Requirements**

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 “**Other City Requirements**”). Tenant is charged with full knowledge of and compliance with each applicable ordinance and policy and any related implementing regulations as amended, subject to **DA § 5.3 (New City Laws)**.

In Ordinance No. 33-18, a copy of which is attached as **Exhibit A**, the Board of Supervisors waived the application to the Mission Rock Project of the following provisions of the Administrative Code (collectively, the “**DA Waivers**”):

1. Chapter 6 (Public Works Contracting Policies and Procedures) other than the payment of prevailing wages as required in Chapter 6;
2. to the extent inconsistent with Tenant’s approved LBE Utilization Program, Chapter 14B (Local Business Enterprise Utilization and Non-Discrimination in Contracting);
3. Competitive Bidding Procedures and Additional Appraisal Review as defined in Section 23.3 (Chapter Definitions) and required by Section 23.3 (Conveyance and Acquisition of Real Property);
4. Section 23.31 (Year-to-Year and Shorter Leases);
5. Section 23.30 (Lease of Real Property);
6. Section 23.33 (Competitive Bidding Procedures);
7. Section 23A. 7 (Transfer of Jurisdiction Over Surplus Properties to the Mayor’s Office of Housing and Community Development);
8. Subsection (c)(2) of Section 61.5 (Listing of Unacceptable Non-Maritime Land Uses); and
9. contract termination, liquidated damages, and debarment remedies under Section 4.9-1(c) (Nutritional Standards and Guidelines), Section 12Q.5(f) (Health Care Accountability), and Section 2T (Criminal History in Hiring and Employment).

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 Other City Requirements will give rise to the specific remedies described in the applicable Other City Requirements (which may include penalties) 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 Tenant in the Other City Requirements will apply to Tenant, its successors under the Lease, and its successors under the DA.

All statutory references in this Exhibit are to the Municipal Code as in effect on the DA Ordinance Effective Date (as defined in the DDA) unless specified otherwise. Initially capitalized or highlighted terms used in this Exhibit and not defined in the Lease have the meanings ascribed to them in the cited ordinance.

## **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 Premises, Tenant 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 Tenant, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in the business, social, or other establishment or organization operated by Tenant.

(c) Requirement to Include. Tenant 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 contracts, subcontracts, and subleases and require all contractors, subcontractors, and subtenants to comply with those provisions.

(d) Nondiscrimination in Benefits. Tenant 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. Tenant’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 covered contract.

(e) Form. On or before the commencement of construction, Tenant 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. Tenant understands that under Administrative Code section 12B.2(h), the City may assess against Tenant or deduct from any payments due Tenant a penalty for each person for each calendar day during which Tenant or its subcontractor, property contractor, or other contractor discriminated against a protected person in violation of this Section.

### **2. Health Care Accountability Ordinance.**

(Admin. Code ch. 12Q)

(a) Tenant 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, Tenant 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 Tenant 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 Tenant enters into for public works, public improvements, or for services that the City will pay directly or reimburse Tenant for 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. Tenant agrees to notify the Contracting Department promptly of any Subcontractors performing services covered by Chapter 12Q and certify to the Contracting Department that Tenant has notified the Subcontractors of their HCAO obligations under this Chapter.

(e) Noncompliance. Tenant will be responsible for monitoring compliance with the HCAO by each Subcontractor, Subtenant, and Contractor performing services on the Premises as applicable. But the City agrees that Tenant will not be liable for the noncompliance of its Subcontractors, Subtenants, or Contractors. The City's remedies for Tenant's noncompliance with the HCAO are subject to the DA Waivers.

(f) Retaliation Prohibited. Tenant 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. Tenant 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, Tenant 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, Tenant 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. Tenant 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 Premises 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. Tenant must comply with the prevailing wage requirements in §12.4(f) (*Prevailing Wages*) of the Lease.

(c) Penalties. The Port has designated OLSE as the agency responsible for ensuring that prevailing wages are paid and other payroll requirements are met, subject to the DA Waivers.

**4. Other Prevailing Wage Rate Requirements.**

(Admin. Code §§ 21C.3, 21C.4)

(a) Under Administrative Code section 21C.4, individuals engaged in theatrical or technical services related to the presentation of a Show at the Premises, including rigging, sound, projection, theatrical lighting, videos, computers, draping, carpentry, special effects, and motion picture services, are entitled to be paid not less than the Prevailing Rate of Wages (including fringe benefits or matching equivalents) fixed by the Board of Supervisors, unless the Show is free and open to the public or meets any of the other exemptions in Administrative Code section 21C.4(b)(1).

(b) Individuals employed in the following activities at the Premises are also entitled to the Prevailing Rate of Wages: (i) a Public Off-Street Parking Lot, Garage or Automobile Storage Facility under Administrative Code section 21C.3; (ii) a Special Event under Administrative Code section 21C.8; and (iii) Broadcast Services under Administrative Code section 21C.9.

(c) Agreement. Tenant agrees to comply to the extent applicable 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 to the extent applicable. In addition, if Tenant or its tenant, contractor, or any subcontractor fails to comply with these obligations, the City will have all available remedies against Tenant to secure compliance and seek redress for workers who provided the services as described in section 21C.7, together with the remedies set forth in the Lease.

(d) Payroll Records. Tenant will: (i) comply with Administrative Code section 21C.7(c)(4) as to any Covered Contract on the Premises as defined in Administrative Code section 21C.7(b); and (ii) provide to the City for inspection, after receipt of a Violation Notice (as defined in section 21C.7(c)(4)), payroll records and other documentary evidence necessary to establish that the noticed violation has been cured.

(e) 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 §§ 83.1 et seq.)

Tenant's obligations to comply with the First Source Hiring Program are set forth in **Lease Exh M** (*Workforce Development Program*).

**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, Tenant will comply with and be bound by Chapter 12T, including the remedies and implementing regulations, with respect to applicants to and employees of Tenant who would be or are performing work at the Premises under the Lease.

(b) Breach. Tenant 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. Tenant will be responsible for monitoring compliance by its Subcontractors, Contractors, and subtenants, but the City agrees that Tenant will not be liable for their noncompliance.

(c) Prohibited Activities. Tenant 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. Tenant 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. Tenant 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 Tenant or its Subcontractors, Contractors, and subtenants at the Premises that the Lease 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. Tenant 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 Premises 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 Lease 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 Premises or other workplace at which it is posted.

(g) Penalties. Tenant 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 Tenant 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.**  
(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. Tenant 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. Local Business Enterprises.**  
(Admin. Code ch. 14B)

Tenant agrees to comply with the LBE Utilization Program contained in **Lease Exh M**.

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

(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).

**10. 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, Tenant must not use or apply during the Lease term, and must not contract with any party to provide pest abatement or control services to the Premises, except in compliance with the Port’s integrated pest management plan (“**IPM Plan**”).

(b) Application. Although not a City Department, Tenant agrees to comply, and must require all of Tenant’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 Tenant 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 Tenant to keep certain records and to report to the City all pesticide use by Tenant’s staff or contractors.

(c) Prior Review. Before Tenant or Tenant’s contractor applies pesticides to outdoor areas, Tenant 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>.

**11. Resource-Efficient Facilities and Green Building Requirements.**

(Env. Code ch. 7)

Tenant agrees to comply with all applicable provisions of the Environment Code relating to resource-efficiency and green building design requirements.

**12. 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). Tenant agrees that, except as permitted by the application of Environment Code sections 802(b) and 803(b), Tenant 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 Lease that are tropical hardwoods, tropical hardwood wood products, virgin redwood, or virgin redwood wood products. If Tenant fails to comply in good faith with any of Environment Code chapter 8, Tenant 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.

**13. 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, Tenant must minimize exhaust emissions from operating equipment and trucks during construction. Tenant's compliance with MMRP Mitigation Measure M-AQ-1a will satisfy this requirement.

**14. Arsenic-Treated Wood.**

(Env. Code ch. 13)

Tenant must not purchase preservative-treated wood products containing arsenic on behalf of the City in the performance of the Lease without obtaining an exemption under Environment Code section 1304 from the Department of Environment. Tenant 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 Tenant 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.

**15. Food Service and Packaging Waste Reduction Ordinance.**

(Env. Code ch. 16)

Tenant 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 Lease, Tenant 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 Commencement 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 Tenant's noncompliance.

**16. Bottled Drinking Water.**

(Env. Code ch. 24; Port Reso. No. 12-11)

Tenant 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, except as otherwise set forth in Environmental Code Chapter 24, during the Lease Term. Also, Tenant must comply with the Port's *Zero Waste Policy for Events and Activities* (Port Reso. No. 12-11) for applicable Events at the Premises during the Lease Term.

**17. Graffiti Removal and Abatement.**

(Pub. Works Code Sec. 23)

(a) Requirement. Tenant agrees to remove all graffiti from the Premises, including from the exterior of any structures within the Premises, 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 Tenant 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 Tenant 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 Tenant 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 Lease 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.

**18. 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 Tenant. Tenant 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.

**19. 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). Tenant must incorporate the Nutritional Standards Requirements into any contract for the installation of a vending machine on the Premises or for the supply of food and beverages to that vending machine.

(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. Tenant’s failure to comply with the Nutritional Standards Requirements in section 4.9-1(c) will be considered an Event of Default under the Lease 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 Premises that is not permitted or that violates the Nutritional Standards Requirements. Tenant will be responsible for monitoring compliance with the Nutritional Standards Requirements by each subcontractor, subtenant, and contractor performing services or occupying premises on the Premises. But the City agrees that Tenant will not be liable for the noncompliance of its subcontractors, subtenants, or contractors.

**20. All-Gender Toilet Facilities.**

(Admin. Code § 4.1-3)

Tenant 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, Tenant 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.

**21. Indoor Air Quality.**  
(Env. Code § 711(g))

Tenant 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.

**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 Lease, Tenant 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 Tenant becomes aware of any such fact during the Lease Term.

**23. Sunshine.**  
(Calif. Gov. Code §§ 6250 *et seq.*; Admin. Code ch. 67)

Tenant 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 Lease and all records, information, and materials that Tenant submits to the City may be public records subject to public disclosure upon request. Tenant may mark materials it submits to the City that Tenant 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. Tenant 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 Tenant.

**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 Lease, Tenant acknowledges the following.

(i) Tenant 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) Tenant; (2) each member of Tenant's board of directors; (3) Tenant's chairperson, chief executive officer, chief financial officer, and chief operating officer; (4) any person with an ownership interest of more than 20% in Tenant; (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 Tenant.

**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.

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**Exhibit A  
to  
Parcel Lease Exhibit W**

**Exhibit A to Parcel Lease Exhibit W**

[Development Agreement - Seawall Lot 337 Associates, LLC - Seawall Lot 337 - Mission Rock Project]

Ordinance approving a Development Agreement between the City and County of San Francisco and Seawall Lot 337 Associates, LLC, for 28 acres of real property known as Seawall Lot 337, located east of Third Street between China Basin Channel and Mission Rock Street, China Basin Park and the portion of Terry A. Francois Boulevard abutting the park, Pier 48, the marginal wharf between Pier 48 and Pier 50, and Parcel P20; for the proposed Mission Rock Mixed-Use Project; 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).

NOTE: Unchanged Code text and uncodified text are in plain Arial font.  
Additions to Codes are in single-underline italics Times New Roman font.  
Deletions to Codes are in ~~strikethrough italics Times New Roman font~~.  
Board amendment additions are in double-underlined Arial font.  
Board amendment deletions are in ~~strikethrough Arial font~~.  
Asterisks (\* \* \*) indicate the omission of unchanged Code subsections or parts of tables.

Be it ordained by the People of the City and County of San Francisco:

Section 1. Background and Findings.

(a) California Government Code Sections 65864 et seq. ("Development Agreement Law") authorize any city, county, or city and county to enter into an agreement for the development of real property within its jurisdiction.

(b) Chapter 56 of the Administrative Code sets forth certain procedures for processing and approving development agreements in the City and County of San Francisco (the "City").

1 (c) In May 2010, the Port Commission (the "Port") selected SWL 337 Associates,  
2 LLC, a Delaware limited liability company ("Developer"), through a competitive process to  
3 negotiate exclusively for the mixed-use development (the "Project") of Seawall Lot 337,  
4 bounded by Third Street on the west, Parcel P20 and Mission Rock Street on the south,  
5 Pier 48 to the east, and China Basin Park on the north, and Pier 48. The Port Commission  
6 later added China Basin Park, the marginal wharf between Pier 48 and Pier 50, and  
7 Parcel P20 to the development site (collectively, the "Site"), subject to approvals necessary to  
8 remove Parcel P20 from the Mission Bay South Redevelopment Project Area. Developer, an  
9 affiliate of the San Francisco Giants, will act as the master developer for the Project.

10 (d) In conjunction with this ordinance, this Board has taken or intends to take a  
11 number of other actions in furtherance of the Project, including approval of: (1) a disposition  
12 and development agreement ("DDA") between Developer and the Port; (2) amendments to  
13 the Planning Code that create the Mission Rock Special Use District (the "SUD amendments")  
14 and incorporate the more detailed Mission Rock Design Controls; (3) amendments to the  
15 Zoning Maps; (4) a memorandum of understanding for interagency cooperation between the  
16 Port and other City agencies (the "ICA") with respect to the subdivision of the Site and  
17 construction of public infrastructure and other public facilities; (5) formation proceedings for  
18 financing districts covering the Site and a memorandum of understanding between the Port  
19 and the Treasurer and Tax Collector and the Controller regarding the assessment, collection,  
20 and allocation of ad valorem and special taxes to the financing districts; and (6) a number of  
21 related documents and entitlements to govern the Project.

22 (e) At full build-out, the Project will include: (1) 1.1 million to 1.6 million gross square  
23 feet ("gsf") of new residential uses (an estimated 1,000 to 1,950 new residential units), at least  
24 40% of which will be on-site housing affordable to a range of low- to moderate-income  
25 households as described in the Housing Plan in the DDA; (2) 972,000 to 1.4 million gsf of new

1 commercial and office space; (3) 241,000 to 244,800 gsf of active retail and production uses  
2 on 11 proposed development blocks on SWL 337 in buildings that would range in height from  
3 90 to 240 feet, consistent with Section 5 of the Mission Rock Affordable Housing, Parks, Jobs  
4 and Historic Preservation Initiative (Proposition D, November 2015); (4) rehabilitation and  
5 reuse of Pier 48, a significant contributing resource to the Port of San Francisco Embarcadero  
6 Historic District; (5) approximately 1.1 million gsf of above- and below-grade parking in one or  
7 two garages; (6) transportation demand management on-site and payment of impact fees that  
8 the Municipal Transportation Agency will use to improve transportation service in the area;  
9 (7) approximately 5.4 acres of net new open space for a total of approximately 8 acres of new  
10 and expanded open space, including an expansion of China Basin Park, a new central  
11 Mission Rock Square, and waterfront access along the shoreline; (8) public access areas,  
12 assembly areas, and an internal grid of public streets, shared streets, and utilities  
13 infrastructure; and (9) on-site strategies to protect against sea level rise.

14 (f) While the DDA binds the Port and Developer, other City agencies retain a role in  
15 reviewing and issuing certain later approvals for the Project. Later approvals include approval  
16 of subdivision maps and plans for public infrastructure and public facilities, design review and  
17 approval of new buildings under the SUD amendments, and acceptance of Developer's  
18 dedications of public infrastructure and public facilities for maintenance and liability under the  
19 Subdivision Code. Accordingly, the City and Developer negotiated a development agreement  
20 for the Project (the "Development Agreement"), a copy of which is in Board File No. 171313  
21 and incorporated in this ordinance by reference. The DDA, the Development Agreement, the  
22 ICA, the Tax MOU, and all vertical disposition and development agreements and leases that  
23 the Port enters into in accordance with the DDA are referred to collectively as the "Transaction  
24 Documents."  
25

1 (g) Development of the Site in accordance with the DDA and the Development  
2 Agreement will help realize and further the City's goals to restore and revitalize Seawall  
3 Lot 337 and Pier 48, increase public access to the waterfront, increase public open space and  
4 community facilities within the neighborhood, add to the City's affordable and market-rate  
5 housing stock, and create a significant number of construction and permanent jobs in and  
6 near the Site. In addition, the Project will provide additional benefits to the public that could  
7 not be obtained through application of existing City ordinances, regulations, and policies.

8 Section 2. Environmental Findings.

9 (a) The Planning Commission has determined that the actions contemplated in this  
10 ordinance comply with the California Environmental Quality Act (Cal. Pub. Res. Code  
11 §§ 21000 et seq.) ("CEQA"). A copy of this determination is in Board File No. 171313 and  
12 incorporated in this ordinance by reference.

13 (b) The Board of Supervisors has adopted Resolution No. 36-18, a copy of which is  
14 in Board File No. 171286, making CEQA findings for the Project. The Board of Supervisors  
15 adopts and incorporates in this ordinance by reference the Planning Commission's findings  
16 under CEQA.

17 Section 3. Consistency Findings.

18 The Planning Commission recommended that the Board of Supervisors approve the  
19 Development Agreement and amendments to the Planning Code and the Zoning Maps at a  
20 public hearing on October 5, 2017, by Motion No. 20019 and Resolution No. 20020, copies of  
21 which are in Board File No. 171313. This Board adopts and incorporates by reference in this  
22 ordinance the Planning Commission's findings of consistency with the General Plan and the  
23 eight priority policies of Planning Code Section 101.1(b).

24 Section 4. Public Trust Findings.

1 At a public hearing on January 30, 2018, the Port Commission consented to the  
2 Development Agreement and approved the DDA, subject to the Board of Supervisors'  
3 approval, finding that the Project would be consistent with and further the purposes of the  
4 common law public trust and statutory trust under the Burton Act (Stats. 1968, ch. 1333), as  
5 amended by Senate Bill 815 (Stats. 2007, ch. 660) and Assembly Bill 2797 (Stats. 2016,  
6 ch. 529), by Resolution Nos. 18-03 and 18-06, copies of which are in Board File No. 171313.  
7 The Board of Supervisors adopts and incorporates in this ordinance by reference the Port  
8 Commission's public trust findings.

9 Section 5. Approval of Development Agreement.

10 The Board of Supervisors:

11 (a) approves all of the terms and conditions of the Development Agreement in  
12 substantially the form in Board File No. 171313;

13 (b) finds that the Development Agreement substantially complies with the  
14 requirements of Administrative Code Chapter 56 (Development Agreements);

15 (c) finds that the Project is a large multi-phase and/or mixed-use development as  
16 defined in Administrative Code Section 56.3(g); and

17 (d) approves the Workforce Development Plan attached to the DDA in lieu of  
18 requirements under Administrative Code Chapter 14B (Local Business Enterprise Utilization  
19 and Non-Discrimination in Contracting Ordinance), Article VII of Chapter 23 (Prevailing Wage,  
20 Apprenticeship, and Local Hire Requirements in City Real Property Sales Contracts and  
21 Leases), Section 56.7(c) (Nondiscrimination/Affirmative Action Requirements), and  
22 Chapter 83 (First Source Hiring Program) to the extent that they apply to construction work  
23 that is subject to the Local Hiring Requirements of the Workforce Development Plan.  
24  
25

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 the following  
14 additional provisions of the Administrative Code:

15           (a)    Chapter 6 (Public Works Contracting Policies and Procedures) other than the  
16 payment of prevailing wages when required;

17           (b)    remedies and penalties for noncompliance with Chapter 12Q (Health Care  
18 Accountability), Chapter 12T (City Contractor/Subcontractor Consideration of Criminal History  
19 in Hiring and Employment Decisions), or Section 4.9-1 (Nutritional Standards for Vending  
20 Machines; Nutritional Guidelines for Food Served at City Meetings and Events;  
21 Recommended Nutritional Guidelines for Restaurants on City Property) that could result in the  
22 termination of any Transaction Document, loss or impairment of Developer's rights under the  
23 Transaction Documents or a vertical developer's rights under a property contract for any part  
24 of the Site, or debarment of Developer or any vertical developer from future contract  
25 opportunities with the City;



1 (c) Chapter 14B (Local Business Enterprise Utilization and Non-Discrimination in  
2 Contracting Ordinance);

3 (d) Competitive Bidding Procedures and Appraisal Review as defined in  
4 Section 23.2 (Chapter Definitions) and required by Section 23.3 (Conveyance and Acquisition  
5 of Real Property) or Section 23.33 (Competitive Bidding Procedures);

6 (e) Section 23.31 (Year-to-Year or Shorter Leases), which limits the Director of  
7 Property's authority to enter into leases on behalf of the City as landlord for periods longer  
8 than one year;

9 (f) Chapter 23A.7 (Surplus Public Lands Ordinance);

10 (g) Paragraph (2) of Section 61.5(c) (Listing of Unacceptable Non-Maritime Land  
11 Uses); and

12 (h) solely to the extent inconsistent with Developer's approved Workforce  
13 Development Program, Chapter 82 (Local Hiring Policy for Construction) and Chapter 83  
14 (First Source Hiring Program).

15 Section 8. Subdivision Code Waivers.

16 (a) The Board of Supervisors waives the application to the Project of time limits  
17 under Subdivision Code Section 1346(e) (Improvement Plans) and Section 1355 (Time Limit  
18 for Submittal) to the extent that they conflict with the ICA or the Development Agreement.

19 (b) The Board of Supervisors also waives the application to the Project of  
20 Subdivision Code Section 1348 (Failure To Complete Improvements Within Agreed Time),  
21 and the following terms shall apply in lieu thereof: The Public Improvement Agreement, as  
22 defined in the ICA, shall include provisions consistent with the Transaction Documents and  
23 the applicable requirements of the Municipal Code and the Subdivision Regulations regarding  
24 extensions of time and remedies that apply when improvements are not completed within the  
25 agreed time.

1           Section 9. Authorization.

2           (a)    The Board of Supervisors affirms that the waivers in this ordinance do not waive  
3 requirements under the Development Agreement Law and authorizes the City to execute,  
4 deliver, and perform the Development Agreement as follows:

5                   (1)    the Director of Planning, the City Administrator, and the Director of Public  
6 Works are authorized to execute and deliver the Development Agreement with signed  
7 consents of the Port Commission, the Municipal Transportation Agency, and the San  
8 Francisco Public Utilities Commission; and

9                   (2)    the Director of Planning and other appropriate City officials are authorized  
10 to take all actions reasonably necessary or prudent to perform the City's obligations under the  
11 Development Agreement in accordance with its terms.

12           (b)    The Director of Planning is authorized to exercise discretion, in consultation with  
13 the City Attorney, to enter into any additions, amendments, or other modifications to the  
14 Development Agreement that the Director of Planning determines are in the best interests of  
15 the City and that do not materially increase the obligations or liabilities of the City or materially  
16 decrease the benefits to the City as provided in the Development Agreement. Final versions  
17 of any additions, amendments, or other modifications to the Development Agreement shall be  
18 provided to the Clerk of the Board of Supervisors for inclusion in Board File No. 171313  
19 within 30 days after execution by all parties.

20           Section 10. Ratification of Past Actions; Authorization of Future Actions.

21           All actions taken by City officials in preparing and submitting the Development  
22 Agreement to the Board of Supervisors for review and consideration are hereby ratified and  
23 confirmed, and the Board of Supervisors hereby authorizes all subsequent action to be taken  
24 by City officials consistent with this ordinance.  
25

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Section 11. 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

n:\eganalas2017\1800029\01228407.docx



**City and County of San Francisco**

**Tails**

**Ordinance**

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

**File Number:** 171313

**Date Passed:** February 27, 2018

Ordinance approving a Development Agreement between the City and County of San Francisco and Seawall Lot 337 Associates, LLC, for 28 acres of real property known as Seawall Lot 337, located east of Third Street between China Basin Channel and Mission Rock Street, China Basin Park and the portion of Terry A. Francois Boulevard abutting the park, Pier 48, the marginal wharf between Pier 48 and Pier 50, and Parcel P20; for the proposed Mission Rock Mixed-Use Project; 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).

February 07, 2018 Government Audit and Oversight Committee - RECOMMENDED

February 13, 2018 Board of Supervisors - PASSED ON FIRST READING

Ayes: 9 - Breed, Fewer, Kim, Peskin, Ronen, Sheehy, Stefani, Tang and Yee

Excused: 2 - Cohen and Safai

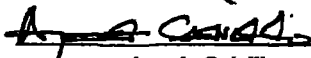
February 27, 2018 Board of Supervisors - FINALLY PASSED

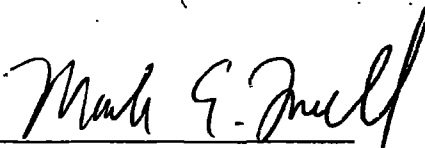
Ayes: 10 - Breed, Cohen, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Stefani and Yee

Excused: 1 - Tang

File No. 171313

I hereby certify that the foregoing  
Ordinance was **FINALLY PASSED** on  
2/27/2018 by the Board of Supervisors of  
the City and County of San Francisco.

  
Angela Calvillo  
Clerk of the Board

  
Mark E. Farrell  
Mayor

3/6/18  
Date Approved

EXHIBIT X

Form of Memorandum of Lease

**PARCEL LEASE  
EXHIBIT X**

<p>This document is exempt from payment of a recording fee pursuant to California Government Code Section 27383</p> <p>RECORDING REQUESTED BY, AND WHEN RECORDED, MAIL TO:</p>	<p>FOR RECORDER'S USE ONLY</p>
--	--------------------------------

Lot \_\_\_\_, Block \_\_\_\_

The Undersigned Declare(s):  
DOCUMENTARY TRANSFER TAX: \_\_\_\_\_;  
[ ] computed on the consideration or full value of property conveyed, OR  
[ ] computed on the consideration or full value less value and/or encumbrances remaining at time of sale,  
[ ] unincorporated area;  
[ ] City of San Francisco

**MEMORANDUM OF LEASE  
(PARCEL LEASE)**

This Memorandum of Lease ("Memorandum"), dated for reference purposes only as of \_\_\_\_\_, 20XX, is by and between the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation ("City"), operating by and through the **SAN FRANCISCO PORT COMMISSION** ("Landlord" or "Port") and [TENANT], a [\_\_\_\_\_] ("Tenant").

**RECITALS**

A. Concurrently herewith, Landlord and Tenant have entered into that certain Lease No. L-[\_\_\_\_\_] (the "Lease"), dated as of \_\_\_\_\_, \_\_\_\_\_, pursuant to which Landlord leased to Tenant and Tenant leased from Landlord certain real property (the "Premises") more particularly described in the attached **EXHIBIT A**, which is incorporated by this reference.

B. Port and Tenant have also entered into that certain Vertical Disposition and Development Agreement, dated \_\_\_\_\_, \_\_\_\_\_ (the "VDDA"), with respect to the development of the Premises.

C. Landlord and Tenant desire to execute this Memorandum to provide constructive notice of Tenant's rights under the Lease to all third parties.

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. Term. Landlord leases (i) the Premises to Tenant for a term commencing on [\_\_\_\_\_, \_\_\_\_] (the "**Commencement Date**"). The Term of the Lease will expire on the date that is [\_\_\_\_\_] years] after the Commencement Date, unless earlier terminated in accordance with the terms of the Lease.

2. Lease Terms. The lease of the Premises to Tenant is pursuant to the Lease, which is incorporated in this Memorandum by reference. In the event of any conflict or inconsistency between this Memorandum and the Lease, the terms and conditions of the Lease will be controlling in all respects. Except as otherwise defined in this Memorandum, capitalized terms will have the meanings given them in the Lease.

3. Successors and Assigns. This Memorandum and the Lease will bind and inure to the benefit of the parties and their respective heirs, successors, and assigns, subject, however, to the provisions of the Lease on assignment.

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

*[The remainder of this page intentionally left blank]*

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

**TENANT:**

[\_\_\_\_\_] ,  
a [\_\_\_\_\_]

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

**LANDLORD:**

**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:**

DENNIS J. HERRERA, City Attorney

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Deputy City Attorney

Port Resolution No. 18—03, adopted on January 30, 2018  
Board of Supervisors Resolution No. 36—18, adopted on February 13, 2018



## 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)

**EXHIBIT A**

EXHIBIT Y

Transportation Demand Management Plan

**DDA EXHIBIT B7**

**TRANSPORTATION EXHIBIT**

**to**

**DISPOSITION AND DEVELOPMENT AGREEMENT**

**Mission Rock Project**



## DDA EXHIBIT B7

### TRANSPORTATION EXHIBIT

#### I. Transportation Fee.

A. **Payment by Vertical Developers.** Each Vertical DDA will require that the Vertical Developer shall pay to SFMTA a “**Transportation Fee**” that SFMTA will use and allocate in accordance with Section I.B below. The Transportation Fee must meet all requirements of and will be payable on all vertical development on the Mission Rock Project Site in accordance with Planning Code sections 411A.1-411A.8., except as provided in this Exhibit. All references to the Planning Code in this Transportation Exhibit refer to the Planning Code as in effect on the DA Ordinance Effective Date. Under the Development Agreement (DA) and this Transportation Program:

- The Transportation Fee will be payable on any Development Parcel on the Mission Rock Project Site, except Affordable Housing Projects pursuant to Planning Code section 406(b).
- The Transportation Fee will be calculated at 100% of the applicable TSF rate without a discount under Section 411A.3(d). The Project shall be subject to 100% of the applicable TSF rate as if it were a Project submitted under Section 411A.3(d)(3).
- The amount of the Transportation Fee will equal the Transportation Sustainability Fee in effect on the DA Ordinance Effective Date for the same land use category with annual escalation in accordance with the methodology provided in Section 409 to the date that the Port issues the first construction permit for each Vertical Improvement. For example, the Transportation Sustainability Fee on the DA Ordinance Effective Date for residential buildings with up to 99 units is \$8.60/gsf, and \$9.71/gsf of residential use in all dwelling units at and above the 100<sup>th</sup> unit in the building.

B. **Accounting and Use of Transportation Fee by SFMTA.** Section 411A.7 will apply except as follows. The Treasurer-Tax Collector will account for all Transportation Fees paid for each development project on the Mission Rock Project Site (the “**Total Fee Amount**”). SFMTA will use an amount equal to or greater than the Total Fee Amount to pay for uses permitted by the TSF Fund under Planning Code section 411A.7, including SFMTA’s and other agencies’ costs to design, permit, construct, and install a series of transportation improvements in the area surrounding or serving the Mission Rock SUD Area. SFMTA and other implementing agencies will be responsible for all costs associated with the design, permitting, construction, installation, maintenance, and operation of these improvements above the Total Fee Amount. SFMTA will report to the Planning Director on any use of the Total Fee Amount in any reporting period for the Annual Review under the DA. Examples of projects that SFMTA may fund with the Total Fee Amount include:

- Water Transit. Construction of a new ferry terminal at 16<sup>th</sup> Street in Mission Bay and support of other water transit, including a network of water taxi/small water ferry docks along the Central Waterfront.
- T-Third Enhancements. Reliability and capacity enhancements, including flashing “Train Coming” signs, in-ground detectors at to-be-identified intersections, and additional light rail vehicles (LRV) as needed to serve the growing population along the line.
- Existing and future MUNI lines that serve Project neighborhood. Capital improvements, including buses, associated with newly proposed MUNI routes, and re-routing of existing MUNI lines to better serve transit riders in the Dogpatch, Mission Bay, and Potrero Hill neighborhoods. Operation plans for all MUNI service is contingent on the SFMTA Board of Directors adoption of an operating budget.
- Muni Metro East. Capital costs associated with an expanded facility for on-site rebuilds, capacity for expanded bus and LRV fleet, and tracks for storage.

- Mission Bay E-W Bike Connector. Implementation of a connection across tracks, likely between 17th Street and Owens Street, to connect the 4th Street bikeway on east side and the 17th Street bikeway on west side.
- Terry A. Francois Boulevard Cycletrack. Implementation of bicycle access on Terry A. Francois Boulevard, including multi-use (peds/bikes) access on the 3rd Street Bridge and associated signal modifications.
- North-south bike connection on Indiana Street. Implementation of bicycle connection along Indiana Street from Cesar Chavez Boulevard to Mariposa Street.
- Upgraded bicycle access on Cesar Chavez Boulevard. Implementation of a lane along Cesar Chavez Boulevard from US 1-280/Pennsylvania to Illinois Street, including elements such as bulbs, islands, and restriping.
- Pedestrian improvements. Implement improved sidewalks and crosswalks as needed at various gap locations throughout the adjacent neighborhood, as identified in partnership with community and City partners.

Nothing in this Transportation Exhibit will prevent or limit the City's absolute discretion to: (i) conduct environmental review in connection with any future proposal for improvements; (ii) make any modifications or select feasible alternatives to future proposals that the City deems necessary to conform to any applicable laws, including CEQA; (iii) balance benefits against unavoidable significant impacts before taking final action; (iv) determine not to proceed with such future proposals; or (v) obtain any required approvals for the improvements.

## **II. TDM Plan.**

Developer shall implement the Transportation Demand Management ("TDM") Plan attached as **DDA Exhibit B7 Schedule 2** and otherwise comply with EIR Mitigation Measure M-AQ-2.3, as set forth in the MMRP, **DDA Exhibit A5**. The TDM Plan shall remain a component of the Project to be implemented for the duration of the Project. Monitoring, and submittal of monitoring reports and plan adjustments, shall be required as described in Mitigation Measure M-AQ-2.3. The City and Developer agree that the option for the offset fee discussed in the last paragraph of Mitigation Measure M-AQ-2.3 is not applicable, unless the Planning Department determines in its discretion that further TDM Plan adjustments will not achieve the reduction goal.

Developer's TDM Plan has a goal of reducing estimated aggregate daily one way vehicle trips by 20 percent compared to the aggregate daily one-way vehicle trips identified in the project's travel demand memo, prepared by Adavant Consulting, dated June 30, 2015. The project sponsors shall be responsible for monitoring implementation of the TDM Plan and proposing adjustments to the TDM Plan if its goal is not being achieved as described in Mitigation Measure M-AQ-2.3.

Developer's TDM Plan shall have been approved by the Planning Department prior to site permit application for the first building and the TDM Plan shall be implemented as to each new building upon the issuance of the certificate of occupancy for that building.

Notwithstanding any other provision of the DDA or DA, Planning Code Section 169.4 shall apply and, under Planning Code Section 169.4(e), the Zoning Administrator shall approve and order the recordation of the TDM Plan against the Project Site, and it shall be enforceable though the Notice of Violation procedures in the Planning Code, or any other applicable provision of law. The Zoning Administrator shall retain the discretion to determine what constitutes a separate violation in this context. The Planning Code procedures shall apply, except that the Zoning Administrator shall have discretion to impose a penalty of up to \$250 per violation. If the submittal of monitoring reports is no longer required in accordance with Mitigation Measure M-AQ-2.3, the provisions of Planning Code Section 169.5(b) shall apply.

### III. SFMTA Contact

SFMTA commits to designating a staff person to follow up on the transportation related components of the Project, including this Exhibit and associated Schedules, the DA, and the FEIR. This staff person will be a point person for Developer and the community.

### IV. Event Management Plan

*DDA § 3.2(j) (Event Management Plan)* requires inclusion of an Event Management Plan with each Phase Submittal. The scope of the Event Management Plan is outlined in Chapter 5 of the Mission Rock Transportation Plan (**DDA Exhibit B7 Schedule 1**). Any Parcel Lease for a Garage Parcel shall include provisions with respect to the Event Management Plan as described below.

Prior to entering into any agreement between the Garage operator and a third-party entity for use of the Garage by patrons of events not on-site or at AT&T Park (an “Event Parking Agreement”), the Garage operator will submit to the Port for its approval an updated Event Management Plan to address use of the Garage by patrons of such events.

The Garage operator will pay for, or cause to be paid by third parties (e.g., off-site third-party event operators), all direct and indirect expenses incurred by SFMTA associated with incremental enforcement on the Project Site required under the Event Management Plan beyond the SFMTA current enforcement levels described below. SFMTA will deploy such enforcement to the extent that enforcement resources are available.

SFMTA’s current enforcement levels refers to the following deployment of SFMTA Parking Control Officers (PCOs) on the Project Site for events at AT&T Park:

	Total PCO hours	Total PCO Supervisor hours
Weekday Daytime Event	178	16
Weekend Daytime Event	168	16
Weekday Evening Event	168	16
Weekend Evening Event	168	16

### V. Dedicated Storage Space

Developer will provide a 10’ by 10’ street-level secure storage space at no cost to SFMTA for the purpose of storage of SFMTA event management-related equipment. This space will be provided in interim phases as well as at final build-out.

### VI. Garage Consultation

Developer and the City will follow the provisions of *DDA § 2.5(c) (Garage Recommendations)* related to consultation regarding Garage sizing and operations.

### VII. Transportation Plan

Developer and the City will follow the Mission Rock Transportation Plan (**DDA Exhibit B7 Schedule 1**) for the Project Site.





**DDA EXHIBIT B7 - TP SCHEDULE 1**

**"Mission Rock Transportation Plan"**





# MISSION ROCK

TRANSPORTATION  
PLAN





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# MISSION ROCK

## TRANSPORTATION PLAN

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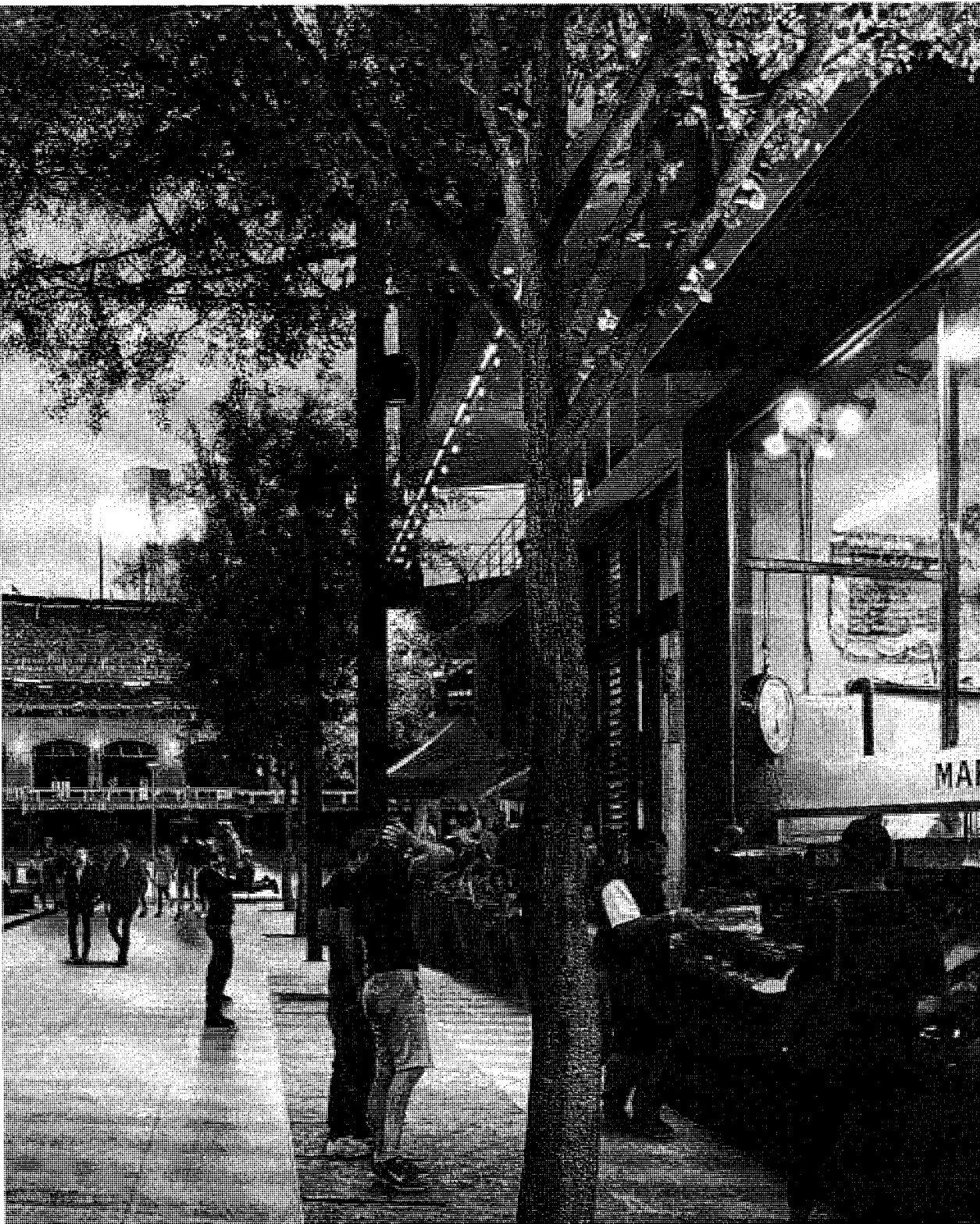
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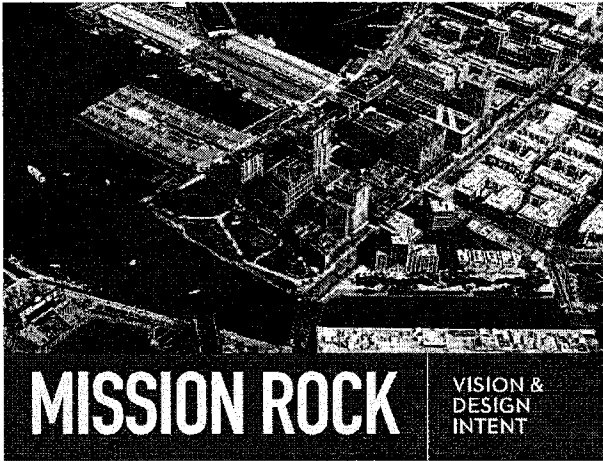
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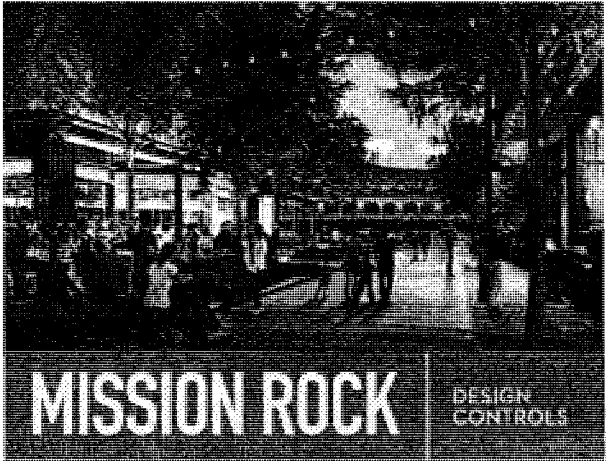
# MISSION ROCK DESIGN DOCUMENTS

The Transportation Plan comprises the fifth in a set of five documents which together describe the requirements for the development of Mission Rock.



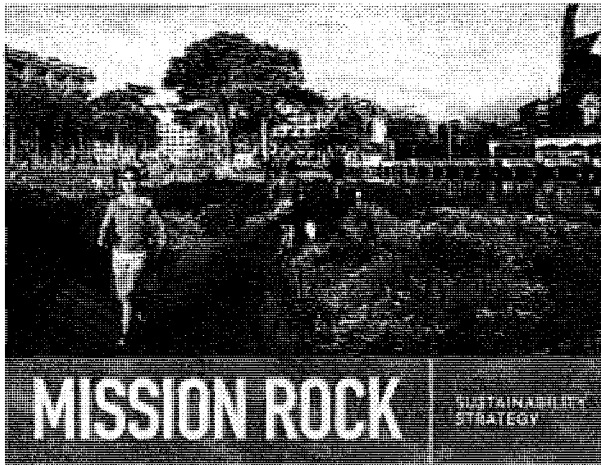
## MISSION ROCK VISION & DESIGN INTENT

This document contains the big picture thinking and aspirations that will guide the process for the design and implementation of Mission Rock.



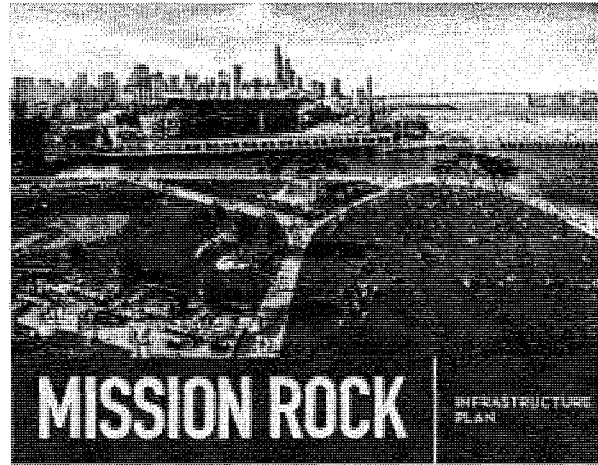
## MISSION ROCK DESIGN CONTROLS (DC)

This document guides the development of the open spaces, streets, and buildings at Mission Rock. The DC ensures that the site will be developed in a way that is consistent with the vision as defined in the Mission Rock Vision and Design Intent document.



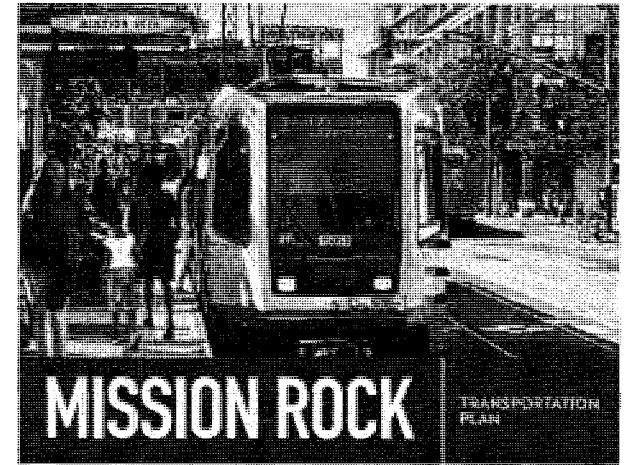
#### MISSION ROCK SUSTAINABILITY STRATEGY

This document identifies the high level sustainability goals for Mission Rock, details the requirements for the horizontal and vertical development and summarizes the anticipated reduction in greenhouse gas (GHG) emissions resulting from the district's approach to sustainable design.



#### MISSION ROCK INFRASTRUCTURE PLAN

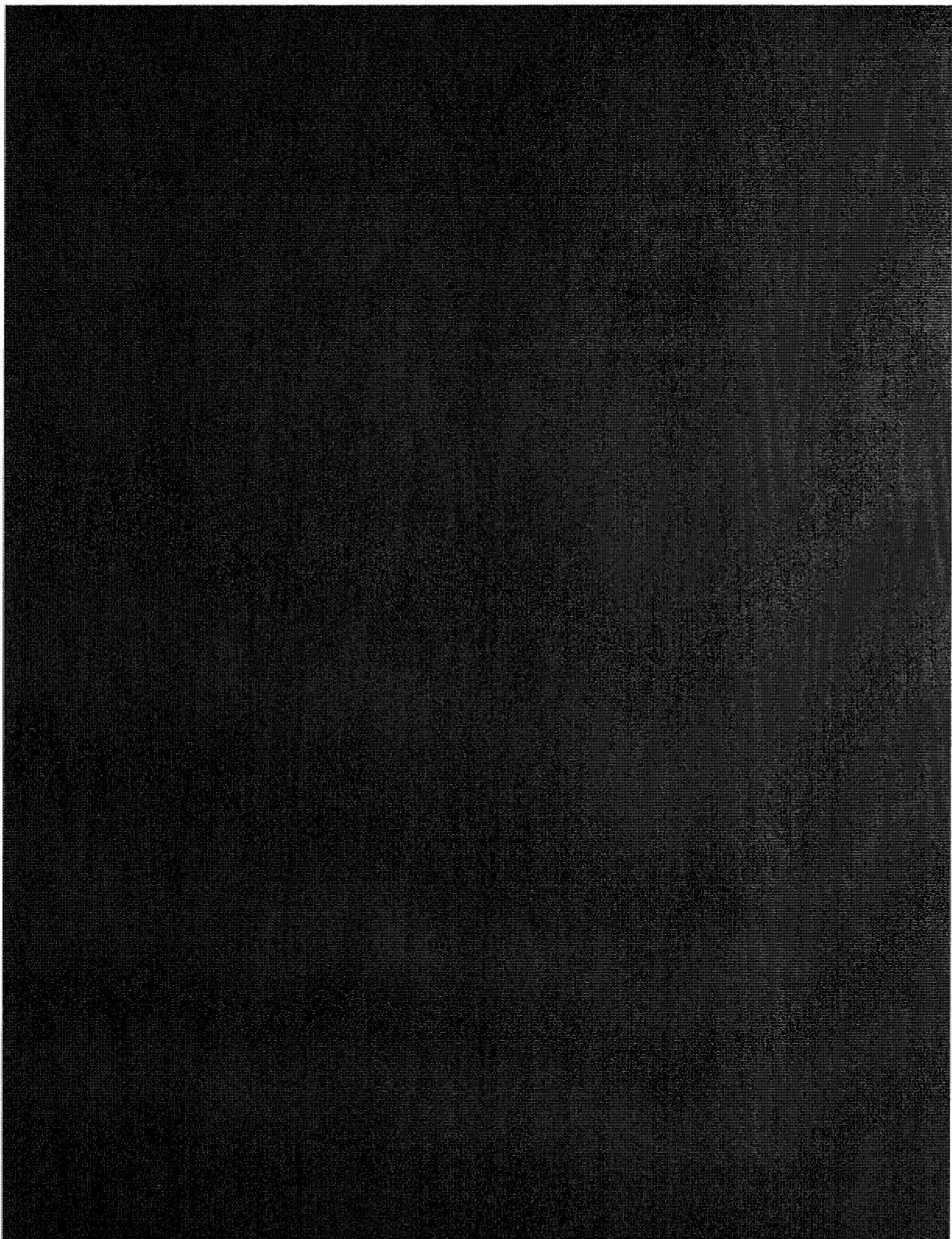
The design of the landscape, buildings, and sustainability strategies will be closely coordinated with the infrastructure planning at Mission Rock. This plan regulates the complex coordination of streets, utilities, and services.



#### MISSION ROCK TRANSPORTATION PLAN

This plan describes the ways in which the site will be designed to support the mobility choices of all users, with a special emphasis on safe and comfortable conditions for pedestrians and cyclists.





Located just steps from the center of the Bay Area's transportation system and along one of the premiere bicycle and pedestrian routes in the region, Mission Rock is poised to be a model for sustainable transportation. With a multitude of mobility choices built directly into the site's DNA, it will be one of the first true 21st Century developments in San Francisco.

Small, walkable blocks, wide sidewalks, and a diverse mix of uses will make it easy for those who live or work at Mission Rock to avoid traveling far to eat or shop for everyday necessities. A range of cycling facilities will ensure that cyclists of all ages and skill levels are comfortable navigating the site on two wheels. The opening of the Central Subway will mean frequent, rapid service to Market Street and downtown is just

steps away via the T-Third Muni Metro line, and access to the Peninsula and South Bay is just a few minutes further at Caltrain's 4th and King Street terminal. Supplemented by a suite of services and incentives that will make it easy to choose any mode, this wide range of mobility options mean the site will truly be a good fit for any modern lifestyle.

# 01

## INTRODUCTION

## 1.1 OVERVIEW

This document details how Mission Rock will achieve this vision. It starts by laying out the elements of the project's context that make it an ideal fit for a moment in which San Franciscans are choosing to accomplish more and more each year by a range of modes (Chapter 2). It walks through plans for the design of the site's internal streets, describing how bikes, pedestrians, and vehicles will circulate through the site and connect to its surroundings (Chapter 3). Mission Rock is committed to a robust set of infrastructure investments and ongoing programs that will make it easy to choose modes like walking, biking, and taking transit, and Chapter 4 details the planned package of transportation demand management (TDM) programs. With AT&T Park just steps away from the site, event-related travel will have an important impact on circulation patterns. Chapter 5 walks through how circulation will be managed around events to help reduce impacts on residents and employees, both on the site and in the surrounding neighborhood.

Note that this document focuses on the site's transportation programs at full build-out. The Infrastructure Plan discusses how the project will be phased and implications for the site's physical infrastructure, including transportation.

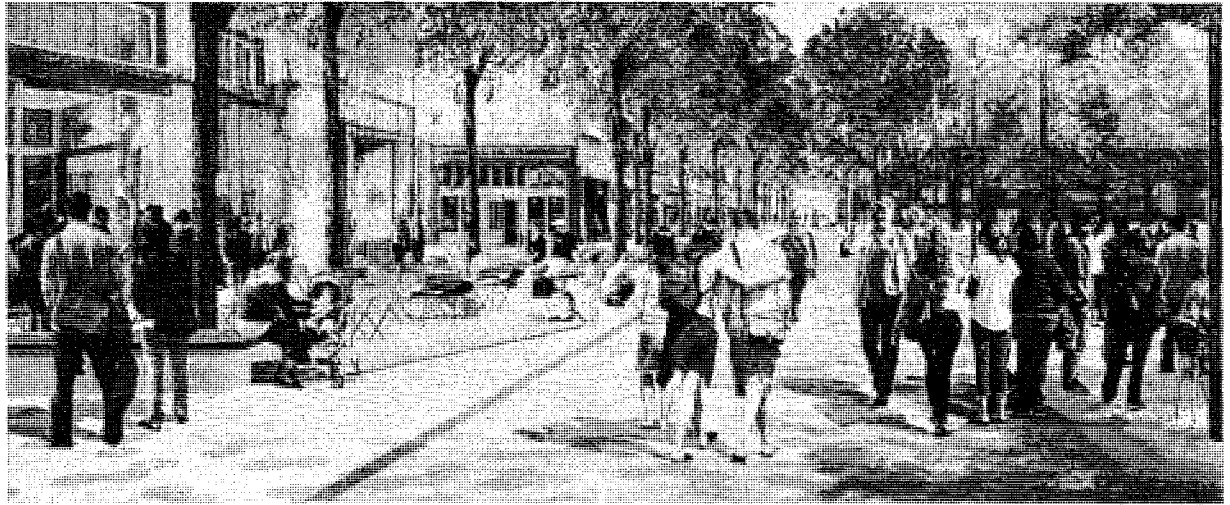


The proposed project, aerial view simulation from the northwest

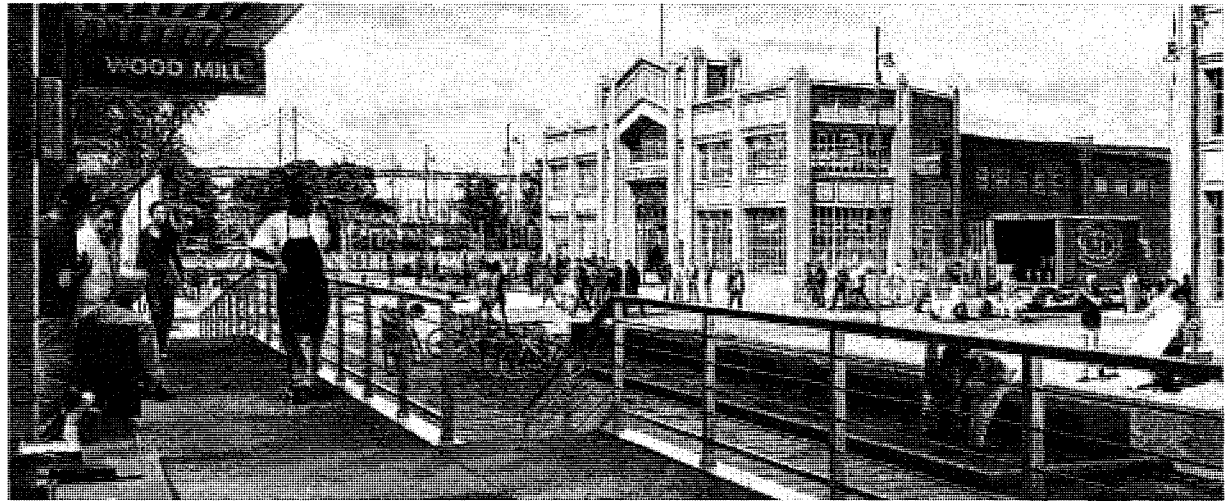
## 1.2 GOALS

Mission Rock aims to do the following through its transportation program:

1. Facilitate lifestyles low in vehicle miles traveled (VMT) by providing a robust set of sustainable choices for movement to and from the site
2. Create a vibrant, pedestrian-oriented, and visually interesting public realm within the site
3. Connect seamlessly to the site's broader context, including the City's growing bike network, the Mission Bay neighborhood's developing network of streets and sidewalks, and the city and region's transit systems
4. Ensure that the site is adaptable to new transportation technologies and changing travel habits over time
5. Play a productive role in the City's efforts to manage event-related travel



Shared Public Way, the shared street that will serve as the primary north-south pedestrian route through the site

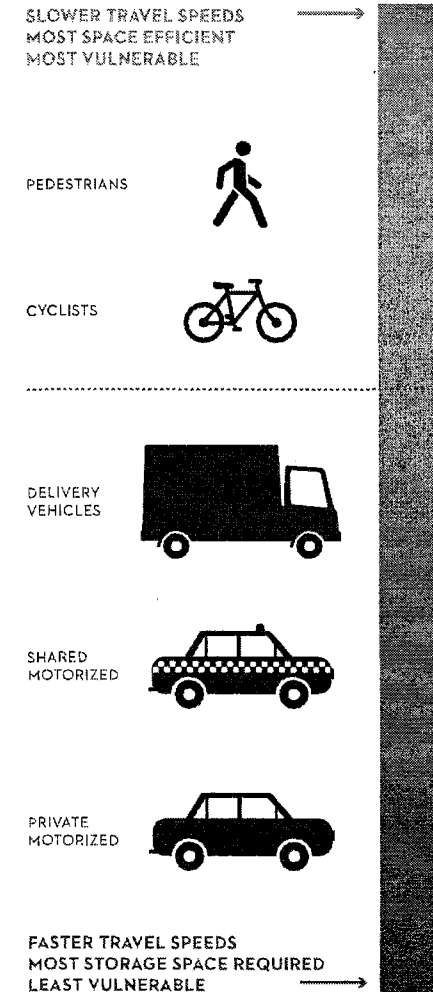


Terry A. Francois Boulevard, another shared street, will have a more maritime-industrial character

## 1.3 STRATEGIES

The project will accomplish those goals through the following primary strategies:






- ▶ Prioritize movement on-site using a modal hierarchy that puts the focus on the most space-efficient and environmentally sustainable modes
- ▶ Encourage walking, biking, and taking transit through convenience and meaningful incentives
- ▶ Design a highly connective street grid with generous and active pedestrian areas
- ▶ Allow for a diverse mix of uses that enables residents and employees to avoid long trips for daily necessities
- ▶ Design for safety through smart deployment of traffic calming strategies on internal streets
- ▶ Facilitate bike connectivity by adding an important link to City and regional bike networks through the site and providing safe and comfortable routing options for people of all cycling skill levels
- ▶ Create generous curb-side loading areas to:
  - ▶ Facilitate site access for people with mobility limitations and for families with small children
  - ▶ Facilitate the use of taxis and ride hail services, which can help obviate the need to bring a personal automobile to the site
  - ▶ Help site users avoid vehicle trips by facilitating convenient delivery of goods
- ▶ Actively manage parking to ensure it is used efficiently as part of the larger multimodal network
- ▶ Work in concert with neighborhood groups to help in responsibly managing event-related travel

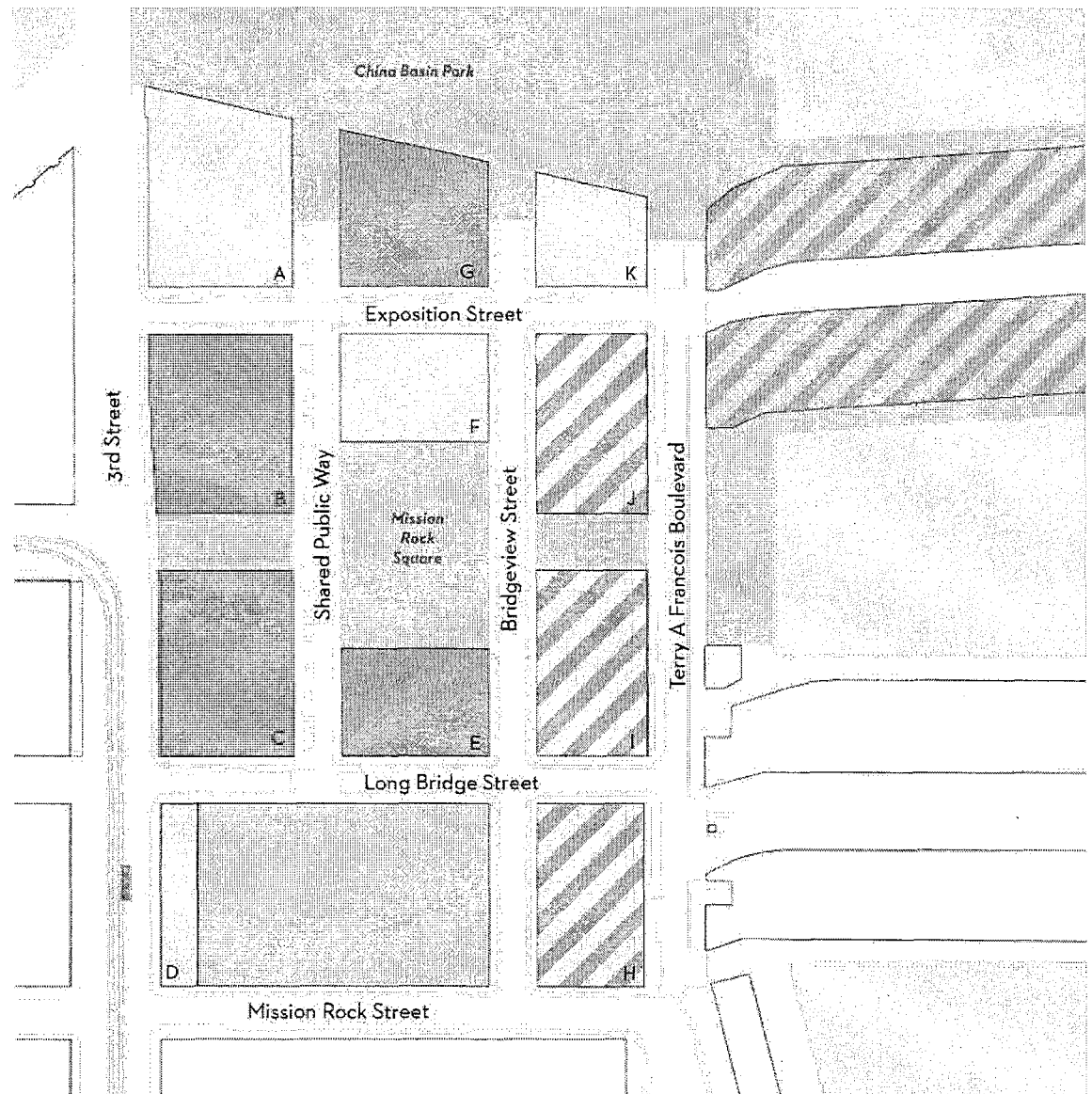


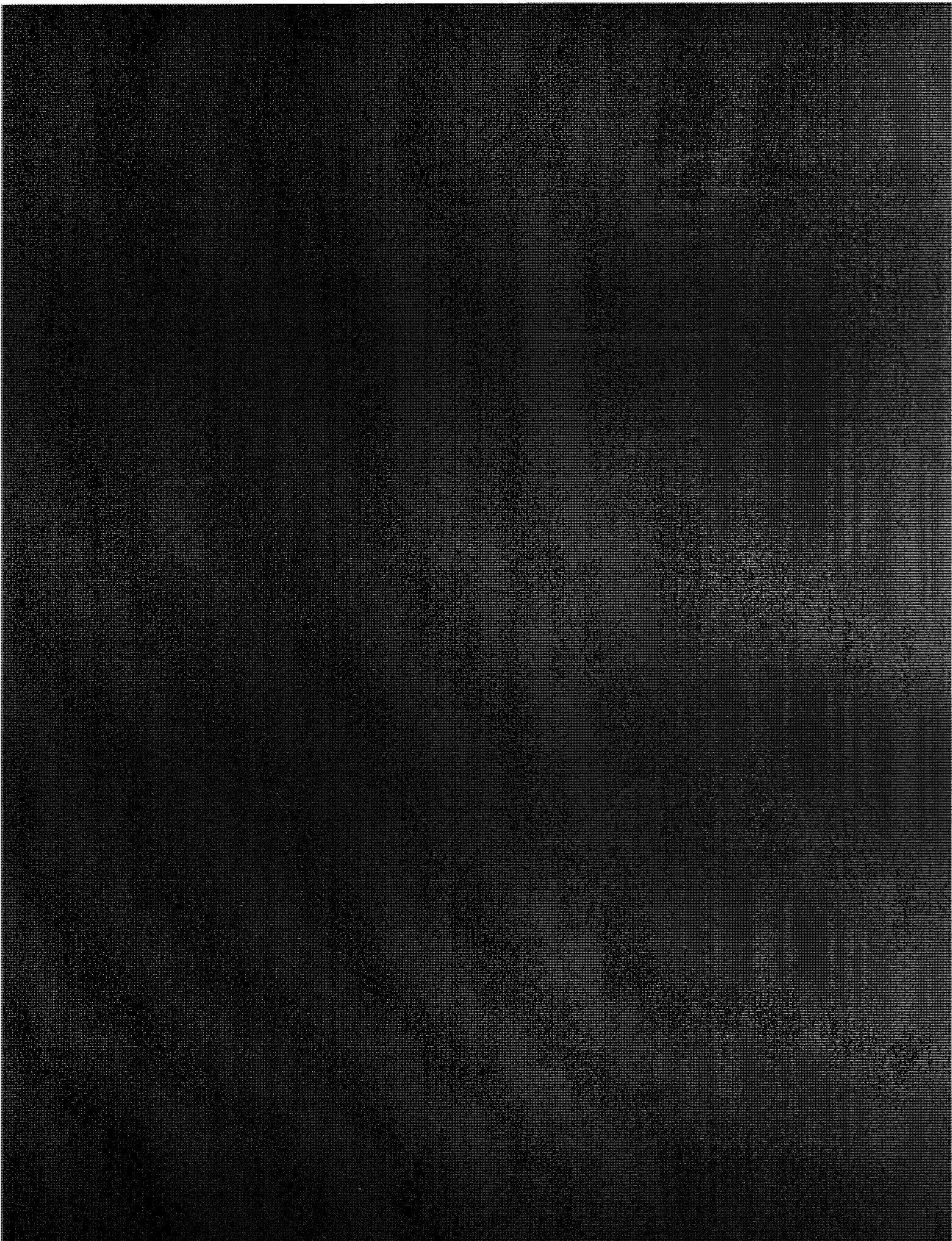
A modal hierarchy for travel through Mission Rock



The figure on this page shows the site's urban street grid and mixed land-use plan. The site plan and approach to circulation are two key ingredients in making the transportation vision come to life.

-  Residential
-  Commercial
-  Flex
-  Working Waterfront
-  Structured Parking





Mission Rock's location, mix of uses, density, and design approach are all consistent with regional trends in land use and transportation and supportive of Bay Area planning agencies' efforts to direct new housing toward urban infill locations near transit stations.

The site's mix of uses, including residential, commercial, and retail, will make it easy for residents and employees to take care of most needs within a short walk, and the project's location will naturally facilitate the use of transit and other shared modes for longer-distance trips.

This chapter details the context into which Mission Rock fits. It looks at the broader trends and policy context, as well as the array of local transportation resources that will help make the site's sustainable, multimodal vision come to life.

# 02

## PROJECT CONTEXT



## 2.1 TRENDS IN POLICY AND TRAVEL BEHAVIOR

Mission Rock fits into a larger context of city, regional, and state policy encouraging transit-oriented mixed-use development, as well as the emergence of new transportation options that are changing the way Bay Area residents travel to work and play. The project is poised to both take advantage of the new mobility options and further encourage these shifts.

### 2.1.1 STATE, REGIONAL, AND CITY POLICIES

Starting in 2006, the State of California began laying out a constellation of policies aimed at reducing the state's carbon footprint. Assembly Bill (AB) 32, signed into law in 2006, required that the state reduce greenhouse gas emissions to 1990 levels by 2020, a 15 percent reduction relative to expected trends. Senate Bill (SB) 375 was the first major policy aimed at implementing AB 32. It required that each major region in the state create a "sustainable communities strategy" that would use a combination of land use and transportation planning to create more sustainable development patterns. Furthermore, the City of San Francisco's Climate Action Strategy specifically calls for shifting 80% of all trips to non-automobile trips by 2030.

Plan Bay Area is this Bay Area's sustainable communities strategy, and concentrating growth around the existing transit system is a key pillar of the plan. The plan identified Priority Development Areas with strong transit access and higher existing densities, and Mission Rock sits along a major axis of priority development areas along the eastern edge of San Francisco.

Infill and transit-oriented development are the two most important strategies for developing in a more sustainable fashion. When projects are located in areas that are already developed, they generally allow their inhabitants to travel shorter distances to reach jobs,

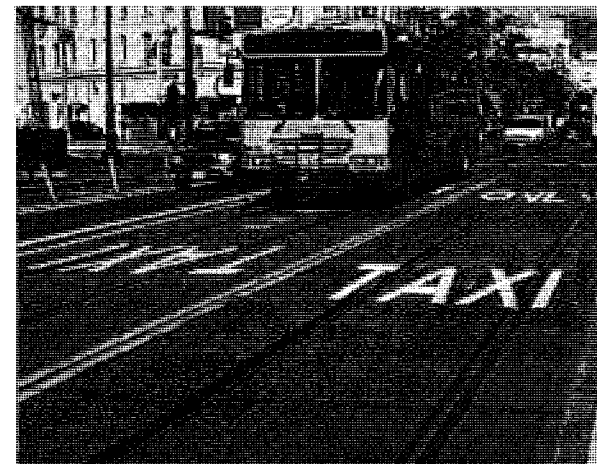
grocery stores, and other daily destinations. When located near existing transit networks, they make transit the default mobility option.

Infill development has long been a priority for the City of San Francisco, and the City has an array of policies aimed at aligning the transportation system to denser development patterns. Policies include the city's long-standing "transit first" policy, a 20% bicycle mode share goal, and a collection of recent policy changes – known as the Transportation Sustainability Program – that aim to further invest in transit, bike, and pedestrian network improvements, align the environmental review process for development with other city policies, and shift travel behavior toward non-motorized or shared modes while ensuring access and mobility. Mission Rock's transportation program is consistent with this approach.

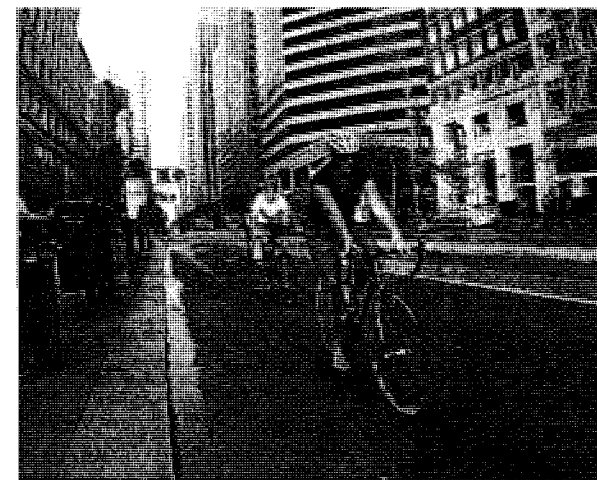
With these policies in the background, travel behavior in San Francisco seems to be steadily shifting toward transit and non-motorized modes, and the market for developments that enable transit-, bicycle-, and pedestrian-oriented lifestyles has strengthened. The last few years have seen increases in transit ridership (including record ridership levels on BART and Caltrain in recent years) and major increases in cycling, particularly for commutes.

### 2.1.2 THE IMPACT OF TECHNOLOGY

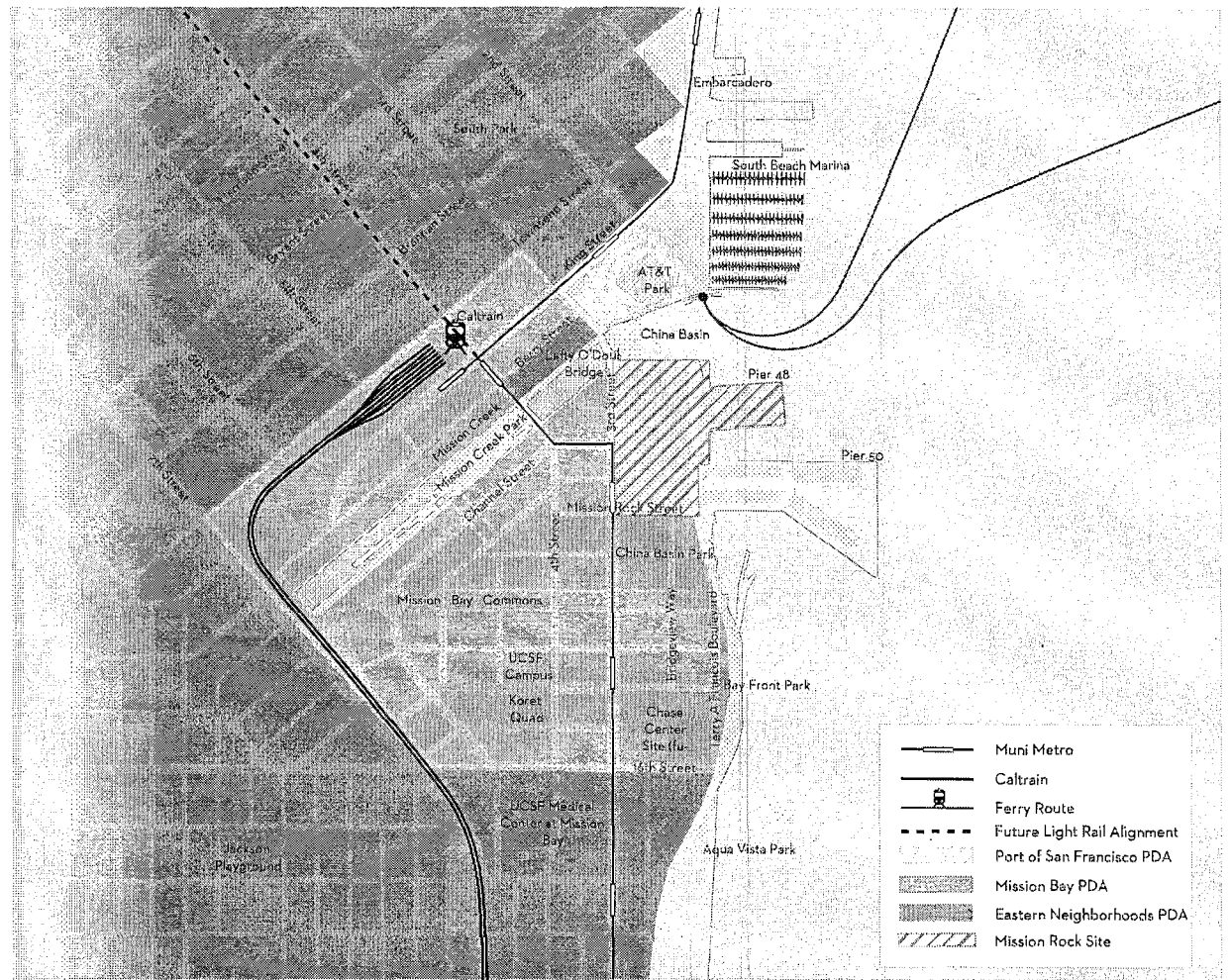
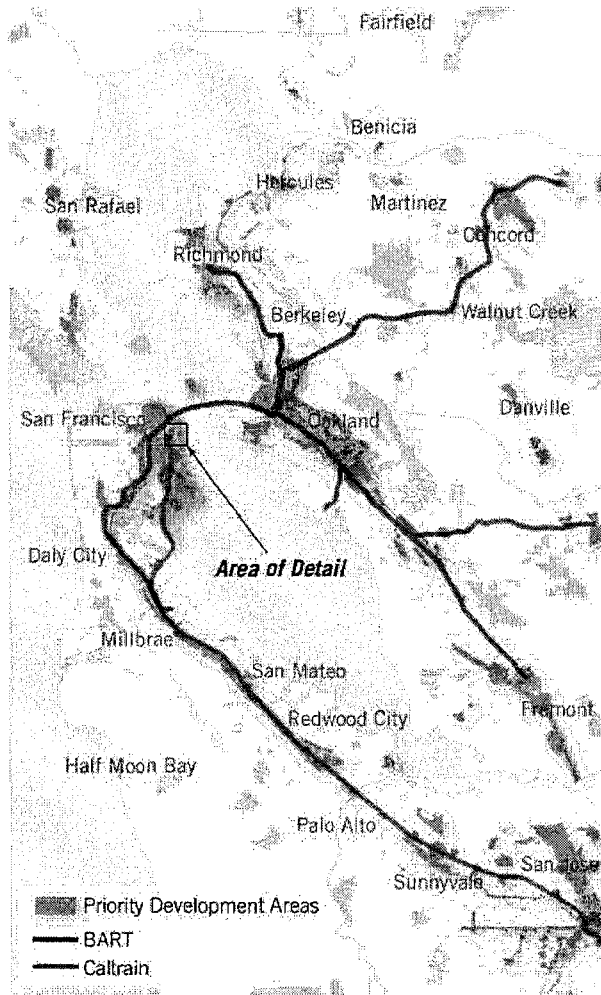
New technology-enabled travel options have also emerged, making it easier to routinely travel longer distances or make trips that do not align well to the transit network without owning a car. Car share companies like Zipcar and City Car Share have made it easy to rent vehicles, stored conveniently in small pods across the city, for short periods. This allows people who



SFMTA has installed "red carpet" transit-only treatments around the city in recent years (SFMTA)



Cycling rates have increased dramatically in recent years (FLICKR USER RICHARD MASONER)



Plan Bay Area's Priority Development Areas (PDAs) and regional transit connections

do not own a car to conveniently accomplish errands that require hauling more than one can carry on transit or a bicycle. Transportation network companies (TNCs) like Uber and Lyft and taxi hailing apps like Flywheel have made it far easier and more convenient to hail rides for trips the transit system is less well set up to handle – across town or late at night.

These trends and the new suite of travel options seem to be affecting people's behavior. A recent study showed that newcomers to the city began taking advantage of them as they emerged, with nine in 10 net new households in the city since 2000 not owning an automobile, according to data from the U.S. Census Bureau. Additional evidence from the Shared Use Mobility Center (TCRP Report 188) shows that individuals who use car sharing frequently tend to own vehicles at lower rates.

### 2.1.3 THE FUTURE OF TRANSPORTATION

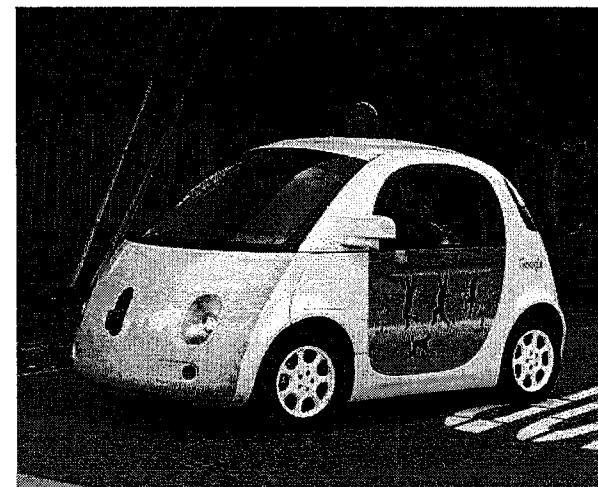
More dramatic changes could be in the offing. In the middle of 2016, several companies announced the first limited public use of autonomous vehicles, in Pittsburgh (Uber) and Singapore (nuTonomy). Google has been developing its own autonomous vehicles and testing them around its Mountain View headquarters for several years, and several other major Bay Area companies are also working hard – sometimes in partnership with more traditional auto companies – to develop their own models. When autonomous vehicles emerge in large numbers, the Bay Area is likely to be an area that adopts them quickly.

The precise effects self-driving cars will have on urban environments is unclear, given that the technology

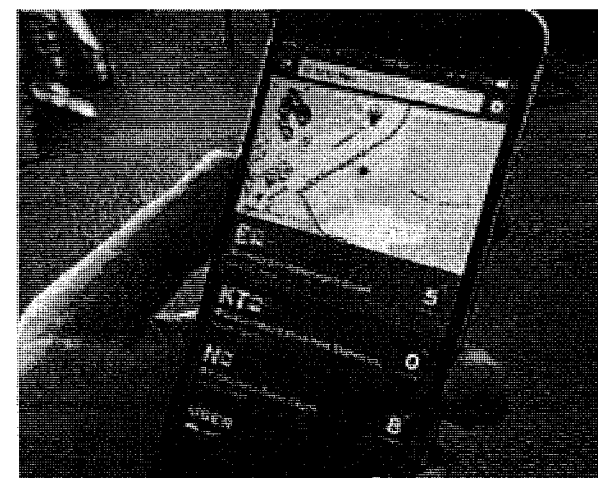
is still in the early stages of development. What is clear, though, is that they have the potential to dramatically change the way we get around, as the advent of motorized mobility did 100 years ago. Indeed, the emergence of automobiles in the early 1900s reshaped the economics and urban space needs of the transportation system.

If autonomous vehicles are used mainly as shared mobility resources, rather than privately held ones in the pattern of the vast majority of small vehicles today, they could lead to shifts like a major drop in parking demand and a major increase in the need for passenger loading space. Even if they emerge as privately owned mobility resources, though, the urban parking footprint is likely to go down. For example, if autonomous vehicles are able to communicate with each other while parking, they could theoretically squeeze together more efficiently, in much the same way as cars parked by valet can be lined up and parked in more narrow columns than can self-parked cars.

Mission Rock is set up to weather these changes well. As Chapter 3 describes, the site's curbs prioritize loading and delivery activities, which have already taken on increasing importance with growth in online shopping and, more recently, the earliest releases of new mobility technologies. The ways in which the site's transportation program has been shaped by its location will also help its design stay current in a world of changing mobility patterns. As detailed in the following sections, Mission Rock is located at the heart of the region's bicycle, pedestrian, transit, and roadway networks, giving future residents, employees, and visitors a wide range of natural options for getting around, even in the absence of new technologies.



Google's autonomous vehicle prototype (PHOTOFEST/GETTY IMAGES; USED UNDER LICENSE)



Smartphones have revolutionized access to transportation information (NELLSON/ISTOCKPHOTO)

## 2.2 NEARBY NETWORKS

### 2.2.1 NON-MOTORIZED NETWORKS

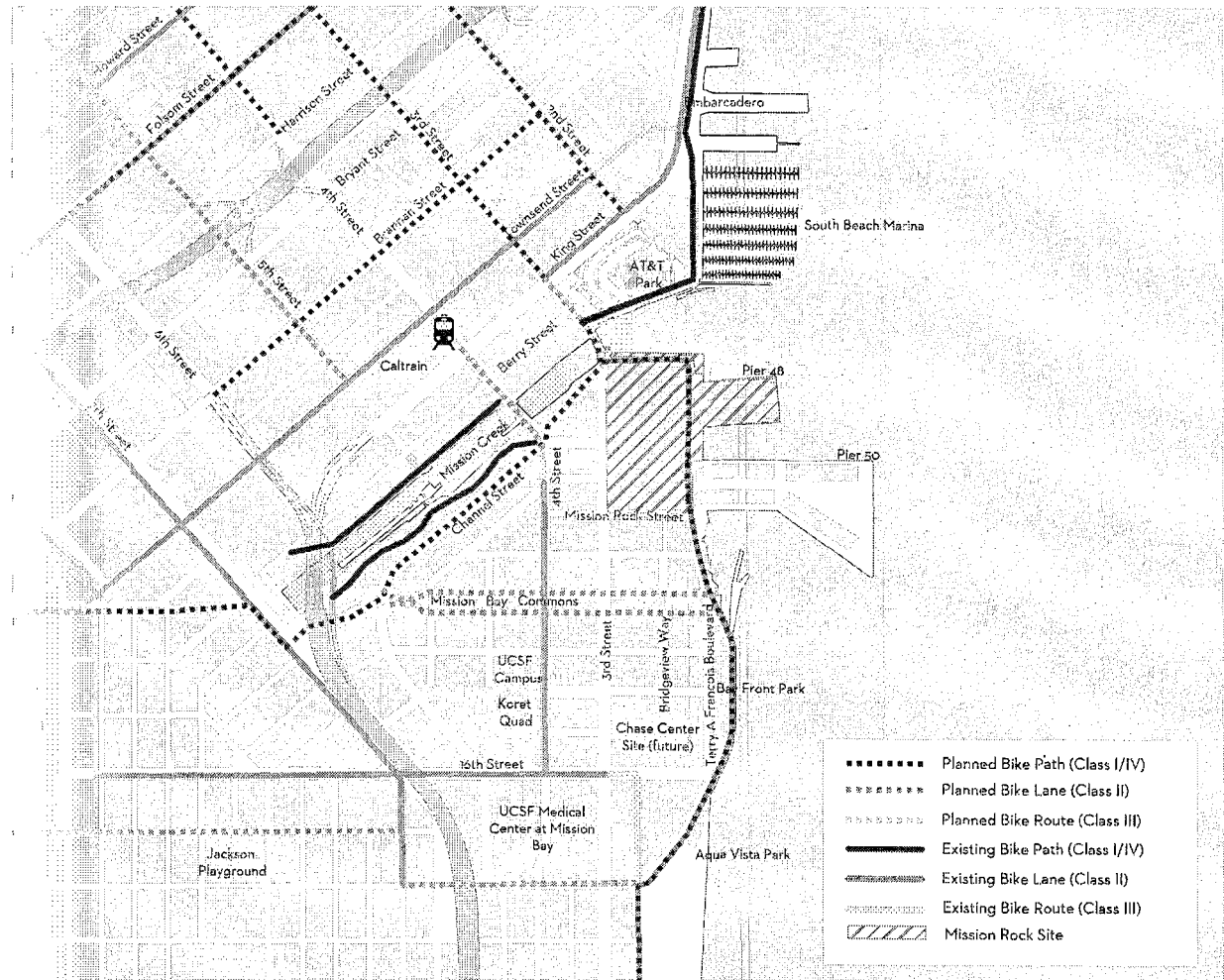
#### Pedestrian

Most trips begin or end on foot, so safe and robust pedestrian space is the backbone of any high quality transportation system.

The Embarcadero, 3rd Street, and Fourth Street are the major pedestrian routes between Mission Rock and the jobs and transit connections in SoMa and Downtown San Francisco. Pedestrian facilities on the Embarcadero are wide and spacious, while sidewalks through SoMa are typically more narrow and less well maintained. The City's Central Corridor Plan aims to steadily improve pedestrian conditions as the area grows and changes in the coming years. Mission Bay's street network is also in the process of being built out. Once the area's development is complete, all streets in the area will have sidewalks on both sides that are six feet wide, and in many places 10 or 12 feet.

#### Bicycle

San Francisco continues to build bicycle lanes of various class distinctions throughout San Francisco as part of its implementation of the 2009 San Francisco Bicycle Plan. In Mission Bay, dedicated bicycle lanes exist on Terry A. Francois Boulevard, Fourth Street, and 16th Street. The facilities on Terry A. Francois Boulevard will soon be improved to a full two-way cycle track as part of the larger San Francisco Bay Trail, which will ultimately be a high quality bicycle and pedestrian route along the entire bay-front. New or improved bicycle facilities are slated for multiple streets running north to Market Street, including 2nd, 3rd, and 5th streets.



Mission Rock's connections to the broader bicycle network and planned routes

## 2.2.2 TRANSIT NETWORKS

Mission Rock is served by several local and regional transit networks within a half-mile walk, including bus, light rail, and commuter rail. More regional connections are available a bit further to the north, along Market Street, the Embarcadero and in eastern SoMa, where there are additional regional rail, bus, and ferry options.

### Local Transit – Muni

Muni provides local transit service throughout San Francisco. The following Muni routes have stops within a quarter-mile of Mission Rock:

- ▶ **Light Rail** – N-Judah, T-Third, and E-Embarcadero
- ▶ **Bus** – 10-Townsend, 30-Stockton, 45-Union-Stockton, 47-Van Ness, 55-16th Street, 81X-Caltrain Express, 83X-Mid-Market Express

Notable investments and plans underway by SFMTA include:

The Central Subway project will place the T-Third line in a subway along Fourth Street north of Bryant Street and along Stockton Street, extending it 1.7 miles north through the SoMa, Union Square, and Chinatown neighborhoods. This will provide a more direct connection between the Mission Bay neighborhood and BART at Powell Station, as well as transit-, job-, and destination-rich neighborhoods near and north of Market Street. The project is due to open to the public in 2019.

Muni Forward is a comprehensive update to Muni routes and service plans. A subset of lines called the Rapid Network is receiving particular attention through the project, including increases in service frequency and other improvements. Service along 16th Street, through

the Mission and into Mission Bay, will see notable improvements through the project, including transit-only lanes, stop consolidation, transit signal priority, and additional transit bulbs and islands. An early Muni Forward improvement that directly affected Mission Bay was the implementation of the 55-16th Street bus, creating a direct connection between the BART station at 16th and Mission streets and the center of Mission Bay, at 3rd and Mission Bay Boulevard North. In several years, that route will be replaced by a re-routed 22-Fillmore, a trolley bus that provides crosstown connections along 16th Street through the Mission and north along Church and Fillmore streets to the Lower Height, Fillmore, Pacific Heights, and the Marina. Other routes in the vicinity of the project that will see updates include the 10-Townsend and the 12-Folsom/Pacific (the latter will be replaced by the 11-Downtown Connector).

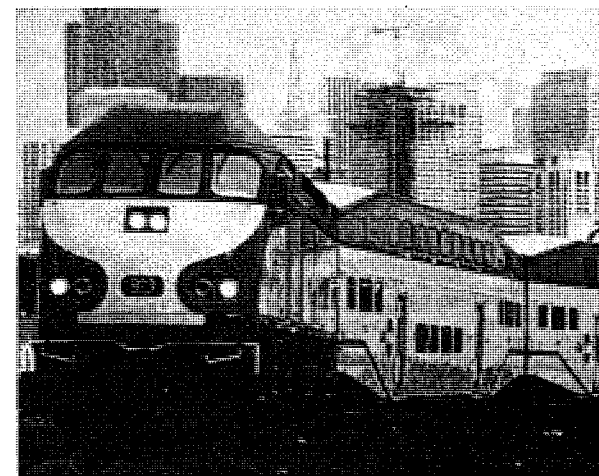
### Regional Transit

#### Caltrain

Caltrain provides commuter rail service between San Francisco and the South Bay, with stops along the Peninsula, into San Jose and, during peak periods, south to Gilroy. Caltrain offers local, limited stop and “baby bullet” express routes which all serve San Francisco. Caltrain’s northernmost station is located about a quarter mile from the Mission Rock site at the intersection of 4th and King streets in San Francisco and is the busiest in the Caltrain system.

Notable planned Caltrain investments include:

- ▶ **Caltrain electrification** will replace the existing diesel service with electrified service between San Francisco and San Jose by 2020, allowing for increased speeds and service levels along the



Caltrain (CALTRAIN)



SF Bay Ferry (SFBAY FERRY PHOTOGRAPH)

Peninsula corridor. The electrification project will also accommodate shared use of the corridor by Caltrain and planned high-speed rail service.

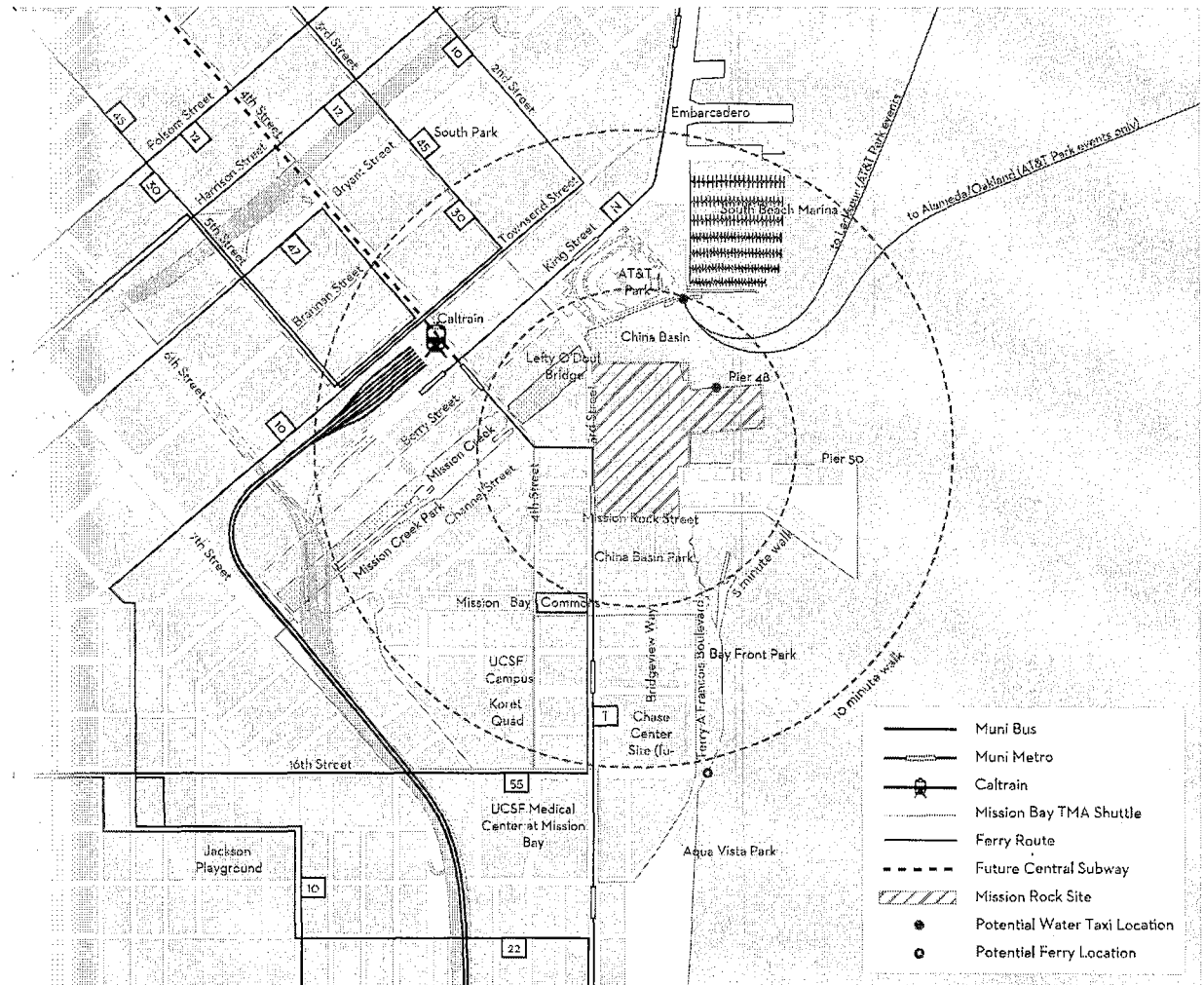
- Caltrain's **Downtown Extension** would connect Caltrain to the new Transbay Transit Center. The alignment of the extension is still being determined and is among the items being advanced in the Planning Department's Railyard Alternatives and I-280 Boulevard Feasibility Study.

### **BART (Bay Area Rapid Transit)**

BART provides regional transit service to the East Bay, Peninsula, and other parts of San Francisco. The closest stations to Mission Rock – Embarcadero and Montgomery – are a little more than one mile from the neighborhood. When it opens, the Central Subway will provide a rapid light rail connection between the site and Powell Station. BART is the region's rail spine, and it operates every 5 to 15 minutes on lines serving downtown San Francisco during the afternoon peak and every 20 minutes during non-peak times, including weekends.

### **Ferries**

SF Bay Ferry (operated by the Water Emergency Transportation Authority, or WETA) and Golden Gate Ferry provide daily ferry service between the San Francisco Ferry Building and the North and East Bay. Aside from services at the San Francisco Ferry Building, the nearest terminal is currently just beyond AT&T Park's center field gate, where ferries provide service to and from home baseball games. WETA and the City are exploring the potential for a new terminal in Mission Bay near 16th Street, though planning is in the very initial stages.



Local transit connections as of 2017



### Transbay Transit Center: Regional Bus and High Speed Rail

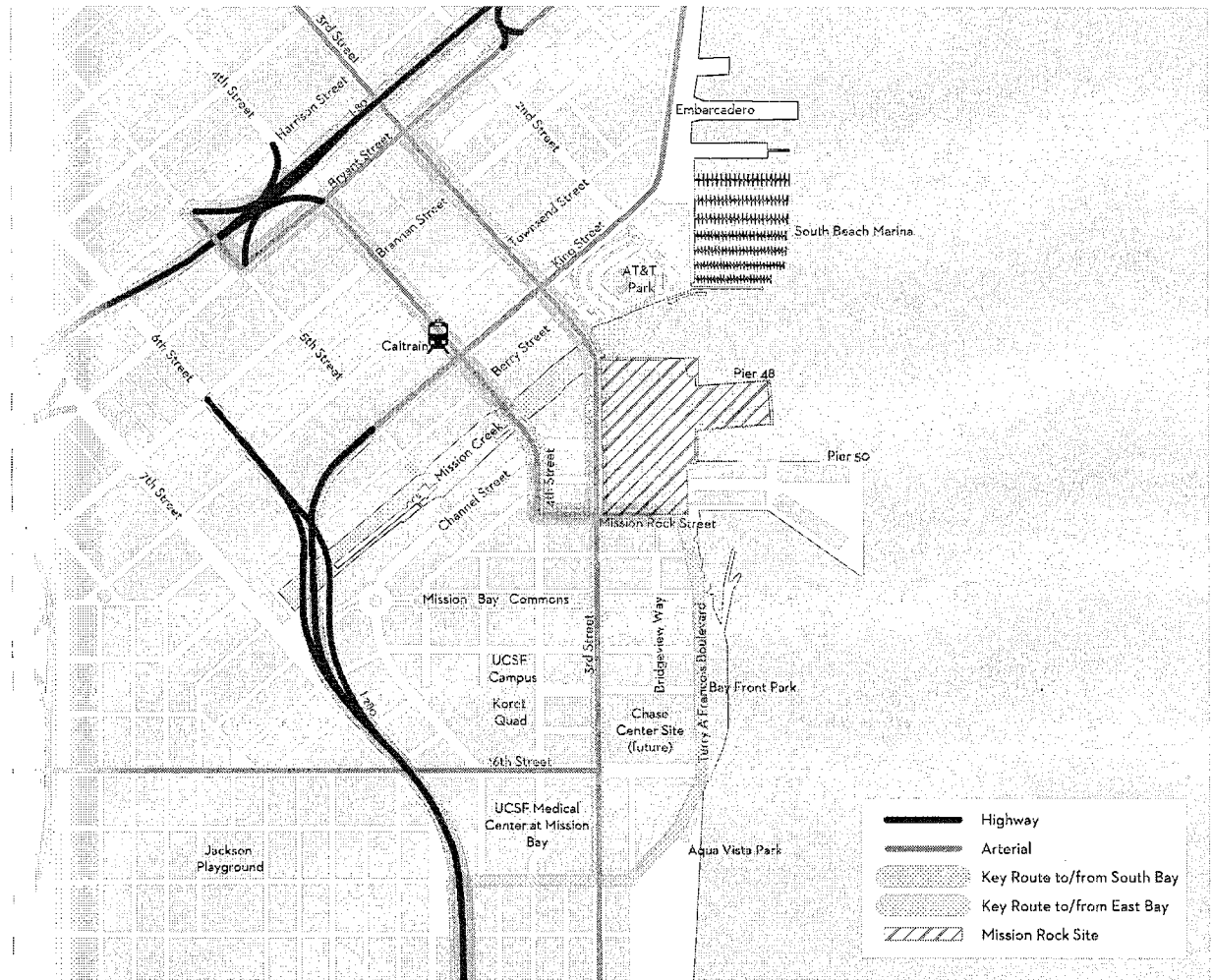
The under-construction Transbay Transit Center is located approximately one mile northeast of Mission Rock and will be open by the time the development is built out. The Transit Center will provide bus connections to regional destinations, as well as access to Greyhound and Amtrak Thruway Connection buses. Once the Downtown Extension is complete, the center will also be the terminal for California High-Speed Rail and Caltrain. Upon completion, the terminal will be served by 11 transit systems: AC Transit, BART, Caltrain, Golden Gate Transit, Greyhound, Muni, SamTrans, WestCAT Lynx, Amtrak, Paratransit, and High Speed Rail.

#### 2.2.3 VEHICULAR CIRCULATION AND PARKING

Mission Rock is located near the center of the Bay Area's auto network, providing easy access to the region's freeway system but also exposing drivers in the area to congestion resulting from the large number of daily trips to, from, and through northeast San Francisco.

#### Local Streets

Third, 4th, and 16th streets are the key arterials providing vehicular access to and from Mission Rock and the broader Mission Bay neighborhood. Lefty O'Doul Bridge is also a drawbridge that is used several times per day, causing traffic congestion at one of the key access/egress points for the site on 3rd Street. The bridge is a historic landmark for which major structural modification is not an option, though the city is planning to realign lanes traveling across the bridge in the



Local street network

coming years to make space along its the eastern edge for bicycle and pedestrian facilities as part of the San Francisco Bay Trail.

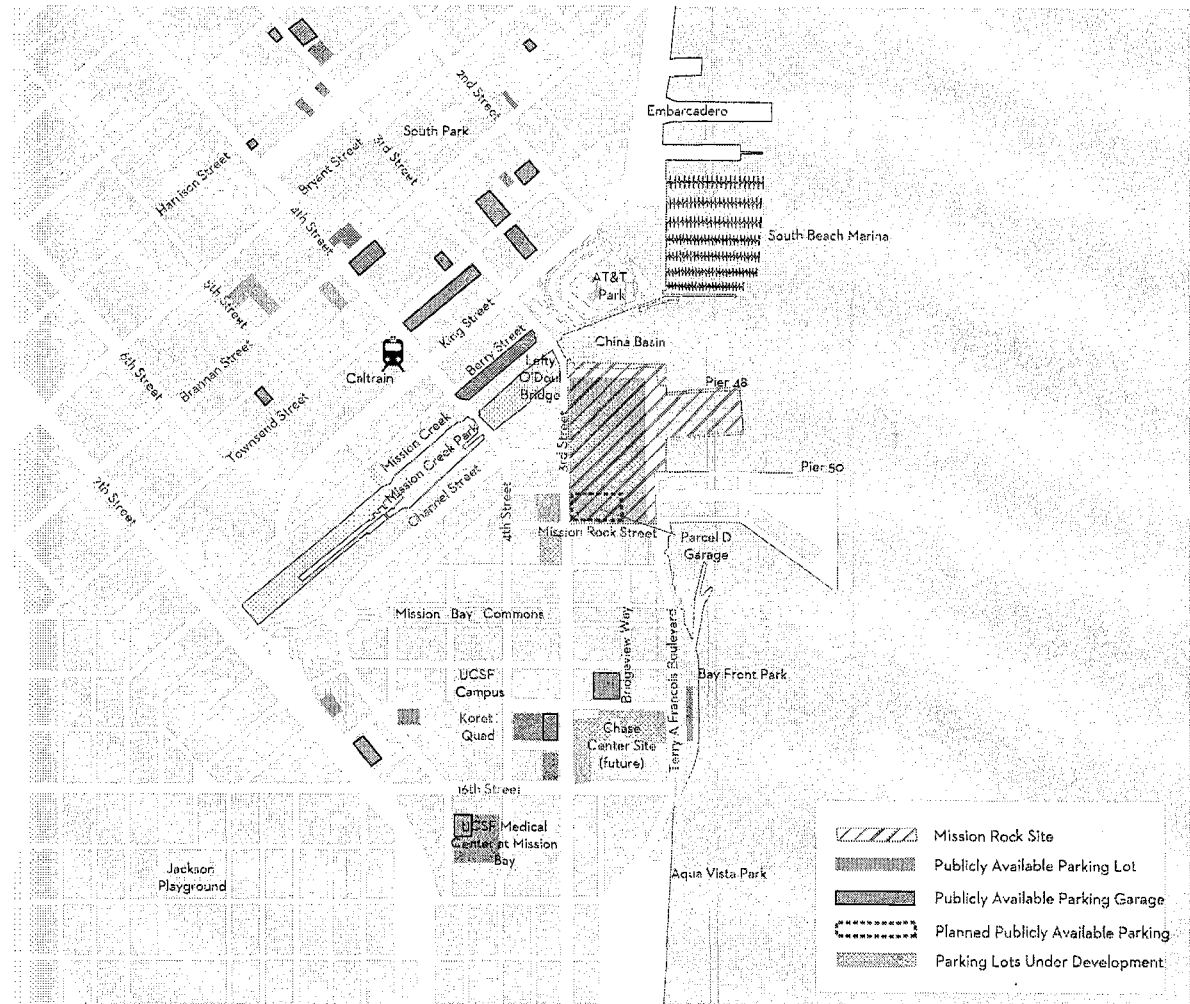
### Regional Connections

For connections to the region, ramps to Interstate-80 and access to the East Bay are located approximately a half mile north of the site, via 4th and 5th streets. Interstate 280 provides the main connection to the South Bay, and ramps are located less than a half mile of the site to the west, via King Street, or slightly further to the southwest, at Mariposa Street.

### Parking

As of SFMTA's most recent parking inventory in 2011, the Mission Bay and the Central Waterfront area (bound by the Bay to the east, Mission Creek Channel to the north, 7th Street and Iowa Street to the west, and Pier 80 to the south) had approximately 7,000 off-street parking spaces, and SoMa (bound by the Bay, Market Street, 7th Street, and the Channel) had an additional 26,000 spaces. Many of the spaces in Mission Bay are reserved for the users of specific sites like University of California, San Francisco's hospital and medical campus, but a sizable share of the spaces in SoMa are in paid publicly accessible lots and garages. Parking supplies in that area have shrunk somewhat in recent years, as surface parking lots have been redeveloped.

Many streets in SoMa and Mission Bay also have on-street parking. A large share of the on-street parking in both neighborhoods is currently metered per SFpark pricing policies to manage demand during nearby special events.



Parking facilities near Mission Rock (2015)



## 2.3 TECHNOLOGY-BASED TRANSPORTATION

As noted earlier, technology-based transportation companies offering car share, bike share, and app-based ride hailing (e.g. Lyft and Uber) are changing the way people travel. Although it has yet to be determined how ride hailing trips affect the number of overall driving trips, these innovative services have enjoyed early and growing adoption by Bay Area residents, particularly San Franciscans, and they are widely available in the areas around the project.

**Car-share** has emerged as a strong mobility option for households without cars. Efforts to quantify the impacts of car sharing have found that car share members drive 40% fewer miles than the average driver and take 46% more public transit trips, 10% more bicycle trips, and 26% more walking trips. The average household reduces its vehicle ownership by 50% after joining a car-share service.

**Bike share** provides another short-term mobility option, offering hourly rental of bicycles. Unlike car share programs offered in San Francisco, bike share allows for one-way rentals. Bay Area Bike Share is poised to expand dramatically throughout San Francisco by the



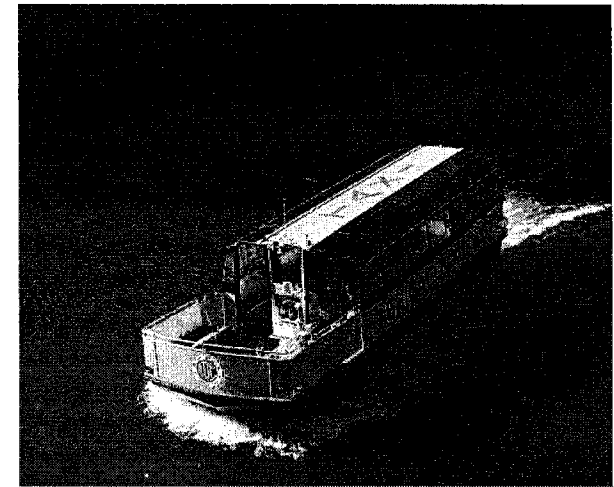
City Car Share (WIKIMEDIA COMMONS, USER MARCIGOO)



Bay Area Bike Share (WIKIMEDIA COMMONS, USER MARTINBOO)



Scoot (FLICKR USER MARTIN BOCHANN)



Water taxi service in Chicago (FLICKR USER LANCE GORDON)

time Mission Rock opens, with a plan to expand to 7,000 bicycles by 2018.

**Scooter sharing** is another service that has emerged in San Francisco in recent years. Scoot offers \$3 one-way rentals of its fleet of more than 400 small two- and four-wheeled vehicles. The two-wheelers travel as fast as 30 miles per hour, and the four-wheeled “mini-cars” travel 25 miles per hour. Users of the service find nearby vehicles and unlock them using the company’s smartphone app.

TNCs like Lyft and Uber provide on-demand booking of one-way car trips via smart phone app, and have recently expanded to facilitate shared vehicle trips (through Lyft Line and UberPool).

The rest of the private transit market is an evolving landscape, consisting of long-distance employer shuttles, short-distance institutional and transportation management association (TMA) shuttles, on-demand commuter shuttles, and other services.

**Long-distance employer-sponsored shuttles** currently make trips to many office campuses outside of San Francisco (e.g. technology companies in the South Bay). An SFMTA program that designated certain Muni bus stop sand other designated curb locations is ongoing.

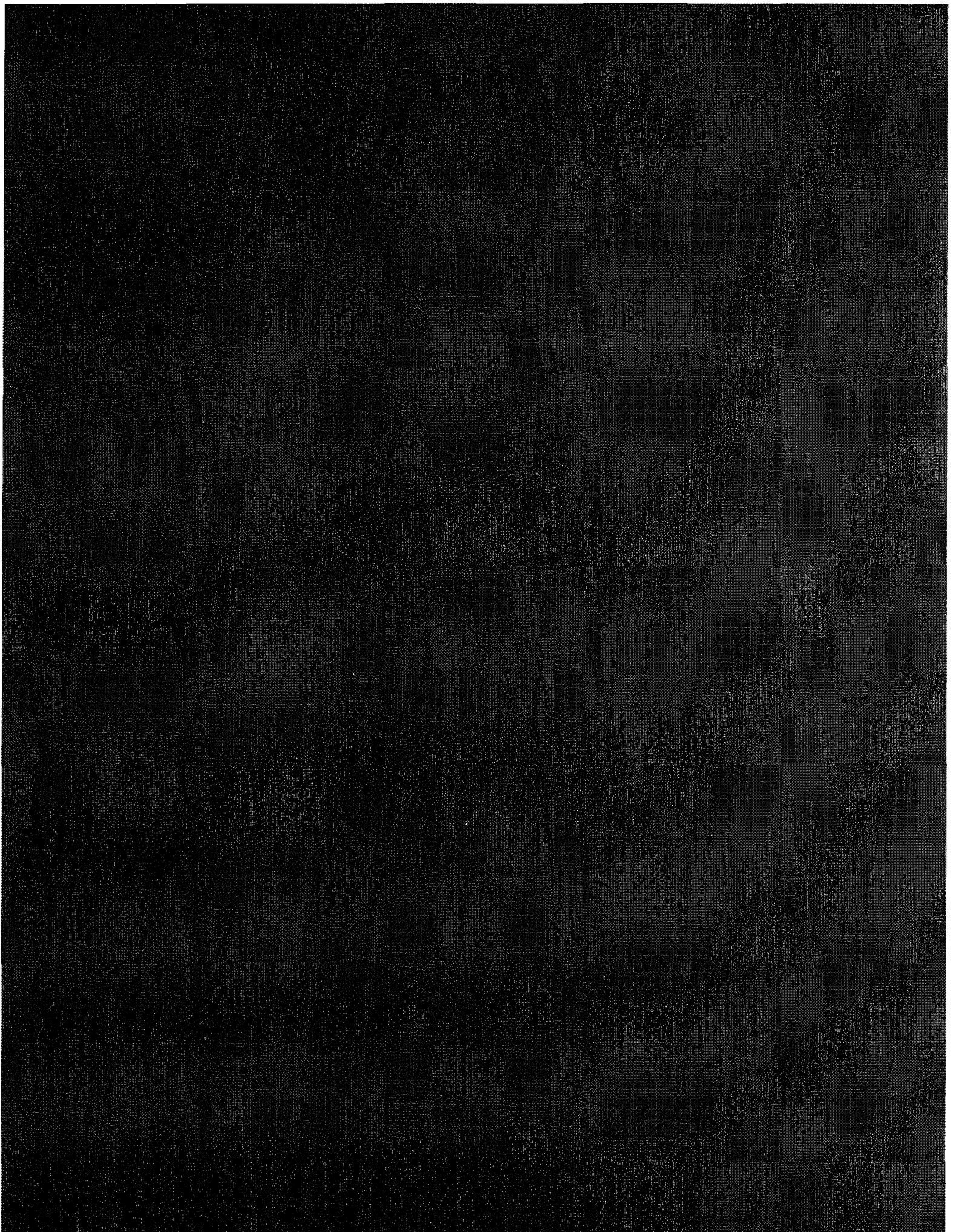
There are a number of **short-distance shuttles** in operation in the project area. Currently, the Mission Bay TMA operates five routes from Mission Bay to Market Street and points throughout SoMa. Most of the routes operate only during peak periods Monday through Friday. Numerous companies and institutions also offer shuttle service within San Francisco. For example, Levi’s operates a shuttle between Caltrain and BART stations and the company’s headquarters in Levi’s Plaza.

Chariot, which offers a **demand-responsive microtransit service** using 14-passenger vans, operated nine public routes during the morning and evening commute periods as of August 2017. The service typically utilizes white curb loading zones for passenger drop-off and pick-up. Chariot recently expanded many of its routes

and now serves points in the South Bay and East Bay, in addition to intra-San Francisco routes.

Two **water taxi** companies currently run limited service between points along the Bay, including the San Francisco Ferry Building. Over time, water taxi operations may expand with growing demand, and there is potential for a landing at Pier 48 and, with the exception of winter, at AT&T Park’s ferry dock.

These evolving transportation services provide people in San Francisco with new options to move around the city and the region, further supporting a multimodal lifestyle not dependent upon ownership or use of a private vehicle.



Mission Rock will be designed to give all users high quality choices for how they move about the site and how they get to and from it.

# 03

## GETTING AROUND AT MISSION ROCK

The site will feature generous and active pedestrian areas throughout, and the bicycle network will give cyclists of different ages and skill levels high quality options. Wide sidewalks and wayfinding will help people find the variety of nearby transit options, and Mission Rock's entire street grid will provide comfortable access

to the waterfront and, at Pier 48, a variety of water transportation options as well.

This chapter expands on these ideas, laying out the vision for how people will get around Mission Rock. Note that the project's Design Controls go into more detail on dimensions and materials.

## 3.1 NON-MOTORIZED CIRCULATION

Mission Rock's streets will be designed with the site's modal hierarchy in mind, prioritizing the safe and comfortable movement of pedestrians. Streets will include a variety of features that will help ensure that pedestrians feel safe and comfortable moving throughout the site by keeping vehicle speeds slow and ensuring that those on foot or on bicycles are highly visible to motorists.

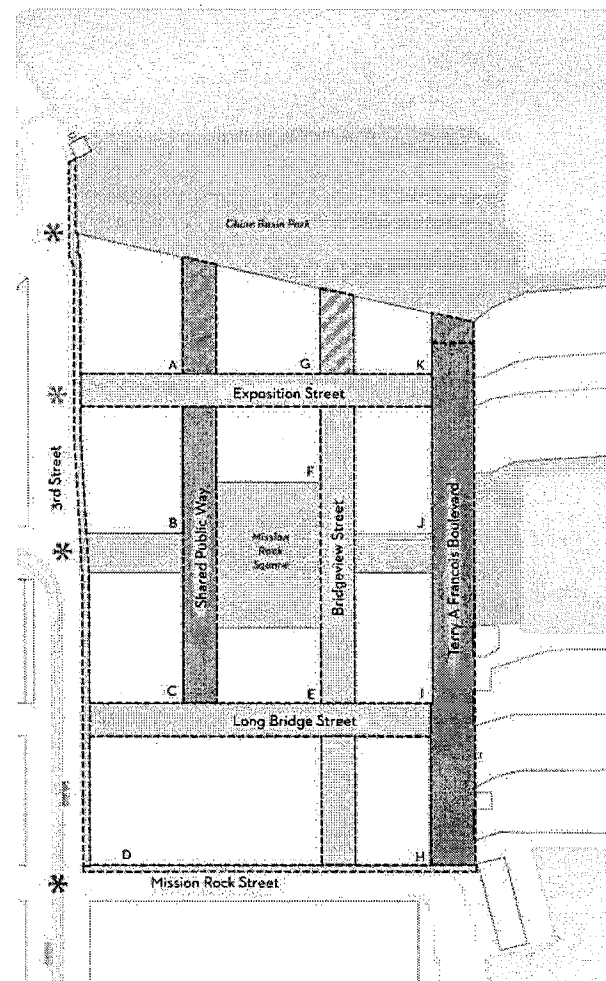
As specified in the Design Controls, all crossings will be marked using high visibility paint and other treatments, and all curbs will include ramps to facilitate accessible paths of travel. Some will be reinforced by bulbouts that bring curbs to the edge of travel lanes, shortening crossing distances and making pedestrians who are readying to cross more visible to drivers. At others, "tabletop" treatments will bring the roadway to sidewalk level and change paving materials through intersections. The changes in grade and visual treatment have been shown to make motorists instinctively slow down through these sensitive zones.

On the site's curbed streets, a combination of street furnishings, lighting treatments, and generous sidewalks will make pedestrian space vibrant, inviting, and comfortable even when pedestrian volumes are higher before and after events. Lighting will be at a pedestrian scale, and furnishings like benches and planters will create variety and a sense of protection from vehicle flows between the curbs. All three north-south streets will transition seamlessly into China Basin Park via vehicle-free zones at their northern ends.

### 3.1.1 SHARED STREETS

Shared streets, in which all modes mix across the entire street cross-section, will form the backbone of north-south pedestrian circulation, strategically placed along key paths of travel. These streets will be curbless, following street design approaches seen in Europe along key walking corridors and high streets. Visual and tactile cues like changes in the color or texture of pavers, bollards, street furniture, light fixtures, plantings, and tactile warning strips will differentiate between areas dedicated to pedestrian movement and areas shared by pedestrians, bicycles, and vehicles. These types of streets are somewhat rare in San Francisco, but the Mission Rock team has worked closely with the City to design the streets in a way that works with local norms and regulations. The Design Controls document describes the design of these streets in more detail.

The Shared Public Way will be a key retail corridor through the site, creating a vibrant connection between AT&T Park to the north and the ballpark's main parking facility at the southern end of Mission Rock. Lined with ground-floor shops and cafes, the street will feature



Street types on the Mission Rock site



patio seating and displays that extend the ground-floor uses into the right-of-way, creating “street rooms” that invite people to stroll and linger. The street will only allow northbound vehicle movement, and entrances to the zone will feature signs and other visual cues to make clear that vehicle access is for drop-off, pick-up, and deliveries only.

Terry A. Francois Boulevard, along the eastern edge of the site, will be a slightly different shared street, mixing the area’s maritime history with a newer identity as a place where people come together for all kinds of activities. The boulevard will feature a slow two-way, plaza-like shared zone for all modes between wide zones reserved for walking, biking, and loading. The San Francisco Bay Trail will extend through the site on the east side of the street, and the west side will allow pedestrian and loading access to ground-floor maker spaces, which will be raised slightly above street level in an ode to traditional industrial and warehouse building vocabulary.

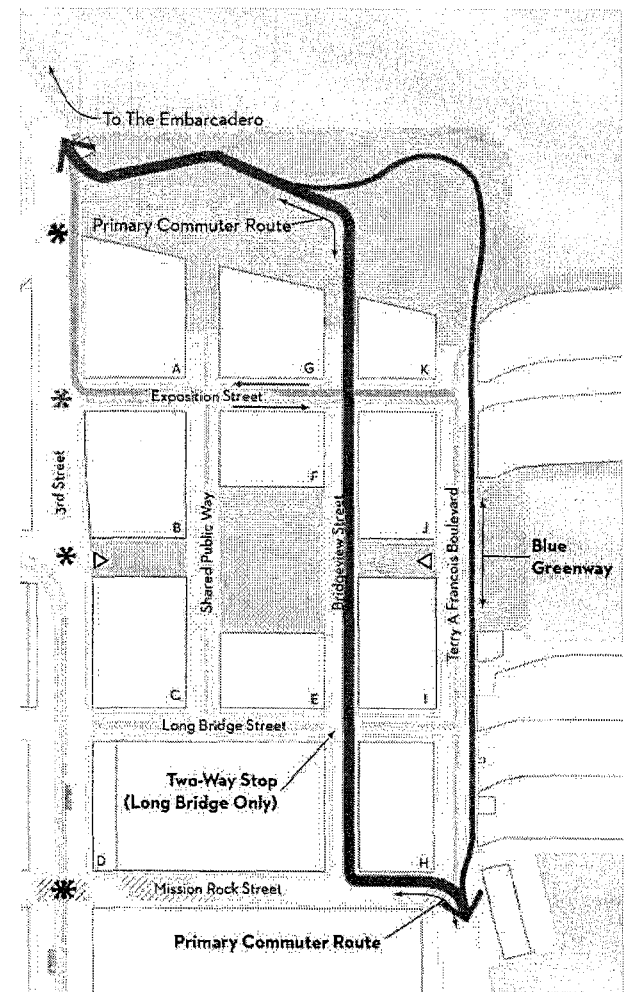
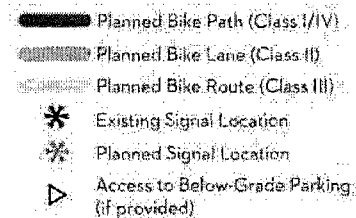
### 3.1.2 BICYCLE FACILITIES AND CIRCULATION

In keeping with the rest of the transportation program, Mission Rock’s approach to bicycle circulation is about providing a multitude of choices, with facilities designed for leisurely riders along the waterfront and higher speed facilities along more direct routes to SoMa, Downtown, and other points north of the site.

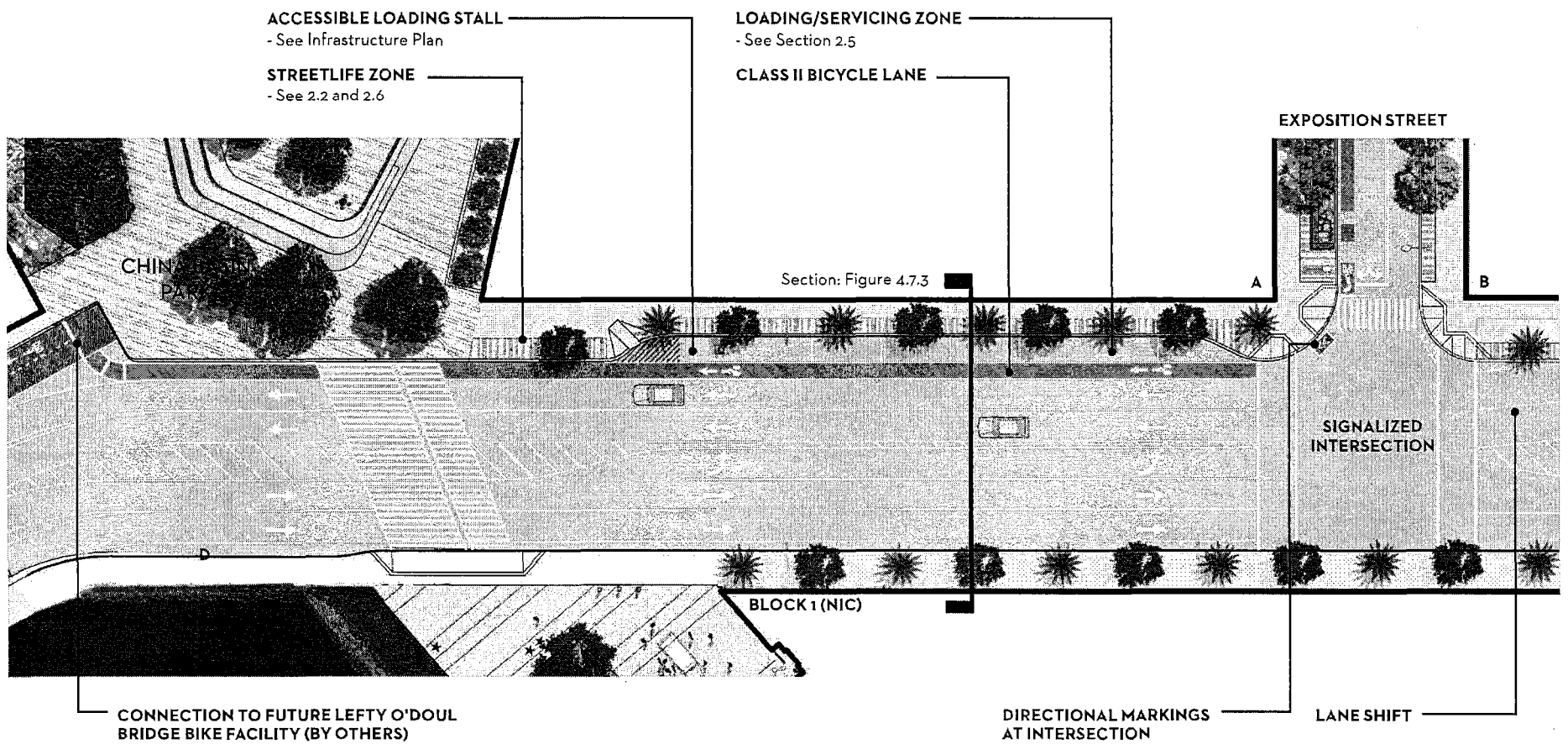
Even in cities with higher rates of bicycle commuting like San Francisco, researchers estimate that a considerable number of additional people might consider cycling if there were a network of slower, more protected facilities that made them feel safe and comfortable while riding. Mission Rock will provide routes to and through the site that speak to this need, and these facilities will connect to a large and growing network of bicycle facilities in the surrounding area.

The San Francisco Bay Trail’s connection through the site will provide a comfortable route for cyclists of all ages. Visual cues at north and south gateways to the multi-use path will encourage slower bicycle speeds, opening space for younger and older cyclists, as well as pedestrians. The figures on the following pages show how the bicycle facility is anticipated to connect into the City’s bicycle network on the north and south ends. For more detail on the proposed design of these intersections or other streets, see Chapter 4 of the Design Controls.

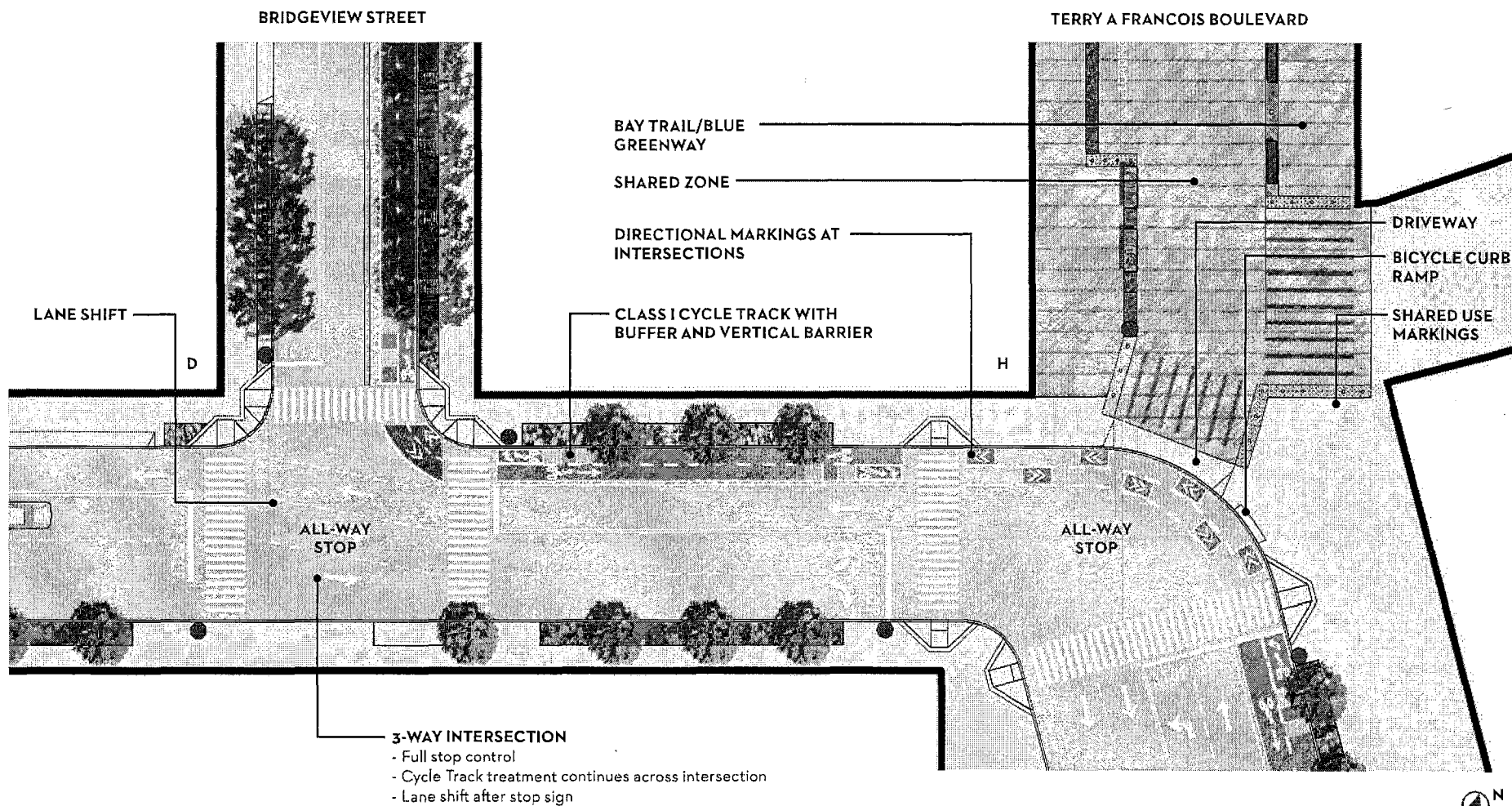
A cycle track route along Bridgeview Street will provide a higher speed connection between the Embarcadero and points south of the site for commuters and more



Bicycle circulation concept



A northbound buffered bicycle lane would provide commuters an alternative to traveling through China Basin Park to connect to a planned two-way cycle track across Lefty O'Doul Bridge.



Cyclists on a planned two-way cycle track along Terry A. Francois Boulevard to the south will have two high quality options at the southeastern corner of Mission Rock. Some may choose to continue on Terry A. Francois Boulevard, but those seeking a faster route will be able to connect seamlessly to a two-way cycle track on Bridgeview Street via Mission Rock Street.



experienced cyclists. A raised and green-painted two-way track protected by a painted buffer zone and soft-hit posts or another buffering approach will clearly reserve a piece of the right-of-way for cyclists. A two-way stop will control cross-traffic on Long Bridge Street to enable a faster and smoother ride for north- and south-bound cyclists. The intersection will be raised to the level of the cycle track to slow cars as they approach and move through the intersection. To connect to high quality bicycle facilities planned for Lefty O'Doul Bridge and the Embarcadero, the route will rejoin the San Francisco Bay Trail in China Basin Park. Northbound cyclists will be able to bypass the park via a painted bicycle lane along Exposition and 3rd streets.

The Design Controls document contains more detail on the planned design of these facilities. That document will be updated as the design team works with the City to ensure that bicycle facilities on the site connect seamlessly to improved facilities north and south of the site, to be implemented in the next several years.

For cyclists with destinations in Mission Rock, the site will provide a variety of bicycle storage options, including a network of spaces in public areas and conveniently located secure spaces inside the site's residential and office buildings. The project team anticipates that an existing bike share provider will install at least one bike share pod on the site, connecting to the much expanded bike share network that hit San Francisco streets in 2017.



Bridgeview Street imagined, with a two-way cycle track providing a faster option for commuters.

## 3.2 TRANSIT ACCESS

The Mission Rock site offers close, comfortable connections to several fast, high frequency, and high capacity transit options. By the time Mission Rock opens for occupancy, the T-Third Muni light rail line will have begun providing quick access to Market Street via 4th Street and the Central Subway (Mission Rock Station is located adjacent to the site, at the intersection of 3rd and Mission Rock streets). Caltrain's San Francisco terminal is a 10-minute walk from the site at 4th and King streets, and BART will be a 20-minute walk or quick T-Third ride away. Bay Area Bike Share will also provide a fast and convenient way to get to transit nodes like Market Street's subway stations and the Transbay Terminal.

The project team will implement a multi-pronged signage and wayfinding strategy to ensure that residents, employees, and visitors understand just how convenient it is to access these high quality mobility options. Outdoor static wayfinding will show basic directions and distances to nearby transit stops, and interactive information kiosks in key places on the site will provide access to more specific directions and real-time transit service information. For residents and employees, a Mission Rock website and screens in building lobbies will both show real-time transit information.

Elements of the site's transportation demand management program will also encourage transit use. See Chapter 4 and the Mission Rock TDM Strategy for more information on transit-supportive programs and incentives.



Transit screens set up in an office lobby (NAVINTECREAL.COM)



Wayfinding signage in Amsterdam (FLECKER, ANDREY KARMAISKY)



Interactive information kiosk (MAGNET)



Directional wayfinding to transit (FLECKER, CHRIS HEATH/COTE)

## 3.3 VEHICULAR CIRCULATION

Mission Rock's street network will be dense, highly connective, and strongly tied into its surroundings. The interior street grid will link up with the developing Mission Bay street network at several points, continuing east-west and north-south streets that currently dead-end at the edges of the project site. Bridgeview Way, which today runs between South Street and the southern border of the project site at Mission Rock Street, will continue as Bridgeview Street through the site to China Basin Park. Long Bridge Street, which today links Third and Fourth Streets will extend to the waterfront at Terry A. Francois Boulevard.

Most vehicles will enter the site from 3rd Street, the main north-south vehicular route through Mission Bay. The figures on this page show estimated relative vehicle flows through the site at peak periods, extrapolated from traffic modeling done for the Transportation Impact Study.

The site's approach to providing parking would place a single garage near the southwestern corner of the project site, which would keep most private vehicle traffic at the southern and western edges of the site. The project's entitlement documents also include an alternative parking approach that would distribute the site's parking supply between an above-ground facility at the site's southwest corner and a smaller facility under Mission Rock Square.

Vehicular circulation through the rest of the site should mostly consist of delivery vehicles and cars dropping off

or picking up passengers. Mission Rock will proactively manage commercial delivery activity, discouraging deliveries during commute periods and encouraging them instead in the early morning hours or late at night. The Mission Rock team will put together a detailed loading management plan for each phase of the project. The team will also work with tenants that are likely to regularly receive large-truck deliveries, such as potential tenants in Pier 48, to ensure that individual deliveries are appropriately staffed to maintain safe conditions for other street users.

As specified in the Design Controls, passenger loading spaces on the Shared Public Way, Bridgeview Street, Long Bridge Street, and Terry A. Francois Boulevard each have curb conditions that meet the standards of the Americans with Disabilities Act, for pick-up and drop-off of passengers with mobility limitations. During specified hours, parcel delivery will be concentrated around commercial loading zones on 3rd, Exposition, and Long Bridge streets and Terry A. Francois Boulevard. Outside of those hours, these spaces would open up to use by private cars picking up and dropping off passengers and for-hire passenger vehicles like taxis and TNCs.

The shared streets – Shared Public Way and Terry A. Francois Boulevard – are expected to see very low traffic volumes, consisting mainly of loading for passengers with mobility limitations. "Traffic calming" treatments like changes in paving materials and changes in roadway grades will help ensure that volumes and speeds stay low

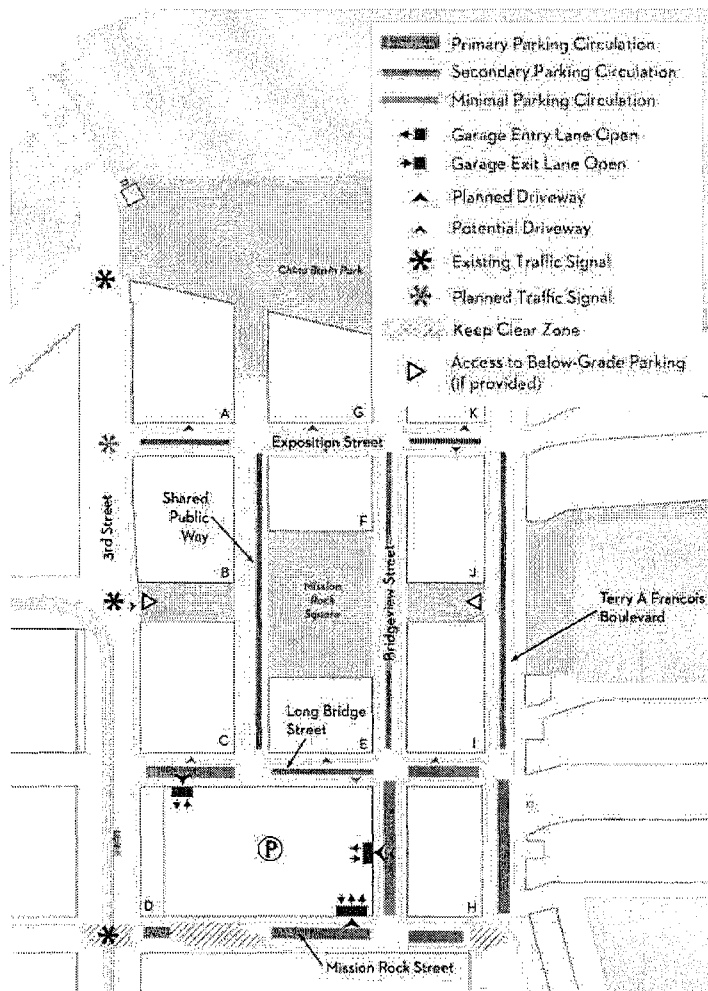
(see the Design Controls for more detail). If all parking is concentrated in a single facility at the southwest corner of the site, Channel Lane and Channel Street will each be closed to vehicle traffic. If the project ultimately includes a parking facility under Mission Rock Square, one or both streets may provide vehicle access to the facility.

### 3.3.1 INTERSECTION CONTROLS

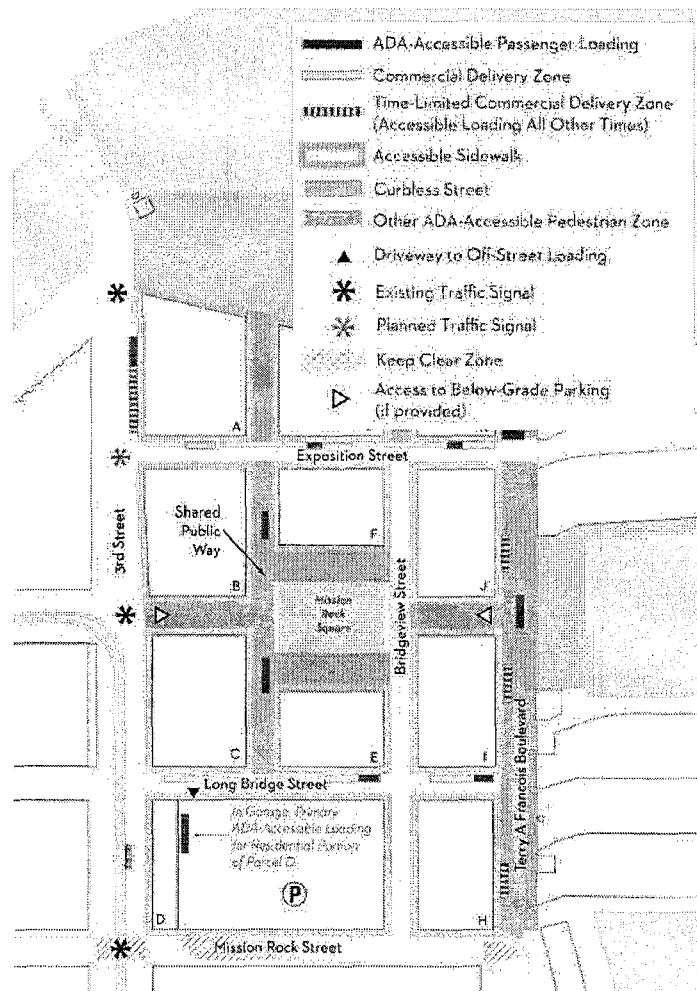
Most internal intersections will be controlled by all-way stop signs. As noted earlier, one intersection along Bridgeview Street will only stop cross traffic on Long Bridge Street to allow for smooth and efficient cycling along the route.

Third Street's interfaces with Mission Rock and Channel streets will be controlled by traffic signals, as they are today. A signal that currently controls the intersection of 3rd Street and Terry A. Francois Boulevard and halts traffic when Lefty O'Doul Bridge is raised for boat traffic entering Mission Creek is anticipated to remain where it is, allowing for signalized control of what will be an important pedestrian and bicycle connection between China Basin Park and a linear park on the west side of 3rd Street. An additional signal is planned at the intersection of 3rd and Exposition streets. The exact sequence of signals along 3rd Street will be determined by the San Francisco Municipal Transportation Agency and the Department of Public Works.

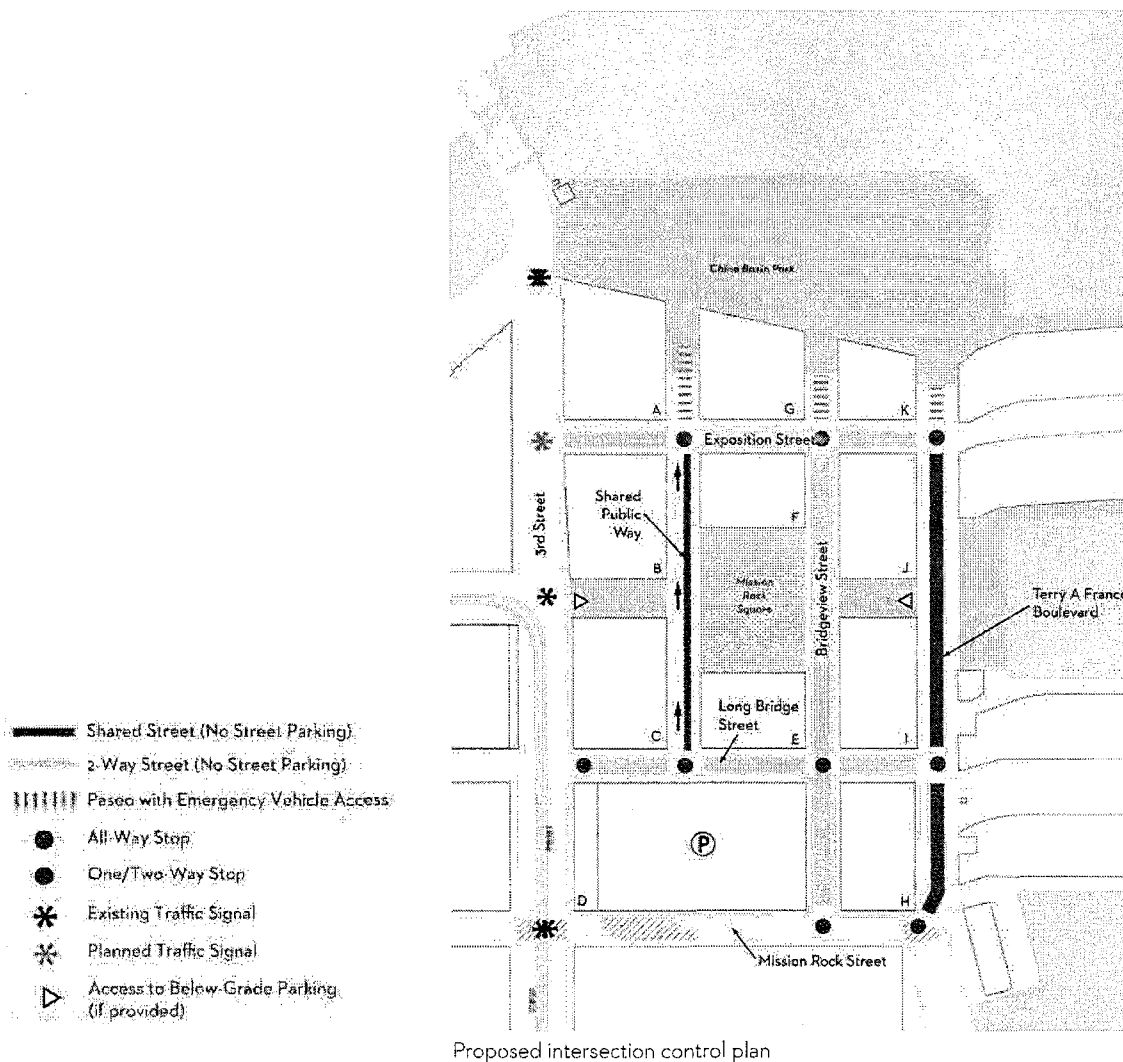
In keeping with the way major entries and exits from AT&T Park's main parking lot are managed before and after events today, intersections around the site's



Relative parking-related vehicle flows and garage access control plan (one-garage scenario)



Planned passenger loading zones



parking garage may be controlled by traffic control personnel (also known as parking control officers, or PCOs) before and after events. The number and location of PCOs will be identified in the project's development agreement with the City. See Chapter 5 for more on traffic control before and after major events.

### 3.3.2 PARKING

Strategic parking management is a cornerstone of the Mission Rock transportation program. A parking garage on the site's southwestern parcel will be the site's main parking facility, with 2,300 to 3,000 of the maximum of 3,100 parking spaces allowed on-site, per the development's entitlement documents. The garage will be used to serve the needs of both users of Mission Rock and users of AT&T Park, replacing the surface parking lot that currently covers the entire site. The site's entitlement documents include an alternative parking approach that could reduce the size of the main garage and locate some of the site's parking supply in a smaller facility under Mission Rock Square.

The site's parking supply will be managed around major AT&T Park events in much the same way as the surface lot is today: To ensure that there is adequate space available for event attendees, prices will be raised around event times to clear the garage at the site's southwest corner. When there is not an AT&T Park event on the calendar, available capacity in the facility could serve the needs of some users of Chase Center (the Golden State Warriors' planned arena and event center at 16th and 3rd streets) as well.

Outside of event times, most parking at Mission Rock will be a resource shared flexibly by all of the users of the site. This arrangement is an alternative to the traditional suburban model of requiring that a certain number of spaces be reserved for each individual use (i.e. office, residential, retail, or restaurant), with enough to accommodate each use's estimated peak demand. Sharing allows a more limited number of spaces to go further by taking advantage of the fact that different uses have different peak periods. For example, peak demand for parking related to office uses tends to take place in the late morning or early afternoon, while peak demand for residential uses is typically overnight. One set of parking spaces can serve both needs. The figures at the right illustrate how this approach to parking management typically results in the need for fewer spaces.

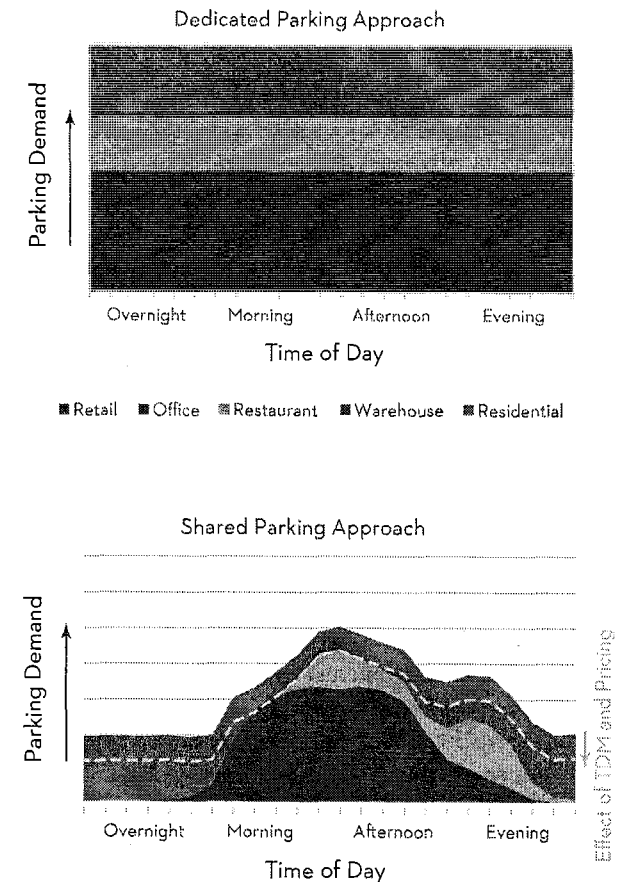
While most spaces will be designed for a typical self-park arrangement, with parking stall widths of eight to nine feet and vehicle circulation lanes, a portion of the spaces for long-term users could be in more

space-efficient vehicle stackers. Approximately 60 of the vehicle spaces will also be reserved for car share and scooter share vehicles (see additional information about vehicle sharing programs in Chapter 4).

### 3.3.2.1 Parking Pricing

The price of parking has been shown to be a highly effective mechanism in changing parking and travel behavior. Parking prices at Mission Rock will be set according to levels of demand: During times with higher levels of typical demand, parking might have a higher price, encouraging the use of other modes. Prices would not change in real time based on current occupancy, but might be adjusted overall a few times a year based on recent occupancy data. Prices might automatically increase by a pre-set amount during peak periods, based on typical demand patterns, or for scheduled events.

Given the project's desire to encourage people to the most sustainable mode that fits their lifestyle, hourly, daily, and monthly parking prices will be set based



*These figures illustrate how the concept of shared parking often results in reduced parking supplies overall. Because different uses see peak demand at different times, the total parking needed at any given time in a shared arrangement can be as much as one third less than what would be needed if each use had to accommodate peak demand separately. Pricing and TDM can reduce demand further.*

on market prices in the surrounding neighborhood. Disseminating pricing and availability information is critical to ensuring that users are able to change behavior in response to changes in price. Real-time parking information will be shared in a variety of ways, including the Mission Rock website and dynamic signs at entrances to the site.

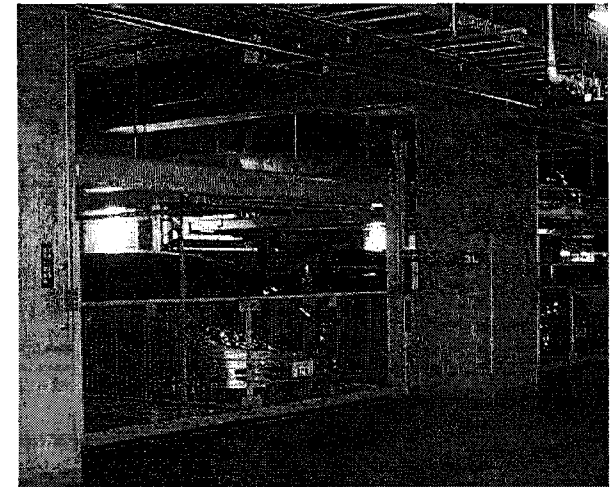
The price of parking at Mission Rock will be unbundled from residential and commercial leases, which means parking will not be included in rental agreements by default – residents and employees will need to purchase a daily or monthly parking permit separately. This approach is in-line with City of San Francisco policy and ensures that site users who do not own a car or do not plan to commute to the site by single-occupancy vehicle are not burdened with the price of parking they do not plan to use.

### 3.3.3 EMERGENCY ACCESS

All of Mission Rock's streets have been designed to provide appropriate clearance for emergency vehicles like large fire trucks. Corners have also been designed to accommodate the turning needs of large vehicles. The site's highly connective street grid will help facilitate emergency access to all of the site's buildings. Streets closed to general vehicle traffic will be made accessible to emergency vehicles as needed. The Infrastructure Plan contains further detail on the streets' technical specifications that allow for the safe circulation of emergency and other larger vehicles.



Dynamic parking information board (NELSONNYGAARD)



Car stacker (SAEPAREHSOLUTIONS.COM.AU)

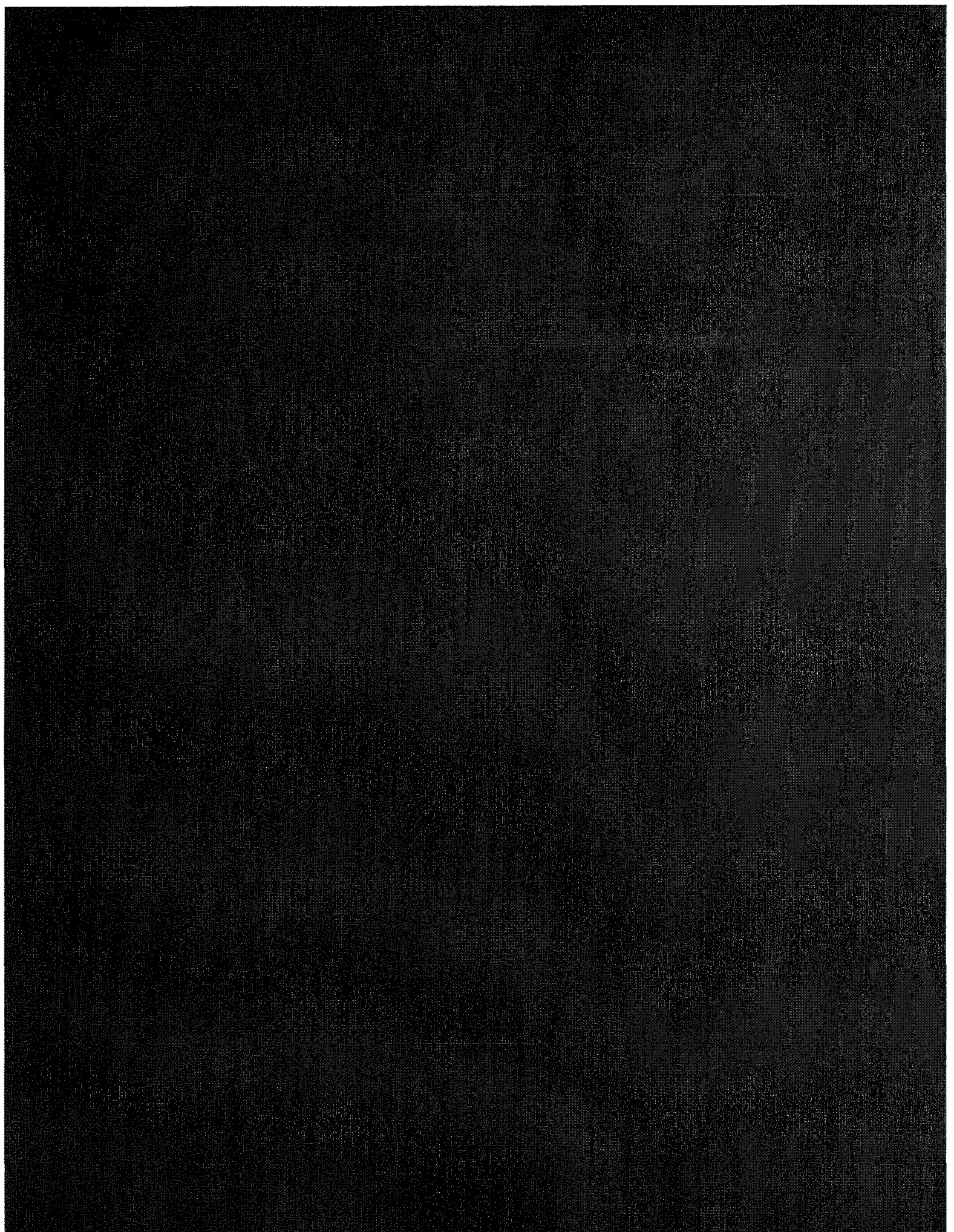
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## 3.4 CONCLUSIONS

Mission Rock's design reflects the future of transportation in San Francisco. More and more, people count on having convenient access to several ways of getting around, and Mission Rock provides comfortable facilities for all kinds of lifestyles. Mission Rock is designed to be safe and comfortable to pedestrians and cyclists, to create easy paths of access to the wealth of nearby public transit options, and to ensure that those who rely on motorized transportation can be dropped off or picked up in convenient locations around the site.

Of course, circulation infrastructure is only part of the program. The next chapter details the strategies and up-front investments that will help further provide incentives for the use of sustainable, space-efficient modes of transportation.





Mission Rock's transit-rich context and its bicycle and pedestrian-oriented approach make the site a prime candidate for robust and effective transportation demand management (TDM).

# 04

## TRANSPORTATION DEMAND MANAGEMENT

This chapter summarizes a comprehensive TDM program. TDM program will reinforce Mission Rock's forward-thinking vision and its aspirations to be an active and vibrant district that is inclusive and safe for all users. That will enable Mission Rock to actively manage travel demand through a variety of up-front infrastructure investments and ongoing programs. Ultimately, a robust

# 4.1 PLANNED STRATEGIES

Cities and campuses alike have implemented TDM programs to reduce single-occupancy vehicle (SOV) travel and find the optimal balance of transportation modes to accommodate growth. New residents and office tenants increasingly demand convenient access to quality multimodal infrastructure, and in urban areas like San Francisco, they assume that parking will be treated as a limited commodity that will be priced based on occupancy levels and market rates. The Mission Rock TDM Plan is in line with these expectations and exceeds them in important ways to maximize user satisfaction and foster travel choices that are sustainable in all senses of the word.

As summarized in this chapter, the Mission Rock TDM Plan consists of a package of cost-effective strategies that will work together to affect behavioral change. Strategies include incentives, programs, and infrastructure improvements, and they include many that have been successfully implemented in other mixed-use and urban environments. The package of strategies aims to reduce the number of daily SOV trips to the project site (as projected in the site's environmental impact report) by 20%.

The tables on this and the opposite page give an overview of the individual programs that comprise the site's overall TDM Plan. The text that follows provides some information on these programs; complete operational details are included in a separate TDM Plan document. A few of these recommendations have also been directly integrated into the design of Mission Rock, as codified in the Design Controls and other design documents.

Note that TDM programs work together to reduce demand, providing users with a complete package of incentives and infrastructure that can allow them the flexibility to use the mode that makes the most sense for them on a given day. This is in-line with the overall approach to transportation at Mission Rock - providing a variety of high quality mobility choices.

The collection of programs has been thoughtfully crafted into the cohesive strategy outlined in this chapter and further detailed in the TDM Plan document. While some TDM strategies like parking pricing have a more direct effect on travel behavior, others like facilitating delivery services play a more supportive role. Individual strategies would be unlikely to have the same impact in the absence of other strategies.

MEASURE TYPE	INFRASTRUCTURE AND POLICY	OPERATIONAL	
4.1.1 TRANSIT	4.1.1.1 Real-Time Transit Information and Marketing Screens	4.1.1.1 Dynamic Transportation Information	4.1.1.2 Transit Subsidies
4.1.2 BICYCLE	4.1.2.1 On-Site Bike Share 4.1.2.5 Bicycle Parking 4.1.2.6 Showers and Lockers	4.1.2.2 Bike Share Memberships 4.1.2.3 Bicycle Community Programming	4.1.2.4 Bicycle Resource Centers 4.1.2.7 Bicycle Valet
4.1.3 MOTORIZED TRANSPORT	4.1.3.1 On-Site Shared Scooters 4.1.3.3 On-Site Car Share Parking Spaces	4.1.3.2 Scooter Share Memberships	4.1.3.4 Car Share Memberships
4.1.4 PARKING	4.1.4.3 Unbundled Parking	4.1.4.1 Parking Pricing 4.1.4.2 Real-time Parking Pricing and Availability Information	
4.1.5 BUILDINGS	4.1.5.4 Cold and Dry Delivery Storage Space 4.1.5.5 Convenient Zones for Loading and Building Servicing 4.1.5.6 Childcare Facilities 4.1.5.7 Collaborative Work Space 4.1.5.8 Affordable Housing	4.1.5.1 In-Building Concierge Services 4.1.5.2 Coordinated Delivery Services	4.1.5.3 CSA Partnerships 4.1.5.6 Childcare Services
4.1.6 ALL AREAS	4.1.6.1 Signage & Wayfinding Across Modes 4.1.6.4 Improved Walking Conditions	4.1.6.2 Mobile-Friendly Mission Rock Transportation Website 4.1.6.3 Site-wide transportation staff	

#### 4.1.1 TRANSIT STRATEGIES

##### 4.1.1.1 Real-time Transit Information and Marketing Screens

Dynamic transit information and transportation marketing to residents, employees, and visitors will be displayed on screens in building lobbies, or a similar approach will be used based on state-of-the-practice technology at the time of occupancy. Information will be also displayed in other high traffic areas, such as collaborative work spaces inside residential and office buildings around the site or childcare facility entrances. Making such information readily available can increase residents' awareness of local transit options and facilitate efficient trip planning.

##### 4.1.1.2 Transit Subsidies

Clipper Cards pre-loaded with some cash value will be provided to all residents upon move-in, and business tenants will be required to offer employees the same. Clipper is the Bay Area's transit fare payment card and can be used on more than 20 of the region's transit agencies, including BART, Muni, and the ferries. Providing Clipper Cards upon move-in can increase residents' awareness of nearby transit options and increases the ease with which they can start using it. Clipper Cards can also be customized through a bulk purchase through the Metropolitan Transportation Commission, helping site users further associate Mission Rock with transit access.

Providing Clipper Cards could increase the ease of using transit for employees and residents who currently do not have Clipper. For individuals who already have cards, the one-time financial subsidy could help lower

one barrier to increased transit use.

#### 4.1.2 BICYCLE STRATEGIES

##### 4.1.2.1 On-Site Bike Share

At least one high visibility space will be made available for a Ford GoBike dock on-site, with the possibility of additional docks depending on Ford GoBike's intended Mission Bay expansion. Prominently located bike share docks can increase awareness of bike share as a viable transportation option while also facilitating use. Each bicycle dock would be provided and maintained by the Ford GoBike management company, Motivate, and the project team will work with the company to identify appropriate dock locations on the Mission Rock site.

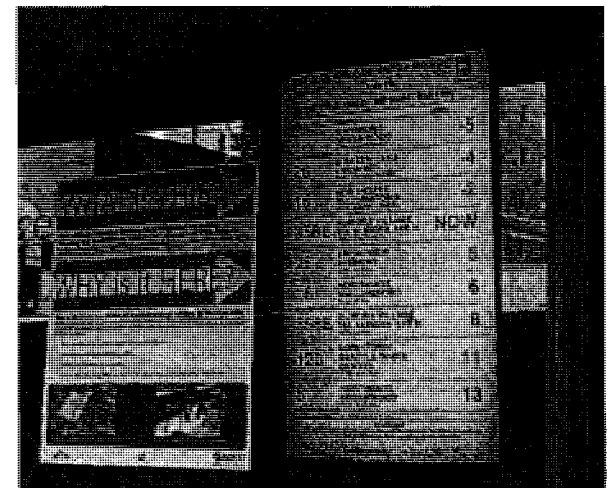
##### 4.1.2.2 Bike Share Memberships

Single-year Ford GoBike memberships will be offered to all residents 18 years or older upon move-in. Members of Ford GoBike can take free, unlimited 45-minute one-way bicycle rides between bike share stations.

Providing residents with bike share memberships could help tenants with minimal experience cycling in San Francisco a low-cost and low-obligation opportunity to try cycling, and it would provide residents with a quick and easy way to get to the Transbay Transit Center and Market Street, for BART connections and a variety of other transit options and recreational activities.

##### 4.1.2.3 Bicycle Community Programming

Through the site transportation staff, regular bicycle parties or happy hours for the bicycling community will be hosted at Mission Rock, potentially paired with gear giveaways. Bicycle-oriented programs and events encourage bicycling by raising public acceptance and



Real-time transit information in Seattle (FLICKR USER BRIAN VINTAGE)



Bay Area Bike Share (FLICKR USER DAVID GERNING)



support for non-motorized transportation and building connections between residents who regularly bicycle, making biking a fun, social activity. Integrating bicycling into the social fabric of the Mission Rock community will raise the profile of bicycling as a viable mode of transportation and encourage people to try biking for a portion of trips.

#### 4.1.2.4 Bicycle Resource Centers

Each building's secure bicycle parking area will be equipped with a bicycle maintenance space, with resources like a bicycle stand, a workbench, tools, and a basic repair kit. These dedicated spaces contribute to social acceptance of bicycling and reduce one key barrier associated with owning a bicycle – concern about complications related to ongoing maintenance – by providing tools and parts through a vending machine at low prices.

This measure will also include working to incorporate a bicycle store in the site retail plan and establishing a resource center containing a vending machine for bicycle parts, a “fix-it” work station with basic tools, and bicycle pumps somewhere else within the site at an easily accessible location.

#### 4.1.2.5 Bicycle Parking

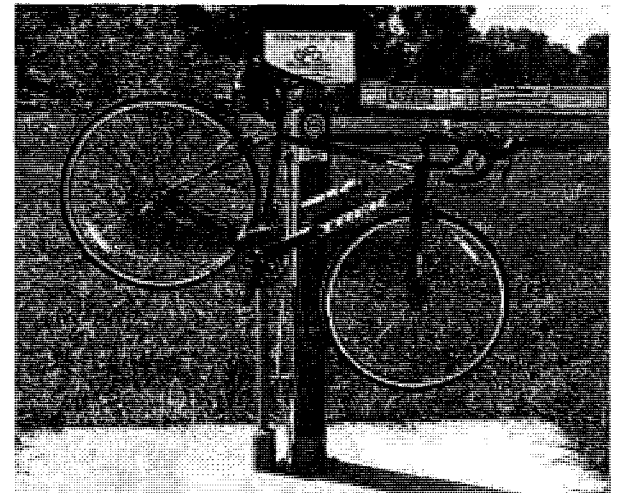
Given the importance of non-motorized transportation to the site's overall design concept, more bicycle parking will be provided than is required by San Francisco City Code. This will include secure Class I parking spaces in residential and office buildings and a network of Class II bicycle parking spaces throughout public areas.

Class I parking consists of secure long-term bicycle parking, including bicycle lockers, bicycle cages, and bicycle rooms. Class II bicycle parking refers to more short-term bicycle parking, including on-street bicycle racks. The site's location in a flat part of San Francisco and the numerous planned bicycle facilities through the site imply a strong potential for very high rates of bicycle usage, and this will be encouraged through easy access to ample, convenient bicycle parking. Bicycle parking facilities will also be available to accommodate various types of bicycles including those with cargo and trailer attachments.

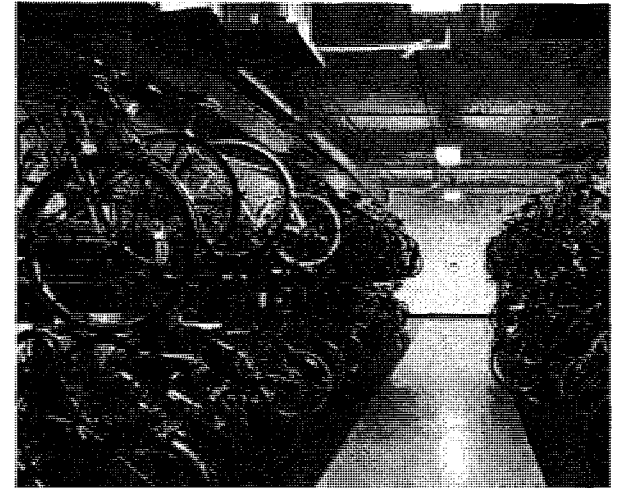
There are several methods of providing secure (Class I) bicycle parking spaces for residents and employees. The site will employ approaches that reflect best practices regarding secure short-term and long-term bicycle parking. For instance, one approach may be to locate bicycle cages at convenient locations within buildings, and bicycle owners who qualify can receive a key or access card to use the cages for a set period of time (e.g. during work hours). The access card can be the same as one used to access an elevator or parking garage. Public bicycle parking is often considered secure when it is situated in well-lit, highly visible areas.

#### 4.1.2.6 Showers and Lockers

The site will meet the San Francisco Code requirement to provide shower and clothes locker facilities for tenants and employees in buildings with certain uses. Offices (including childcare, business services, and light manufacturing) that exceed 10,000 square feet must provide at least one shower and six clothes lockers;



Bicycle fix-it station (FLICKR USER JGG)



Bicycle room (Class I parking) (WIKI COMMONS/AZB)

for facilities between 20,000 and 50,000 square feet, the building must provide two showers and 12 lockers. Those exceeding 50,000 square feet must provide four showers and 24 lockers. Retail sales and restaurants exceeding 25,000 square feet must also provide one shower and six clothes lockers; those exceeding 50,000 square feet must provide at least two showers and 12 lockers.

#### 4.1.2.7 Bicycle Valet

Free bicycle valet services will be provided for large on-site events (per code requirements). Complementing the bicycle parking available on a daily basis, bicycle valet services during special events can encourage people to travel to and from events by bicycle by eliminating the challenge of finding safe and convenient bicycle parking in an area crowded with event attendees. These services also raise public acceptance and support for non-motorized transportation by building connections with visitors.

### 4.1.3 MOTORIZED VEHICLE STRATEGIES

#### 4.1.3.1 On-Site Shared Scooters

Off-street parking spaces will be reserved for 15 to 20 shared scooters (approximately six car parking spaces in total). These spaces will be made available to scooter share companies at no cost. Electric scooters are highly convenient in a dense urban environment and may have additional marketing value, given the cache scooters carry among certain population segments. Scoot is a current provider of this type of service. One of the benefits of Scoot's network is the ability to travel point-to-point, instead of needing to return scooters

to their point of origin. Scoot already has pods within a short walk of Mission Rock. The parking garage would accommodate space for a scooter dock, which the scooter share vendor would provide and maintain.

#### 4.1.3.2 Electric Scooter Memberships

Pending a partnership with Scoot Networks, a one-year Scoot membership will be offered to all new residents, and Scoot Networks could provide its scooter orientation on-site. Like a bike share membership, a scooter share membership could help establish new travel behavior patterns upon move-in. This measure would entail forming a partnership with Scoot or another electric scooter share vendor to provide free memberships in exchange to reserving space for electric scooter parking on-site.

#### 4.1.3.3 On-Site Car Share Parking Spaces

Designated car share spaces will be provided in the parking garage, with flexibility to increase over time in response to demand. The number of spaces provided will exceed the amount required by the San Francisco Zoning Code. These spaces will be made available to car share companies at no cost.

Research indicates that a single car-share vehicle can remove as many as 20 private cars from the transportation network. Spaces will be located in high-visibility parking spots within the parking garage, which will be publicly accessible. Clear exterior signage will increase these spaces' visibility and emphasize the convenience of car share. Depending on the car share vendor provided, additional partnerships with ChargePoint may be required to provide infrastructure



SF Bicycle Coalition bicycle valet AT&T Park (NELSON MYGAARD)

for electric vehicle charging.

#### 4.1.3.4 Car Share Memberships

Car share memberships will be offered to all households for their first year of residency. Depending on specifics of agreements with car share vendors, membership fees could be reduced or waived and some rental credit could be provided. These memberships could help establish new behavioral patterns upon moving in. Pairing access to car sharing vehicles with car sharing memberships is also shown to be more effective than implementing one or the other on its own.

#### 4.1.4 PARKING STRATEGIES

Priced and actively managed parking is a cornerstone of the Mission Rock transportation program. The following measures will ensure that driving is not the default choice for access to the site.

##### 4.1.4.1 Parking Pricing

The price of parking has been shown to be a highly effective mechanism in changing travel behavior, and as such, parking will be priced strategically at Mission Rock. During times of higher demand, parking might have a higher price, encouraging a higher rate of turnover and the use of other modes. Prices will not change in real time based on current occupancy, but instead might automatically increase by a pre-set amount during peak periods, based on typical demand patterns, or for scheduled events. Prices might be adjusted overall a few times a year based on recent occupancy data.

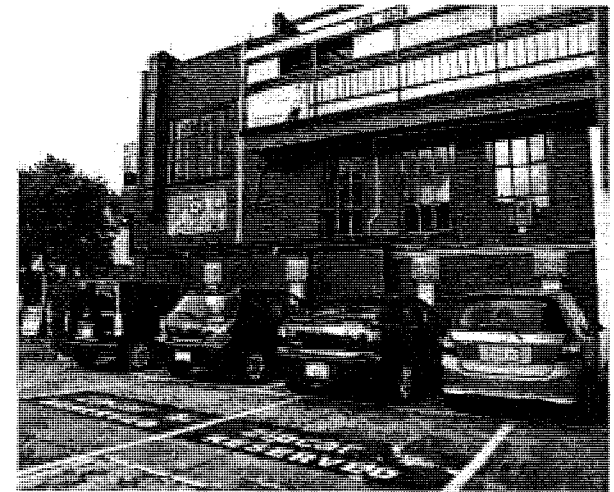
By refining the price of parking periodically, it would be possible to keep parking occupancy rates relatively close to the optimal level, typically around 90% for off-street parking. Researchers have found that parking facilities function efficiently (i.e. without requiring excessive parking-search time) up to roughly this level of occupancy. Demand-responsive pricing has been successfully piloted in San Francisco, Berkeley, Los Angeles, and other cities, and the AT&T Park lot on which Mission Rock will be built currently employs a form of this concept.

##### 4.1.4.2 Real-Time Parking Pricing and Availability Information

Dynamic displays (or another state-of-the-practice price-information sharing strategy) will be installed to show real-time parking price and availability information. This information will also be made available through other channels like a Mission Rock transportation website; this will require installing technology and associated information systems to automatically monitor parking usage. For market-based parking pricing to be truly effective, the dynamic between price and availability must be clearly communicated to drivers. Making such information readily available to potential drivers, particularly at parking garage entrances, decreases the likelihood of drivers' circling for parking or potentially increases the possibility of choosing other modes.

##### 4.1.4.3 Unbundled Parking

Parking costs will be unbundled from all residential, commercial, and retail leases and ensure that the users of parking are the ones who ultimately pay for it. In other words, individuals desiring parking will be required to pay the cost of parking themselves, and the price of parking will not be included in the leases of any residential or commercial tenants. "Unbundling" parking means that the cost for parking is separate from the cost of residential and commercial units. It is an increasingly common practice in urban areas, and it is required in San Francisco. Thirty percent of San Francisco households do not own a vehicle, and unbundled parking makes housing more affordable, particularly for those who do not need a parking space.



Car share spaces (NELSON\NYGARD)



Parking pricing information sign (NELSON\NYGARD)



This approach provides financial savings to households who decide to dispense with one of their cars, and it can help attract households who wish to live in a transit-oriented neighborhood where it is possible to live well with only one car, or even no car, per household. Unbundling parking costs changes parking from a required purchase to an optional amenity, so that households can freely choose how many spaces they wish to lease.

Unbundling parking tends to reduce demand for parking by specifically calling out and making optional the previously hidden cost of “free” parking. This in turn allows developers to provide less parking, which increases the area that can be developed with more lucrative land uses such as additional housing units. For this measure to work optimally for office users, the users of parking – not their employers – must be the ones who ultimately pay daily or monthly costs.

#### 4.1.5 BUILDING STRATEGIES

##### 4.1.5.1 In-Building Concierge Services

Mission Rock will work with the managers of individual buildings to appoint an in-building concierge to provide information about local merchants and coordinate/facilitate delivery services for residents. In-building concierge services and/or multi-purpose front-desk staff can facilitate valet parking, farm-to-table produce delivery, cold and dry storage for grocery or produce delivery, and secure package delivery. Concierge staff could also provide information about the nearest stores and services like dry cleaning and laundry service, as well as pickup/delivery services from local merchants.

Residents would pay for all services.

The site-wide transportation staff would provide centralized transportation support to the in-building concierges. The combination of these services will provide targeted travel information, consolidating or eliminating the need for additional trips.

##### 4.1.5.2 Coordinated Delivery Services

Mission Rock will consider partnering with delivery service companies, in addition to establishing a centralized staging location for parcel delivery and a distribution system that relies on non-motorized transportation to deliver packages to the various buildings within the development. In the absence of an official partnership, ways of making ordering in more appealing instead of making separate trips off the property for daily needs would be facilitated, thus reducing vehicle trips in the process. One potential way to do this would be to offer direct ordering through the Mission Rock website. Each building would manage these services individually as needed.

##### 4.1.5.3 Community-Supported Agriculture Partnerships

Local community-supported agriculture (CSA) deliveries will be coordinated. Fostering the use of local CSA organizations has the potential to reduce greenhouse gas emission and vehicle-trips by providing project residents convenient access to locally sourced food, reducing the number of trips and vehicle miles traveled by both vendors and consumers. This measure could also have marketing benefits and reinforce the site’s overall message about sustainability.



In-building concierge (Flicker User ALAN LIGHT)



CSA box (Flicker User NICO STEINKE)

#### 4.1.5.4 Cold and Dry Delivery Storage Space

Mission Rock will work with individual building managers to provide storage space near the concierge and elevators to store packages, perishables, laundry, and other deliveries. Storage should be family friendly, including room to store car seats and strollers and near to car share locations. Providing storage space for groceries, laundry, and other packages can have a direct effect on reducing trips by encouraging and facilitating online ordering. A centralized storage facility within each building can also consolidate delivery trips by enabling delivery vehicles to only make one stop for multiple recipients instead of several.

#### 4.1.5.5 Convenient Zones for Loading and Building Servicing

Passenger loading and building servicing zones are integrated into Mission Rock's overall street design. These zones will reduce the need for personal vehicle trips by facilitating deliveries and also enabling easy pick-up and drop-off of seniors and people with disabilities by locating them near elevators and at corners with curb ramps.

#### 4.1.5.6 Childcare Facilities and Services

Mission Rock will aim to attract a provider of on-site childcare services and facilities to ensure easy access for Mission Rock residents and employees. Ensuring that childcare services are provided on-site at Mission Rock would break down a key barrier for parents to taking non-auto modes to work by bringing such services within walking distance and near the many commute options around the Mission Rock site. The

childcare services could be provided on the ground floor of a northern parcel, near China Basin Park. Other family-friendly amenities will also be established, including storage spaces with room to store car seats, strollers, and other family-related equipment.

#### 4.1.5.7 Collaborative Work Space

Mission Rock will work with the developers of individual parcels to establish a collaborative work space in each residential building. A typical offering in residential buildings today, business services rooms can help encourage and facilitate working from home, which can directly reduce trips to and from the site.

Work spaces could include for-rent work rooms that can be reserved in advance, equipped with video conference equipment, high-speed internet connections, projectors, white boards, basic office supplies, and printing, scanning, and faxing services. For residents interested in using this work space long term, dedicated mailboxes for businesses could be set aside and located nearby. The developers and managers of individual buildings will ultimately be responsible for developing and maintaining these business services rooms and ensuring that they are equipped with appropriate equipment.

#### 4.1.5.8 Affordable Housing

Forty percent of on-site units will be restricted to inclusionary affordable housing, to be provided in a balanced manner throughout the phasing of the development. Affordable units are generally associated with lower rates of auto trip-making, as residents living in affordable housing typically own fewer cars

per household than residents of market-priced units. They are more likely to use transit and are less likely to require parking, reducing overall vehicle trip generation.

### 4.1.6 ALL-REALM STRATEGIES

#### 4.1.6.1 Signage and Wayfinding across Modes

ADA compliant signage and wayfinding will be installed at key points throughout the development. Signs can help indicate points of connection between different modes, as well as estimated travel times and directions by mode, and they can help increase people's understanding of travel options. Clear signage is also important for ensuring safety for all types of users, differentiating spaces for different users within shared public spaces.



Transit-focused wayfinding

#### 4.1.6.2 Mobile-Friendly Mission Rock Transportation Website

An ADA compliant site-wide website will be maintained with a dynamic and engaging section dedicated to transportation information and services, with specific portals for each user type (or the state-of-the-practice equivalent to this measure, per changes in technology by the time of first occupancy). A mobile-friendly website oriented toward all residents, employees, and visitors providing online access to concierge services and transportation programs can help raise awareness and visibility of transportation options and facilitates connections among transportation modes. The transportation information on the website will likely include but not be limited to real-time transit information and a transportation tab with all nearby options (e.g. Muni, car share, scooter share, ride-sourcing apps) showing locations and availability.



The informative website of a TMA in Mountain View. The site is mobile-friendly, as the images on the next page show.

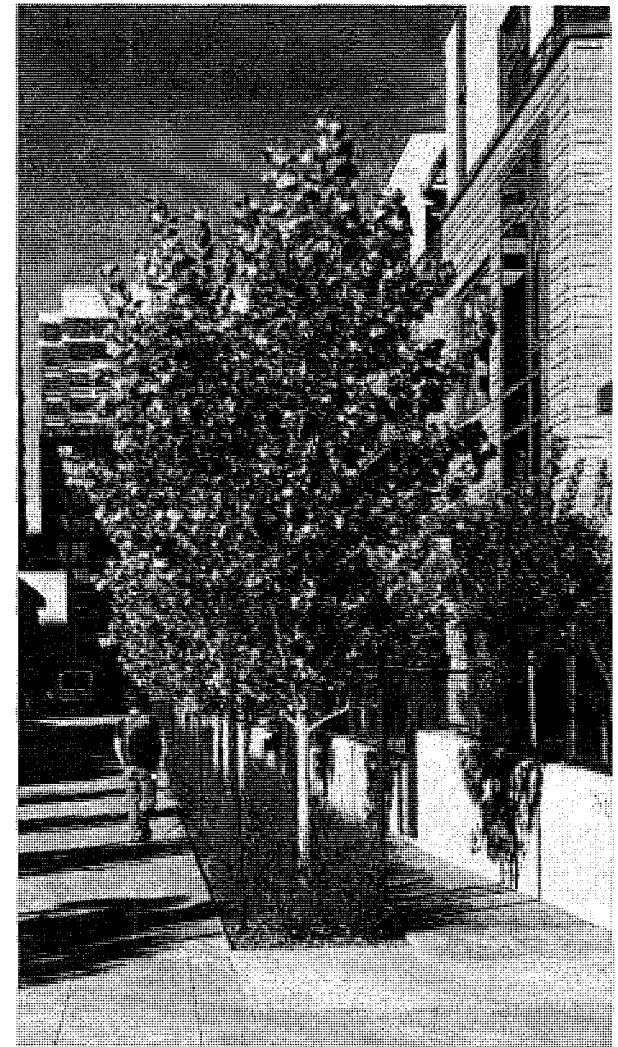
#### 4.1.6.3 On-Site Transportation Staff

A site-wide, dedicated transportation staff will be hired and tasked with providing individualized advice and information on transportation options to residents and employees. This can help raise awareness and understanding of transportation options and ensure that site users can find non-auto transportation options that meet their unique travel needs.

Other staff, such as the in-building concierge or those tasked with organizing bicycle events and maintaining the bicycle resource room, could also provide similar targeted information and facilitate discussions around using different modes. This dedicated transportation staff would act as a centralized transportation resource to the in-building concierges, providing up-to-date transportation information and expert support to front-line staff that are less likely to have the same depth of knowledge of the transportation system. Staff responsibilities may include active campaigns encouraging sustainable trip-making.

#### 4.1.6.4 Improved Walking Conditions

High-quality pedestrian design features (high connectivity, wide sidewalks, highly visible crossings, and others) are directly integrated in the design of Mission Rock. As described in the Mission Rock Design Controls, the development will add over half a mile of complete streets, including new and improved sidewalks and pedestrian crossings. Today, many sidewalks in Mission Bay are narrow or missing in areas. The new streets within Mission Rock will greatly improve the overall walking conditions of the neighborhood and facilitate safer and more convenient pedestrian connections. A pedestrian-oriented urban design is essential for residents, employees, and visitors to fully take advantage of the other TDM strategies, supporting access to all of the available transportation options and programs throughout the site and nearby. These improvements help shape the environment for the other TDM strategies to succeed.



High-quality design for pedestrians (NELSON\NYGAARD)

## 4.2 MARKETING AND COMMUNICATIONS

A strong communication strategy is critical to the success of any TDM program, ensuring that residents, employees, and visitors receive information about relevant resources and incentives at appropriate times and through channels that are easily accessible. Incorporating consistent branding into all communications can help create a sense of place and establish a cohesive identity for the transportation program. Branding can be used to support marketing and communication efforts, particularly on signage and wayfinding, to emphasize that residents, employees, and visitors can travel seamlessly through the area.

The TDM strategies cited in the chapter include three main channels for transportation-related communications: its site-wide transportation staff, a mobile-friendly web portal for site users, and physical signage and other wayfinding mechanisms on site. This section includes examples of communication tactics and channels to illustrate how specific channels can help reach target audiences.

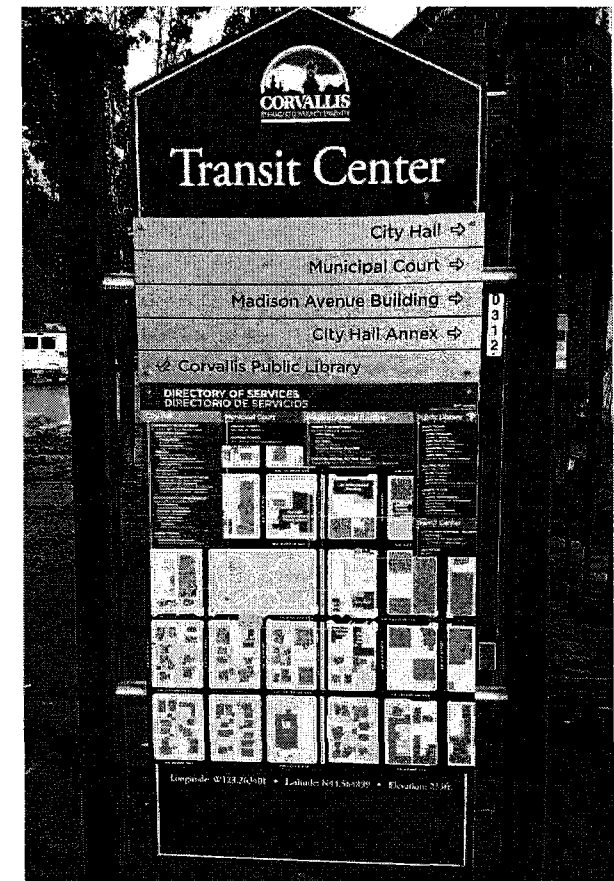
### 4.2.1 SITE-WIDE TRANSPORTATION STAFF

Led by a coordinator, Mission Rock transportation staff would be responsible for maintaining information about TDM programs and acting as a point of contact to assist residents, employees, and visitors with transportation-related questions, concerns, or general assistance. The transportation coordinator would have the authority to implement TDM strategies, oversee the management and marketing of all measures, manage the TDM program budget, and monitor success of the TDM program.

The transportation staff might also be responsible for compiling a print and/or electronic transportation handbook to be distributed to residents on move-in and employees on hiring. This handbook could include information on transportation programs, policies, and service options, in addition to the following information:

- ▶ Transportation staff contact information, including information for the in-building concierges (if relevant)
- ▶ How to access transportation information in other media and locations, such as the website, relevant mobile applications, and real-time screens
- ▶ Commute trip planning information, including links to the regional 511 Rideshare program
- ▶ Clipper Card and vehicle (including car, bicycle, and scooter) share membership subsidies and parking policies
- ▶ Information on accessing other TDM program details and amenities, such as the in-building storage facilities
- ▶ Walking and biking routes within the area, estimated walking and cycling times to key locations, including transit hubs, and a link to the San Francisco bicycle map
- ▶ Local transit options and schedules, including links to Muni, BART, and Caltrain schedules, route maps, and existing trip planner mobile applications

The handbook would be distributed to all prospective residential tenants and all prospective employees who receive an offer to work within the development as part of welcome packets or employee orientation, or posted



Signage that combines directional and map-based wayfinding (NELSON/CLARK)

in prominent locations for all residents and employees.

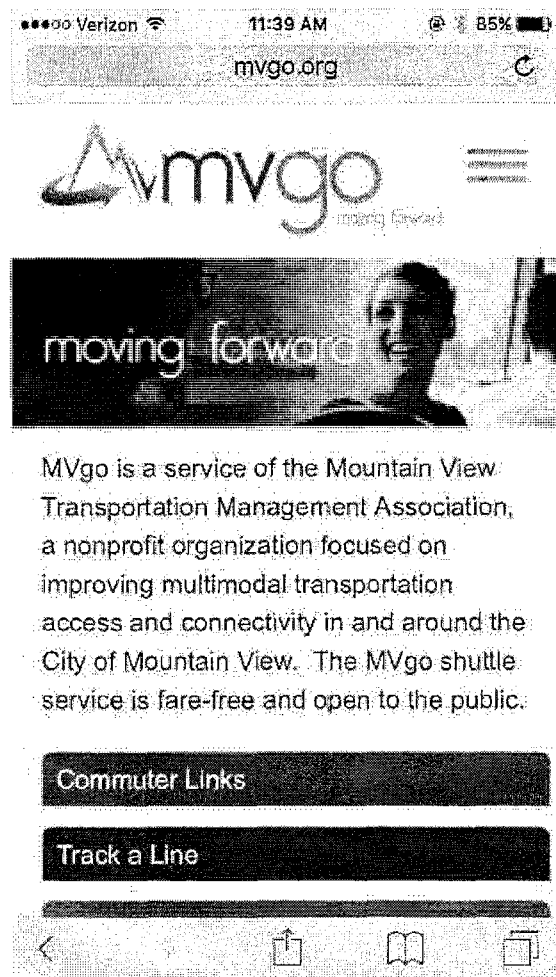
To make sure information stays useful to residents and employees over time, transportation staff will endeavor to keep all information and materials up to

date and relevant. Staff may also consider developing other transportation tools in addition to or instead of a handbook as appropriate, drawing on available best practices.

#### 4.2.2 MOBILE-FRIENDLY WEBSITE

Mobile-friendly websites are a way to create a dynamic and engaging repository for transportation information, point-to-point navigation tools, travel suggestions, user engagement campaigns, and other efforts to raise awareness of alternatives to drive-alone travel options and residents, employees, and visitors to use them. In addition to supporting the information already provided in the resident and employee handbook, this website could include the following:

- ▶ Real-time transit information
- ▶ Real-time parking pricing and availability information
- ▶ Notifications of upcoming transportation-related events, such as bicycle parties and farmers' markets, and alerts
- ▶ Integration with internet delivery services for ordering
- ▶ Registration for car share, bicycle share, and/or scooter share memberships
- ▶ Room reservations for the collaborative workspace
- ▶ On-site childcare services enrollment
- ▶ Specific pages or portals for residents, employees, and visitors so that each of these audiences has access to the appropriate and relevant travel information



The mobile-friendly version of the Mountain View TMA's website. The TMA offers real-time transit information and links to a variety of other resources.



- Functionality which allows for tracking travel behavior and enables gamification for incentives

This website will be ADA/Section 508 compliant to ensure that users of all abilities are able to easily access this information. Establishing specific portals for each audience can allow for the delivery of targeted, individualized TDM information for each of the audience groups. Each of the portals could also provide specific information on costs and multimodal options available for traveling to and from Mission Rock, as well as information on nearby attractions and services and links to citywide or regional information. The images on the previous pages show an example of computer and mobile-friendly versions of landing pages for this type of website.

#### 4.2.3 SIGNAGE AND WAYFINDING

Clear, consistent, and predictable signage and wayfinding can help residents, employees, and visitors navigate the site easily. Signage can also bring awareness to important information such as parking prices and availability, bicycle parking locations, estimates of bicycle and pedestrian travel times, and other information on Mission Rock programs or services. Simply providing information on non-motorized travel prominently can increase the likelihood that people will select biking or walking as their mode of transportation.

The efficacy of signage and wayfinding is dependent on the design and placement of signs. Signage should be clear and provide relevant information at key decision points in people's journeys, in areas that are highly

visible, and in clear lines of sight. For instance, when entering the site, cyclists should be able to clearly understand their route options through the site. This signage will be especially important for safety along the shared public ways, to ensure that users understand the encouraged forms of travel and appropriate behavior on each mode. Temporary signage may be used in areas more highly trafficked by residents or employees, to provide information on specific events or programs, such as CSA pick up locations.

Wayfinding examples throughout the chapter show how it can be used in vibrant, mixed-use areas. Some signs offer clear guidance for the nearby area at several scales while providing clear directional guidance to nearby transportation hubs and popular destinations.

For further information on the design considerations that will be accounted for in designing signage for the Mission Rock site, see section 2.10 of the Design Controls.

##### 4.2.3.1 Transportation Information Kiosks

Transportation information kiosks in the public realm can provide centralized locations for relevant transportation information for trips within Mission Rock and to nearby services and attractions. These kiosks could be placed throughout the site, at strategic decision-making locations where residents, employees, and visitors might need the information, such as the intersection of Terry A. Francois Boulevard and Mission Rock Street, China Basin Park, and Mission Rock Square. The kiosks could include transit schedules and fare information, walking and cycling routes, real-time

transit information, and Bay Area Bike Share dock locations and bicycle availability.

It is recommended that these kiosks be digital, interactive displays (as shown in the accompanying image) to allow information to be updated easily and regularly. These boards would be maintained and updated as needed by the transportation staff.

While the information kiosks can provide detailed information on transportation options to visitors and others new or unfamiliar with Mission Rock and the surrounding area, real-time transit screen technology is designed to offer an opportunity to understand transportation options at a quick glance. This would be particularly useful for employees and residents, those who make recurring trips frequently and don't need detailed guidance.

Each of the communication-based TDM measures are pertinent to residents, employees, and visitors at different times during their life cycle at Mission Rock. As such, it is critical to think strategically about when to share what with each of these key segments to reach certain groups of users.

The mobile-friendly Mission Rock website will be an important avenue for sharing information about programs, policies, and services. It is reasonable to assume that the website will act as a front-line communications vehicle to reach all of those who have or may be interested in having a connection with the site. Signage and wayfinding will be seen on a daily basis and is an important element for users of the development to efficiently navigate Mission Rock.



## 4.3 CONCLUSIONS

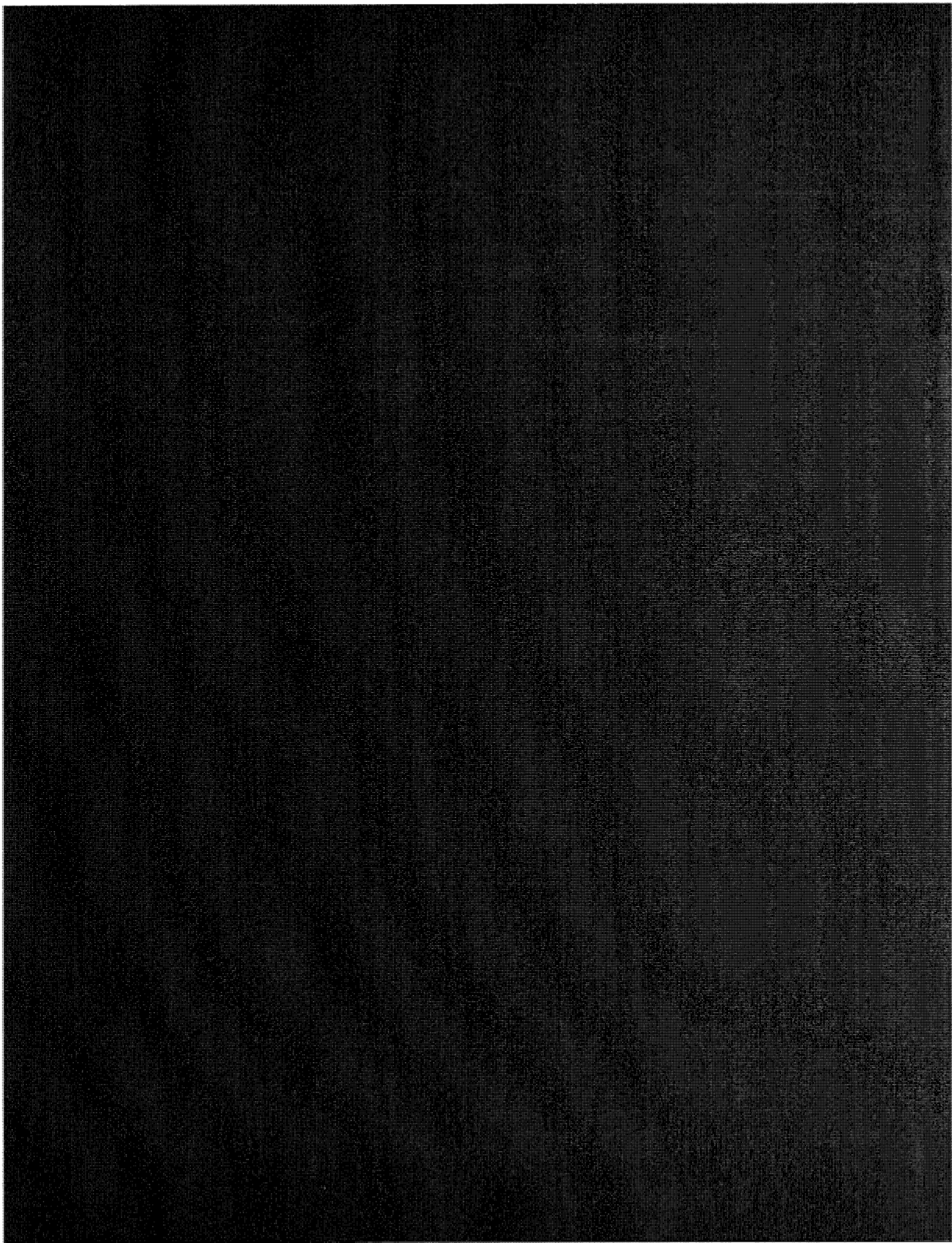
Establishing a robust TDM program reaffirms Mission Rock's commitment to sustainability and inclusivity. The program will encourage the site's residents, employees, and visitors to use the most environmentally friendly and spatially efficient mode possible for each trip, with an emphasis on cycling, walking, and shared rides.

TDM MEASURE	TARGET AUDIENCE		
	RESIDENT	EMPLOYEE	VISITOR
4.1.1.1 Real-Time Transit Information			
4.1.1.2 Clipper Cards			
4.1.2.2 Bike Share Memberships			
4.1.2.1 On-Site Bike Share			
4.1.2.7 Bicycle Valet			
4.1.2.3 Bicycle Community Programming			
4.1.2.4 Bicycle Resource Centers			
4.1.2.5 Bicycle Parking			
4.1.2.6 Showers and Lockers			
4.1.3.1 On-Site Shared Scooters			
4.1.3.2 Scooter Share Memberships			
4.1.3.4 On-Site Car Share			
4.1.3.4 Car Share Memberships			
4.1.4.1 Parking Pricing			

TDM MEASURE (CONT'D)	TARGET AUDIENCE		
	RESIDENT	EMPLOYEE	VISITOR
4.1.4.2 Real-Time Parking information			
4.1.4.3 Unbundled Parking			
4.1.5.1 In-Building Concierge Services			
4.1.5.2 Coordinated Delivery Services			
4.1.5.3 CSA Partnerships			
4.1.5.4 Cold and Dry Delivery Storage Space			
4.1.5.5 Convenient Zones for Loading			
4.1.5.6 Childcare Services			
4.1.5.7 Collaborative Work Space			
4.1.5.8 Affordable Housing			
4.1.6.2 Mobile-Friendly Website			
4.1.6.3 Site-Wide Transportation Staff			
4.1.6.1 Signage and Wayfinding			
4.1.6.4 Improved Walking Conditions			

Target audience for each TDM program





# 05

## EVENT MANAGEMENT

The energy and excitement generated by people visiting parks and event venues will be part of what makes Mission Rock a fun and interesting place to live, work, and play.

These visitors will bring the area to life throughout the year. Mission Rock will be designed and actively managed to maximize the best aspects of festivities in these spaces while responsibly managing the potential inconveniences that large crowds can cause. This

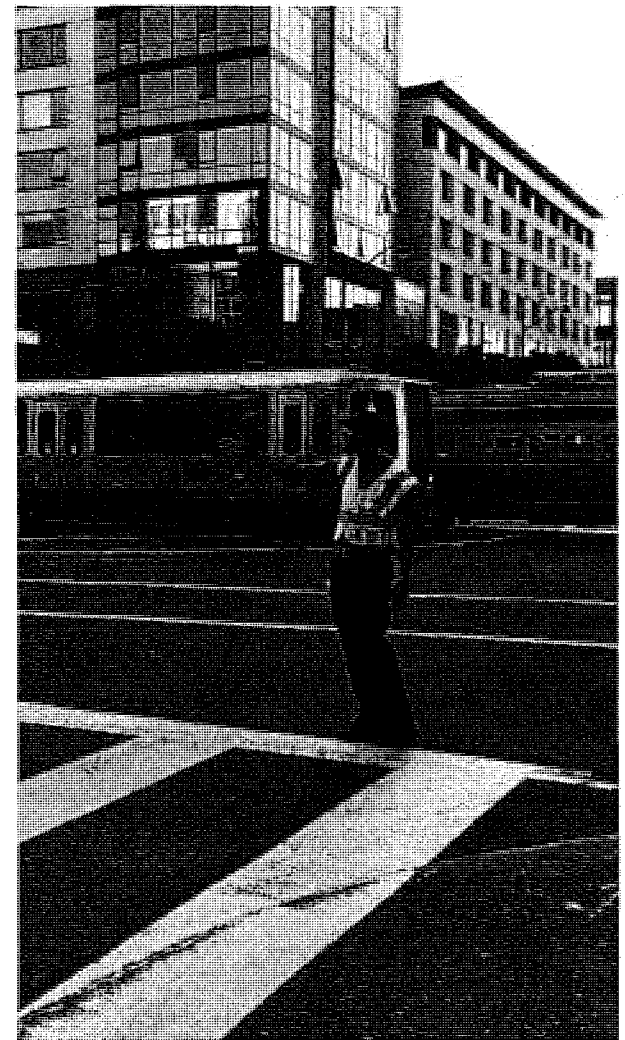
chapter outlines the basic site's anticipated approach to managing pedestrian activity, vehicle flows, and bicycle parking around them to ensure that residents and employees can enjoy the energy without the hassle.

As the team has since it moved to AT&T Park in 2000, the San Francisco Giants will continue to work closely with the City and with citizens advisory committees in the area to manage the effects of event crowds on surrounding neighborhoods, through measures like deploying traffic control officers (known in San Francisco as parking control officers, or PCOs). In addition to such measures, the Mission Rock transportation staff might also be empowered to take additional actions like closing on-site streets or individual lanes to vehicle traffic and encouraging the use of non-auto modes for travel to on-site events.

This chapter describes how these types of strategies might be combined for three scenarios, representing the likely range of common events: A primary event at AT&T Park (35,000+ attendees), a secondary event at AT&T Park (15,000 to 35,000 attendees), and on-site events in China Basin Park, Mission Rock Square, or potential event venues in Pier 48 or Block E (500 to 4,000 attendees). A more detailed Event Management

Plan will be developed in concert with City agencies before construction of the first phase of the project, and it will be updated ahead of each subsequent phase of the site's build-out. The Event Management Plan will include the topics listed in the table of contents referenced below.

Given their storage-space needs, automobiles naturally pose challenges for organizers of any large event. As such, most scenarios include some restrictions on vehicle movement through the site, and the TDM Plan's efforts to reduce reliance on single-occupancy vehicles for travel to and from the site will be particularly crucial during these times. However, some vehicle movement will be accommodated. An up-to 3,000-space parking garage at the southwest corner of the site will serve as AT&T Park's main parking facility, replacing the surface lot on which Mission Rock will be built. During AT&T Park and Mission Rock events, curb space around the site will also provide important capacity for passenger loading.



Parking control officers (PCOs) (NELSON/NGAARD)



## EVENT MANAGEMENT PLAN TOPICS

An Event Management Plan will be developed for submission and approval as part of the first phase application for the Mission Rock site, then updated and submitted for informational purposes as part of each subsequent phase application. The plan will cover all events on-site at Mission Rock. Section V will identify the full universe of potential TDM and traffic management strategies. The subsets of such strategies that will apply to different events (by size/type and location) will also be identified in Section V.

### I. Introduction

- Purpose of the Document
- Goals of the Mission Rock Event Management Program

### II. Mission Rock Project Update

- Description of Current Phase Land Use
- Description of Cumulative Project To Date
- Interim Transportation Network (Phases 1-3 only)

### III. Transportation Context

- Transit Network
- Bicycle and Pedestrian Networks
- Key Local and Regional Roadways
- Parking Facilities

### IV. Events at Mission Rock

- On-Site Event Venues
- Characteristics of Potential Event Types (would include location, event format/type, number of attendees, likely days of week, likely times of day, attendee arrival/departure windows and concentrations, estimated attendance, links linked with other nearby events/land uses, and likely frequency)
- Project Phasing & Modifications for Events

i. Phase I

ii. Phase II

iii. Phase III

iv. Phase IV

### d. Relationship with Other Venues and Potential Events in the Area

- Other Venues and Event Types

1. AT&T Park

2. Chase Center

3. Concurrent Events: type and frequency of overlaps

4. Managing On-Site Event-Related Travel Demand

a. Desired Outcomes

b. Future Safe Conditions for Pedestrians and Cyclists

c. Avoid Transit Delays Related to Garage Closures

d. Minimize Mission Bay Traffic Impacts during Sensitive Times

e. Upgrade of Deep-Specific TDM and Traffic Management Tools

f. Transportation Demand Management Strategies (e.g. communications/information distribution, temporary or permanent multimodal wayfinding incentives for using particular modes at particular times, etc.)

g. Traffic Control Strategies (e.g. curb management, the use of temporary or permanent traffic control dynamic signs, PCCOs, traffic flow lane adjustments, other strategies to prevent transit delays on I-Third & support safety of all users, etc.)

h. Matrix: Event Types & Traffic Strategies To Be Used + Responsible Parties - Additional Considerations

- Event-Specific Nuances (as applicable, e.g. differences in the location of PCCOs, differences in the use of dynamic or temporary signage, differences for events on different days of the week, different times of day, etc.)
- Emergency Vehicle Access/Circulation On-Site
- Event-Related Loading & Servicing
- Managing Concurrent Event Scenarios: Coordinating with Other Venues through Ballpark Mission Bay Transportation Coordinating Committee (BMBTCC)
- Event-Specific Nuances (as applicable, e.g. differences in the location of PCCOs, differences in the use of dynamic or temporary signage, differences for events on different days of the week, different times of day, etc.)

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- Event-Specific Nuances (as applicable, e.g. differences in the location of PCCOs, differences in the use of dynamic or temporary signage, differences for events on different days of the week, different times of day, etc.)

### VI. Implementation and Refinement

- Mission Rock Transportation Coordinator Responsibilities
- Coordinating with City Agencies
- Part of San Francisco (e.g. manage efforts to involve relevant city agencies, staff-level approval with rest of relevant phase application material)
- San Francisco Municipal Transportation Agency (e.g. involved in development of initial content, involved in approval process)
- Coordinating with Venue Managers and Neighborhood through BMBTCC and/or Other Applicable Body
- Monitoring and Plan Refinement

A Note: While the plan will focus on events on-site at Mission Rock, there is a separate event management plan in place to manage major events at AT&T Park.

## 5.1 PRIMARY EVENTS

### ***AT&T Park, 35,000 to 40,000+ Attendees***

A primary event at AT&T Park will be the most common scenario, occurring between 80 and 100 times per year, depending on whether the Giants make the playoffs and on how many non-baseball events (like concerts or other sporting events) AT&T Park hosts.

#### **5.1.1 MANAGEMENT STRATEGIES**

##### **Parking Pricing**

As noted in Chapter 4, it is anticipated that the Mission Rock garage will be actively managed around event times to ensure that there is space available for AT&T Park event attendees. To encourage regular users of the garage to find alternative ways to get to the site on event days, parking prices could be raised during a period covering a few hours before and after AT&T Park events. This approach has already been successfully employed to manage parking demand in the existing main AT&T Park lots, Lot A and Pier 48. People arriving at the garage around event times could pay a flat event rate that might amount to a total that is higher than typical hourly rates would be (i.e. if the event period is six hours long, the flat event rate would exceed the total cost of parking for six hours at typical hourly rates).

##### **Vehicle Flows and Curb Space**

Vehicular circulation through Mission Rock could be restricted during primary events in anticipation of high pedestrian volumes through the site. The Shared Public Way is a particularly critical north-south pedestrian route, providing the most direct path of travel between the main garage and the ballpark. As such, it is anticipated that the street would be closed



Giants games at AT&T Park regularly sell out, bringing a festive atmosphere to the neighborhood

to vehicle traffic around major event times. Right turns from Mission Rock Street to 3rd Street could also be prohibited before events, to reduce volumes on Mission Rock Street in front of the Public Safety Building. Left turns into and out of the site at 3rd Street's intersections with Long Bridge will be prohibited at all times. The eastern-most lane on 3rd Street between Exposition and King streets will also likely be closed before and after events, as it is today, to facilitate the movement of large volumes of pedestrians near the ballpark.

Traffic flows will be actively managed through PCOs and strategically placed signs, and garage entrances and exits will be managed to allow for efficient processing of major vehicle flows. To ensure that emergency vehicles have clear access to Public Safety Building driveways on the south side of Mission Rock Street, keep clear zones will be maintained and could be reinforced by one or more PCOs. Traffic flows on Mission Rock Street could also be managed to maintain an open lane for potential emergency vehicle movement. Event vehicles will also be encouraged, via signs and PCOs strategically located at points south of

the site, to enter and exit the area via Terry A. Francois Boulevard. Specific PCO locations will be determined by the SFMTA with the goal of supporting pedestrian safety, limiting impacts on transit, and keeping intersections clear of vehicles.

Most vehicular circulation through the site is expected to be for passenger pick-up and drop-off. Key passenger loading locations will include the north side of Exposition Street and the east side of the block of 3rd Street just north of Exposition Street. Primary loading zones for people with mobility limitations include the east side of 3rd Street north of Exposition Street and an accessible loading zone on Exposition Street between the Shared Public Way and Bridgeview Street.

To manage vehicle movement at points of potential conflict between modes, this plan recommends the use of PCOs in key places along 3rd Street and through the site, including the intersections of Mission Rock and 3rd, Mission Rock and Bridgeview, and Mission Rock and Terry A. Francois Boulevard, and the 3rd Street crossing just south of Lefty O'Doul Bridge.

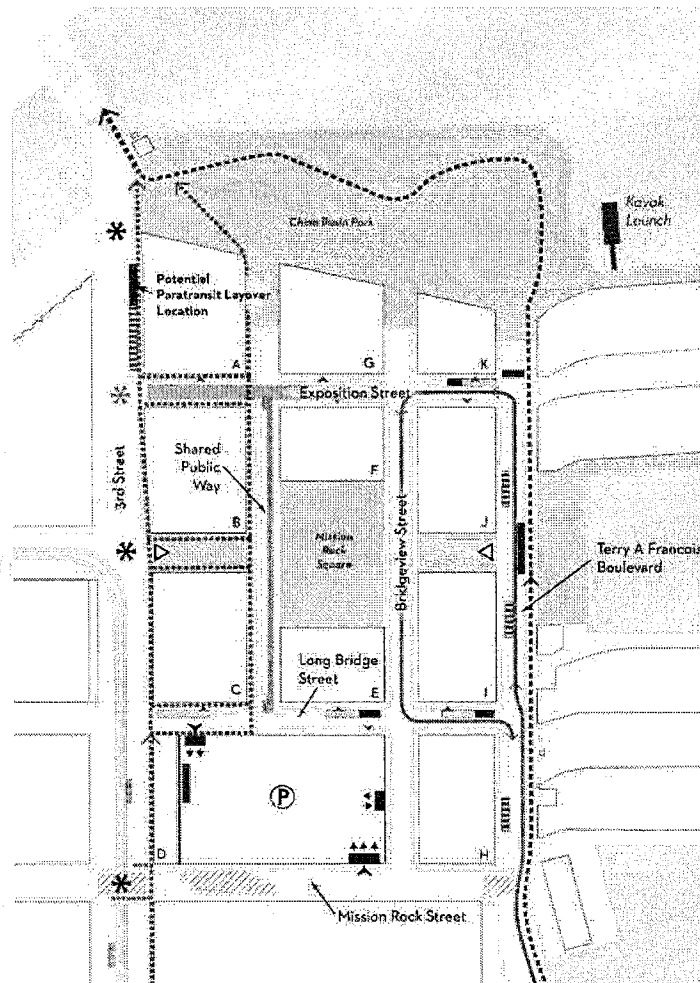
## **Pedestrians**

It is anticipated that all pedestrian paths of travel will be open, but pedestrian activity is likely to concentrate along the Shared Public Way and 3rd Street, the two key north-south routes between Long Bridge Street and the ballpark.

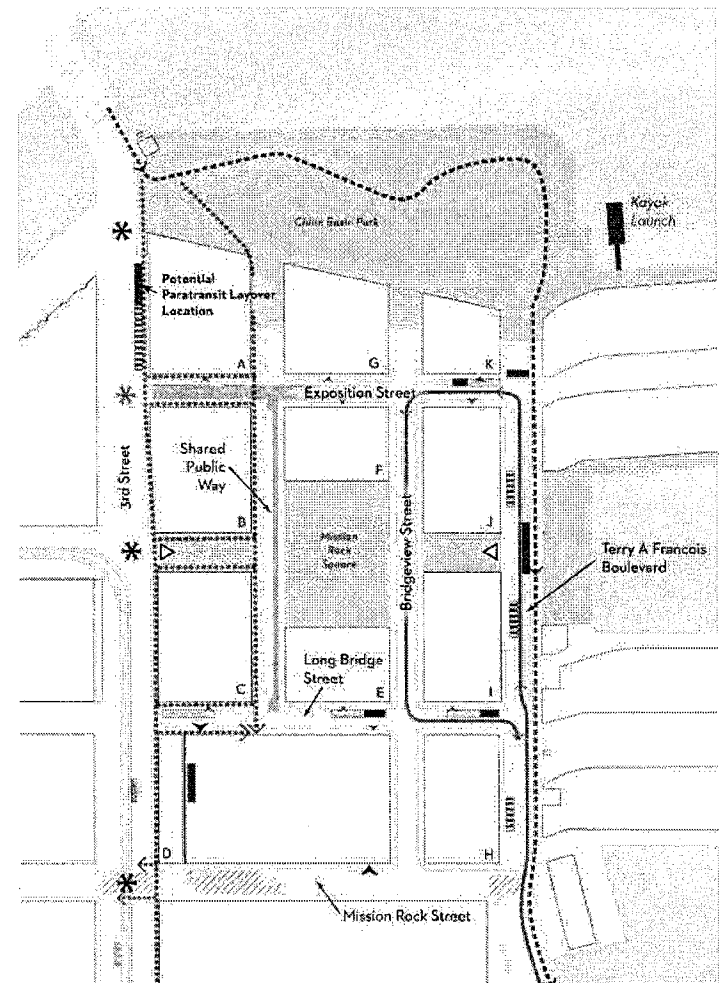
## **Bicycles**

Primary bicycle flows south of China Basin are expected to be along the San Francisco Bay Trail to and from bicycle parking facilities immediately around AT&T Park. Some cyclists may also use Bridgeview Street, but they might be less likely to do so than in normal conditions due to larger numbers of vehicles turning into and out of the garage. Cyclists will be encouraged to dismount at the western end of China Basin Park to reduce conflicts with the heavy pedestrian flows across Lefty O'Doul Bridge. Some event attendees will also likely lock their bicycles on the Mission Rock site, to visit on-site restaurants before or after games or to avoid crowds closer to the venue. An additional ballpark bicycle valet facility could also be located on the Mission Rock site, if usage of the main valet facility warrants it.

- Key Pedestrian Routes
- Primary Bicycle Route
- ← Primary Passenger Loading Flow
- ADA-Accessible Loading
- Commercial Deliveries Only
- Time-Limited Commercial Loading
- Closed to Vehicular Traffic
- \* Existing Traffic Signal
- \* Planned Traffic Signal
- Potential Traffic Control Officer Location
- Garage Lanes
- ▲ Planned Driveway
- ▲ Potential Driveway
- Keep Clear Zone
- ▷ Access to Below-Grade Parking (if provided)



Pre-event circulation patterns



Post-event circulation patterns

## 5.2 SECONDARY EVENTS

### ***AT&T Park, 15,000 to 35,000 Attendees***

Circulation patterns at Mission Rock are anticipated to be similar around smaller events at AT&T Park. The Shared Public Way could be closed, and the relative intensity of different vehicle flows should be consistent with the basic patterns seen for the biggest events at the ballpark, though overall flows should be much smaller. Bicycle and pedestrian circulation patterns are also expected to be consistent with those anticipated for larger events.

Given lower levels of expected parking demand, it is anticipated that the garage at the southwest corner of the site would generally not need to use flat-rate event pricing around secondary events. Event attendees would be able to park in available spaces as long as spaces are available. However, communications related to AT&T Park events would likely still encourage the use of other modes to access the ballpark, in the interest of reducing congestion and parking demand overall.



Concert at AT&T Park (PICKUP USER: REBECCA WELLMAN@SD)



Stern Grove concert series (PICKUP USER: JILLSON@SFGA)

## 5.3 ON-SITE EVENTS

### ***Mission Rock, 500 to 4,000 Attendees***

Mission Rock will have two spaces equipped to host large events. The Great Lawn in China Basin Park will have room to host concerts, movie nights, and other large gatherings. Mission Rock Square will likely host a broader range of events, from staged performances to farmers markets or craft fairs, with thousands of people flowing through the space over a several-hour period.

The garage at the southwest corner of the site's parking prices could be converted to event rates for a period covering several hours before and after the biggest events, to discourage use by regular users.

#### **5.3.1 CHINA BASIN PARK EVENT**

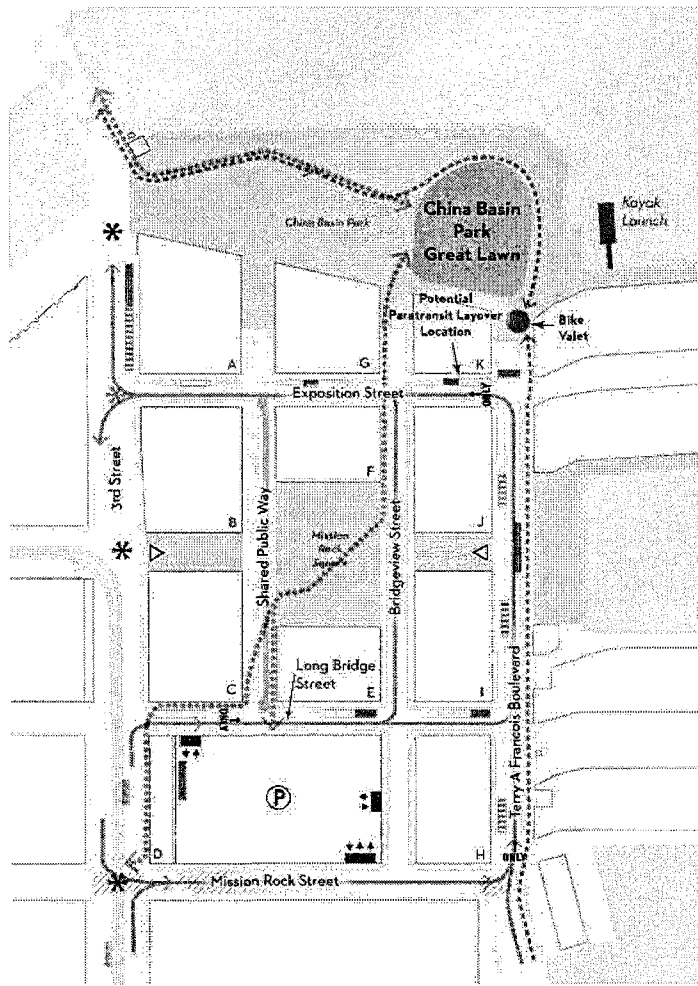
##### **5.3.1.1 Vehicle Circulation and Passenger Loading**

For the biggest China Basin Park events, Terry A. Francois Boulevard and Exposition Street could be closed to through traffic (the project team will apply for street closure permits through the standard City process), with the streets reserved for event-related pick-up and drop-off. To make vehicle flows predictable for pedestrians crossing these key streets, Terry A. Francois Boulevard could be converted to a one-way street northbound, and Exposition Street could be one-way westbound to complete a site-wide circuit.

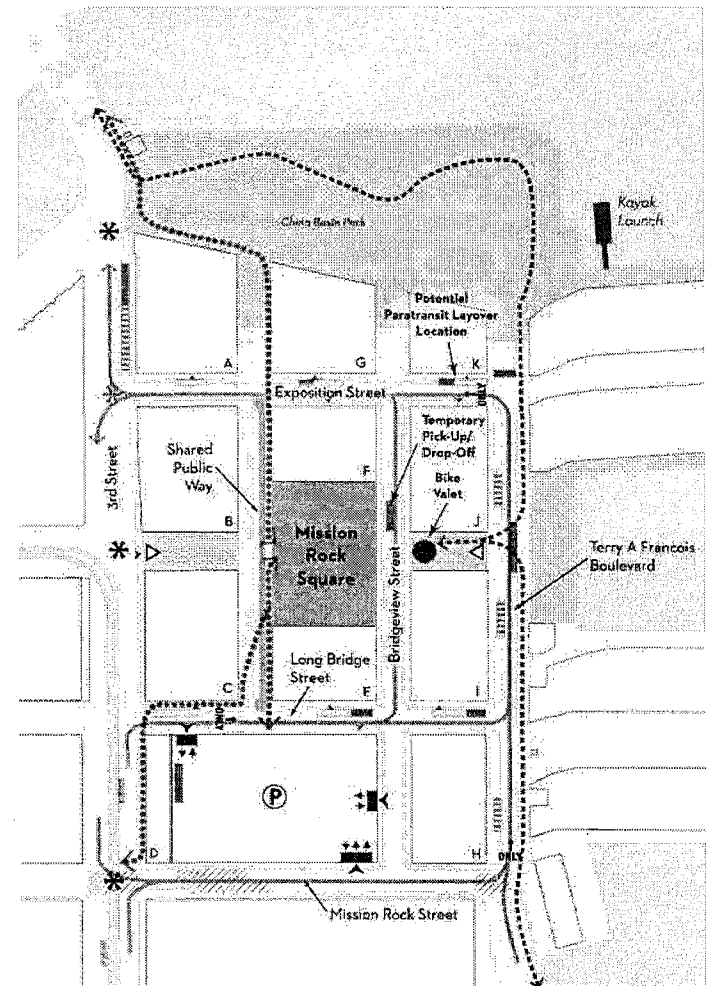
It is anticipated that the north end of Terry A. Francois Boulevard, at or north of the intersection with Exposition Street, would be the main drop-off and pick-up location for people with mobility limitations. Taxi, TNC, and other vehicular loading could be focused along Exposition Street west of Terry A. Francois Boulevard.



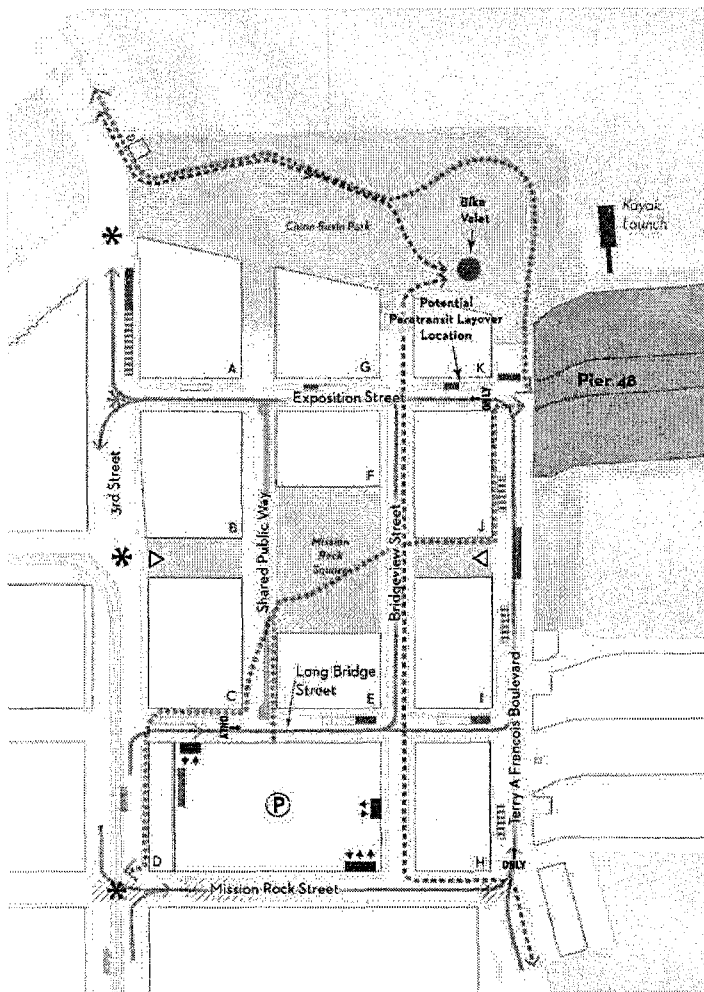
- ← Passenger Pickup & Dropoff
- ▬ ADA-Accessible Loading
- ▬ Commercial Deliveries Only
- ▬ Closed to Vehicular Traffic
- \* Existing Traffic Signal
- \* Potential Traffic Signal
- ◀ Garage Entry Lane Open
- ▶ Garage Exit Lane Open
- ▲ Planned Driveway
- ▲ Potential Driveway
- ▨ Keep Clear Zone
- ▽ Access to Below-Grade Parking (if provided)



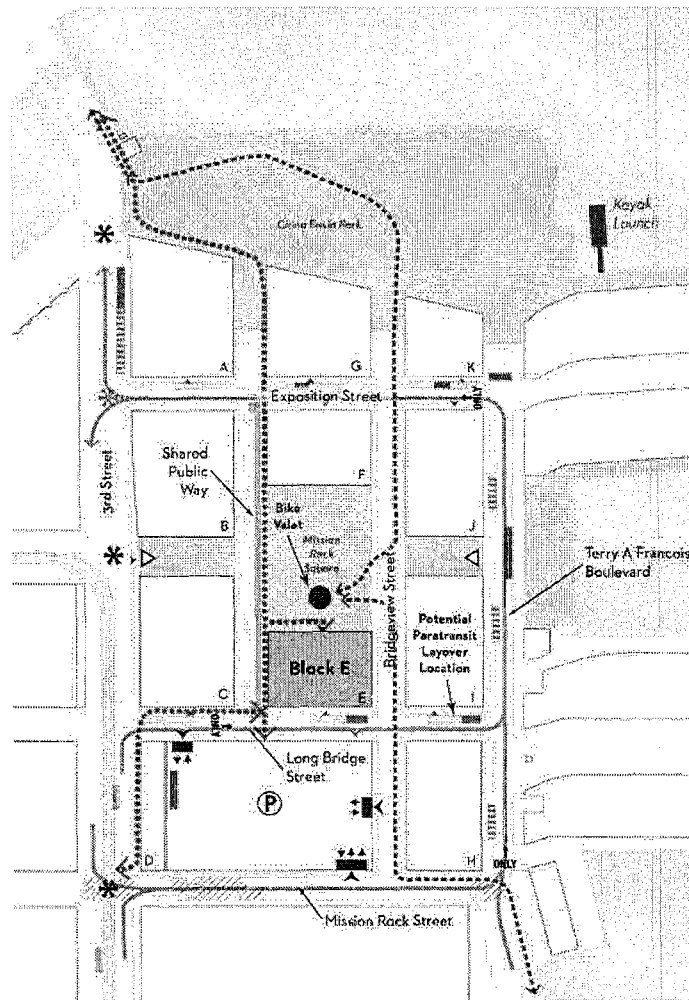
China Basin Park event circulation patterns



Mission Rock Square event circulation patterns



Event circulation patterns for potential event venue at Pier 48



Event circulation patterns for potential event venue at Block E

- ← Passenger Pickup & Dropoff
- ▬ ADA-Accessible Loading
- ▬ Commercial Deliveries Only
- ▬ Closed to Vehicular Traffic
- \* Existing Traffic Signal
- \* Potential Traffic Signal
- ◀ Garage Entry Lane Open
- ▶ Garage Exit Lane Open
- ▲ Planned Driveway
- ▲ Potential Driveway
- ▨ Keep Clear Zone
- ▽ Access to Below-Grade Parking (if provided)

### 5.3.1.2 Pedestrian Circulation

Pedestrian traffic is likely to focus along two major routes: 1) through China Basin Park and up 3rd Street to/from the Caltrain terminal at 4th and King streets and toward BART on Market Street, and 2) through the site to/from the parking garage and the Muni light rail station on 3rd Street south of Channel Lane. Flows through the site can be expected to concentrate on Bridgeview Street north of Mission Rock Square, in the square, and along the Shared Public Way and Long Bridge Street, en-route to the parking facility and the Muni station at the southwestern corner of the site. PCOs may be helpful on Exposition Street at Shared Public Way and Bridgeview Street, to enable vehicles picking up or dropping off passengers to exit the site.

### 5.3.1.3 Bicycle Circulation and Parking

Bicycle valet facilities could be located along the San Francisco Bay Trail, just southeast of the event space, and cyclists will also be able to use the network of public bicycle parking spaces throughout the site.

Cyclists from the north could be encouraged to dismount at the edge of China Basin Park and walk their bicycles around the event space to the bicycle valet facility. Cyclists from the south could be encouraged to dismount as they approach the area for pick-up and drop-off of attendees with mobility limitations.

## 5.3.2 MISSION ROCK SQUARE EVENT

### 5.3.2.1 Vehicle Circulation and Passenger Loading

For the biggest Mission Rock Square events, Shared Public Way could be closed to vehicle traffic (with

appropriate City permits), and Bridgeview Street between Long Bridge and Exposition streets will be closed to all but pick-up and drop-off of people with mobility limitations. As for China Basin Park events, Terry A. Francois Boulevard and Exposition Street could create a one-way loop for taxi, TNC, and other vehicular drop-off, and they could be closed to through traffic.

### 5.3.2.2 Pedestrian Circulation

Major pedestrian flows to transit nodes north and northwest of the site are anticipated to follow the Shared Public Way through China Basin Park to 3rd Street. Flows southwest to the main garage and the T-Third Muni light rail stop would follow Shared Public Way to the south and Long Bridge Street between Shared Public Way and 3rd Street.

### 5.3.2.3 Bicycle Circulation and Parking

Bicycle valet could be located on Channel Lane east of Mission Rock Square. The main flows of cyclists from points south would follow the San Francisco Bay Trail to Channel Lane. Temporary signage at the north end of the site would encourage cyclists to follow the San Francisco Bay Trail to Channel Lane. The cycle track on Bridgeview Street could be closed to bicycle traffic temporarily, to make way for large pedestrian flows and for the primary loading area for event attendees with mobility limitations.

Mission Rock residents, employees, and visitors would also be encouraged to travel to and from the site on foot, bike, or transit on days with events on-site or at AT&T Park. Site transportation staff would keep and

prominently display a calendar of major events as a planning resource for regular users of the site.

## 5.3.3 EVENTS IN POTENTIAL VENUES AT PIER 48 AND BLOCK E

As the figures on page 63 show, circulation patterns related to events at potential Pier 48 and Block E event venues would be similar to those for events at China Basin Park and Mission Rock Square respectively. The following subsections describe slight differences.

### 5.3.3.1 Vehicle Circulation and Passenger Loading

For events at Pier 48, vehicular circulation through the site are anticipated to be the same as for events at China Basin Park. For events at Block E, paratransit loading could be moved to Long Bridge Street. To account for increased flows of cyclists along Bridgeview Street, vehicles could be discouraged from using that street by on-site personnel or temporary signs.

### 5.3.3.2 Pedestrian Circulation

Pedestrian flows are expected to be broadly similar to those for China Basin Park (Pier 48 events) and Mission Rock Square (Block E events).

### 5.3.3.3 Bicycle Circulation and Parking

For Pier 48 events, bicycle valet services could be sited on the China Basin Park Great Lawn. Cyclists from the south could be encouraged to use Bridgeview Street, to clear space for pedestrian circulation between Pier 48 and Block K. For Block E events, bicycle valet services could be sited in Mission Rock Square, and cyclists would be expected to gravitate to Bridgeview Street for access from both north and south.

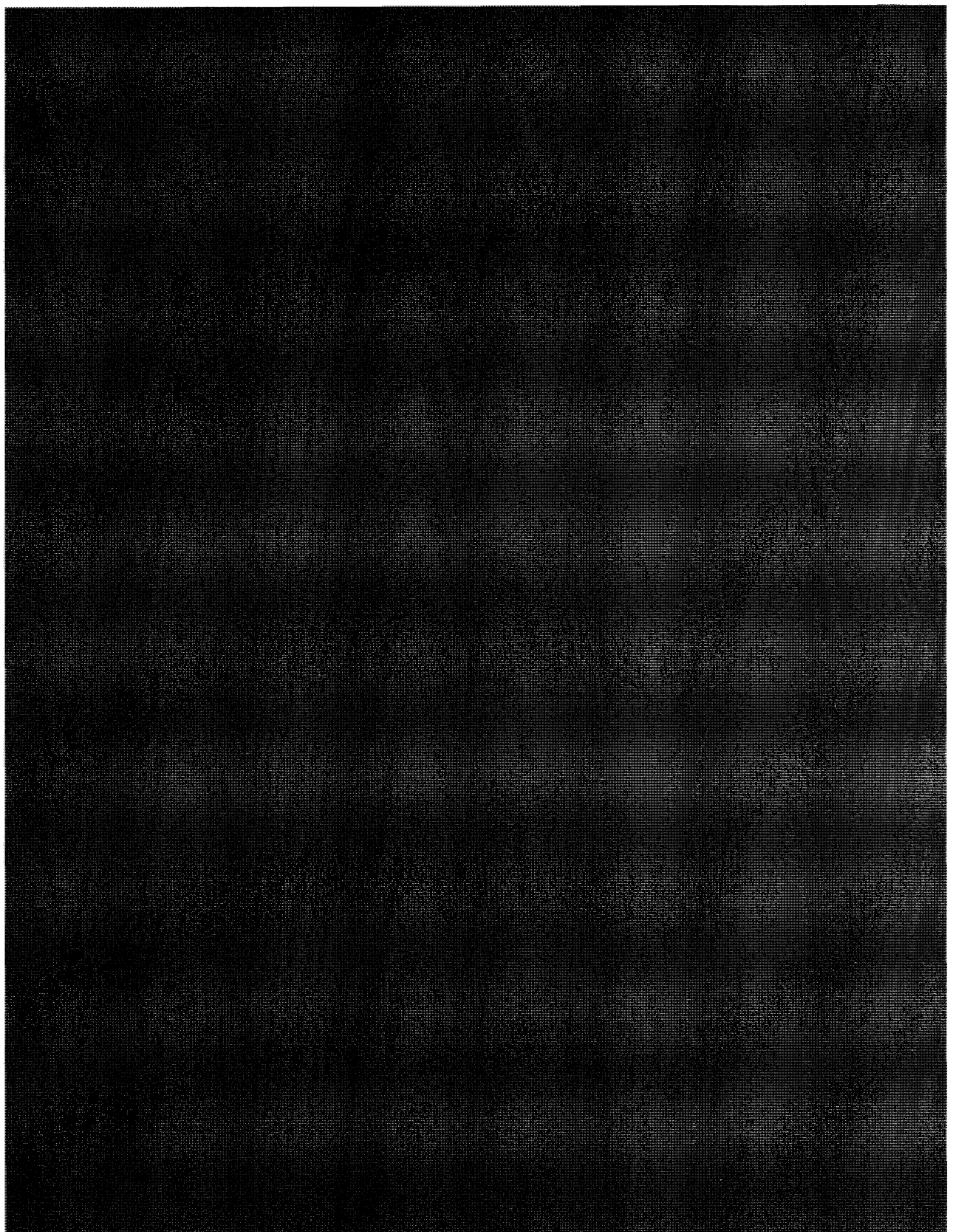
## 5.4 CONCLUSIONS

Those who live and work near AT&T Park enjoy the exciting, festive atmosphere created by such a premiere urban event space, and they also know it takes some extra planning to make trips to and from the area as smooth as possible. The Giants and the transportation staff at Mission Rock will work hard to aid in this planning by providing users of the site ready access to an abundance great information and a range of travel choices.

In the same spirit, the Giants and the Mission Rock team are committed to working with neighborhood organizations to responsibly manage event-related transportation conditions and make sure inconveniences related to events are kept to a minimum.



AT&T Park and Mission Rock

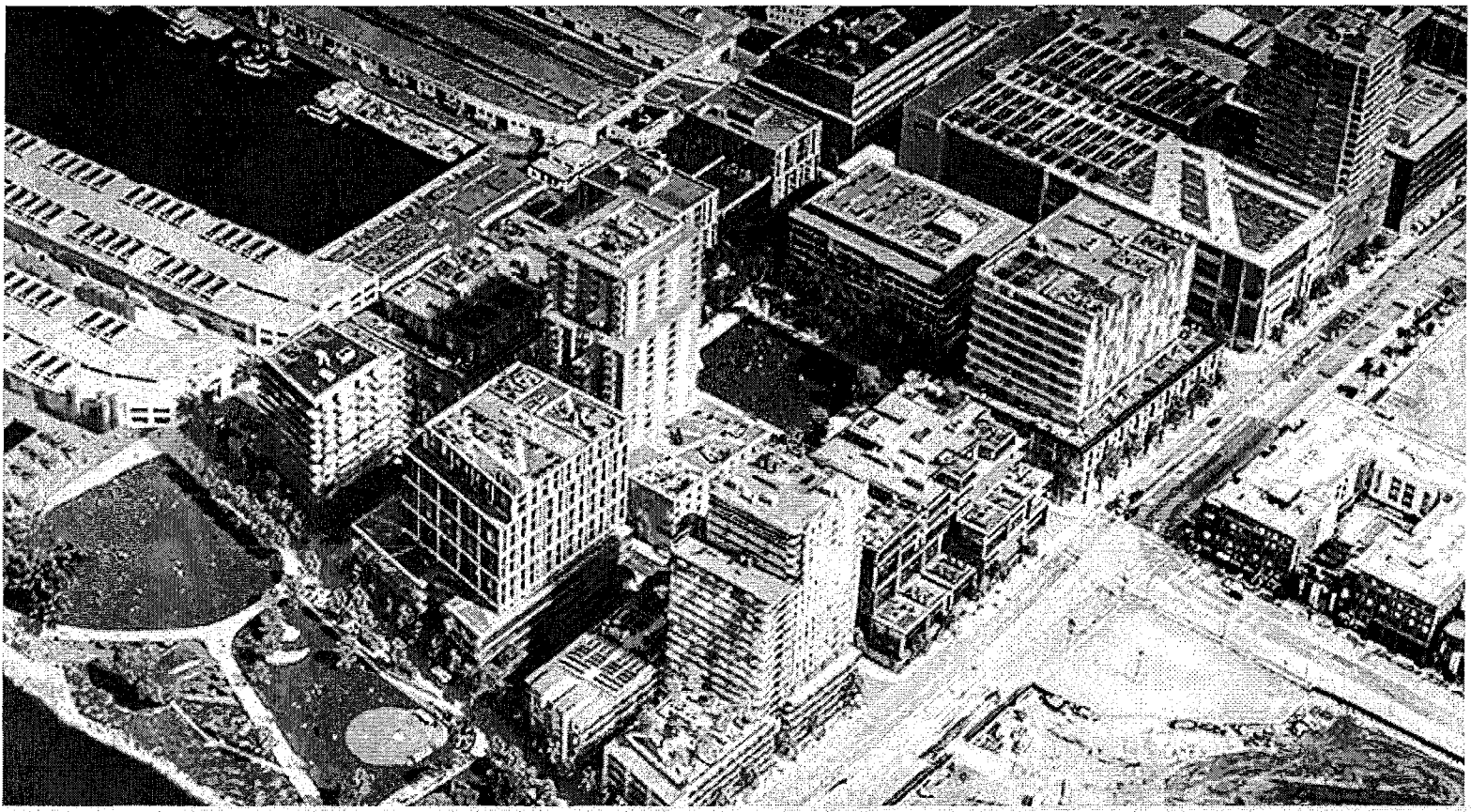


**DDA EXHIBIT B7 - TP SCHEDULE 2**

**"TDM Plan"**







# **MISSION ROCK TRANSPORTATION DEMAND MANAGEMENT PLAN**

**December 2017**





**MISSION ROCK TRANSPORTATION DEMAND MANAGEMENT PLAN**  
Seawall Lot 337 Associates, LLC

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# 1 OVERVIEW

The development context and overall design profile of Mission Rock make it a prime candidate for robust and effective transportation demand management (TDM). Travel demand generated by Mission Rock will be affected by locational and land use factors, such as proximity to high quality transit, the presence of transit-supportive land use densities, and mixed land use patterns.

This TDM Plan describes measures that will enable Mission Rock to actively manage travel demand through a variety of up-front infrastructure investments and ongoing programs, including unbundled parking, pedestrian- and bicycle-friendly design, transportation marketing, vehicle share facilities and memberships, and others. Ultimately, implementing a robust TDM program will reinforce the forward-thinking vision and brand of Mission Rock as an active and vibrant district that is inclusive and safe for all users.

## DEVELOPMENT CONTEXT AND DESIGN PROFILE

Establishing new and enhanced links to and along San Francisco's waterfront, Mission Rock's mixed-used, multi-phase development will be a dynamic addition to the Mission Bay neighborhood. Encompassing approximately 27 acres, Mission Rock is slated to include 11 parcels of residential, office, and retail development as well as a refurbished and reactivated Pier 48, an expanded China Basin Park, and a variety of smaller open space areas. Including Pier 48, Mission Rock will include approximately 1,000 to 1,500 dwelling units, 1.4 to 1.8 million square feet of commercial development, and more than five acres of new open space, for a total of approximately 3.9 million gross square feet of development and eight acres of open space. The site plan calls for a tight and highly walkable urban street grid, with more than half a mile of complete streets. In addition, between 2,400 and 3,000 parking spaces could be provided in off-street facilities.

Mission Rock is located near a busy, increasingly congested part of San Francisco and is readily accessible via car, transit, walking, and bicycling. The site is accessible to I-280 and US-101/I-80 through SoMa's urban street grid, with bicycle connections to the north via the Embarcadero bike route as well as to the south via the Blue Greenway. More importantly, the project is well served by transit, both local and regional. Multiple lines of Muni bus and light rail are within a quarter-mile of the site, with moderate to high frequency of service for most of the day and late into the evening.

Although narrow sidewalks, missing crosswalks, long blocks, and the amount of on-going construction in the surrounding area all currently challenges for pedestrians and bicyclists, the Mission Rock development includes multiple street design improvements to create a safe and inviting environment, such as:

- A highly connective grid of internal streets
- Sidewalks that are to be between 12 and 15 feet wide throughout the project site

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- High visibility sidewalks, bulb-outs, and raised pedestrian crossings
- Completion of the portion of the Blue Greenway that runs through the site, with a 16-foot-wide shared bike and pedestrian right-of-way running along Terry Francois Boulevard and the northern edge of China Basin Park
- Designated bicycle lanes or bicycle-friendly low-traffic blocks on all internal roadways
- Bicycle treatments at internal intersections

Mission Rock will also provide important neighborhood amenities – groceries, childcare, personal services – establishing destinations that are easily accessible by all modes of transportation. The existing and future transportation infrastructure in the area (see Figure 1) will further promote the use of all modes of active transportation.

**Figure 1 Mission Rock Context Map**

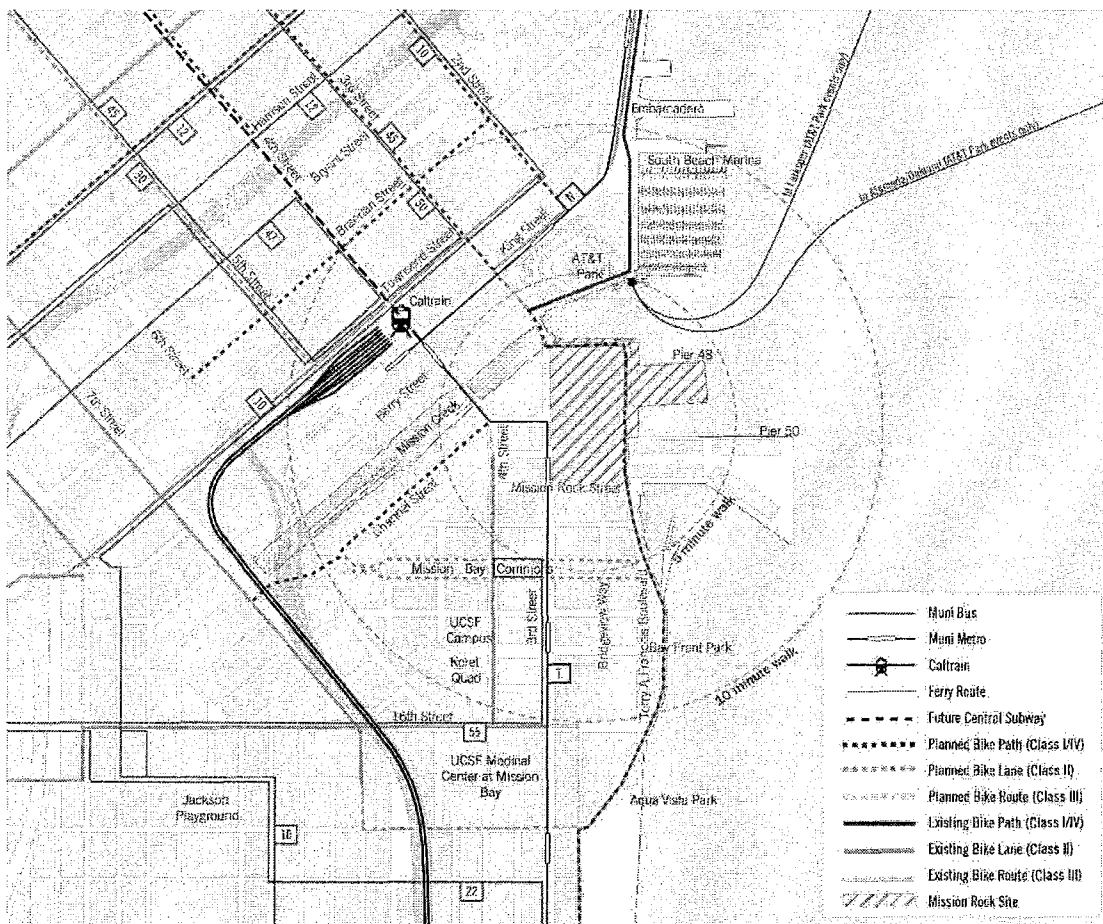


Figure 2 summarizes Mission Rock's development components, associated vehicle trip estimates, and the anticipated trip reduction goal, per commitments made in the project's Environmental Impact Report (EIR).

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**Figure 2 Estimated Vehicle Trip Generation and Trip Reduction Goal<sup>1</sup>**

Scenario	Proposed Development Components (approximate)	Aggregate Daily One-Way Vehicle Trips (a)	Number of Trips to be Reduced (b = a * 20%)	Target Threshold (c = a - b)
High Commercial, Low Residential	<ul style="list-style-type: none"> <li>▪ 1,048 dwelling units</li> <li>▪ 1.4 million square feet (sf) office</li> <li>▪ 130,000 sf retail</li> <li>▪ 86,000 sf sit-down restaurant</li> <li>▪ 37,000 sf quick service restaurant</li> <li>▪ 5 acres park</li> <li>▪ 190,000 sf brewery</li> <li>▪ 11,000 sf brewery retail</li> <li>▪ 11,000 sf brewery restaurant</li> </ul>	7,615	1,523	6,092
Low Commercial, High Residential	<ul style="list-style-type: none"> <li>▪ 1,579 dwelling units</li> <li>▪ 980,000 square feet (sf) office</li> <li>▪ 130,000 sf retail</li> <li>▪ 84,000 sf sit-down restaurant</li> <li>▪ 36,000 sf quick service restaurant</li> <li>▪ 5 acres park</li> <li>▪ 190,000 sf brewery</li> <li>▪ 11,000 sf brewery retail</li> <li>▪ 11,000 sf brewery restaurant</li> </ul>	7,242	1,448	5,794

## WHY TRANSPORTATION DEMAND MANAGEMENT

This TDM Plan reaffirms Mission Rock's commitment to sustainability and inclusivity. It encourages the site's residents, employees, and visitors to use the most environmentally friendly and spatially efficient mode possible for each trip, with an emphasis on cycling, walking, and shared rides.

The measures outlined below are designed to work together to affect site users' travel habits. Targeted programs strengthen the benefits of investments in bicycle and pedestrian infrastructure and the site's proximity to major transit nodes by reinforcing awareness of these options, breaking down barriers to incorporating them in travel routines, and incentivizing habitual use.

The site plan and TDM program are consistent with several decades of City of San Francisco climate and sustainability policies that aim to encourage the use of transit and other non-auto modes of transportation. It is also consistent with the City's efforts to manage the transportation impacts of new development. The Plan was developed with San Francisco's new TDM Ordinance in mind, and the Mission Rock team used the Ordinance's framework to scale the site's programs appropriately.

Many campuses have implemented similar TDM programs to reduce single-occupancy vehicle (SOV) travel and find the optimal balance of transportation modes to accommodate growth.

<sup>1</sup> Seawall Lot 337 and Pier 48 Mixed-Use Project Environmental Impact Report, Appendix 4-1 – Transportation Impact Analysis, April 2017. Pg. 486.

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Genentech implemented an aggressive TDM strategy in 2006 that included programs such as shuttle service and parking cash-out accompanied by comprehensive marketing and communications through an online employee portal. Since implementation, drive-alone mode share has decreased by almost 30%, decreasing carbon emissions from 4.5 tons per employee to 1.9. Similarly, Stanford University's extensive TDM program, which has for years included meaningfully priced parking, transit subsidies, and incentive programs, has effected a substantial decrease in SOV commuting, from 72% in 2002 to 46% in 2011. Moreover, these programs serve campuses that grew rapidly during the periods noted, but this growth was not accompanied by substantial increases in parking.

In a similarly urban environment, the City of Cambridge implemented a parking and TDM ordinance in 1998, made permanent in 2006. In the Kendall Square area, which predominantly houses large biotechnology firms and research and academic institutions, such as the Massachusetts Institute of Technology, the ordinance has been particularly effective. Although the neighborhood has added 4.6 million square feet of commercial and institutional development over the past 10 years, automobile traffic has *decreased* on major streets, with vehicle counts decreasing as much as 14 percent.<sup>2</sup> In this way, citywide TDM measures in Cambridge have not deterred the development market while still having a positive impact on quality of life and the environment.

Given these successes, robust TDM programs are becoming expected aspects of new developments, in central cities and suburbs alike. San Francisco is no exception. The City has established a TDM ordinance that would require developers to establish TDM programs scaled to the amount of parking they plan to build on-site. This ordinance reinforces existing multimodal policies, such as the city's Transit First Policy, which was established in 1973 and amended to include pedestrians and bicyclists in 1999. New residents and office tenants increasingly demand convenient access to quality multimodal infrastructure, and in urban areas like San Francisco, they assume that parking will be treated as a limited commodity that will be priced based on occupancy levels and market rates. The Mission Rock TDM Plan reflects the values outlined in City policies by striving to maximize user satisfaction and foster travel choices that are sustainable in all senses of the word.

## **PLAN OVERVIEW**

This Plan is comprised of the following chapters:

- Chapter 2 presents a slate of recommended TDM measures for Mission Rock to reduce SOV trip and parking demand for the development.
- Chapter 3 presents the marketing and communications strategy for Mission Rock's TDM program, discussing the interplay between the primary communication mechanisms, the TDM measures, and the various user groups of Mission Rock.
- Chapter 4 presents Mission Rock's approach to monitoring the TDM Plan's implementation to ensure that it achieves the 20% vehicle-trip reduction target.

This TDM Plan will be incorporated into the Transportation Plan for Mission Rock, which will coordinate daily circulation of people, bicycles, and vehicles to, from, and around the site.

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<sup>2</sup> Moskowitz, Eric. "Car-free commuting push pays off in Kendall Square." *The Boston Globe*. July 25, 2012. <https://www.bostonglobe.com/metro/2012/07/24/kendall-square-car-traffic-falls-even-workforce-soars/C4Fio7IKZnwEMAw7y4cJgN/story.html>

## **2 PLANNED MEASURES**

The Mission Rock TDM Plan consists of a package of measures that will work together to effect behavioral change in a way that is both cost effective and highly marketable. Measures include incentives, programs, and infrastructure improvements, and they include many that have been successfully implemented in other mixed-use and urban environments; those case studies are cited as possible below each measure.

The measures balance the desire to provide innovative transportation amenities with the need to maintain a cost-effective program and an acknowledgement that Seawall Lot 337 Associates, LLC will not hold a primary relationship with site tenants over the long term – vertical developers or the management companies that take ownership of individual buildings once they are developed will ultimately play this role, and will be required to be responsible for any relevant ongoing programs. As such, programs that necessitate ongoing operational expenditures are included but deemphasized in favor of one-time, up-front investments that give new tenants and visitors immediate experiences with and exposure to the array of non-auto transportation options available to them. These will form lifelong patterns of choosing sustainable transportation options. Figure 2 gives an overview of the measures included in the Plan, and identifies the likely responsible party for implementing the measure, the target audience for the measure, the communication channels used and associated level of impact. The remaining chapter provides further detail. As in the table's column headings, colors are used to differentiate infrastructural (\*\*) and operational (✧) measures in the text below. A few of these recommendations have been directly integrated into the design of Mission Rock, as codified in the Design Controls and other design documents.

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**Figure 3 Summary of Planned TDM Measures by Mode**

● = High Impact ○ = Medium Impact ○ = Low Impact      Infrastructural = ❖ Operational = ❖

Mode	Measure Type	TDM Program Measures	Responsible Party	Target Audience for Measure			Communication Channels Used			Page Reference
				Residents	Employees	Visitors	Mobile-Friendly, Site-Wide Website	Signage and Wayfinding	Site-Wide Transportation Staff	
Transit	❖ ❖	Real-time transit information and marketing screens	Vertical Developer	x	x	X	●	○	-	10
Transit	❖	One-time transit subsidies	Vertical Developer	X			●	-	●	11
Bicycle	❖	Bike share memberships	Vertical Developer	X			●	-	○	12
Bicycle	❖	Space for on-site bike share	Horizontal Developer	X	X	X	●	●	-	13
Bicycle	❖	Bicycle valet	Horizontal Developer			X	●	●	-	13
Bicycle	❖	Bike community programming with periodic giveaways	Vertical and Horizontal Developers	X	X		●	●	●	13
Bicycle	❖	Bicycle resource center, including vending machine with parts and tools and fix-it station	Horizontal Developer	X	X		○	●	○	14
Bicycle	❖ ❖	Secure bike parking in buildings and along desire lines	Vertical and Horizontal Developers	X	X	X	○	●	-	14
Bicycle	❖	Showers and clothes lockers for employees	Vertical Developer		X		○	●	○	16



**MISSION ROCK TRANSPORTATION DEMAND MANAGEMENT PLAN**  
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Mode	Measure Type	TDM Program Measures	Responsible Party	Target Audience for Measure			Communication Channels Used			Page Reference
				Residents	Employees	Visitors	Mobile-Friendly, Site-Wide Website	Signage and Wayfinding	Site-Wide Transportation Staff	
Personal Motorized Transport	❖	On-site shared scooters	Horizontal Developer	X	X	X	●	●	○	16
Personal Motorized Transport	❖	Electric scooter share memberships	Vertical and Horizontal Developers	X			○	-	○	17
Personal Motorized Transport	❖	On-site car share parking spaces	Horizontal Developer	X	X	X	●	●	○	18
Personal Motorized Transport	❖	Car share memberships	Vertical Developer	X			⦿	-	●	18
Parking	❖	Market-based off-street parking pricing	Garage Developer	X	X	X	⦿	⦿	⦿	19
Parking	❖	Unbundled parking	Vertical and Horizontal Developers	X	X		○	-	●	19
Parking	❖	Reduced parking supply	Horizontal Developer	X	X	X	⦿	●	-	20
Parking	❖	Real-time information on parking pricing and availability	Vertical and Garage Developers	X	X	X	●	●	-	20
Buildings	❖	In-building concierge services	Vertical Developer	X	X		-	-	⦿	22
Buildings	❖	Delivery coordination for online personal services	Horizontal Developer	X	X		●	-	○	22

**MISSION ROCK TRANSPORTATION DEMAND MANAGEMENT PLAN**  
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Mode	Measure Type	TDM Program Measures	Responsible Party	Target Audience for Measure			Communication Channels Used			Page Reference
				Residents	Employees	Visitors	Mobile-Friendly, Site-Wide Website	Signage and Wayfinding	Site-Wide Transportation Staff	
Buildings	❖	Partnerships with CSAs	Horizontal Developer	X	X		●	○	○	23
Buildings	❖❖	Cold, dry storage space for grocery and package delivery	Vertical Developer	X			-	●	-	23
Buildings	❖❖❖	Family supportive amenities	Vertical Developer	X			-	●	-	23
Buildings	❖❖	Convenient loading zones	Horizontal Developer	X	X	X	-	●	-	24
Buildings	❖❖❖❖	Childcare services and facilities	Vertical Developer	X	X		●	○	-	24
Buildings	❖❖❖	Collaborative work space with business services	Vertical Developer	X			●	○	-	24
Buildings	❖❖❖❖	Convenient elevator design for bicycles, strollers, wheelchairs, etc.	Vertical Developer	X	X	X	-	○	-	25
Buildings	❖❖❖	On-site affordable housing	Vertical Developer	X			●	-	○	26
All Areas	❖❖	Site-wide transportation staff	Vertical Developer	X	X	X	○	-	●	26
All Areas	❖❖	Mobile-friendly Mission Rock transportation website	Horizontal Developer	X	X	X	●	-	-	27

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Mode	Measure Type	TDM Program Measures	Responsible Party	Target Audience for Measure			Communication Channels Used			Page Reference
				Residents	Employees	Visitors	Mobile-Friendly, Site-Wide Website	Signage and Wayfinding	Site-Wide Transportation Staff	
All Areas	❖	Intuitive signage and wayfinding for trip planning across all modes	Horizontal Developer	X	X	X	-	●	-	27
All Areas	❖	Improved walking conditions to, from, and within Mission Rock	Horizontal Developer	X	X	X	-	●	-	27

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Some TDM measures like parking pricing have a more direct effect on travel behavior, while others like facilitating delivery services play a more supportive role. For another example, providing car share membership leverages the potential impact of providing easily accessible car share spaces. In other words, the effectiveness of these combined measures is more than the sum of the parts.

The importance of monitoring cannot be overstated; regular monitoring enables management to effectively address and adjust these measures over time in response to changing residential and employee needs.

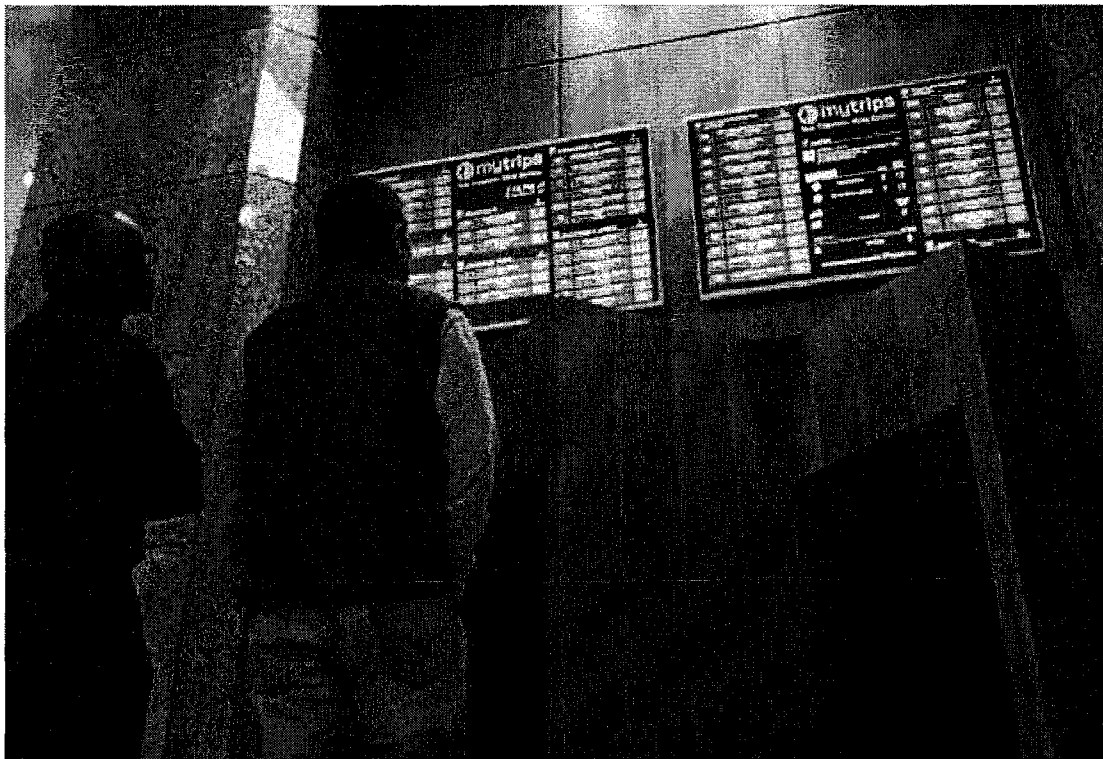
## **TRANSIT MEASURES**

### **❖❖ Real-time Transit Information and Marketing Screens**

This programmatic measure consists of providing real-time transit information to Mission Rock residents, employees, and visitors. Information will be displayed on screens in lobbies (see Figure 3) and other high traffic areas, such as the collaborative work space or the childcare facilities. Making such information readily available increases residents' awareness of local transit options and facilitates efficient trip planning and use of other modes.

**Mission Rock will display dynamic transit information and transportation marketing in building lobbies or use a similar approach based on state-of-the-practice technology at the time of occupancy.**

**Figure 4**      **TransitScreen Display in an Office Lobby**



### **Implementation Examples**

Parkmerced, the largest apartment community in San Francisco, began a partnership in 2014 with TransitScreen, a company that provides this service. TransitScreen is working with the Metropolitan Transportation Commission to modernize transit displays in over 46 locations throughout the San Francisco Bay Area. Another residential development, NEMA, provides real-time transit information on their resident app and website.

### **❖ One-Time Transit Subsidies**

The Clipper card is the Bay Area's transit fare payment card and can be used on more than 20 of the region's transit agencies, including BART, Muni, and the ferries. Providing a one-time transit subsidy in the form of Clipper cards upon move-in can increase residents' awareness of nearby transit options and increases the ease with which they can start using it. Clipper cards through a bulk purchase through the Metropolitan Transportation Commission, the regional public agency that manages Clipper. A custom-designed Clipper card can help tie the Mission Rock brand more closely to lifestyles that incorporate frequent transit use.

Providing Clipper cards increases the ease of using transit for employees and residents who currently do not have Clipper. For individuals who already have cards, the one-time financial subsidy could help lower one barrier to increased transit use.

**Mission Rock will provide a one-time transit subsidy in the form of a Clipper card pre-loaded with \$50 cash value to all residents over the age of 18 upon move-in, and will require that business tenants offer employees the same.**

### **Implementation Examples**

The City TDM Ordinance lists one-time financial incentives paired with outreach to employees and residents as a possible measure. Although other residential developments in the Bay Area have provided free/discounted monthly transit passes to residents, providing a Clipper Card with a set value pre-loaded would be a new measure.

## BICYCLE MEASURES

Figure 5 Ford GoBike Bike Share Dock



### ❖ Bike Share Memberships

Members of Ford GoBike can take free, unlimited 30-minute one-way bike rides between bike share stations. Once the system's expansion is complete (planned for November 2016 through 2018), annual memberships will cost \$149 per year. Providing residents and employees with bike share memberships could help tenants with minimal experience bicycling in San Francisco a low-cost and low-obligation opportunity to try cycling, and it would provide residents with a quick and easy way to get to the Transbay Transit Center and Market Street, for BART connections and a variety of other transit options and recreational activities.

**Mission Rock will offer bike share memberships for all residents 18 years and older for one year upon move-in.**

### Implementation Examples

While many property owners partner with bike share services to locate bike share docks nearby, offering a bike share membership to residents would be a new measure. Multiple tech companies in the Bay Area, such as Microsoft and Facebook, partner with Bikes Make Life Better, a company that specializes in bicycle program management, to develop and administer their bike programs.

### ❖ Space for On-Site Bike Share

This measure would involve partnering with Ford GoBike to locate one or more bike share docks in Mission Rock. The system is primarily concentrated in downtown San Francisco, but has recently expanded to Oakland and Berkeley. In May 2017, they announced their plans to establish 7,000 GoBikes across San Francisco, San Jose, Oakland, Berkeley, and Emeryville by 2018. As bike share placement is most effective every 1,000 feet, Mission Rock should examine where Ford GoBike is already planning to establish bike docks near the development and consider sponsoring at least one dock within the site itself. Currently, there is one bike station planned at Terry Francois Boulevard and 3<sup>rd</sup> Street. Prominently located bike share docks can increase awareness of bike share as a viable transportation option while also facilitating convenient use. Each bicycle dock would be provided and maintained by Ford GoBike, but sponsoring a bicycle dock would allow control over the specific siting and design of the dock, including incorporation of developer-specific branding on the bikes, docks, and other materials.

**Mission Rock will establish a high visibility space for a Ford GoBike (or similar provider) dock, with the possibility of additional docks depending on the bike share provider's intended Mission Bay expansion. If sponsorship is necessary, Mission Rock will take it into consideration.**

### ❖ Bike Valet

Complementing the bike parking available on a daily basis, bike valet services during special events can encourage people to travel to and from events by bicycle by eliminating the challenge of finding safe and convenient bike parking in an area crowded with event attendees. These services also raise public acceptance and support for non-motorized transportation by building connections with visitors.

**Mission Rock will provide free bike valet services for all on-site events, as required by code.**

### Implementation Examples

San Francisco Administrative Code Section 2.76 requires that events that require a street closure and anticipate over 2,000 attendees provide monitored bicycle parking. Currently, the San Francisco Bicycle Coalition provides these services for many events, including those at AT&T Park.

### ❖ Bike Community Programming

Bike-oriented programs and events encourage bicycling by raising public acceptance and support for non-motorized transportation and building connections between residents who regularly bike, making biking a fun, social activity. These events could include evening bike parties, bike-oriented happy hours, periodic bike gear giveaways, and bicycle campaigns that involve contests

and prizes. Integrating bicycling into the social fabric of the Mission Rock community will raise the profile of bicycling as a viable mode of transportation and encourage people to try biking for a portion of trips.

**Through the site transportation staff, Mission Rock will host regular bike parties or happy hours for the bicycling community, potentially paired with gear giveaways.**

### **Implementation Examples**

Although private and non-profit organizations such as the San Francisco Bike Coalition often host these types of events, bike event programming led by a mixed-use development would be a new measure. Some Bay Area employers, such as LinkedIn and Google, sponsor special events around Bike to Work Day paired with regular giveaways and bike valet.

### **Bicycle Resource Center**

A bicycle resource center can provide a dedicated space for residents and employees to get information about bicycling as well as tools and parts for bike repairs and maintenance. A dedicated space contributes to social acceptance of bicycling and reduces one key barrier associated with owning a bike – concern about complications related to ongoing maintenance – by providing tools and parts through a vending machine at low prices. This measure will also include working to incorporate a bicycle store in the site retail plan and establishing a resource center containing a vending machine for bicycle parts, a “fix-it” work station with basic tools, and bicycle pumps somewhere else within the site at an easily accessible location.

**Mission Rock will establish bicycle maintenance space near a major secure bike parking area within each building with resources like a bike stand, a workbench, tools, and a basic repair kit. This space will be available over the life of the project. The team will work to include a bike store as part of the site retail plan.**

### **Implementation Examples**

In Seattle, Via6 is a 654-unit mixed-use apartment complex that provides a bike wash station for residents, as well as a bike shop on the ground floor that is owned and operated separately from the development. The Velo Room at Solera (Denver) provides tools, bike stands, work benches, air pumps, tubes, and other supplies, as well as gel packs, energy bars, and bike trail maps. Several university campuses, including Ponce Health Science University in Portland and the University of California-Davis, have bicycle repair stations in key facilities.



Figure 6 Bike Center, Millenium Park, Chicago



Source: Flickr, Brian Kusler

## ❖ Bike Parking

Following San Francisco Zoning Code Section 155, Table 155.2, the Mission Rock project is required to provide at least 710 secure bike parking spaces (Class I), in addition to at least 371 spaces for bikes in publicly-accessible locations (Class II), under the Maximum Commercial Scenario. Under the Maximum Residential Scenario, the Mission Rock project is required to provide at least 765 Class I spaces, and 388 Class II spaces.

Given the importance of non-motorized transportation to the site's overall design concept, this measure goes above that requirement to provide one Class I space per dwelling unit, one Class I space per 2,500 square feet of commercial development, one Class I space per 3,750 square feet of retail, and one Class I space per 5,000 square feet of open space, in addition to around 700 Class II spaces. Class I parking consists of secure long-term bicycle parking, including bicycle lockers, bike cages, and bike rooms. Class II bike parking refers to more short-term bicycle parking, including on-street bike racks. The site's location on a Class I north-south bicycle facility and in a flat part of San Francisco implies a strong potential for very high rates of bicycle usage, and this should be encouraged through easy access to ample, convenient bicycle parking. Bike parking facilities will also accommodate various types of bicycles including those with cargo and trailer attachments.

There are several methods of providing secure (Class I) bicycle parking spaces for residents and employees. Bike cages can be placed at convenient locations within buildings or on sidewalks in the area, and bike owners who qualify can receive a key or access card to use the cages. This space

will serve as a common, secure bike room, where residents or employees can use a key or access card (often the same card used to access an elevator or parking garage). Moreover, public bike parking is often considered secure when it is situated in well-lit, highly visible areas.

**Exceeding the bike parking required by City code, Mission Rock will construct 1 Class I bike parking space per dwelling unit, an additional 511 (under the High Residential Scenario) or 667 (under the High Commercial Scenario) Class I spaces for commercial development, and 675 (under the High Commercial Scenario) or 692 (under the High Residential Scenario) Class II bike parking spaces and will work with vertical developers to set aside necessary square footage for secure bike parking in the ground floor or another convenient area of each building.**

### **Implementation Examples**

As it is required by San Francisco zoning code, any new construction, including the addition of new units or an increase of off-street vehicle parking capacity, must include bicycle parking spaces. For residential development, one Class I (secure) space per unit is required; for buildings with more than 100 units, 100 spaces plus one space per every four units over 100 are required. The requirements for commercial development vary; retail development must provide one Class I (secure) space for every 7,500 square feet of occupied floor area, and office developments must provide one space for every 5,000 square feet.

### **Showers and Lockers for Employees**

Following San Francisco Zoning Code Section 155.4, specific land uses exceeding a certain square footage threshold are required to provide shower and clothes locker facilities for tenants and employees. Offices (including childcare, business services, and light manufacturing) that exceed 10,000 square feet must provide at least one shower and six clothes lockers; for facilities between 20,000 and 50,000 square feet, the building must provide two shower and 12 lockers. Those exceeding 50,000 square feet must provide four showers and 24 lockers. Retail sales and restaurants exceeding 25,000 square feet must provide one shower and six clothes lockers; those exceeding 50,000 square feet must provide at least two showers and 12 lockers.

**Mission Rock will work with the vertical developers to meet this requirement.**

### **Implementation Examples**

San Francisco first implemented this requirement in 1998, and amended it to include office land uses in 2013.

## **PERSONAL MOTORIZED VEHICLE MEASURES**

### **On-site Shared Scooters**

Electric scooters are highly convenient in a dense urban environment and may have additional marketing value, given the cache scooters carry among certain population segments. The main company providing scooter share services is called Scoot, providing access to both single-rider scooters and quad vehicles, which have four wheels and can carry up to two people. One of the benefits of Scoot's network is the ability to travel point-to-point, instead of needing to return scooters to their point of origin. Scoot already has pods within about a half-mile of Mission Rock.

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Providing scooter share access to residents on-site will magnify the effectiveness of offering Scoot memberships. The parking garage would accommodate space for a scooter dock, which the scooter share vendor would provide and maintain.

**Mission Rock will reserve off-street parking space for 20 scooters (approximately six car parking spaces), and will pursue a potential marketing partnership opportunity with a provider of scooter share (e.g. Scoot) or a similar service.**

### **Implementation Examples**

This would be a new measure.

**Figure 7      Scoot Networks**



Source: Flickr, Marcin Wichary

### **❖ Electric Scooter Share Memberships**

Like a bike share membership, a scooter share membership for Mission Rock residents can help establish new travel behavior patterns upon move-in. This measure would entail partnering with Scoot or another electric scooter share vendor to provide free memberships in exchange to reserving space for electric scooter parking on-site.

**Mission Rock will offer a one-year membership for Scoot or a similar service to all new residents aged 21 and over who meet the scooter share provider's membership requirements, and will offer on-site scooter orientation (provided by Scoot Networks or a similar provider).**

### **Implementation Examples**

Offering scooter share memberships would be a new measure.

## ❖ On-site Car Share Parking Spaces

According to San Francisco Zoning Code<sup>3</sup>, Mission Rock is required to provide 31 to 38 car share spaces. Research indicates that a single car-share vehicle can remove as many as 20 private cars from the transportation network. Spaces will be located in high-visibility parking spots within the publicly-accessible parking garage, with clear exterior signage to increase visibility and emphasize the convenience of car share. City Car Share offers electric vehicles which appear to be equally popular, though others have found barriers to adoption as people are still becoming comfortable with using the technology; this may not be the case in five years. Depending on the car share vendor provided, additional partnerships with ChargePoint may be required to provide infrastructure for electric vehicle charging.

**Exceeding this code requirement, Mission Rock will negotiate an agreement with one or more local car share vendors to provide 50 designated car share spaces in initial design with flexibility to increase over time in response to demand. Mission Rock will also consider partnering with ChargePoint to provide electrical hookups adjacent to spaces to allow for the potential for electric shared vehicles, with the ability to increase over time in response to demand.**

## Case Studies

Fox Plaza (San Francisco) has 443 units with a 0.77 parking ratio and provides 14 car share vehicles on site, with 12 additional spaces located within 1/4 mile. Madera Apartments (Mountain View) has 203 units with a 1.37 parking ratio and provides two car share vehicles on site, with two additional Zipcar locations within 1/4 mile. The Uptown (Oakland) has 665 units with a 0.80 parking ratio and provides one car share vehicle on site, with an additional four car share locations within a 1/4 mile.

## ❖ Car Share Memberships

New residents will receive a car share membership for their first year of residency to help establish new behavioral patterns upon moving in (opt-out allowed, but default to providing for all). Pairing access to car sharing vehicles with car sharing memberships is also shown to be more effective than implementing one or the other on its own.

**Mission Rock will offer memberships to all households for their first year of residency. Depending on the agreement with the on-site car share vendor, membership fees will likely be reduced or waived and some rental credit may be provided.**

## Implementation Examples

Several Bay Area residential projects cover the full price of car share memberships for residents (New Californian - Berkeley; Madera Apartments - Mountain View; Fruitvale Transit Village - Oakland; Fox Plaza - San Francisco; The Uptown - Oakland). Many of these developments have parking ratios of less than one per unit, and all of them have seen parking utilization rates of well below capacity.

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<sup>3</sup> San Francisco Planning Code Section 166, Table 166.

## PARKING MEASURES

### ❖ Parking Pricing

The price of parking has been shown to be a highly effective mechanism in changing parking and travel behavior. Demand-responsive pricing involves altering the cost of parking according to the level of demand. During times of higher demand, parking has a higher price and thus encourages both a higher rate of turnover and the use of other modes; during times of lower demand, parking has a lower price. Prices generally do not change in real time based on current occupancy, but instead might automatically increase by a pre-set amount during peak periods, based on typical demand patterns, or for scheduled events. Prices might be adjusted overall a few times a year based on recent occupancy data. By refining the price of parking periodically, it is possible to keep parking occupancy rates relatively close to the optimal level, typically around 90% for off-street parking. Researchers have found that parking facilities function efficiently (i.e. without requiring excessive parking-search time) up to roughly this level of occupancy.<sup>4</sup>

**At the time when the site is fully built out, Mission Rock's parking facilities will be priced to keep demand below a threshold occupancy rate and to encourage site users to avoid parking during AT&T Park events. Non-event rates will be comparable to off-street parking prices at other facilities in SoMa and Northern Mission Bay.**

### Implementation Examples

Demand-based parking pricing has been implemented to various degrees in multiple cities. The *SFPark* program in San Francisco regulates parking prices for off-street as well as on-street parking facilities, adjusting hourly parking rates every three months based on the parking demand at each garage during five different time bands throughout the day. When occupancy exceeds 80%, hourly rates for the following three-month period are increased by 50 cents. Unlike approach planned for Mission Rock, *SFPark* also decreases prices when occupancy falls below a low-end threshold of 40%. When it was first implemented, the program also adjusted early bird parker time requirements and added off-peak discounts to discourage commuting at peak hours, reducing congestion around the garages. Since implementation, San Francisco has seen higher garage occupancy at lower prices overall, resulting in a marginal increase in revenue.

### ❖ Unbundled Parking

"Unbundling" parking means that the cost for parking is separate from the cost of residential and commercial units. It is an increasingly common practice in urban areas; the City of San Francisco requires residential developments to unbundle parking. Thirty percent of San Francisco households do not own a vehicle<sup>5</sup> and unbundled parking makes housing more affordable those who do not need a parking space. This approach provides a cost savings to households who decide to dispense with one of their cars, and it can help attract households who wish to live in a transit-

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<sup>4</sup> See: Levy, Nadav, Karel Martens, and Itzhak Benenson. Exploring Cruising Using Agent-Based and Analytical Models of Parking. *Transportmetrica*, DOI: 10.1080/18128602.2012.664575, 2012. AND Millard-Ball, Adam, Rachel Weinberger, and Robert Hampshire. Is the curb 80% full or 20% empty? Assessing the impacts of San Francisco's parking pricing experiment. *Transportation Research Part A: Policy and Practice*, No 63, 2014, pp. 76-92.

<sup>5</sup> U.S. Census, American Community Survey 2013, 5-year estimates

oriented neighborhood where it is possible to live well with only one car, or even no car, per household. Unbundling parking costs changes parking from a required purchase to an optional amenity, so that households can freely choose how many spaces they wish to lease.

Unbundling parking tends to reduce demand for parking by specifically calling out and making optional the previously hidden cost of “free” parking. This in turn allows developers to provide less parking, which increases the developable area for more lucrative land uses such as additional housing units. For this measure to work optimally for office users, the users of parking – not their employers – must be the ones who ultimately pay daily or monthly costs.

**Mission Rock will unbundle parking costs from all residential, commercial, and retail leases and ensure that the users of parking are the ones who ultimately pay for it.**

### **Reduced Parking Supply**

Overbuilding parking supply leads to increased automobile use, contributing to more vehicle trips, traffic congestion, higher housing costs, and greenhouse gas emissions. Providing parking at a rate below the surrounding neighborhood reduces the parking supply from what would be typically provided for this kind of development, which in turn reduces the number of trips the development may generate. Given the large number of households with no vehicle and the demand for housing in San Francisco, a limited supply of parking could be expected to attract a high proportion of residents without vehicles, which in turn would result in fewer vehicle trips from the development. Mission Rock is within a few blocks of frequent high-quality transit to downtown and is in a neighborhood that is already facing vehicular congestion, which further discourages driving and parking.

**Mission Rock will establish maximum parking ratios that are lower than the neighborhood average; if anticipated needs related to AT&T Park require providing parking at a rate higher than the neighborhood average, Mission Rock will still price parking at or above market rates for northern Mission Bay or SoMa, rather than reducing prices to fill the facility.**

### **Real-time Parking Pricing and Availability Information**

This programmatic measure consists of providing real-time parking pricing and availability information to Mission Rock residents, employees, and visitors who utilize the off-street parking facilities on-site. Information could be displayed on signs outside of the parking garage, and could also be accessible on the mobile-friendly Mission Rock website. For market-based parking pricing to be truly effective, the dynamic between price and availability must be clearly communicated to drivers. Making such information readily available to potential drivers, particularly at parking garage entrances, decreases the likelihood of drivers’ circling for parking or potentially increases the possibility of choosing other modes.

Real-time availability information for an overall facility can be derived from the access control of the parking garage, calculated based on the number of entries and exits at any given time. To provide garage floor-specific information on where spaces are available, each parking space needs a sensor (typically embedded in the floor) that communicates wirelessly with a central system to sense when the space is occupied.

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**Mission Rock will install dynamic displays (or use another state-of-the-practice price-information sharing measure) to show real-time parking price and availability information, and will endeavor to make this information available through other channels like a Mission Rock transportation website; this will require installing technology and associated information systems to automatically monitor parking usage.**

**Figure 8      Dynamic Parking Signage, SoMa**



### **Implementation Examples**

All City-owned garages that participate in the demand-based parking pricing program, *SFpark*, provide real-time pricing and availability information on the *SFpark* website; there are several dynamic message signs at key intersections in SoMa that indicate the number of parking spaces available and general wayfinding to those garages.

## BUILDING MEASURES

### ❖ In-Building Concierge Services

In-building concierge services and/or multi-purpose front-desk staff can facilitate valet parking, farm-to-table produce delivery, cold and dry storage for grocery or produce delivery, and secure package delivery. Concierge staff could also provide information about the nearest stores and services like dry cleaning and laundry service, as well as pickup/delivery services from local merchants. Residents would pay for all services.

This concierge will be supported by the site-wide transportation staff who would provide centralized transportation support to the in-building concierges (see section on the site-wide transportation staff below). The combination of these services will consolidate or eliminate the need for additional trips and could be a resource for residents, providing targeted travel information. In buildings where a concierge service isn't feasible, the site-wide transportation staff will provide this service to the building tenants.

**Mission Rock will encourage vertical developers to appoint an in-building concierge to provide information about local merchants and coordinate/facilitate delivery services for residents.**

#### Implementation Examples

Though many residential buildings provide a concierge, explicitly pairing in-building concierge staff with a transportation specialist would be a new measure for reducing trips and demand for parking. Crafting and marketing the concierge's role as such may increase the program's effectiveness.

### ❖ Coordinated Delivery Services

Mission Rock will aim to partner with online personal service providers (i.e. Instacart, Postmates, Taskrabbit) or facilitate other ways of making ordering in, instead of making separate trips off the property for daily needs, more appealing and reduce vehicle trips in the process. One potential way to do this would be to offer direct ordering through the Mission Rock website. Each building would manage these services individually as needed.

**Mission Rock will aim to establish site-wide partnerships with internet delivery services companies.**

#### Implementation Examples

NEMA on Market Street facilitates local organic produce and wine delivery, which is part of its overall suite of concierge services. This type of amenity could be coupled with an app-based ordering system, such as Instacart or Postmates, or Mission Rock may want to develop one specific to its services.

### ❖ CSA Partnerships

Partnering with local community-supported agriculture (CSA) organizations has the potential to reduce greenhouse gas emission and vehicle-trips by providing project residents convenient access to locally sourced food, reducing the number of trips and vehicle miles traveled by both



vendors and consumers. This measure could also have marketing benefits and reinforce the site's overall message about sustainability. Initial conversations about bringing a farmers' market to Mission Rock have yielded a cost estimate of approximately \$75,000 to \$100,000 annually for Mission Rock to manage it in-house. Alternatively, hiring a farmers market management company could reduce costs to as low as \$15,000. However, providing a farmers market may result in generating more trips rather than it offsets; as such, a partnership with a local CSA might be more cost-effective.

**Mission Rock will coordinate with local CSAs to provide group deliveries, and continue exploring the possibility of hosting regular farmers' markets on the premises.**

### **Implementation Examples**

This would be a new measure; although there are multiple farmers' markets throughout San Francisco, they are not specific to a certain development or community, nor were they started with a specific development's needs in mind.

### **Cold and Dry Delivery Storage Space**

Providing storage space for groceries, laundry, and other packages can have a direct effect on reducing trips by encouraging and facilitating online ordering. A centralized storage facility within each building can also consolidate delivery trips by enabling delivery vehicles to only make one stop for multiple recipients instead of several. Where this type of measure has been implemented without direct staff monitoring at all times, building residents typically access deliveries through a locker system with unique pick-up codes that include the locker number and access times for the delivery recipient.

**Mission Rock will work with the vertical developers to provide storage space near the concierge and elevators to store packages, perishables, laundry, and other deliveries.**

### **Implementation Examples**

Presidio Landmark has a wine cellar with climate controlled lockers; separate storage lockers are also provided.

### **Family Supportive Amenities**

Providing secure storage space for personal car seats, strollers, athletic or other extracurricular gear, and other large equipment can address challenges families face while traveling. Locating this space near car share parking spaces make it easier for families to travel without feeling a personal vehicle is necessary. If this measure is implemented without direct staff monitoring at all times, building residents can access the space with an access code or key card.

**Mission Rock will provide storage space for family-related equipment near car share parking spaces.**

## Convenient Loading Zones

While the site does not contain on-street parking, Mission Rock is planning to dedicate a portion of the site's curb space for loading and deliveries of goods and people to reduce the need to make personal vehicle trips. Curb designations will be consistent with City of San Francisco regulations. Under those regulations, taxis, transportation network companies, and private vehicles may drop off along any curb space not designated by a red curb or marked otherwise. Vehicles may not idle in these locations as per San Francisco Transportation Code Section 7.2.86. As noted earlier, the project team will work with the City to develop a loading management plan during a future phase of project development.

Drop-off locations for seniors and people with disabilities will be located near building entrances, elevators, and at corners with curb ramps. The location of loading zones will also take into consideration the moving needs of residents and businesses. See the Mission Rock Transportation Plan and the Design Controls for more detail on the planned location of loading and delivery zones and for more information on Americans with Disabilities Act (ADA) accessibility on the site.

**Mission Rock is integrating loading zones into the site's overall street design.**

## Childcare Facilities and Services

Providing childcare services on site at Mission Rock would break down a key barrier for parents to taking non-auto modes to work by bringing such services within walking distance and near the many commute options around the Mission Rock site. Mission Rock will aim to attract a childcare provider, likely on the ground floor of a northern parcel, near China Basin Park.

**Mission Rock will aim to attract a provider of on-site childcare services and facilities to ensure easy access for Mission Rock residents and employees.**

### Implementation Examples

Many residential developments in major cities provide childcare services as part of their amenities; NEMA on Market Street provides childcare, and North Beach Place provides day care and children's play areas. A housing development at 8<sup>th</sup> and Market instituted unbundled parking to free up space for an on-site childcare center. Parkmerced includes a Montessori School on its premises, with full daycare and after-school care.

## Collaborative Work Space

A business services room can help encourage and facilitate working from home, which can have a direct impact on reducing trips to and from the site. Such an amenity is a typical part of large rental buildings, though the size and specific services included vary.

At Mission Rock, work spaces could include rentable work rooms that can be reserved in advance, equipped with video conferencing equipment, high-speed internet connections, projectors, white boards, basic office supplies, and printing, scanning, and faxing services. For residents interested in using this work space long term, dedicated mailboxes for businesses could be set aside and located nearby. Vertical developers will ultimately be responsible for developing and maintaining these business services rooms and ensuring that they are equipped with appropriate equipment.

**Mission Rock will work with vertical developers to implement this measure.**

### Implementation Examples

NEMA (Market Street, San Francisco) has a business lounge with Apple computers, printers, fax machines, and scanners, and a board room with phone, touch screen monitor, and computer hook-ups. Many newer residences also offer Wi-Fi throughout all common areas.

Figure 9 Co-Working Space



Source: Wikimedia, Chris Gallegos

### ❖ Convenient Elevator Design

By designing elevators that easily accommodate bicycles, strollers, and wheelchairs, Mission Rock will be able to increase the visibility and communicate the importance of bicycling and improve the family friendliness and accessibility of the project. Building codes already require elevators to be large enough to accommodate a variety of users, but the project will also aim to provide appropriate wayfinding and signage for elevators to educate residents about using the appropriate elevators to transport bicycles and other wheeled conveyances.

**Mission Rock will work with vertical developers to implement this measure and meet building code requirements.**

### Implementation Examples

Many residential developments have gone to great lengths to design their facilities as bicycle friendly, but none have specifically called out adaptations to their elevations as an accommodation or amenity.

### ❖ On-Site Affordable Housing

Residents living in affordable housing typically own fewer cars per household than residents of market-priced units. They are more likely to use transit and are less likely to require parking, reducing overall vehicle trip generation.

**Mission Rock will restrict 40% of on-site units to inclusionary affordable housing, to be provided in a balanced manner throughout the phasing of the development.**

## **ALL-REALM MEASURES**

### **❖ On-Site Transportation Staff**

The Mission Rock team aims to hire at least one on-site transportation staff person proficient in the planning and implementation of a TDM program, with an annual budget for TDM staffing, communications, and programs. The site-wide transportation staff will provide customized travel guidance to residents and employees, helping raise awareness and understanding of transportation options and ensuring that site users can find non-auto transportation options that meet their unique travel needs. They may also provide resources to support employers, such as helping them enrolled in pre-tax benefits and/or San Francisco's Emergency Ride Home program, setting up flexible work schedules, developing employee mobility management programs and organizing sitewide marketing and incentive campaigns. Other staff, such as the in-building concierge or those tasked with organizing bike events and maintaining the bike resource room, could also provide similar targeted information and facilitate discussions around using different modes. This dedicated transportation staff would act as a centralized transportation resource to the in-building concierges, providing up-to-date transportation information and expert support to front-line staff that are less likely to have the same depth of knowledge of the transportation system.

The on-site transportation staff will also support efforts to collect data to evaluate the effectiveness of the overall TDM program and to understand opportunities to adjust the program to meet changing needs of Mission Rock residents, employees, and visitors. Chapter 3 provides additional detail about how the other TDM measures will leverage the transportation staff for marketing and communications.

**Mission Rock will hire and task dedicated transportation staff with providing individualized advice and information on transportation options to residents and employees.**

### **Implementation Examples**

This would likely be a new measure, as other developments have not explicitly instituted and integrated transportation information with residential or employee services. Several cities have used something similar to this measure at a neighborhood level. Portland, Ore. has seen notable mode shifts from its Smart Trips program, which provides targeted marketing and information on non-auto transportation options in particular neighborhoods.

### **❖ Mobile-Friendly Mission Rock Transportation Website**

A mobile-friendly website oriented toward all residents, employees, and visitors providing online access to concierge services and transportation programs can help raise awareness and visibility of transportation options and facilitates connections among transportation modes. The transportation information on the Mission Rock site will likely include but not be limited to real-time transit information and a transportation tab with all nearby options (e.g. Muni, car share, scooter share, ride-sourcing apps) showing locations and availability. Chapter 3 provides

additional detail about how the other TDM measures will leverage the website for marketing and communications.

**Mission Rock will create a site-wide website with a dynamic and engaging section dedicated to transportation information and services, with specific portals for each user type (or the state-of-the-practice equivalent to this measure, per changes in technology by the time of first occupancy).**

### **Implementation Examples**

NEMA (Market Street, San Francisco) has a "resident portal" where residents can submit work orders, track packages, pay rent, alert the valet, and communicate with management regarding car charging, car share, bike share, and bike repair.

### **Signage and Wayfinding across Modes**

Signage and wayfinding to indicate points of connection between different modes, as well as estimated travel times and directions by mode, can help increase people's understanding of travel options. Clear signage is also important for ensuring safety for all types of users, differentiating spaces for different users within shared public spaces. Signage will also indicate the nature and location of nearby bicycle routes. Mission Rock will coordinate with the City on the project's overall signage and wayfinding program to ensure the project conforms to City standards. Chapter 3 provides additional detail about how the other TDM measures will leverage signage and wayfinding for marketing and communications.

**Mission Rock will design and install signage and wayfinding at key points throughout the development, including signage for safety along the shared streets.**

### **Implementation Examples**

Interactive signage and wayfinding has been instituted in a variety of cities, academic institutions, and transportation hubs.

### **Improved Walking Conditions**

As described in the Mission Rock Design Controls, the development will add over half a mile of complete streets, including new and improved sidewalks and pedestrian crossings. Complete streets are streets designed and operated to enable safe access for users of all ages, abilities, and transportation modes with the ultimate goal of fostering more livable communities. Today, many sidewalks in Mission Bay are narrow or missing in areas. The new streets within Mission Rock will greatly improve the overall walking conditions of the neighborhood and facilitate safer and more convenient pedestrian connections. A pedestrian-oriented urban design is essential for residents, employees, and visitors to fully take advantage of the other TDM measures, supporting access to all of the available transportation options and programs throughout the site and nearby. These improvements help shape the environment for the other TDM measures to succeed.

**Mission Rock has integrated high-quality pedestrian design features (high connectivity, wide sidewalks, highly visible crossings, and others) into its design.**

## **3 MARKETING AND COMMUNICATIONS**

A strong communication measure is critical to the success of any TDM program, ensuring that residents, employees, and visitors receive information about relevant resources and incentives at appropriate times and through channels that are easily accessible. Incorporating consistent branding into all communications can help create a sense of place and establish a cohesive identity for the transportation program. Branding can be used to support marketing and communication efforts, particularly on signage and wayfinding, to emphasize that residents, employees, and visitors can travel seamlessly through the area.

The Plan anticipates that Mission Rock will likely have three main channels for transportation-related communications: Its site-wide transportation staff, a mobile-friendly web portal for site users, and physical signage and other wayfinding mechanisms on site. This section includes examples of communication tactics and channels to illustrate how specific channels can help reach target audiences. Given the diverse mix of ways different people process information, any good communications plan relies on a mix of measures and channels. The Communications Timeline section matches the mix of channels outlined in this section to the key audiences for the information: residents, employees, and visitors.

Communications technology and norms are changing rapidly, and as such, this portion of the Plan will necessarily be updated as the projects approaches first occupancy. As such, the details for each of these measures are presented as a set of recommendations. Regardless of how they are implemented, these measures remain part of the TDM Plan.

### **SITE-WIDE TRANSPORTATION STAFF**

Mission Rock transportation staff would be responsible for maintaining information about TDM programs and acting as a point of contact to assist residents, employees, and visitors with transportation-related questions, concerns, or general assistance. The Mission Rock team envisions that a transportation coordinator would have the authority to implement TDM measures, oversee the management and marketing of all measures, and monitor success of the TDM program. Whether the coordinator would need support from additional staff and how large the team would be will be figured out as the communications measure is solidified closer to occupancy.

Transportation staff might also be responsible for compiling a print and/or electronic transportation handbook to be distributed to residents on move-in and employees on hiring. This handbook could include information on transportation programs, policies, and service options, in addition to the following information:

- Transportation staff contact information, including information for the in-building concierges (if relevant)

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- Commute trip planning information, including links to the regional 511 Rideshare program
- Clipper card and vehicle (including car, bike, and scooter) share membership subsidies and parking policies
- Information on accessing other TDM program details and amenities, such as the in-building storage facilities
- Walking and biking routes within the area, estimated walk and bike times to key locations, including transit hubs, and a link to the San Francisco bike map
- Local transit options and schedules, including links to Muni, BART, and Caltrain schedules, route maps, and existing trip planner mobile applications

It is envisioned that this handbook would be distributed to all prospective residential tenants and all prospective employees who receive an offer to work within the development. It might also be included as a component of resident and employee welcome packets or employee orientation. The information provided in the handbook, as well as relevant website addresses, may also be posted in prominent locations for all residents and employees, such as apartment lobbies or lunchrooms. Print materials with information on various programs, maps, and amenities could also be provided to the in-building concierge staff for easy distribution when questions arise.

The transportation coordinator will also be responsible for supporting employers by providing information and guidance regarding tools and programs for flex work or telecommuting.

To make sure information stays useful to residents and employees over time, it is important that Mission Rock transportation staff keep all information and materials up to date and relevant.

## **MOBILE-FRIENDLY MISSION ROCK WEBSITE**

Mobile-friendly websites are an easy way to create a dynamic and engaging repository for transportation information, point-to-point navigation tools, travel suggestions, user engagement campaigns, and other efforts to raise awareness of alternatives to drive-alone travel options and residents, employees, and visitors to use them. In addition to supporting the information already provided in the resident and employee handbook, this website could include the following:

- Real-time transit information
- Real-time parking pricing and availability information
- Notifications of upcoming transportation-related events, such as bike parties and farmers' markets, and alerts
- Integration with internet delivery services for ordering
- Registration for car share, bike share, and/or scooter share memberships
- Room reservations for the collaborative workspace
- On-site childcare services enrollment
- Specific pages or portals for residents, employees, and visitors so that each of these audiences has access to the appropriate and relevant travel information
- Functionality which allows for tracking travel behavior and enables gamification for incentives

Establishing specific portals for each audience can allow for the delivery of targeted, individualized TDM information for each of the audience groups. For example, the resident and employee portals could have features to receive notifications for coordinated delivery services,

should Mission Rock choose to develop a centralized delivery facility. Each of the portals could also provide specific information on costs and multimodal options available for traveling to and from Mission Rock, as well as information on nearby attractions and services and links to citywide or regional information. Figure 9 shows an example of a landing page for this type of website. Advantages of a webpage similar to that shown in the figure include prominent links to a trip planning service, alerts for riders, and individual operator websites for more information.

Figure 10 Sample Site-Wide Transportation Website, Mountain View Transportation Management Association (TMA)



## SIGNAGE AND WAYFINDING

Clear, consistent, and predictable signage and wayfinding can help residents, employees, and visitors navigate the site easily. Signage can also bring awareness to important information such as parking prices and availability, bike parking locations, estimates of bike and pedestrian travel times, and other information on Mission Rock programs or services. Simply providing information on non-motorized travel prominently can increase the likelihood that people will select biking or walking as their mode of transportation.

The efficacy of signage and wayfinding is dependent of the design and placement of signs. Signage should be clear and provide relevant information at key decision points in people's journeys, in areas that are highly visible, and in clear lines of sight. For instance, when entering the site, cyclists should be able to clearly understand the route options along Terry Francois Boulevard, Exposition Street, and Bridgeview Street. This signage will be especially important for safety along the shared public ways, to ensure that users understand the encouraged forms of travel and

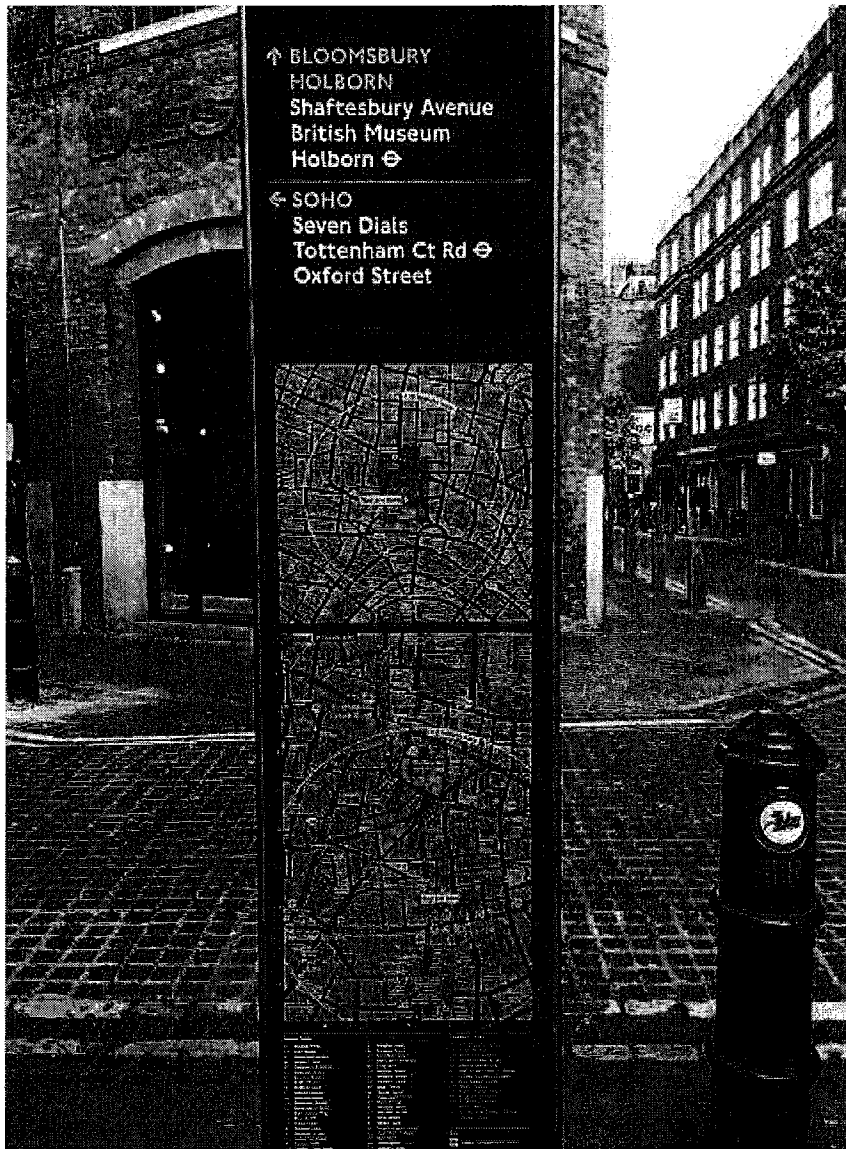


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appropriate behavior on each mode. Temporary signage may be used in areas more highly trafficked by residents or employees, to provide information on specific events or programs, such as CSA pick up locations.

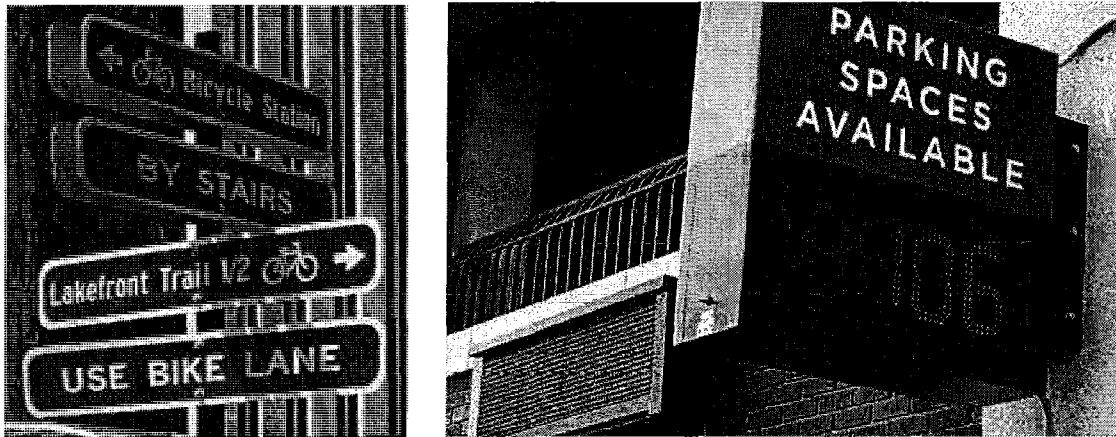
Figure 10 and Figure 11 are examples of wayfinding signage used in vibrant, mixed-use areas. The wayfinding signage in Figure 10 offers clear guidance for the nearby area at two different scales while providing clear directional guidance to nearby transportation hubs and popular destinations. Figure 11 offers examples of bike directional signage, as well as digital, dynamic parking availability signage.

**Figure 11**      **Area Wayfinding Signage – London, UK**



Source: Andrew Nash, Flickr Creative Commons

Figure 12 Bike Route and Parking Signage



Source: NelsonNygaard, signal-tech.com

## Transportation Information Kiosks

Transportation information kiosks can provide centralized locations for relevant transportation information for trips within Mission Rock and to nearby services and attractions. These kiosks could be placed throughout the site, at strategic decision-making locations where residents, employees, and visitors might need the information. For instance, kiosks located at the primary entrances to Mission Rock such as the intersection of Terry Francois Boulevard and Mission Rock Street could include all information necessary to navigate to specific places throughout the site. Similarly, kiosks could be placed in and around primary points of congregation on the site, including China Basin Park and Mission Rock Square. The kiosks could include transit schedules and fare information, walking and cycling routes, real-time transit information, and Ford GoBike dock locations and bike availability.



Source: Kansas City example from transit.dot.gov

It is recommended that these kiosks be digital, interactive displays (as shown in the accompanying image) to allow information to be updated easily and regularly. These boards would be maintained and updated as needed by the transportation staff.

Real-time transit information signage, such as the technology provided by TransitScreen, would be a similar dynamic information-distribution mechanism aimed mostly at residents, employees, and their visitors, located in the site's residential and office building lobbies (see more information on this measure in Chapter 2). While the information kiosks can provide detailed information on transportation options to visitors and others new or unfamiliar with Mission Rock

and the surrounding area, real-time transit screen technology is designed to offer an opportunity to understand transportation options at a quick glance. This would be particularly useful for employees and residents, those who make recurring trips frequently and don't need detailed guidance.

## **COMMUNICATION TIMELINE**

Each of the communication-based TDM measures are pertinent to residents, employees, and visitors at different times during their lifecycle at Mission Rock. As such, it is critical to think strategically about when to share what with each of these key segments.

The mobile-friendly Mission Rock website will be an important avenue for sharing information about programs, policies, and services. It is reasonable to assume that the website will act as a front-line communications vehicle to reach all of those who have or may be interested in having a connection with the site. Signage and wayfinding will be seen on a daily basis and is an important element for users of the development to efficiently navigate Mission Rock. The site-wide transportation staff will provide key information for residents and employees at the time of move-in or hire, and will provide as needed services over time. See Figure 12 through Figure 14 for more detail on the progression of anticipated touch points for transportation-related communication for residents, employees, and visitors of Mission Rock.

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**Figure 13 Residential Communications Touch Points**

	<b>Pre-Move In &amp; Lease Signing Period</b> →	<b>Move-in Period</b> →	<b>Establishing Transportation Patterns</b> →	<b>Ongoing</b> →	<b>Life Change: New Job</b> →	<b>Life Change: Family</b>
<b>Website</b>	Promote website and all web-based transportation tools through pages or portal aimed at prospective tenants	Receipt of access to special "residents-only" website pages/portals	Visit website to plan frequent trips and learn about transportation options, sign up for any available subsidies or complimentary memberships, as applicable	Ongoing use of website for trip planning tools, information on events, and program memberships	Return to trip planning tools and information on website	Return of trip planning tools and information on website
<b>Wayfinding &amp; Signage</b>	View wayfinding and signage when touring site	Gain deeper familiarity with the site and surroundings through signage and wayfinding	Use of dynamic wayfinding (kiosks and transit screens) to deepen understanding of nearby transportation options and develop time/schedule patterns	Ongoing use of wayfinding and signage	Renewed use of dynamic wayfinding to deepen understanding of new transportation options given new destination	Renewed use of dynamic wayfinding to deepen understanding of new transportation options given new destination; use of signage pointing to family transportation resources
<b>Site-wide Transportation Staff</b>	Discussion of transportation handbook, nearby transportation options, amenities or subsidies as applicable, promotion of trip-planning assistance	Distribution of transportation handbook, one-on-one assistance in planning commute or other trip options, or signing up for transportation programs/memberships	One-on-one assistance in planning commute or other trip options	Available for questions as they arise	Additional one-on-one support to plan new routes, etc. as needed	Additional one-on-one support to plan new routes, understand family-friendly resources on site, as needed

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**Figure 14 Employee Communications Touch Points**

	Employer Signs Lease at Mission Rock	→ Employer Move-in Period	→ Employee Move-In Period	→ Ongoing: With Employer	→ Ongoing: With Employees	→ Ongoing: New Hires
<b>Website</b>	Promote website and all web-based transportation tools through pages or portal aimed at prospective tenants	Receipt of access to special "employer-only" website pages/portals	Employees receive access to special "employees-only" website pages/portal Plan frequent trips and learn about transportation options, sign up for available subsidies or complimentary memberships, as applicable	Ongoing references of website for trip planning tools, information on events and program memberships	Ongoing use of trip planner on website and other website tools	Receipt of access to special "employees-only" website pages/portals Ongoing use of trip planner on website and other website tools
<b>Wayfinding &amp; Signage</b>	View wayfinding and signage when touring site	Presentation regarding available wayfinding	Use of wayfinding and signage to learn about nearby transportation options	Ongoing use of wayfinding and signage	Ongoing use of wayfinding and signage	Presentation regarding available wayfinding
<b>Site-wide Transportation Staff</b>	Discussion of transportation handbook, nearby transportation options, amenities or subsidies as applicable, promotion of trip-planning assistance	Distribution of transportation handbook, one-on-one assistance in planning commute or other trip options, or signing up for transportation programs/memberships	Distribution of transportation handbook One-on-one assistance in planning commute options is made available to new employees	Presentations to share new web or wayfinding functionality, employee-focused TDM programs, and ongoing support structures	Available for questions as they arise	Distribution of transportation handbook Additional one-on-one support is available to plan new routes, etc.

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**Figure 15 Visitor Communications Touch Points**

	Planning Trip to Site	(For Event Attendees) Purchase Tickets	Arrive on Site	Ongoing Time Spent on Site	Planning to Leave Site
<b>Website</b>	Use of public-facing website, including embedded trip-planning tools and parking pricing and availability information	Opportunity to receive tailored point-to-point trip suggestions and information emphasizing parking pricing and limited parking availability at time of ticket purchase	Use mobile-friendly website to understand transportation options, parking pricing and availability information, and maps of site		Use mobile-friendly website to plan onward journey from site
<b>Wayfinding &amp; Signage</b>			Use of dynamic parking pricing and availability signage; use of wayfinding and signage, including kiosks, to navigate to specific destination	Use of wayfinding and signage to navigate to additional destinations	Use of wayfinding and signage, including kiosks, to understand options for onward journey from site and navigate to nearby transit options, as applicable
<b>Site-wide Transportation Staff</b>	Coordinate with retailers and restaurants to post latest transportation information on their websites; maintain site website to ensure any updates to transportation information are readily available				

## 4 MONITORING AND COMPLIANCE WITH SF TDM ORDINANCE

A robust monitoring program that allows the site's transportation team to adjust offerings over time is key to the success of the Mission Rock TDM Plan. Monitoring will allow the Mission Rock team to better understand the effects of different measures on travel behavior and determine how programs are meeting the needs of residents, employees, and visitors.

The objectives of an annual monitoring program are:

1. To measure progress toward achieving, or retaining, compliance with the TDM's goal of reducing estimated aggregate daily one-way vehicle trips by 20%<sup>6</sup>; and
2. To identify the most and least effective TDM measures, so that the former can be strengthened and the later can be replaced or significantly improved.

This chapter describes the tools the transportation team will use to effectively monitor the program and ensure that the program complies with City of San Francisco monitoring requirements. It starts with a look at how the TDM Plan compares to the San Francisco TDM Ordinance.

### USING THE SAN FRANCISCO TDM ORDINANCE AS GUIDANCE

San Francisco adopted a citywide TDM Ordinance that created a TDM Program for new development in 2017. The goal of the Program is to reduce driving trips associated with new development. The Ordinance calls for development projects negotiated through Development Agreements, such as Mission Rock, to comply with the spirit of the Program, allowing that there may be unique opportunities because of project scale and mixes of use to meet the goals of the Program. Mission Rock's TDM Plan aims to reduce anticipated driving trips by 20% compared with what is estimated without TDM.

At the heart of the Ordinance is a menu of potential TDM measures, with points or credits assigned to different measures based on their documented effectiveness. Developers are required to implement measures that get them to a point total established based on the number of net new parking spaces planned as part of a given project. For example, residential and office projects with 20 or fewer parking spaces (including zero) need to implement measures with point values adding up to 13 points; each additional 10 spaces require projects to generate an additional point through additional TDM efforts. Retail projects with four or fewer spaces (including zero) need to

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<sup>6</sup> This goal is a 20% reduction compared to the aggregate daily one-way vehicle trips identified in Mission Rock's travel demand memo prepared by Adavant Consulting, dated June 30, 2015.

implement measures worth a total of nine points, and each additional two spaces will require another point.

Figure 16 estimates how the Mission Rock TDM Plan rates against the City's TDM Menu of Options and the range of associated point values. As the table shows, the measures included in this Plan are expected to garner 21 points for the residential component of the project, 20 points for the office component, and 12 points for the retail/restaurant component.

**Figure 16 Comparing Mission Rock TDM Measures to Ordinance Measures, with Estimated Point Values**

Program	Ordinance Category	Estimated Point Values by Use		
		Res	Office	Retail
Real-time transit information and marketing screens	INFO-2	1	1	1
One-time transit subsidies				
Bike share memberships	ACTIVE-4			
Space for on-site bike share				
Bicycle valet beyond code requirements	ACTIVE-7			1
Bike community programming with periodic giveaways				
Bicycle resource center, including vending machine with parts and tools and fix-it station	ACTIVE-5a	2	2	
Secure bike parking in buildings and along desire lines beyond code requirements	ACTIVE-2	2	2	2
Showers and clothes lockers for employees	ACTIVE-3		1	
On-site shared scooters	CSHARE-1	Covered	Covered	Covered
Electric scooter share memberships				
On-site car share parking spaces beyond code requirements	CSHARE-1	2	2	2
Car share memberships				
Market-based off-street parking pricing				
Unbundled parking	PKG-1	2	3	3



Program	Ordinance Category	Estimated Point Values by Use		
		Res	Office	Retail
Reduced parking supply				
Real-time information on parking pricing and availability				
In-building concierge services	DELIVERY-1	1	1	
Delivery coordination for online personal services	DELIVERY-1	Covered	Covered	
Partnerships with CSAs				
Cold, dry storage space for grocery and package delivery	DELIVERY-1	Covered		
Family supportive amenities	FAM-1	1		
Convenient loading zones				
Childcare services and facilities	FAM-2	2	2	
Collaborative work space with business services				
Convenient elevator design for bicycles, strollers, wheelchairs, etc.				
On-site affordable housing	LU-2	2		
Site-wide transportation staff	INFO-3	4	4	1
Mobile-friendly Mission Rock transportation website				
Intuitive signage and wayfinding for trip planning across all modes	INFO-1	1	1	1
Improved walking conditions to, from, and within Mission Rock	ACTIVE-1	1	1	1
		21	20	12

There are several measures recommended in this Plan that do not clearly align with any of those specified in documents related to the Ordinance. As noted earlier, many of these measures play important roles in supporting programs that might more directly affect travel behavior. Others may deserve recognition in the City's framework. Regardless, the specifics of Mission Rock's TDM monitoring will be worked out through discussions with the City.

## TDM PLAN MONITORING AND REPORTING

With the 20% trip reduction goal in mind, Mission Rock will monitor vehicle trips to and from the site for all buildings that have received a Certificate of Occupancy, and compare these vehicle trips to the aggregate daily one-way vehicle trips anticipated for those buildings based on the trip generation rates specified in the EIR supporting documents.

Monitoring will include the following elements:

- **Trip counts and intercept surveys.** This will consist of site-wide counts of persons and vehicles arriving and leaving the project site on a non-ballgame or major event day. Counts will take place over at least two days between 6 a.m. and 8 p.m.
- **Travel demand information.** The trip count and intercept survey data will provide the key inputs to calculating travel demand for the site in line with the San Francisco Planning Department's transportation impact analysis guidelines.
- **Documentation of Plan implementation.** Mission Rock transportation staff will document the implementation of the TDM Plan's elements.

### Timeframe for Monitoring

Per commitments made under the EIR, Mission Rock transportation staff will monitor and adjust the TDM Plan accordingly until 1) the Development Agreement expires, or 2) the site meets the reduction goal for up to eight consecutive reporting periods, whichever comes first. This monitoring will begin 18 months after the completion and commencement of operation of the proposed parking garage. After that point, the site transportation staff will submit annual monitoring reports until five consecutive reporting periods show that the reduction goal has been reached. After this point, staff will submit monitoring reports every three years.

If the TDM Plan's measures are not achieving the reduction goal after three consecutive reporting periods, Mission Rock will work with the Planning Department to adjust the program as necessary, which may include refining or removing existing measures, or adding new measures. If Mission Rock has adjusted the TDM program and has not met the reduction goal for up to eight consecutive reporting periods, the project may pay an additional emissions offset fee to address any shortfall in meeting the TDM Plan reduction target. At that point, monitoring and reporting requirements will be lifted.

EXHIBIT Z

Form of Quarterly Percentage Rent Statement

**Parcel Lease Exhibit Z**

**Form of Quarterly Percentage Rent Statement**

Parcel [ ]

Date: [ ]

<b>Mission Rock Parcel Form Lease Rent Report</b>		
<b>Base Rent</b>		
<b>Base Rent Due</b>	<b>Amount Per Sec. 3.3 [or Sec. 3.1 for Garage Leases]</b>	<b>\$X.XX</b>
<b>*Note* Base Rent only if Hybrid Lease [or Parcel D Garage]</b>		
<b>Gross Income</b>		<b>\$X.XX</b>
Less Impositions	As set forth in Sec. 3.5(a)(ii) [or Sec. 3.2 for Garage Leases]	\$X.XX
Less Utilities	As set forth in Sec. 3.5(a)(ii) [or Sec. 3.2 for Garage Leases]	\$X.XX
Less Insurance Costs	As set forth in Sec. 3.5(a)(ii) [or Sec. 3.2 for Garage Leases]	\$X.XX
<b>Adjusted Gross Income</b>	<b>(Gross Income - Adjustments)</b>	<b>\$X.XX</b>
<b>Percentage Rent Rate:</b>	<b>Rate per Lease Sec. 3.5(b)(i) [see note below]</b>	<b>XX%</b>
<b>Percentage Rent Overage Due</b>	<b>[(Adjusted Gross Income * Percentage Rent Rate) - Base Rent]</b>	<b>\$X.XX</b>
<b>Paid throughout the Lease Term</b>		
<b>Base Rent Due</b>	<b>Per Above Calculation</b>	<b>\$X.XX</b>
<b>Percentage Rent Overage Due</b>	<b>Per Above Calculation</b>	<b>\$X.XX</b>
<b>Total Rent Due</b>	<b>(Base Rent Due + Perc Rent Overage Due)</b>	<b>\$X.XX</b>

**Note: Calculation of "Participation Rent" under Garage Leases differs from "Percentage Rent" under other Parcel Leases, so this statement should be adjusted accordingly.**

EXHIBIT AA

Form of Annual Percentage Rent Statement

**Parcel Lease Exhibit AA**

**Form of Annual Percentage Rent Statement**

**Parcel [    ]**

**Date: [    ]**

<b>Mission Rock Parcel Lease Rent Report</b>		
<b>Base Rent</b>		
<b>Base Rent Due</b>	<b>Amount Per Sec. 3.3 [or Sec. 3.1 for Garage Leases]</b>	<b>\$X.XX</b>
<b>*Note* Base Rent only if Hybrid Lease [or Parcel D Garage]</b>		
<b>Gross Income</b>		<b>\$X.XX</b>
Less Impositions	As set forth in Sec. 3.5(a)(ii) [or Sec. 3.2 for Garage Leases]	\$X.XX
Less Utilities	As set forth in Sec. 3.5(a)(ii) [or Sec. 3.2 for Garage Leases]	\$X.XX
Less Insurance Costs	As set forth in Sec. 3.5(a)(ii) [or Sec. 3.2 for Garage Leases]	\$X.XX
<b>Adjusted Gross Income</b>	<b>(Gross Income - Adjustments)</b>	<b>\$X.XX</b>
<b>Percentage Rent Rate:</b>	<b>Rate per Lease Sec. 3.5(b)(i) [see note below]</b>	<b>XX%</b>
<b>Percentage Rent Overage Due</b>	<b>[(Adjusted Gross Income * Percentage Rent Rate) - Base Rent]</b>	<b>\$X.XX</b>
<b>Paid throughout the Lease Term</b>		
<b>Base Rent Due</b>	<b>Per Above Calculation</b>	<b>\$X.XX</b>
<b>Percentage Rent Overage Due</b>	<b>Per Above Calculation</b>	<b>\$X.XX</b>
<b>Total Rent Due</b>	<b>(Base Rent Due + Perc Rent Overage Due)</b>	<b>\$X.XX</b>
<b>Annual "true-up"</b>		
<b>[attach separate pages for each quarter which requires any changes]</b>		

**Note: Calculation of "Participation Rent" under Garage Leases differs from "Percentage Rent" under other Parcel Leases, so this statement should be adjusted accordingly.**

**EXHIBIT BB**

Cal. Revenue and Taxation Code, Chapter 2, Section 64

## **EXHIBIT BB**

### **Cal. Revenue and Taxation Code, Chapter 2, Section 64**

#### **REVENUE AND TAXATION CODE**

#### **Property Taxation**

#### **PART 0.5. IMPLEMENTATION OF ARTICLE XIII A OF THE CALIFORNIA CONSTITUTION**

#### **CHAPTER 2. CHANGE IN OWNERSHIP AND PURCHASE**

#### **SECTION 64**

64. Corporation and partnership interests. (a) Except as provided in subdivision (i) of Section 61 and subdivisions (c) and (d) of this section, the purchase or transfer of ownership interests in legal entities, such as corporate stock or partnership or limited liability company interests, shall not be deemed to constitute a transfer of the real property of the legal entity. This subdivision is applicable to the purchase or transfer of ownership interests in a partnership without regard to whether it is a continuing or a dissolved partnership.

(b) Any corporate reorganization, where all of the corporations involved are members of an affiliated group, and that qualifies as a reorganization under Section 368 of the United States Internal Revenue Code and that is accepted as a nontaxable event by similar California statutes, or any transfer of real property among members of an affiliated group, or any reorganization of farm credit institutions pursuant to the federal Farm Credit Act of 1971 (Public Law 92-181), as amended, shall not be a change of ownership. The taxpayer shall furnish proof, under penalty of perjury, to the assessor that the transfer meets the requirements of this subdivision.

For purposes of this subdivision "affiliated group" means one or more chains of corporations connected through stock ownership with a common parent corporation if both of the following conditions are met:

(1) One hundred percent of the voting stock, exclusive of any share owned by directors, of each of the corporations, except the parent corporation, is owned by one or more of the other corporations.

(2) The common parent corporation owns, directly, 100 percent of the voting stock, exclusive of any shares owned by directors, of at least one of the other corporations.

(c) (1) When a corporation, partnership, limited liability company, other legal entity, or any other person obtains control through direct or indirect ownership or control of more than 50 percent of the voting stock of any corporation, or obtains a majority ownership interest in any partnership, limited liability company, or other legal entity through the purchase or transfer of corporate stock, partnership, or limited liability company interest, or ownership interests in other legal entities, including any purchase or transfer of 50 percent or less of the ownership interest through which control or a majority ownership interest is obtained, the purchase or transfer of that stock



or other interest shall be a change of ownership of the real property owned by the corporation, partnership, limited liability company, or other legal entity in which the controlling interest is obtained.

(2) On or after January 1, 1996, when an owner of a majority ownership interest in any partnership obtains all of the remaining ownership interests in that partnership or otherwise becomes the sole partner, the purchase or transfer of the minority interests, subject to the appropriate application of the step-transaction doctrine, shall not be a change in ownership of the real property owned by the partnership.

(d) If property is transferred on or after March 1, 1975, to a legal entity in a transaction excluded from change in ownership by paragraph (2) of subdivision (a) of Section 62, then the persons holding ownership interests in that legal entity immediately after the transfer shall be considered the "original coowners." Whenever shares or other ownership interests representing cumulatively more than 50 percent of the total interests in the entity are transferred by any of the original coowners in one or more transactions, a change in ownership of that real property owned by the legal entity shall have occurred, and the property that was previously excluded from change in ownership under the provisions of paragraph (2) of subdivision (a) of Section 62 shall be reappraised.

The date of reappraisal shall be the date of the transfer of the ownership interest representing individually or cumulatively more than 50 percent of the interests in the entity.

A transfer of shares or other ownership interests that results in a change in control of a corporation, partnership, limited liability company, or any other legal entity is subject to reappraisal as provided in subdivision (c) rather than this subdivision.

(e) To assist in the determination of whether a change of ownership has occurred under subdivisions (c) and (d), the Franchise Tax Board shall include a question in substantially the following form on returns for partnerships, banks, and corporations (except tax-exempt organizations):

If the corporation (or partnership or limited liability company) owns real property in California, has cumulatively more than 50 percent of the voting stock (or more than 50 percent of total interest in both partnership or limited liability company capital and partnership or limited liability company profits) (1) been transferred by the corporation (or partnership or limited liability company) since March 1, 1975, or (2) been acquired by another legal entity or person during the year—? (See instructions.)

If the entity answers "yes" to (1) or (2) in the above question, then the Franchise Tax Board shall furnish the names and addresses of that entity and of the stock or partnership or limited liability company ownership interest transferees to the State Board of Equalization.

History.—Stats. 1979, Ch. 1161, in effect September 29, 1979, substituted "A corporation, partnership, other legal entity or any other person" for "one corporation", and substituted "any" for "another" after "in" in the first sentence of

subdivision (c). Stats. 1980, Ch. 1349, in effect January 1, 1981, added "and (d)" after "subdivision (c)" in subdivision (a); added "or obtains a majority ownership interest in any partnership or other legal entity" before "through the purchase", substituted "partnership interest, or ownership interests in other legal entities" for "exclusive of any shares owned by directors" after "corporate stock", added "or other interest" before "shall be" and "partnership, or other legal entity" before "in which" in subdivision (c); and added subdivisions (d) and (e). Stats. 1982, Ch. 1465, in effect January 1, 1983, deleted "by merger or consolidation," after "reorganization," in the first sentence of subdivision (b); substituted "If" for "Whenever" before "property," added "on or after March 1, 1975," after "transferred", "paragraph (2) of" before "subdivision (a)", and "then" after "Section 62," in the first sentence, and substituted "that" for "the " before "real property", added "which . . . Section 62" before "shall be", and deleted "by the assessor pursuant to Section 65" after "reappraised" in the second sentence of the first paragraph of subdivision (d), and added the fourth paragraph thereof; and substituted "subdivision (c) and (d)" for "subdivision (c)" after "under" in the first paragraph of subdivision (e), substituted "has cumulatively . . . person" for "was control of the corporation (partnership) transferred or sold" after "California," in the second paragraph thereof, and substituted "the" for "an" after "If", added "(1) or (2) in "after 'eyes' to", substituted "shall" for "will" after "Board", substituted "names and addresses of that" for "name and address of such" after "furnish the", and added "and of . . . transferees" after "entity" in the third paragraph thereof. Stats. 1984, Ch. 678, in effect January 1, 1985, deleted the former third paragraph of subdivision (d) which stated that "The persons holding ownership interests in the legal entity immediately following the reappraisal shall be considered the new original co-owners." Stats. 1988, Ch. 560, in effect January 1, 1989, added ", or any reorganization of farm credit institutions pursuant to the Federal Farm Credit Act of 1971 (Public Law 92-181), as amended," before "shall" in the first sentence of subdivision (b). Stats. 1994, Chs. 1200 and 1243, in effect September 30, 1994, added references to limited liability company throughout text; added "(as enacted . . . 1955)" after "25105" and substituted "the" for "such" and substituted "that" for "such" in subdivision (c). Stats. 1995, Ch. 497, in effect January 1, 1996, added the second sentence in subdivision (a); substituted "that" for "which" twice in the first paragraph in subdivision (b); added "both of . . . are met" after "corporation if" in the second paragraph of subdivision (b); substituted a period for "; and" after "corporations" in paragraph (1) of subdivision (b); added paragraph number designation (1) before first paragraph of subdivision (c), substituted "through direct . . . stock of" for ", as defined in Section 25105 (as enacted by Chapter 938 of the Statutes of 1955), in", after "obtains control", added "including any . . . is obtained," after "legal entities,", and added "the real" after "ownership of" therein; added paragraph (2) to subdivision (c); and substituted "that" for "which" twice in the first paragraph and in the third paragraph of subdivision (d). Stats. 1998, Ch. 591 (SB 2237), in effect January 1, 1999, substituted "subdivision (i)" for "subdivision (h)" after "as provided in" in the first sentence of subdivision (a). Stats. 1999, Ch. 83 (SB 966), in effect January 1, 2000, added a comma after "this subdivision" in the first sentence of

the second paragraph of subdivision (b), and deleted "In order" before "To assist" in the first sentence of the first paragraph of subdivision (e).

Note.—Section 40 of Stats. 1995, Ch. 497, providing the following:

The Legislature finds and declared that the amendments of subdivision (a) and paragraph (1) of subdivision (c) of Section 64 of the Revenue and Taxation Code made by this act do not constitute a change in, but are declaratory of, existing law.

The Legislature further finds and declares that the amendment adding paragraph (2) to subdivision (c) of Section 64 of the Revenue and Taxation Code that is made by this act is necessary to correctly state the change in ownership results intended by the Legislature when a majority partner acquires the minority partners' ownership interests. It is the Legislature's intent that, absent the appropriate application of the step-transaction doctrine or one of the express exceptions listed in subdivision (a) of Section 64 of the Revenue and Taxation Code, the transfer of minority interests in a partnership to the majority owner shall not constitute a change in ownership of the partnership real property, on or after January 1, 1996.

Note.—Section 5 of Stats. 1980, Ch. 1349, provided the amendments made to Section 64 shall be effective for the 1981–82 assessment year and years thereafter. It is the intent of the Legislature that the provisions of this act shall apply to the determination of base year values for the 1981–82 fiscal year, and shall apply to any change in ownership occurring on or after March 1, 1975. No escape assessments shall be levied and no refund shall be made for any years prior to 1981–82 for any increases or decreases in value made for the 1981–82 fiscal year or fiscal years thereafter as the result of the enactment of this act. Section 6 thereof provided the provisions of subdivision (d) of Section 64 as added by this act shall be operative with respect to returns for years beginning in 1981 and thereafter.

Note.—Section 11 of Stats. 1988, Ch. 560, provided that the amendment made to Section 64 shall be applicable to the 1985–86 fiscal year and fiscal years thereafter. The Legislature finds and declares that farm credit banks are instrumentalities of the federal government, and that the recent reorganization of these farm credit institutions was effected pursuant to federal law and regulations. The Legislature further finds and declares that the reorganization of these institutions was of a type which would have avoided a change in ownership reappraisal under Section 64 of the Revenue and Taxation Code if the institutions had been members of a privately owned "affiliated group" connected through stock ownership with a common parent, rather than a federal instrumentality.

Construction.—This section applies to true changes in ownership, rather than "paper" ones. Where a corporation is involved, the term exempts a mere change in the form of ownership or corporate organization, but it encompasses outright sale of either land or the company to a stranger, whether for cash or for shares of stock. Thus, reassessment may not be avoided by selling all or a majority of the stock in real estate holding companies, and all realty held by a holding company and its former parent corporation was subject to reassessment upon a surviving corporation's acquisition of control of the holding company by merger with the former parent corporation. The change of ownership of the realty occurred within the meaning of section 64(c) when the shareholders of the former parent corporation became proportionate, but minority, shareholders in the surviving corporation, thereby losing control, and conversely, the surviving corporation obtained control of the holding company by acquiring a majority of its voting shares. Section 64(b) was not applicable since the merger was not between members of an affiliated group where none of the corporations owned 100 percent of the voting stock of the other at the time the merger tender offer was accepted. *Sav-on Drugs, Inc. v. Orange County*, 190 Cal.App.3d 1611.

A corporation, which obtained direct control of an intermediary corporation by conversion of its wholly owned subsidiary's common stock into the common stock of the intermediary, obtained indirect control of a separate subsidiary corporation that was wholly owned by the intermediary. Thus, notwithstanding the fact that the acquiring corporation did not directly purchase the stock of the intermediary's subsidiary, a change in ownership of that subsidiary's real property holdings occurred within the meaning of Section 64(c). The determinative factor as to whether a change in ownership of corporate property has occurred is control of the corporation that owns the property, not the right to occupy the property or to take possession of it. *Title Ins. & Trust Co. v. Riverside County*, 48 Cal.3d 84.

A corporate reorganization effecting a change in the majority controlling ownership of the corporate entities results in a change of ownership of the real property under Section 64(c), even though the reorganization itself was exempt from state and federal income taxation. The reorganization involved affiliated entities that were not affiliated after the transaction, and for Section 64(b) to be applicable, "members of an affiliated group" must have been affiliated from beginning to end, under the same ownership and control before a transfer and after. *Pueblos Del Rio South v. City of San Diego*, 209 Cal.App.3d 893.

A change in ownership of corporate real property triggering reassessment of the property occurred within the meaning of Section 64(c) where the taxpayer and another corporation formed a new corporation which set up two wholly owned subsidiary corporations which were then merged into the taxpayer and the other corporation, but which left the taxpayer's shareholders with a majority interest in the stock of the new corporation. *Kraft, Inc. v. Orange County*, 219 Cal.App.3d 1104. The acquisition of a film corporation by another corporation, specially created for that purpose, constituted a change in ownership within the meaning of Section 64(c) so as to allow reassessment of real property owned by the film corporation, even though none of the investors in the acquiring corporation owned more than 50 percent of its stock. The ultimate control theory, reflected in that section and which looks through the titleholder to the entity ultimately responsible, did not require that the acquiring corporation be ignored in order to focus instead on the individual investors. *Twentieth Century Fox Film Corp. v. Los Angeles County*, 223 Cal.App.3d 1158. The statutory definition of "control", in a partnership, a majority ownership interest, prevails over the concept that a choice in action represents indirect, constructive or effective control. *Shuwa Investments Corporation v. Los Angeles County*, 1 Cal.App.4th 1635. While acquisition of a minority partnership interest does not constitute a change of ownership under this section, this exemption applies only to transfers involving continuing entities. Thus, where the majority partner purchased the minority partners' partnership interests, in this case the partnership dissolved, this was a change in ownership, and the partnership's subsequent transfer of title to its real property to the sole partner was a mere formality. *Zapara v. Orange County*, 26 Cal.App.4th 464.

Section 64(e) is designed to assist the appropriate authorities in determining whether a change of ownership has occurred by alerting them to stock purchases that might lead to reassessment of real property, not to state the circumstances under which a property value tax reassessment should occur. *Title Ins. & Trust Co. v. Riverside County*, 48 Cal.3d 84.

Legislative intent.—The intent of the Legislature is the end and aim of all statutory construction. The Legislature's failure to adopt a proposed amendment to Section 64(c) which would have expressly extended application of the subdivision to corporate subsidiaries is not conclusive evidence of its intent that the subdivision not apply to subsidiaries. The Legislature may have objected to other portions of the bill, which contained numerous other provisions, or it may have determined that further clarification of the status of subsidiaries was unnecessary. *Title Ins. & Trust Co. v. Riverside County*, 48 Cal.3d 84.

EXHIBIT CC

Port's Good Neighbor Policy

## **EXHIBIT CC**

### **Port's Good Neighbor Policy**

#### **GOOD NEIGHBOR POLICY OR STANDARDS**

The Port Commission has adopted the following "Good Neighbor" standards for activities, including Special Events that occur on the waterfront.

Tenant and Sponsors of events in this area will be required to meet these standards, which apply to bars, restaurants which sell alcohol, large fast food restaurants, and assembly and entertainment uses (including Special Events), unless the Port Commission makes a specific finding that a particular condition is unnecessary or infeasible:

- A. Any indoor and/or outdoor activity located within 300 feet of a residential unit shall, during the period from 10:00 pm to 6:00 am, insure that sound levels emanating from such activities do not exceed the acceptable noise levels established by the San Francisco Noise Ordinance. Police Code, Article 29.
- B. The tenant (or sponsor) shall post interior signs and request that patrons leaving the premises after 10:00 pm leave the establishment and the neighborhood in a quiet, peaceful and orderly fashion and not litter or block driveways in the neighborhood. The tenant shall alert the San Francisco Police Department if exiting patrons are causing a disturbance.
- C. All garbage receptacles shall be enclosed and no garbage shall be put on the sidewalk for collection, except as permitted by Article 5.1 of the Public Works Code.
- D. The tenant (or sponsor) shall keep sidewalks fronting the premises clean of debris and litter and shall walk a 100 foot radius from the premises sometime between thirty minutes after closing and 8:00 am the following morning to pick up and dispose of any discarded trash left by area patrons.
- E. The tenant (or sponsor) shall designate a neighborhood liaison contact person whose name and phone number shall be made available to the Port and to neighborhood associations in the area.

SCHEDULE 13.2

Intentionally Omitted







**CITY AND COUNTY OF SAN FRANCISCO  
LONDON N. BREED, MAYOR**

---

**LEASE NO. L-16704**

**(MISSION ROCK – PHASE 1, PARCEL B/LOT 2)**

**BETWEEN THE**

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

**AS LANDLORD**

**AND**

**MISSION ROCK PARCEL B OWNER, L.L.C.**

**AS TENANT**

**DATED AS OF <sup>OCTOBER</sup>~~SEPTEMBER~~ 6, 2020**

---

**ELAINE FORBES  
EXECUTIVE DIRECTOR**

**SAN FRANCISCO PORT COMMISSION**

**KIMBERLY BRANDON, PRESIDENT  
WILLIE ADAMS, VICE- PRESIDENT  
GAIL GILMAN, COMMISSIONER  
DOREEN WOO HO, COMMISSIONER**

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**Exhibits:**

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Exhibit D	Rent
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Exhibit H	CFD and Assessment Matters
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Exhibit M	Workforce Development Plan
Exhibit N	Development Agreement Section 5.8(f) (Electricity)
Exhibit O	Form of Assignment and Assumption Agreement



Exhibit P	Significant Change Certificate
Exhibit Q	Form of Estoppel Tenant Certificate
Exhibit R	Form of Subtenant Estoppel Certificate
Exhibit S	Form of Non-Disturbance Agreement
Exhibit T	Insurance Requirements
Exhibit U	Pre-Existing Hazardous Materials
Exhibit V	Form of Port Estoppel Certificate
Exhibit W	Other City Requirements
Exhibit X	Form of Memorandum of Lease
Exhibit Y	Transportation Demand Management Plan
Exhibit Z	Form of Quarterly Percentage Rent Statement
Exhibit AA	Form of Annual Percentage Rent Statement
Exhibit BB	Cal. Revenue and Taxation Code, Chapter 2, Section 64
Exhibit CC	Port's Good Neighbor Policy

Schedule 13.2 Intentionally Omitted

### BASIC LEASE INFORMATION

Each reference to the Basic Lease Information in this Lease will incorporate the applicable Basic Lease Information specified herein.

As defined in the Disposition and Development Agreement between the Port and Seawall Lot 337 Associates, LLC, a Delaware limited liability company, dated as of August 15, 2018 (the “DDA”), this Lease is a fully prepaid lease of unimproved property to a Vertical Developer Affiliate of Master Developer.

<b>Lease No.</b>	Lease No. L-16704
<b>Effective Date:</b>	<del>September</del> <sup>October</sup> 6, 2020
<b>Landlord:</b>	THE CITY AND COUNTY OF SAN FRANCISCO operating by and through the SAN FRANCISCO PORT COMMISSION
<b>Tenant:</b>	MISSION ROCK PARCEL B OWNER, L.L.C.
<b>Tenant's Address for Notices:</b>	Mission Rock Parcel B Owner, L.L.C. c/o Tishman Speyer Development, L.L.C., One Bush Street, Suite 500, San Francisco, California, 94104 Attention: General Counsel  With a copy to:  Mission Rock Parcel B Owner, L.L.C. c/o San Francisco Giants 24 Willie Mays Plaza San Francisco, CA 94107 Attention: Jack Bair
<b>Landlord's Address for Notices:</b>	Port of San Francisco Pier 1 San Francisco, CA 94111 Attn: Director of Real Estate and Development Re: Mission Rock (Phase 1 Lot 2)  With a copy to:  Port of San Francisco Pier 1 San Francisco, CA 94111

	Attn: General Counsel Re: Mission Rock (Phase 1 Lot 2)
<b>Premises:</b>	All that real property located in the City and County of San Francisco, California, as more particularly described in <i>Exhibit A</i> attached hereto (the “ <b>Property</b> ”). The Property contains approximately Forty Thousand Two Hundred Eighty-Six(40,286) square feet of unimproved land area (the “ <b>Land</b> ”), together with all rights and privileges appurtenant to the Property and owned by Port, and any Improvements hereafter constructed on the Property. The Property is generally referred to as Parcel B of the mixed-use project commonly known as Mission Rock. The Property is shown generally on the Site Plan attached hereto as <i>Exhibit B</i> . The Property and all Improvements now and hereafter located on the Property are referred to in this Lease as the “ <b>Premises.</b> ”
<b>Single Point of Entry for State Mineral Reservation Entry</b>	Within 180 days after the Commencement Date, Port shall provide Tenant the coordinates for the point of entry, which shall be located in Zone 3, California Grid System.
<b>Permitted Use:</b>	The use and operation of the Premises will be for office and retail uses subject to the Scope of Development attached hereto as <i>Exhibit C-1</i> , and the SUD (collectively, the “ <b>Project</b> ”) and as further specified below and in <i>Article 3</i> .
<b>Commencement Date:</b>	The Effective Date of this Lease.
<b>Expiration Date:</b>	The earlier of (i) seventy-five years after the Commencement Date and (ii) December 31, 2105.
<b>Prepaid Rent:</b>	<b>Fully Prepaid:</b> \$4,000,000.00
<b>Rent:</b>	As set forth in <i>Exhibit D</i> attached hereto.
<b>Environmental Financial Assurances Deposit:</b>	As applicable to Subtenants as set forth in <i>Section 17.3</i> .
<b>Environmental Oversight Deposit:</b>	As applicable to Subtenants as set forth in <i>Section 17.3</i> .

<b>Project Approvals:</b>	Those certain project approvals for Mission Rock listed in <i><b>Exhibit E</b></i> attached hereto and made a part hereof, as may be amended from time to time.
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**LEASE NO. L-16704**

THIS LEASE NO. L-16704 (this “**Lease**”) is dated as of the Effective Date, by and between **THE CITY AND COUNTY OF SAN FRANCISCO**, operating by and through the **SAN FRANCISCO PORT COMMISSION** (“**Port**”), as landlord, and **MISSION ROCK PARCEL B OWNER, L.L.C.**, 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 47* 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.** The Port owns about 7½ miles of tidelands and submerged lands along San Francisco Bay. The seawall lots are tidelands that were filled and cut off from the waterfront by the construction of the great seawall in the late 19th and early 20th centuries, and by the construction of the Embarcadero roadway which lies, in part, over a portion of the great seawall. Seawall Lot 337, the largest of the designated seawall lots, is located just south of China Basin and for years has been used as a surface parking lot.

**C.** The Port and Seawall Lot 337 Associates, LLC, a Delaware limited liability company (“**Master Developer**”), are parties to that certain Disposition and Development Agreement dated as of August 15, 2018 (the “**DDA**”) and that certain Lease No. L-16417 dated as of August 15, 2018 (the “**Master Lease**”). The DDA and Master Lease govern the mixed-use development of an approximately 28-acre site, known as “Mission Rock” as more particularly described in the DDA and Master Lease (the “**Project Site**”). The DDA and Master Lease set forth a parcel disposition process under which the Port will enter into ground leases for developable parcels within Mission Rock.

**D.** Master Developer, (i) on December 18, 2019, assigned all of its rights, title, and interest in and to the DDA with respect to the Premises to Mission Rock Horizontal Sub (Phase I), L.L.C., a Delaware limited liability company (“**Phase 1 Horizontal Developer**”), and (ii) effective December 19, 2019, subleased Phase 1 of the premises under the Master Lease to the Phase 1 Horizontal Developer.

**E.** This Lease is a fully prepaid ground lease with a Vertical Developer Affiliate. The form of this Lease was authorized by the Port Commission by Resolution No. 18-03 and the Board of Supervisors by Resolution No. 36-18, which resolutions authorized the Port’s Executive Director to enter into this Lease without further approval by the Port Commission or the Board of Supervisors under Charter Section 9.118.

**F.** This Lease is a nontrust lease, free from the trust use requirements established by the public trust, the Burton Act trust, and the Burton Act transfer agreement pursuant to Senate Bill 815 (stats. 2007, ch. 660), as amended by Assembly Bill 2797 (stats. 2016, ch. 529) (as amended, “**SB 815**”). The defined terms used but not otherwise defined in this Recital F shall have the meanings ascribed to them in SB 815.

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

**1. PREMISES; TERM.**

**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) **Permitted Title Exceptions.** The interests granted by Port to Tenant pursuant to *Section 1.1(a)* are subject to (i) the matters reflected in *Exhibit F* (the “**Permitted Title Exceptions**”), and (ii) such other matters as Tenant will cause or suffer to arise subject to the terms and conditions of this Lease, and (iii) the rights of Port and the public reserved under the terms of this Lease.

(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 7* (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 Improvements or alterations or additions to the Premises that do not otherwise require the Port’s approval and that might impact accessibility standards required under federal and state disability access Laws.

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

(i) **Access Rights.** Port hereby grants to Tenant a non-exclusive easement appurtenant to the Property, limited in duration to the Term of this Lease under Section 1.2 in and over all of the real property located in those lots designated as open spaces, streets, ways, roads, public ways, or similar designations on the Final Map, including, without limitation, the Public Access Areas (the “**Open Space Lands**”) for purposes of pedestrian access, ingress and egress in connection with the uses permitted under this Lease, subject to the following use restrictions:

(1) Tenant shall not restrict access to the Open Space Lands or unreasonably interfere or impede the use of the Open Space Lands by the public, Port, or other Port tenants or users.

(2) Tenant shall not allow the Open Space Lands to be used in any manner that will constitute waste, nuisance or unreasonable annoyance to Port or its tenants or licensees.

(ii) **No-Build Area.** Port hereby grants to Tenant an exclusive building setback easement appurtenant to the Property, in and over the portion of the Open Space Lands located within twenty-five (25) feet of the Premises (the “**No-Build Area**”) such that no buildings shall be constructed in the No-Build Area in order to maintain compliance with Port Building Code requirements applicable to the improvements to be built on the Premises by Tenant. However, this restriction on use of the No-Build Area shall not prohibit the Port’s ability to maintain, construct and install minor encroachments, with any required approval from applicable agencies.

(iii) If Tenant (including, its Agents, Invitees, successors and assigns) uses or occupies space outside the Property without the prior written consent of Port (the “**Encroachment Area**”), which consent is anticipated to be granted in one or more license agreements, 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.

(iv) 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.

(v) 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.

(vi) 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)*.

(f) **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 as identified in the Basic Lease Information, 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 14* (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).

(g) **"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." 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 1.1(g)*. 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, 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 its "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, the zoning land use regulations, and other Laws applicable thereto, including Environmental Laws, or any similar matter applicable to the Premises, any appurtenances thereto or the Improvements; or (iv) all other matters of material significance presently existing in, on, around, under, and pertaining to the Premises and its development and use under this Lease.

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

Tenant agrees that the release contemplated by this **Section 1.1(g)** 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 1.1(g)**.

Tenant Initials: 

The provisions of this **Section 1.1(g)** will survive the expiration or earlier termination of this Lease.

(h) **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.

(i) **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.

(j) **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.



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 its “**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, the zoning land use regulations, and other Laws applicable thereto, including Environmental Laws, or any similar matter applicable to the Premises, any appurtenances thereto or the Improvements; or (iv) all other matters of material significance presently existing in, on, around, under, and pertaining to the Premises and its development and use under this Lease.

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

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(i) **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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(k) **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.

**1.2. 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.**" In no event will the Term of this Lease, or of any Sublease created under any provision of this Lease, extend beyond December 31, 2105.

**2. RENT.**

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

**3. USES.**

**3.1. Permitted Uses.** Tenant will use and operate the Premises in accordance with this Lease and solely for the Permitted Uses described in the Basic Lease Information. Tenant will not seek any amendment to the Project Approvals, including, without limitation, the SUD or Design Controls that would be substantially inconsistent with the land use restrictions set forth in the Scope of Development without the prior written consent of the Port Commission and, during the term of the DDA, Master Developer or Phase 1 Horizontal Developer (as applicable), each in its sole discretion. The Parties recognize that from time to time, Tenant may desire to obtain additional use, zoning, regulatory or land use approvals or conditional use authorization relating to the Premises. Port agrees, from time to time, to reasonably cooperate with Tenant, at no cost to Port, in pursuing such regulatory approvals or authorizations, including, but not limited to, executing documents, applications or petitions relating thereto, subject to the limitations of this *Section 3.1, Section 3.7* and *Article 8*. Notwithstanding anything herein to the contrary, any use of the Premises under 10,000 square feet in connection with districtwide utility systems shall be a Permitted Use hereunder.

**3.2. 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**"):

(a) 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;

(b) any activity or object which will materially overload or cause material damage to the Premises (other than which would be considered reasonable wear and tear or which is otherwise repaired by Tenant in accordance with the terms of this Lease);

(c) any activity which constitutes waste or nuisance, 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, or the use of loudspeakers or sound or light apparatus which can be heard or seen outside the Premises other than (i) in connection with typical commercial uses (including without limitation, lights and speakers for outdoor dining with music) and (ii) so long as properly permitted by Port and consistent with Port's Good Neighbor Policy, attached as *Exhibit CC* to this Lease, lights and speakers at the Premises used in connection with outdoor events at the parks or public open spaces in Mission Rock with the prior written consent of the Port, in each case that do not violate any applicable Law;

(d) any activity which will in any way injure, obstruct or interfere with the rights of ingress and egress of other owners, tenants, or occupants of adjacent properties;

(e) 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;

(f) 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 office equipment (such as printers, computer, and copiers) and residential equipment (such as washing machines, dryers, and kitchen appliances) or to charging stations for electric vehicles and equipment;

(g) the storage of any and all excavated materials, including but not limited to, dirt, concrete, sand, asphalt, and pipes (unless such use is reasonably required on a temporary basis to allow for the construction of the Initial Improvements, Subsequent Construction, or the repair or maintenance of the Improvements);

(h) the storage of any and all aggregate material, or bulk storage, such as wood or of other loose materials (unless such use is reasonably required on a temporary basis to allow for the construction of the Initial Improvements, Subsequent Construction, or the repair or maintenance of the Improvements); or

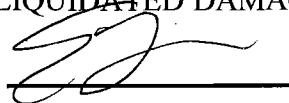
(i) Intentionally Omitted.

(j) the washing of any vehicles or equipment (unless such use is (i) reasonably required on a temporary basis to comply with the Soil Management Plan during construction of the Initial Improvements or (ii) is ancillary to the Permitted Use and in accordance with a Port approved Operations Plan).

**3.3. 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 24.1(f)**, if Tenant uses the Premises for the same type of Prohibited Use and Port has delivered a notice of such violations more than two (2) times within the prior six (6) month period, then Tenant will pay Port an amount equal to Two Thousand Six Hundred Fifty Two Dollars and Twenty-Five Cents (\$2,652.25) (as adjusted periodically, the "**Prohibited Use Charge**") for such Prohibited Use as liquidated damages, which Two Thousand Six Hundred Fifty Two Dollars and Twenty-Five Cents (\$2,652.25) will be increased by ten percent (10%) 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 A PROHIBITED USE MORE THAN TWO (2) TIMES WITHIN A SIX (6) 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 LEASE WAS MADE, THE CONSEQUENCES OF THIS LIQUIDATED DAMAGES PROVISION.

Initials:



Port



Tenant

**3.4. Advertising and Signs.** Subject to the prohibition on tobacco and alcohol advertising provided in **Article 45** (Other City Requirements), Tenant will have the right to



(e) 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;

(f) 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 office equipment (such as printers, computer, and copiers) and residential equipment (such as washing machines, dryers, and kitchen appliances) or to charging stations for electric vehicles and equipment;

(g) the storage of any and all excavated materials, including but not limited to, dirt, concrete, sand, asphalt, and pipes (unless such use is reasonably required on a temporary basis to allow for the construction of the Initial Improvements, Subsequent Construction, or the repair or maintenance of the Improvements);

(h) the storage of any and all aggregate material, or bulk storage, such as wood or of other loose materials (unless such use is reasonably required on a temporary basis to allow for the construction of the Initial Improvements, Subsequent Construction, or the repair or maintenance of the Improvements); or

(i) Intentionally Omitted.

(j) the washing of any vehicles or equipment (unless such use is (i) reasonably required on a temporary basis to comply with the Soil Management Plan during construction of the Initial Improvements or (ii) is ancillary to the Permitted Use and in accordance with a Port approved Operations Plan).

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THE PARTIES HAVE AGREED THAT PORT’S ACTUAL DAMAGES, IN THE EVENT TENANT USES THE PREMISES FOR A PROHIBITED USE MORE THAN TWO (2) TIMES WITHIN A SIX (6) 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 LEASE WAS MADE, THE CONSEQUENCES OF THIS LIQUIDATED DAMAGES PROVISION.

Initials:

\_\_\_\_\_  
Port

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Tenant

**3.4. Advertising and Signs.** Subject to the prohibition on tobacco and alcohol advertising provided in *Article 45* (Other City Requirements), Tenant will have the right to

install signs and advertising inside the Premises and the Improvements in accordance with the applicable provisions of the SUD, as may be amended from time to time. Tenant will have the right to place, construct or maintain any sign, flag, advertisement, awning, banner or other decoration (collectively, “Sign”) on, or visible from, the exterior of the Premises without the prior written consent of Port acting in its proprietary capacity, provided the Sign complies with the Design Controls and the applicable provisions of the SUD. Any Sign that Tenant is permitted to place, construct or maintain on the Premises will comply with all Laws relating thereto, including but not limited to the Design Controls and the applicable provisions of the SUD and building permit requirements, and Tenant will obtain all Regulatory Approvals required by such Laws. Port makes no representation with respect to Tenant’s ability to obtain any such Regulatory Approval. Tenant, at its sole cost and expense, will remove all Signs placed by it on the Premises at the expiration or earlier termination of this Lease.

**3.5. *Restrictions on Encumbering Port’s Reversionary Interest.*** Tenant may not enter into agreements granting licenses, easements or access rights over the Premises if the same would be binding on Port’s reversionary interest in the Premises without Port’s prior written consent, which consent may be withheld in Port’s sole discretion, and subject to the provisions of *Article 6* (Contests).

**3.6. *Intentionally Omitted.***

**3.7. *Required Public Benefits.***

(a) ***Retail and Activation as Public Benefits.*** Pursuant to and as more particularly described in the Mission Rock Design Controls, the portion of the Premises fronting on Lot B of Final Map 9443 is designated as a High Retail zone. Tenant will use commercially reasonable efforts to develop and retain a ground-floor mix that activates the Project Site consistent with the definition of “Retail Program” set forth in the DDA and with the “Mission Rock Retail Plan,” as approved in the Phase Submittal (as defined in the DDA) for Phase 1 (as defined in the DDA), and consistent with the goals set forth in the public trust study for the Project Site. Ground floor retail uses at the Premises may be a mix of uses that should complement and draw park and waterfront users to the area, that should serve the needs of Mission Rock and also serve the greater Mission Bay neighborhood, San Francisco as a whole, and visitors from the region and beyond, and that should attract pedestrians and consumers to the Project.

#### **4. DEVELOPMENT PROJECTS.**

**4.1. *Generally.*** Tenant acknowledges that during the Term, other development projects will be developed or constructed in the immediate vicinity of the Premises, and other development projects on or near Port property (such as the development projects at Pier 48, Mission Rock, Chase Center, and Mission Bay). Pier 70 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) also may be constructed in the vicinity of the Premises (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 Initial Improvements or any Subsequent Construction, 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.

**4.2. Cooperation.** The Master Developer Agreements will, among other things, permit the construction during the Term, of new public open space, new commercial and residential buildings, a parking structure, and other improvements, within Mission Rock. Tenant acknowledges and agrees that it will reasonably cooperate with Port, the Master Developer, the Phase 1 Horizontal Developer and other developers and tenants of Mission Rock at no material out-of-pocket cost to Tenant.

## **5. TAXES AND ASSESSMENTS.**

### **5.1. *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 and the Mello-Roos Taxes described in **Section 5.2**. 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. Tenant will have the right to contest the validity, applicability or amount of any such taxes in accordance with **Article 6** (Contests). In the event of any such dispute, Tenant will Indemnify the Indemnified Parties and hold them 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 which 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 Assignment permitted under this Lease and any exercise of any option to renew or extend this Lease may constitute a change in ownership, within the meaning of the California Revenue and Taxation Code, and therefore may result in a reassessment of any possessory interest created hereunder in accordance with applicable Law.

(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 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 5.1(a)**, and except as otherwise provided in this **Section 5.1(b)** and **Article 6**, 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 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 6*, 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), Mello-Roos 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 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, Mello-Roos Taxes under the Mission Rock 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 Property or 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 give 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.

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

(a) **Section 53341.5 Acknowledgment.** Prior to Tenant’s execution and delivery of this Lease, Master Developer and Port delivered to Tenant, and Tenant executed and delivered to Master Developer and Port, a notice of special tax pursuant to California Government Code Section 53341.5 (the “**Notice of Special Tax**”) confirming that Tenant has been advised of the terms and conditions of the Mission Rock CFD, including that the Premises are subject to the Mello-Roos Taxes. A copy of the executed Notice of Special Tax is attached hereto as *Exhibit G*.

(b) **Acknowledgment of the Special Tax Rates.** The special tax rates shown in the Rate and Method of Apportionment approved by the Board of Supervisors showing the special tax rates in the Mission Rock CFD (the “**RMA**”) as applicable to the Property shall not be changed without the written consent of Tenant. Tenant shall be provided fifteen (15) days to review and comment on all subsequent revisions to the RMA for the Mission Rock CFD.

(c) **Facilities and Maintenance CFD.** As material consideration for the Port entering into this Lease, Tenant will comply with all of the covenants and acknowledgements set forth in *Exhibit H* (CFD and Assessment Matters) attached hereto and the Master Developer and the Phase 1 Horizontal Developer are explicit third-party beneficiaries of the covenants and acknowledgements set forth in *Exhibit H* (CFD Matters) attached hereto.

### (d) **Shortfall Provisions.**

(i) **Tenant Waiver and Covenant.** Tenant may initiate a Reassessment to reduce a Baseline Assessed Value of the Premises, but may not initiate and waives any right to initiate, a Reassessment of the Subsequent Assessed Value of the Premises until the IFD Termination Date. In addition, Tenant covenants that should Tenant initiate a Reassessment in

violation of this **Section 5.2(d)**, Tenant and Port will take the following measures to avoid shortfalls:

(1) For each year during the period provided in **Section 5.2(d)(i)(2)** 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 IFD Termination Date; and (B) when the Assessment Shortfall is reduced to zero.

(3) Payment of the Assessment Shortfall will constitute a cure of any Event of Default with respect to any breach by Tenant of the covenant and waiver in **Section 5.2(d)(i)** (Tenant Waiver and Covenant).

(ii) *Tax Exemption.* Tenant and Port do not intend for this **Section 5.2(d)** 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 5.2(d)**, Port will release the obligations under this **Section 5.2(d)** and it will be deemed severed from this Lease.

(iii) *Mutual Expectations as to Shortfall Measures.* Neither Tenant nor Port expects Port to make demand for payment under this **Section 5.2(d)**. In light of the Parties' mutual expectations, Tenant has agreed to the waiver in **Section 5.2(d)(i)** (Tenant Waiver and Covenant).

(iv) *No Negotiation.* Tenant understands that Port would not be willing to enter into this Lease without this **Section 5.2(d)**.

**5.3. Port's Right to Pay.** Unless Tenant is exercising its right to contest in accordance with the provisions of **Article 6**, if Tenant fails to pay and discharge any Imposition (including fines, penalties and interest) 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, either to pay the delinquent Imposition or to notify Port that it is contesting such Imposition pursuant to **Article 6**, 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.

**5.4. Information Required by the Assessor-Recorder.**

(a) The Assessor-Recorder has notified Port that pursuant to Revenue and Taxation Code Section 441(d) (or any successor or otherwise applicable Law), it requires certain information in order to facilitate completion of Assessor Block Maps, updates to ownership records, imposition of transfer tax, and assessment of in-progress construction, completed new construction, sales and other assessable transfers of property (each a "**Potential Assessment**"). **Exhibit I** lists the information that the Assessor-Recorder expects to need in order to perform the foregoing tasks (the "**Assessor Information**").

(b) With respect to a Potential Assessment, Tenant will provide to the Assessor-Recorder in accordance with Revenue and Taxation Code Section 441(d) (or any successor or otherwise applicable Law), any Assessor Information requested in writing by the Assessor-Recorder in the format reasonably required by the Assessor-Recorder (the "**Requested Information**") within ninety (90) days (or within such other period as required or permitted by

Law) of Tenant's receipt of a written request for such Requested Information ("**Initial Response Period**"). Tenant is not required to provide to Port information submitted to the Assessor-Recorder pursuant to this **Section 5.4** if such information is not required to be provided under Administrative Code Sections 23.38 or 23.39, or any other applicable Law or contractual requirement, but Tenant shall copy Port on the transmittal to the Assessor-Recorder which shall only list, but not include, such Requested Information provided to the Assessor-Recorder. Tenant waives any right to confidentiality under applicable Law only to the extent necessary for the Assessor-Recorder to notify Port of Tenant's failure to provide the Requested Information on a timely basis and Port to exercise its right as set forth in **Section 5.4(d)**. Except as specifically provided in the preceding sentence, neither the provisions of this Lease, nor the submission by Tenant to the Assessor-Recorder of any information pursuant to this **Section 5.4** will be considered a waiver of or limitation on Tenant's rights under applicable Law of taxpayer confidentiality, attorney-client or other applicable privilege, the Assessor-Recorder's duty to prevent the disclosure of taxpayer information, and exemptions from the California Public Records Act and San Francisco Sunshine Ordinance applicable to information provided to the Assessor-Recorder.

(c) If Tenant does not provide all of the Requested Information to the Assessor-Recorder within the Initial Response Period and has not provided notice to Port and the Assessor-Recorder that it is contesting in good faith, the Assessor-Recorder's right to all or any portion of the Requested Information, Port or the Assessor-Recorder will deliver to Tenant notice that the Assessor-Recorder has not yet received the Requested Information ("**Notice for Information**"). Within thirty (30) days of Port's or the Assessor-Recorder's delivery of the Notice for Information ("**Response Period**"), Tenant must provide to the Assessor-Recorder the Requested Information or deliver notice to Port and the Assessor-Recorder that Tenant is contesting in good faith the Assessor-Recorder's right under applicable Law to the Requested Information that has not been provided by Tenant ("**Contest Notice**"). If the Assessor-Recorder does not receive the Requested Information within the Response Period, or Port and the Assessor-Recorder do not receive the Contest Notice within the Response Period, then Port or the Assessor-Recorder may deliver to Tenant additional Notice(s) for Information until the Requested Information or Contest Notice, as applicable, is received.

(d) Tenant will have the same Response Period to provide the Requested Information or Contest Notice, as applicable, for each Notice for Information delivered to Tenant. There is no fee for Tenant's failure to timely respond to the first Notice for Information delivered to Tenant with respect to each Potential Assessment. If Tenant fails to provide either the Requested Information or a Contest Notice within the Response Period following any subsequent Notice for Information with respect to the same Potential Assessment, Tenant must pay to Port a fee equal to \$5,000 for the second Notice for Information delivered to Tenant; \$10,000 for the third Notice for Information delivered to Tenant; and \$25,000 for the fourth Notice for Information delivered to Tenant (each fee an "**Information Charge**"), which Information Charge will increase by \$1,000 in 2023 and every five (5) years thereafter. Each Information Charge is due and payable to Port the day immediately following the expiration of the applicable Response Period. If Port has not received the Requested Information within the Response Period following delivery of the fourth (4<sup>th</sup>) Notice for Information, then Port will have the right to exercise all rights and remedies available at law or in equity to enforce Tenant's obligation to provide Requested Information on a timely basis, including specific performance; provided, however, Port will not exercise any remedy for Tenant's failure to provide such Requested Information so long as Tenant is challenging in good faith, its obligation to turn over the Requested Information.

(e) Promptly following the Assessor-Recorder's request, Port may, from time to time, update the information requirements set forth in the most current Assessor Information to reference different or additional information requirements to which the Assessor-Recorder is

entitled by Law, by providing Tenant no less than five (5) business days' prior notice and a replacement copy of the updated Assessor Information.

**5.5. *Survival.*** The provisions of this *Article 5* will survive the expiration or earlier termination of this Lease.

## **6. CONTESTS.**

**6.1. *Right of Tenant to Contest Impositions and Liens.*** Subject to *Section 5.2*, Tenant has the right to contest the amount, validity or applicability, in whole or in part, of any other Imposition, 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 5.2*, nothing in this Lease requires Tenant to pay any other Imposition, mechanics' lien, or encumbrance so long as Tenant contests the validity, applicability or amount of such Imposition, mechanics' lien, or encumbrance in good faith, and so long as it does not allow the portion of the Premises affected by such Imposition, mechanics' lien, or encumbrance to be forfeited to the entity levying such Imposition, 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 Imposition, 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 19*, Tenant will Indemnify the Indemnified Parties for all Losses resulting from Tenant's contest of any Imposition.

**6.2. *Port's Right to Contest Impositions.*** At its own cost and after notice to Tenant of its intention to do so, Port may, but in no event will be obligated to, contest the validity, applicability or the amount of any Impositions, by appropriate proceedings conducted in good faith and with due diligence. Nothing in this *Section 6.2* will require Port to pay any Imposition as long as it contests the validity, applicability or amount of such Imposition in good faith, and so long as it does not allow any portion of the Premises to be forfeited to the entity levying such Imposition as a result of its nonpayment and so long as such activities do not cause a default under any Mortgage in effect at the time. Port will give notice to Tenant within a reasonable period of time of the commencement of any such contest and of the final determination of such contest. Port will reimburse Tenant within thirty (30) days after demand from Tenant for any such fines, penalties, costs, interest, expenses or fees, including Attorneys' Fees and Costs, which Tenant may be legally obligated to pay solely as a result of Port's contest of such Impositions.

## **7. COMPLIANCE WITH LAWS.**

**7.1. *Tenant's Obligation to Comply.*** 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 Soil Management Plan, and (iii) the Mitigation Monitoring and Reporting Program, (iv) the Vertical DDA (so long as the Vertical DDA remains in effect), (v) the Transportation Demand Management Plan, (vi) and, to the extent there is no conflict with

the DDA, this Lease or the Vertical DDA, a vertical cooperation agreement between Tenant and adjacent property owners, and (vii) any required measures applicable to “Vertical Developer” as set forth in the Sustainability Strategy Implementation Checklist attached to the Sustainability Strategy (as defined in the DDA). 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.

**7.2. Unforeseen Requirements.** The Parties acknowledge and agree that Tenant’s obligation under this *Section 7.2* to comply with all Laws and the other requirements set forth in *Section 7.1* is a material part of the bargained-for consideration under this Lease. Tenant’s obligation to comply with Laws and the other requirements set forth in *Section 7.1* includes the obligation to make substantial improvements (including any barrier removal work or other work required to all or any portion of the Premises under Disabled Access Laws as a result of Tenant’s specific use of the Premises, the Improvements or any Subsequent Construction performed by or on behalf of Tenant, or substructural repairs to the Premises), regardless of, among other factors, the relationship of the cost of curative action to the Rent under this Lease, the length of the then remaining Term, the relative benefit of the repairs to Tenant or Port, the degree to which curative action may interfere with Tenant’s use or enjoyment of the Premises, the likelihood that the Parties contemplated the particular Law involved, or the relationship between the Law or the other requirements set forth in *Section 7.1* and Tenant’s particular use of the Premises. No occurrence or situation arising during the Term, nor any Law or the other requirements set forth in *Section 7.1*, however extraordinary, relieves Tenant of its obligations hereunder, nor gives Tenant any right to terminate this Lease (except for the Termination Option set forth in *Section 7.3*) in whole or in part or to otherwise seek redress against Port. Tenant waives any rights now or hereafter conferred upon it by any Law to terminate this Lease (except for the Termination Option set forth in *Section 7.3*), to receive any abatement, diminution, reduction or suspension of payment of Rent, or to compel Port to make any repairs to comply with any such Laws, on account of any such occurrence or situation.

**7.3. Right to Terminate Lease.**

Notwithstanding any other provision of *Article 7* (Compliance with Laws), in the event of any change in Laws during the last ten (10) years of the Term that would require capital repairs or improvements, including upgrades or other capital expenditures for reconstruction, replacement, expansion, Restoration, alteration or modification of the Premises (including the Improvements), Tenant will have the option, but not the obligation, to terminate this Lease (the “**Termination Option**”) on the following terms and conditions set forth in *Section 7.3(a)*, unless waived by Port; provided, however, that so long as there are Outstanding Bonds, the Lease will continue in full force and effect until the earlier of the expiration of the Term or the date the Port has entered into a new lease for the Premises with a term that extends for at least as long as the final maturity date of the Outstanding Bonds. So long as there are no Outstanding Bonds

(a) If Tenant desires to exercise the Termination Option, Tenant will deliver written notice thereof to Port of its election, at least one hundred twenty (120) days prior to the termination date specified therein (“**Termination Notice for Change in Laws**”).

(i) On or prior to the effective date of termination of this Lease in accordance with this *Section 7.3*, Tenant must:

(1) cure all Tenant monetary Events of Default and any Events of Default relating to the provisions of *Section 7.1* (other than making the capital repairs or

improvements necessitated by the change in Laws leading to Tenant's exercise of the Termination Option) and **Section 10.1**,

(2) cure all Events of Default or Unmatured Events of Defaults under **Article 21**,

(3) pay in full all utility charges and Impositions due and owing up to and including the effective date of termination,

(4) maintain all the insurance required to be maintained under **Section 20** until the effective date of termination, and

(5) if requested by Port, Demolish and Remove the Improvements in accordance with this **Section 7.3**.

(b) **Demolition and Removal Requirement.** If Port desires Tenant to Demolish and Remove the Improvements, Port will notify Tenant within ninety (90) days following receipt of the Termination Notice for Change in Laws, which election may be made by Port in its sole discretion. If Tenant Demolishes and Removes the Improvements in accordance with this **Section 7.3**, Tenant will have no obligation to cure any Events of Default under **Sections 7.1 or 10.1**. If Tenant exercises its Termination Option, this Lease will terminate on the later of the date set forth in the Termination Notice for Change in Laws or the date Tenant cures all of the Events of Default required to be cured and completes the Demolition and Removal in compliance with all Laws; provided, however, if Port requests Tenant to Demolish and Remove the Improvements, and such work cannot reasonably be completed prior to termination of this Lease, then Tenant's access to the Premises to perform such work will be under Port's license, as further described in **Section 36.2**. Tenant's obligation to Demolish and Remove the Improvements in accordance with this **Section 7.3** will survive the earlier termination of this Lease.

## 8. REGULATORY APPROVALS.

**8.1. 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. Tenant acknowledges and agrees that Port has made no representation or warranty that the necessary Regulatory Approvals to allow for the development of the Initial Improvements can be obtained. Tenant 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 Initial Improvements will be issued by the appropriate Regulatory Agency, 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 Initial 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 Initial 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 Initial 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 liability 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 Initial Improvements.

**8.2. *Regulatory Approval; Conditions.*** Tenant understands that construction of the Initial Improvements and Tenant's contemplated uses and activities on the Premises, any subsequent changes in Permitted Uses, and any Subsequent Construction, may require Regulatory Approvals from Regulatory Agencies, which may include the City, Port, 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 all applicable Laws and the 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 (i) 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 (ii) restrict or change the use of the Premises in a manner not otherwise permitted under this Lease or 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 Port may be subject to).

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 of Supervisors action is required under applicable Laws, at the first Port and subsequent Board of Supervisors 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 of Supervisors 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 the conditions or restrictions imposed by the Regulatory Agency under such permit as set forth above in this section.

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. Tenant will take reasonable steps to cooperate with Port in connection with Port's



efforts to obtain approvals from Regulatory Agencies related to development of Mission Rock that are not necessary for or related to development of the Premises.

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 develop and construct the Premises in accordance with the Scope of Development, except to the extent that such Losses arise solely from the negligence or willful acts or omissions of Port acting in its proprietary capacity.

**8.3. Regulatory Permit Coverage.** Except as may otherwise be agreed upon between Tenant and Master Developer or Phase 1 Horizontal Developer (as applicable) pursuant to separate agreement(s), Tenant will not be entitled to rely upon Regulatory Approvals previously obtained by Master Developer or Phase 1 Horizontal Developer for any portion of Mission Rock, but will be required to obtain its own Regulatory Approvals in accordance with all applicable Laws. This includes, without limitation, Storm Water Pollution Prevention Plans (SWPPP), Dust Control Plans (DCP), Asbestos Dust Mitigation Plans (ADMP), and compliance with the City's Maher Ordinance (SFDPH Article 22A). Notwithstanding the foregoing, in accordance with its approved ADMP, Master Developer or Phase 1 Horizontal Developer (as applicable) will provide a site wide air monitoring network positioned on ongoing horizontal and vertical construction work within Mission Rock.

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

**9.1. Operating Standards.** From and after Completion of the Initial Improvements, Tenant will maintain and operate the Premises, or cause the Premises to be maintained and operated, in a manner consistent with the prudent business practices of institutional landlords of buildings of comparable age, size, type and use located in San Francisco and in accordance with this Lease. Tenant is exclusively responsible, at no cost to Port, for the management and operation of the Premises.

**9.2. Leasing of Premises.** Tenant will use reasonable efforts to keep as much of the space in the Premises leased, taking into account marketplace conditions and applying in the exercise of such efforts, the prudent business practices of institutional landlords of buildings of comparable age, size, type and use located in San Francisco.

### **9.3. Reporting of Subleases.**

(a) **Leasing Activity Reports.** Tenant will deliver to Port within sixty (60) days following the end of each calendar year commencing in the calendar year a certificate of occupancy is issued for the Improvements until and including the calendar year that includes the twenty-fifth (25<sup>th</sup>) anniversary of the Commencement Date, a leasing activity report for immediately prior calendar year for the Premises substantially in the form attached hereto as **Exhibit J** (the "**Leasing Activity Report**"). To the extent gross revenues from the Premises is made available in other public forums such as government filings, Tenant will include such information in the Leasing Activity Report. Each Leasing Activity Report will be certified by an officer of Tenant that it is a true and correct copy.

(b) **Audited Financial Statements.** Tenant will deliver to Port within ninety (90) days following the end of the calendar year that includes the twenty-sixth (26<sup>th</sup>) anniversary of the Commencement Date and within sixty (60) days following the end of each calendar year thereafter until the calendar year that includes the Expiration Date, Tenant's audited financial statement for the Premises, certified by Tenant's chief financial officer as being true, correct, and complete. The Parties agree and acknowledge that the audited financial statements need not include a line item for each Sublease and the pertinent financial terms related to such Sublease, but may instead, include a summary of the revenues generated by the Subleases.

(c) **Port Representative.** Throughout the Term, upon no less than two (2) business days' prior notice to Tenant, a representative of Port may review at the property manager's offices at the Premises during regular business hours, a complete copy of the Subleases at the Premises. Other than any Subleases Port has agreed to recognize pursuant to a Non-Disturbance Agreement, Port's representative will not be permitted to copy any of the Subleases or take any written notes of any Sublease terms during the first twenty-nine (29) years of the Term.

(d) **Appraiser.** Until Port enters into a long-term lease for the last development parcel within Mission Rock, Port's appraiser may review at the management office at the Premises or at another San Francisco location where Tenant may keep copies of Subleases, all current Subleases and rent roll, provided the Port's appraiser has entered into a customary confidentiality agreement that does not limit his or her ability to use the information in a manner necessary to inform the appraisal only (which shall not include the right to publish or otherwise disseminate any information in any manner outside of the context of the appraisal). The information gathered by the appraiser will be used solely to inform the appraiser in determining the fair market value of the development parcel to be sold or leased, as applicable.

**9.4. Restaurant/Retail Businesses Open to the General Public.** Throughout the Term, restaurants and other facilities for the exclusive use of the members of any invitation-only membership organization is prohibited on the ground floor of the Premises; provided, however, the foregoing does not prohibit amenities available only to employees of Tenant or any Subtenant (e.g. an employee cafeteria) or facilities for the exclusive use of membership organizations that are open to the general public (e.g. a membership-based gym).

**9.5. Flags.** Throughout the Term, a Port flag will fly on each flagpole within the Premises ("**Flagpoles**"), if any. Port will provide Port flags to Tenant. Tenant will promptly, at no charge, install, raise, lower and remove Port flags at Port's request. The dimensions of Port flags will be similar to the dimensions of Port flags flown in the Central Waterfront. Tenant also may use the Flagpoles to fly other flags on each Flagpole, provided that such other flags, other than the flags of the United States and the State of California, must be placed beneath the Port flag and Port must first reasonably approve the dimensions, color, text, design, and materials for such flag. If Port determines that Tenant's response to Port's request to raise or lower Port flags is inadequate, then at Port's election, Port may access the Flagpoles to adjust the Port flags accordingly without notice to Tenant.

Tenant will have no responsibility to maintain any Port flags. Port will provide Tenant with replacement Port flags to replace worn Port flags on the Flagpoles. If Port does not provide a replacement flag to replace a worn flag, then Tenant will provide Port with notice requesting that a replacement flag be provided ("**Replacement Notice**"). If Port reasonably believes the flag in question is not worn sufficiently enough to warrant its replacement, Port will notify Tenant within five (5) days following receipt of the Replacement Notice, and such flag will remain in place and not be replaced. If Port has not timely notified Tenant that Port disputes the need to replace the flag and if Port does not provide Tenant with a replacement flag within thirty (30) days following the Replacement Notice, then Tenant will deliver to Port a second notice, which notice will include a statement in bold, all caps and underlined that if Port does not provide Tenant with a replacement flag within ten (10) days of such second notice, then Tenant will have the right to remove the worn flag. If Port does not provide Tenant with a replacement flag within ten (10) days of such second notice, then Tenant will have the right to remove the worn flag; provided, however, if Port notifies Tenant that Port cannot provide Tenant with a replacement flag due to unavailability of a replacement flag, Tenant will not remove the worn flag until Port is able to obtain a replacement flag. If Tenant removes Port's flag, then Tenant will promptly fly a replacement flag provided by Port to Tenant.

**9.6. Graffiti Removal.** Graffiti is detrimental to the health, safety and welfare of the community in that it promotes a perception in the community that the laws protecting public and

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

Tenant agrees to commence removal of graffiti from the Premises within forty-eight (48) hours of the earlier of Tenant's: (a) discovery or notification of the graffiti or (b) receipt of notification of the graffiti from San Francisco Public Works. This **Section 9.6** is not intended to require Tenant to breach any lease or other agreement that it may have concerning its use of the Premises. The term "graffiti" means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other improvement, whether permanent or temporary, including signs, banners, billboards and fencing surrounding construction sites, whether public or private, without the consent of the owner of the property or the owner's authorized agent, and that is visible from the public right-of-way, but does not include: (1) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the Planning Code, or the Building Code; or (2) any mural or other painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (Calif. Civil Code §§ 987 et seq.) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. §§ 101 et seq.).

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

**9.8. Transportation Demand Management Plan.** Tenant will comply with the Transportation Demand Management Plan, attached as **Exhibit Y** throughout the Term.

**9.9. Soil Management Plan.** Tenant will comply, and will cause its Agents to comply, with all applicable provisions of the Soil Management Plan, a copy of which has been provided to Tenant. Any and all Subleases will require Subtenants (including its Agents) to comply with all applicable provisions of the Soil Management Plan.

## **10. REPAIR AND MAINTENANCE; FACILITIES CONDITION REPORT; RESERVE ACCOUNT.**

**10.1. Covenants to Repair and Maintain the Premises.** Except as may otherwise be provided under **Articles 14** (Damage or Destruction) and **15** (Condemnation), throughout the Term, Tenant will maintain and repair, at no cost to Port, the Premises, all Improvements within the Premises (including, without limitation, all Material Systems) and Subsequent Construction thereon in accordance with the prudent business practices of institutional landlords of buildings of comparable age, size, type and use located in San Francisco (less reasonable wear and tear), and in compliance with all applicable Laws and this **Article 10**. Tenant will with reasonable promptness make (or cause others to make) all repairs, renewals and replacements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, foreseen or unforeseen, required to comply with this **Section 10.1**, except as set forth in **Article 7**, **Article 14** or **Article 15**. 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.

## **10.2. Facilities Condition Report.**

### **(a) Additional Definitions.**

“**Capital Items**” mean replacements, repairs, and/or improvements to the Premises, the foundation and structural integrity of the Improvements and Material Systems serving the Premises, and other Improvements within the Premises that would be deemed capital assets under general accounting principles consistently applied.

“**Capital Reserves**” means funds in a bank account where all funds will be used solely to replace, repair, and improve Capital Items within the Premises.

“**Capital Reserve Deposits**” means the deposits into an account for Capital Reserves.

“**FCR Date**” means the twentieth (20<sup>th</sup>) Anniversary Date and every ten (10) years thereafter until and including the sixtieth (60<sup>th</sup>) Anniversary Date and every five (5) years thereafter until the expiration of the Term.

**(b) Facilities Condition Report.** No less than ninety (90) days before each FCR Date, Tenant will deliver to Port a facilities condition report (the “**Facilities Condition Report**”) prepared by a qualified team of construction professionals including, without limitation, a structural and mechanical engineer, each with at least ten (10) years of experience in constructing, renovating and/or evaluating major commercial buildings in California. The Facilities Condition Report will be substantially in the form is attached hereto as ***Exhibit L***. Additionally, if a Facilities Condition Report is prepared by Tenant or another party in connection with any Transfer or Refinancing, then Tenant will provide or cause the other party to provide, a copy of such Facilities Condition Report to Port.

**(c) Failure to Revise or Submit Report.** If Port reasonably believes the Facilities Condition Report does not satisfy the requirements set forth in ***Section 10.2(b)***, then Port will notify Tenant of such deficiency within forty-five (45) days following receipt of the Facilities Condition Report and Tenant will revise the Facilities Condition Report, to address Port’s concerns within sixty (60) days. If Tenant fails to provide a Facilities Condition Report, or a revised Facilities Condition Report to Port within such period of time, Port after giving thirty (30) days’ notice to Tenant will have the right, but not the obligation, to cause the preparation of a Facilities Condition Report by construction professionals of Port’s choice, satisfying the experience requirements set forth in ***Section 10.2(b)*** at Tenant’s sole cost. Upon Port’s delivery to Tenant of an invoice for such Facilities Condition Report, Tenant will promptly reimburse Port the amount set forth in such invoice.

**(d) Maintenance and Repair of Identified Items.** Tenant will use commercially reasonable efforts to perform the recommended repairs identified in the Facilities Condition Report in accordance with the prudent business practices of institutional landlords of buildings of comparable age, size, type and use located in San Francisco.

## **10.3. Capital Reserves.**

**(a) Lender Capital Reserves Requirement.** Subject to ***Section 10.3(b)***, Tenant will establish and maintain Capital Reserves to pay for replacements, repairs, and improvements of Capital Items within the Premises to the extent and on the terms and conditions required by Tenant’s Lender. If Tenant’s Lender does not require the establishment of such Capital Reserves, then Tenant will establish and maintain Capital Reserves pursuant to ***Section 10.3(b)***.

**(b) No Lender Capital Reserves Requirement.** From and after Completion of the Initial Improvements, if a Lender does not require Tenant to maintain Capital Reserves, Tenant will establish and maintain Capital Reserves consistent with the prudent business practices of institutional landlords of buildings of comparable age, size, type and use located in

San Francisco with a depository institution reasonably acceptable to Port. Tenant will use the Capital Reserves only for the repair and/or replacement of Capital Items.

(c) **Capital Reserves Statements.** If a Lender does not require Tenant to maintain Capital Reserves, Tenant will provide Port on an annual basis, a statement from the depository institution where the Capital Reserves are held, showing the then current balance and any activity on such account that occurred during the immediately prior calendar year. In the event that Tenant has used Capital Reserves within the immediately prior calendar year, Tenant will include with the delivery of such statement, an explanation for such withdrawal, along with reasonably detailed statements relating to the expenditure of such funds.

**10.4. No Obligation of Port; Waiver of Rights.** From and after the Commencement Date, Tenant will be solely responsible for the condition, operation, repair, maintenance and management of the Premises, including the Initial Improvements, Subsequent Construction, and any and all other Improvements. Port will not, as a result of this Lease, have any obligation to make repairs or replacements of any kind or maintain the Premises or any portion of any of them. Tenant waives the benefit of any Law that would permit Tenant to make repairs or replacements at Port's expense, or abate or reduce any of Tenant's obligations under, or terminate, this Lease, on account of the need for any repairs or replacements. Without limiting the foregoing, Tenant hereby waives any right to make repairs at Port's expense as may be provided by California Civil Code Sections 1932(1), 1941 and 1942, as any such provisions may from time to time be amended, replaced or restated.

**10.5. Port's Right to Repair.** In the event Tenant fails to maintain and repair the foundation, the structural integrity of the Improvements, the roofs, and building systems (including plumbing, sewer, mechanical, electrical and other utility systems) (collectively, "Material Systems") within the Premises in accordance with **Section 10.1** and such failure is likely to cause imminent physical harm to any Person or constitutes a violation of applicable Law, Port may repair the same at Tenant's cost and expense and Tenant will reimburse Port therefor as provided in this **Section 10.5**. Except in the event of an emergency, Port will first provide no less than fifteen (15) days prior notice to Tenant before commencing any maintenance to or repair of a Material System ("Port's Repair Notice"). If Tenant does not commence maintenance or repair of the affected Material System or provide assurances reasonably satisfactory to Port that Tenant will commence maintenance or repair of the same within such fifteen (15) day period, then Port may proceed to take the required action. If Port elects to proceed with such repair or maintenance, then promptly following completion of any work taken by Port pursuant to this **Section 10.5**, Port will deliver a detailed invoice of the work completed, the materials used and the costs relating thereto. Tenant also will pay to Port 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 excludes any costs associated with design, such as architectural fees. Tenant will pay to Port the amount set forth in the invoice within thirty (30) days after delivery of Port's invoice.

In the event Port notifies Tenant of a failure to maintain and repair 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 (\$100) 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 10**, 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) 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 10.5* are due within five (5) days following delivery of the applicable Maintenance Notice.

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

## **11. IMPROVEMENTS.**

**11.1. *Tenant's Obligation to Construct the Initial Improvements.*** Construction of the Initial Improvements will be governed by the terms and conditions of the Vertical DDA, and with respect to any other obligations relating to the Coordination Agreement, and subject to (i) this Lease and all applicable Laws, including without limitation, the SUD and the Design Controls, (ii) the Soil Management Plan, (iii) the Mitigation Monitoring and Reporting Program, and (iv) the Transportation Demand Management Plan. Any Subsequent Construction will be performed in accordance with *Article 12*.

**11.2. *Failure to Timely Construct Initial Improvements.*** If Tenant fails to Commence Construction of the Initial Improvements within the time period set forth in Section 12.1(b) of the Vertical DDA, without limiting any other remedies set forth in this Lease or the Vertical DDA, Port may terminate this Agreement in accordance with the procedures outlined in *Sections 25.4(a)* and Schedule 15.3 of the Vertical DDA.

**11.3. *Title to Improvements.*** During the Term, Tenant will own all of the Improvements within the Premises, including all Subsequent Construction and all appurtenant fixtures, machinery and equipment installed therein (except for Subtenant improvements to the extent owned by any Subtenant pursuant to the applicable sublease, trade fixtures and other personal property of Subtenants). At the expiration or earlier termination of this Lease, title to the Improvements, including appurtenant fixtures (but excluding trade fixtures and other personal property of Tenant and its Subtenants other than Port), will vest in Port without further action of any Party, and without compensation or payment to Tenant. Tenant and its Subtenants will 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 material damage to the Premises, Tenant will promptly cause the repair of such damage at no cost to Port.

## **12. CONSTRUCTION.**

### **12.1. *Port Approval.***

(a) **Generally.** Tenant will have the right, from time to time during the Term, to construct the Initial Improvements in accordance with the Vertical DDA and perform Subsequent Construction (collectively, "**Construction**") in accordance with the provisions of this *Article 12*.

(b) **Construction Requiring Port's Prior Approval.** Tenant has the right during the Term to perform Subsequent Construction in accordance with the provisions of this *Article 12*, provided that Tenant cannot perform Subsequent Construction without Port's prior approval.

**12.2. *Permits/Design Review/Tenant Improvements.*** Tenant must obtain all Regulatory Approvals and all permits required by applicable Law to be obtained from governmental agencies having jurisdiction, including, where applicable, from Port itself. Without limiting the foregoing, Tenant acknowledges that the Initial Improvements and any major alterations or additions (as defined in the Design Controls) and the design review process set forth in Planning Code Section 249.80 (Mission Rock Special Use District), requires review and approval by Port for certain improvements, for consistency with the SUD and Design Controls. Without limiting anything else in this *Article 12*, Port's approval, in its proprietary capacity, will not be required for the installation or alteration of tenant improvements and

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 10.5* are due within five (5) days following delivery of the applicable Maintenance Notice.

Initials:                      Tenant

## **11. IMPROVEMENTS.**

**11.1. *Tenant's Obligation to Construct the Initial Improvements.*** Construction of the Initial Improvements will be governed by the terms and conditions of the Vertical DDA, and with respect to any other obligations relating to the Coordination Agreement, and subject to (i) this Lease and all applicable Laws, including without limitation, the SUD and the Design Controls, (ii) the Soil Management Plan, (iii) the Mitigation Monitoring and Reporting Program, and (iv) the Transportation Demand Management Plan. Any Subsequent Construction will be performed in accordance with *Article 12*.

**11.2. *Failure to Timely Construct Initial Improvements.*** If Tenant fails to Commence Construction of the Initial Improvements within the time period set forth in Section 12.1(b) of the Vertical DDA, without limiting any other remedies set forth in this Lease or the Vertical DDA, Port may terminate this Agreement in accordance with the procedures outlined in *Sections 25.4(a)* and Schedule 15.3 of the Vertical DDA.

**11.3. *Title to Improvements.*** During the Term, Tenant will own all of the Improvements within the Premises, including all Subsequent Construction and all appurtenant fixtures, machinery and equipment installed therein (except for Subtenant improvements to the extent owned by any Subtenant pursuant to the applicable sublease, trade fixtures and other personal property of Subtenants). At the expiration or earlier termination of this Lease, title to the Improvements, including appurtenant fixtures (but excluding trade fixtures and other personal property of Tenant and its Subtenants other than Port), will vest in Port without further action of any Party, and without compensation or payment to Tenant. Tenant and its Subtenants will 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 material damage to the Premises, Tenant will promptly cause the repair of such damage at no cost to Port.

## **12. CONSTRUCTION.**

### **12.1. *Port Approval.***

(a) **Generally.** Tenant will have the right, from time to time during the Term, to construct the Initial Improvements in accordance with the Vertical DDA and perform Subsequent Construction (collectively, "**Construction**") in accordance with the provisions of this *Article 12*.

(b) **Construction Requiring Port's Prior Approval.** Tenant has the right during the Term to perform Subsequent Construction in accordance with the provisions of this *Article 12*, provided that Tenant cannot perform Subsequent Construction without Port's prior approval.

**12.2. *Permits/Design Review/Tenant Improvements.*** Tenant must obtain all Regulatory Approvals and all permits required by applicable Law to be obtained from governmental agencies having jurisdiction, including, where applicable, from Port itself. Without limiting the foregoing, Tenant acknowledges that the Initial Improvements and any major alterations or additions (as defined in the Design Controls) and the design review process set forth in Planning Code Section 249.80 (Mission Rock Special Use District), requires review and approval by Port for certain improvements, for consistency with the SUD and Design Controls. Without limiting anything else in this *Article 12*, Port's approval, in its proprietary capacity, will not be required for the installation or alteration of tenant improvements and





finishes to prepare portions of the Premises for occupancy or use by Subtenants, provided that the foregoing does not alter Tenant's obligation to obtain any required Regulatory Approvals and permits, including, as applicable, a building permit from Port, in its regulatory capacity.

### **12.3. Construction Schedule.**

(a) **Performance.** Once commenced, Tenant will prosecute all Construction with reasonable diligence, subject to Force Majeure, and subject to any other applicable provisions regarding timing as set forth in the Vertical DDA and the Coordination Agreement.

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

### **12.4. Construction.**

(a) **Commencement of Construction.** Tenant will not commence any Construction until all the following conditions have been satisfied or waived by Port:

(i) Tenant has obtained and paid for all required building permits (or site permits and necessary addenda) and any other required Regulatory Approvals to commence Construction; and

(ii) If any Bond, sub-guard insurance (or other insurance product), guaranty, or other security is obtained by or for the benefit of Tenant with respect to the payment of any funds or performance obligations associated with the Initial Improvements or any Subsequent Construction, Tenant will cause to have (1) Port named as a co-obligee to any performance and/or payment bond, (2) Port named as an additional insured or third-party beneficiary with respect to any sub-guard or other insurance product, and (3) Port named as an additional beneficiary to any guaranty provided by a guarantor of any Subtenant's obligations that is granted a Non-Disturbance Agreement in accordance with **Section 18.4**; provided, however, Port's rights under such Bond, insurance product or guaranty will (x) remain subordinate to the rights of any Lender, and (y) not be exercised by Port before an Event of Default.

(b) **Construction Standards.** All Construction will be performed by duly licensed and bonded contractors or mechanics and will be accomplished expeditiously, diligently and in accordance with good construction and engineering practices and applicable Laws.

(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 Port or 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 Construction, Port and its Agents will have the right to enter areas in which Construction is being performed, on reasonable prior written notice during customary construction hours, subject to the rights of Subtenants, 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 applicable provisions of the Workforce Development Plan, which is attached hereto as *Exhibit M*.

**12.5. Safety Matters.** Tenant, while performing any 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 disruption or damage to adjoining portions of the Premises and Improvements and the surrounding property, or the risk of injury to members of the public, caused by or resulting from the performance of its Work. Tenant will erect appropriate construction barricades to enclose the areas of such construction and maintain them until the Construction has been substantially completed, to the extent reasonably necessary to minimize the risk of hazardous construction conditions.

**12.6. Record Drawings.**

(a) With respect to any Construction requiring a building permit, Tenant will furnish to Port one set of design/permit drawings in their finalized form and Record Drawings with respect to such Construction within ninety (90) days following completion of the applicable 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 Record Drawings, 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 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 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 will limit Tenant’s obligations, if any, to provide plans and specifications in connection with Construction under applicable regulations adopted by Port in its regulatory capacity. Tenant will be 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 12.6* as technology changes and new engineering/architectural software is developed.

**12.7. *Certification of Total Development Costs. Attachment 1 to Exhibit D*** includes the provisions to certify Entitlement Costs and Total Development Costs of the Initial Tenant.

### **13. UTILITY AND TELECOMMUNICATIONS SERVICES.**

**13.1. *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. In accordance with the requirements under the DDA, the Premises will be served by the Horizontal Improvements constructed by Master Developer or Phase 1 Horizontal Developer (as applicable), construction of which may occur simultaneously with construction of the Initial Improvements. If Tenant desires to coordinate construction activities with Master Developer or Phase 1 Horizontal Developer (as applicable) or construction of the Initial Improvements with the Horizontal Improvements, Tenant will include such provision in the Coordination Agreement. Tenant, at no cost to Port or the City, will (i) arrange for the provision and construction of all on-site and any off-site utilities necessary to construct, operate and use all of the Improvements and any other portion of the Premises for their intended use, (ii) be responsible for contracting with, and obtaining, all necessary utility and other services, as may be necessary and appropriate to the uses to which all of the Improvements and the Premises are put (it being acknowledged that City (including its SFPUC) is the sole and exclusive provider to the Premises of certain public utility services), and (iii) maintain and repair all utilities serving the Premises to the point provided by the respective utility service provider (whether on or off the Premises). Tenant also must coordinate with the respective utility service provider with respect to the installation of utility services, 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. Tenant agrees, with respect to any public utility services provided to the Premises by City, that no act or omission of City in its capacity as a provider of public utility services, will abrogate, diminish, or otherwise affect the respective rights, obligations and liabilities of Tenant and 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 will not constitute a waiver by Tenant of any claim it may now or in the future have (or claim to have) against any such public utility provider relating to the provision of (or failure to provide) utilities to the Premises.

Notwithstanding the foregoing, to the extent installed by Master Developer, Phase 1 Horizontal Developer, Master Association or each of their respective successors or assigns (including without limitation, any separate utility provider that installs or operates any such facilities) and included in the Master CC&Rs to be recorded against the Premises, Tenant will be required to participate in the districtwide utility systems serving Mission Rock, including, without limitation, procuring recycled water from the district blackwater system and heating and

cooling from the district energy system in accordance with the Master CC&Rs. Notwithstanding anything herein to the contrary, the Port's prior written consent, including to the extent otherwise required under Section 18.3(b), shall not be required for any Sublease entered into by Tenant in connection with such facilities (including any Sublease (i) with a Tenant Affiliate; (ii) Controlled by Tenant or a Tenant Affiliate; or (iii) owned either directly or indirectly by Tenant or a Tenant Affiliate); provided, however, if the applicable subtenant is an entity other than Mission Rock Utilities, Inc., the Port shall have the right to approve such subtenant (which such approval shall not be unreasonably withheld, conditioned or delayed) and the Tenant will provide a copy of such sublease to the Port promptly after execution.

**13.2. *Intentionally Omitted.***

**13.3. *Rooftop and Other District-Wide Equipment.***

(a) **Telecommunications Equipment and Satellite Dish.** Tenant will have the right to install satellite dish(es) and telecommunications equipment on the roof of the Premises and to sublease such portions to an operator, provided that Tenant (i) complies with all Laws, and (ii) obtains all required Regulatory Approvals. The Parties will cooperate in connection with the location of any satellite dish or telecommunications equipment installed pursuant to this ***Section 13.3(a)*** and the location of any satellite dish or telecommunications equipment installed by Port or City pursuant to ***Section 13.3(b)(i)*** so as to minimize interference with the systems serviced by such satellite dish or telecommunications equipment.

(b) **Other Equipment.**

(i) ***Communications Facilities.*** Tenant agrees that Port and City have the right to install at no charge, satellite dish(es) and other telecommunications facilities reasonably required for Port's or City's operations and/or District-wide programs and systems, including, without limitation, (i) facilities for City's emergency or 700-Mhz and 800-Mhz City-wide radio system communications facilities (or its successor), (ii) public Wi-Fi networks, and (iii) a master cellular network, which may require installation on the roof or exterior of any building within the Premises, provided that Port (a) complies with all Laws, (b) obtains all required Regulatory Approvals, and (c) obtains Tenant's prior reasonable approval with respect to the size, location, dimensions, color, text (if any), screening, reflectivity, and method of installation of the applicable satellite dish or telecommunications facility. The installation of any such satellite dish(es) and other telecommunications facilities will be at Port's or City's sole cost. If the installation of any such satellite dish or other telecommunications facility requires alterations and/or improvements of any portion of the Premises, including, without limitation, the relocation of any photo-voltaic panels or any other satellite dish previously installed on the roof of the Premises, such alterations and/or improvements will be at Port's sole cost and expense, and Port will promptly repair, at its sole cost, any damage to the Premises including, without limitation, to any photo-voltaic panels. All aspects and phases of Port's installation, other equipment, wiring, conduit, roof mount and base, will at all times be subject to supervision and approval by Tenant, not to be unreasonably withheld, conditioned or delayed. All approval and supervision rights of Tenant are intended solely to protect Tenant's interests. Port will be responsible for procuring, prior to any installation, and maintaining in force at all times thereafter, any and all Regulatory Approvals as may be required for the lawful installation, use and operation of Port's or City's system. Port will be permitted access to the areas on the roof where any such installation is made, as necessary for the installation, repair, maintenance, and replacement thereof. Any access, interruptions or disturbance for the foregoing purposes will be temporary only. Port's access to the roofs will not unreasonably interfere with or disturb Tenant's or Subtenants' use and enjoyment of the Premises, will be subject to the reasonable building security procedures adopted by Tenant, and will require prior written consent for access occurring during regular business hours (except in cases of emergency). Port's access may be subject to temporary interruption in cases of emergency. Port will promptly repair and restore any damage to persons or property caused as a result of Port's access to and activities on the

roof. Port will be solely responsible for all maintenance, utilities and other costs of operation of any such facility installed pursuant to the terms of this **Section 13.3**.

**13.4. Electricity from SFPUC.** Section 5.8(f) of the Development Agreement, a copy of which is attached hereto as **Exhibit N**, will govern Tenant's obligation to procure electricity for the Premises from the San Francisco Public Utilities Commission.

**13.5. 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 does 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.

#### **14. DAMAGE OR DESTRUCTION.**

##### **14.1. 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 (other than a de minimis portion) from fire or other casualty (each a "Casualty"), Tenant will promptly give telephonic and written notice ("Casualty Notice") thereof to Port generally describing the nature and extent of such Casualty.

(b) **No Effect on Lease.** Except as set forth in **Section 14.3**, 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 14** 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 Additional Rent and any other sums due hereunder, will continue as though said Premises and/or Improvements had not been damaged or destroyed and without abatement, suspension, diminution or reduction of any kind.

**14.2. Restoration Obligation.** In the event of a Casualty, unless Tenant terminates this Lease in accordance with **Section 14.3**, Tenant will commence and diligently Restore the Improvements to the condition they were in immediately before such Casualty in accordance with then applicable Laws (including any required code upgrades), without regard to the amount or availability of insurance proceeds, subject to Force Majeure; provided, however, subject to the rights of Lenders in accordance with **Article 40**, all all-risk coverage insurance proceeds, earthquake and flood insurance proceeds, boiler and machinery insurance proceeds, and any other insurance proceeds paid to Tenant by reason of Casualty (other than business or rental interruption insurance), must be first used by Tenant for Restoration of the Premises. All Restoration must be performed in accordance with the procedures set forth in **Article 12** relating to Construction and at Tenant's sole expense and must be completed within five (5) years following the event of Casualty, subject to Force Majeure. In connection with any Restoration, any Restoration that would otherwise require Port approval under **Section 12.1(b)** will require Port's prior approval subject to the standards set forth in such section. The Restored Improvements must be at least equivalent in quality, appearance, public safety, and durability to the Initial Improvements and provide similar public benefit as the original Initial Improvements, subject to the Permitted Uses.

##### **14.3. Termination Due to Major or Uninsured Casualty.**

"Major Casualty" means damage to or destruction of all or any portion of the Premises to the extent that the hard costs of Restoration will exceed thirty percent (30%) of the hard costs to replace the Improvements in their entirety. The calculation of such percentage will be based

upon replacement costs and requirements of applicable Laws in effect as of the date of the event causing such Major Casualty.

“**Uninsured Casualty**” means any of the following: (i) a Casualty event occurring at any time during the Term for which the costs of Restoration (including the cost of any required code upgrades) are not insured or insurable under the policies of insurance that Tenant is required to carry under **Article 20** and such costs exceed One Million Dollars (\$1,000,000.00), which amount will be increased by an additional Five Hundred Thousand Dollars (\$500,000.00) on the tenth (10<sup>th</sup>) Anniversary Date and every ten (10) years thereafter, or (ii) a Casualty event occurring at any time during the Term which is covered under Tenant’s policies of insurance that Tenant is required to carry under **Article 20** but where the cost of Restoration (including the cost of any required code upgrades) will exceed the sum of (A) the net proceeds of any insurance payable, (B) the amount of any applicable policy deductibles, and (c) One Million Dollars (\$1,000,000.00), which amount will be increased by an additional Five Hundred Thousand Dollars (\$500,000.00) on the tenth (10<sup>th</sup>) Anniversary Date and every ten (10) years thereafter. Any Casualty event not insured due to Tenant’s failure to maintain the requisite insurance policies and coverage requirements under **Article 20** will not be considered an Uninsured Casualty.

(a) **Tenant’s Election to Terminate.** If an event of Major Casualty or Uninsured Casualty occurs at any time during the Term, then within ninety (90) days following Tenant’s delivery to Port of the Casualty Notice, Tenant may, by written notice to Port, terminate this Lease upon satisfaction of all the following conditions set forth in **Sections 14.3(b)(i)** through **14.3(b)(vii)** below, unless waived by Port; provided, however, that so long as there are Outstanding Bonds, then Tenant shall have no right to terminate this Lease, but, provided Tenant has provided notice to Port of its intention to terminate this Lease pursuant to this **Article 14**, (i) Tenant shall be relieved of its obligations to pay Base Rent (if any) and (ii) Tenant shall have no obligation to restore the Premises in accordance with **Section 14.2** hereof and Tenant must terminate this Lease in accordance with this **Section 14.3(a)** within ninety (90) days after the date the Outstanding Bonds that were in effect on the date that Tenant elected to terminate this Lease are no longer outstanding. Port shall provide Tenant with reasonable prior written notice of the date on which the Outstanding Bonds that were in effect on the date that Tenant elected to terminate this Lease shall no longer be outstanding. Notwithstanding anything to the contrary in this Lease, Tenant shall repair and restore all or a portion of the Premises as required in order comply with any City or Port issued mandate to protect the health and safety of any subtenant, including residents, of the Premises.

(b) **Conditions to Termination.** As a condition precedent to Tenant’s right to terminate this Lease in accordance with **Section 14.3**, unless waived by Port, Tenant will do all of the following:

(i) Unless otherwise requested by Port, in its sole discretion, Tenant will, at its sole cost and expense, Demolish and Remove the Improvements prior to the effective termination date;

(ii) - Unless the Improvements are to be demolished as set forth in **Section 14.3(b)(i)**, Tenant will provide Port the estimated cost of Restoration;

(iii) Cure all Tenant monetary Events of Defaults and any Events of Default or Unmatured Events of Default relating to the provisions of **Section 21**;

(iv) Pay in full all utility charges and Impositions incurred up to and including the effective date of termination;

(v) Maintain all the insurance required to be maintained under **Section 20** until the effective date of termination;

(vi) Pay or cause to be paid the following amounts solely from the insurance proceeds as and to the extent available arising from each Casualty promptly following receipt of such proceeds, in the order required by any senior Mortgage, and if none, in the following order of priority:

(1) First, to Port (or Tenant, if such work is performed by, or on account of, Tenant at its cost) for the actual costs incurred for any work required to alleviate any conditions caused by such Casualty that could cause an immediate or imminent threat to the public safety and welfare or damage to the environment, including any demolition or hauling of rubble or debris;

(2) Second, to Port, for all accrued and unpaid amounts owed to Port under this Lease, if any, by Tenant, up to the effective date of the termination;

(3) Third, to each non-Affiliate Lender demanding payment, in order of priority, a portion of the remaining casualty insurance proceeds arising out of or in connection with the Casualty in an amount not to exceed the aggregate amounts that are secured by the applicable non-Affiliate Mortgage then owed to each such non-Affiliate Lender;

(4) Fourth, to the appropriate governmental or quasi-governmental entity, all Impositions due up to the effective date of termination; and

(5) Fifth, the balance of the proceeds will be divided proportionately between Port, for the value of Port's reversionary interest in the Premises and Improvements (in their condition immediately prior to the Casualty event) as of the date the Term would have expired but for the Casualty event, and Tenant, for the value of the Improvements for the remaining unexpired portion of the Term (in their condition immediately prior to the event of damage or destruction) less any proceeds distributed in repayment of any Mortgages as provided in *Section 14.3(b)(vi)(3)*.

(c) Upon termination in accordance with this *Section 14.3*, Tenant will deliver possession of the Premises to Port and quitclaim to Port all right, title and interest in the Premises and in any remaining Improvements. Upon such termination, the Parties will be released thereby without further obligation to the other Party as of the effective date of such termination; provided, however, that the Indemnification provisions hereof or any other provision that explicitly survives the expiration or earlier termination of this Lease will survive any such termination with respect to matters arising before the effective date of any such termination.

**14.4. Distribution Upon Lease Termination Due to Tenant Failure to Restore.** If Tenant is obligated to and fails to Restore the Improvements as provided herein and commits an Event of Default in failing to Restore the Improvements and this Lease is thereafter terminated due to such Event of Default, all insurance proceeds remaining after application pursuant to *Section 14.3(b)(vi)(1)—14.3(b)(vi)(4)* will be paid to and retained by Port.

## 15. CONDEMNATION.

### 15.1. 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 15*.

(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 15*, 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 15*, 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.

**15.2. 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 explicitly survive the expiration or earlier termination of this Lease.

**15.3. 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, this Lease will terminate, at Tenant’s option (which must 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, as further provided below. For purposes of this *Article 15*, “**Substantial Condemnation**” means a Condemnation of (i) less than the entire Premises which renders the Project untenable, unsuitable, or economically infeasible for the Permitted Uses as reasonably determined by Tenant, or (ii) of property located outside the Premises that, in any case, substantially and materially eliminates access to the Premises where no alternative access can be constructed or made available. Notwithstanding the foregoing, Tenant will have no right to terminate this Lease under this *Section 15.3(a)* if the Substantial Condemnation, as the case may be: (x) can be cured by the performance of Restoration (unless such Substantial Condemnation occurs during the last ten (10) years of the Term or if Tenant reasonably anticipates, based upon a schedule of performance for such Restoration prepared with due diligence by Tenant in consultation with Port that at the time of completion of the Restoration, less than ten (10) years would remain in the Term), and (y) the cost of such Restoration does not exceed by at least One Million Dollars (\$1,000,000.00), which amount will be increased by an additional Five Hundred Thousand Dollars (\$500,000.00) on the tenth (10<sup>th</sup>) Anniversary Date and every ten (10) years thereafter, the portion of the Award fairly allocable to severance damages suffered by Tenant. In such case, this Lease will not terminate, and, upon a determination that the Lease will continue based upon the availability and amount of Award, Tenant will commence and complete such Restoration as promptly as reasonably practicable by using commercially reasonable diligence and pursuant to the provisions of *Article 12* and *Section 15.4*, subject to events of Force Majeure.

(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 15.2* or *Section 15.3(a)* (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, and Tenant will promptly commence and complete, subject to events of Force Majeure, any necessary Restoration of the remaining portion of the Premises, at no cost to Port. Any such Restoration will be performed in accordance with the provisions of *Article 12*.

**15.4. Awards.** Except as provided in *Sections 15.5* and *15.6*, 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:

- (i) First, to Port for the payment of all unpaid Rent.
- (ii) Second, in the event of a Partial Condemnation, to pay costs of Restoration incurred by Tenant, in which case, the portion of the Net Awards and Payments allocable to Restoration will be payable to Tenant, a Lender, or trustee in accordance with the requirements governing payment of insurance proceeds set forth in *Section 14.3(b)(vi)*;
- (iii) 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 (the “**Condemned Land Value**”);
- (iv) Fourth, to any non-Affiliate Lender pursuant to a non-Affiliate Mortgage as and to the extent provided therein, for payment of all sums secured by its non-Affiliate 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.
- (v) 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;
- (vi) 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 Improvements (based on the date the Term would have expired but for the event of Condemnation), and Tenant, for the value of the Improvements for the remaining unexpired portion of the Term to the original scheduled Expiration Date.
- (vii) 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, will be paid to Port or Tenant, as applicable, as so designated by the condemning authority or judgment.

**15.5. 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, there will be no abatement of Rent, and the entire Award will be payable to Tenant.

**15.6. Relocation Benefits, Personal Property.** Notwithstanding *Section 15.4*, 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.

## **16. LIENS.**

**16.1. 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 4*), and (iii) Mortgages.

**16.2. 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 Subsequent 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.

## **17. DEPOSITS.**

### **17.1. *Intentionally Omitted.***

**17.2. *Environmental Financial Performance Deposit.*** On or prior to the commencement of any Sublease with a Subtenant that will engage in activities on the Premises involving the use of Hazardous Materials (other than (a) standard building materials and equipment that do not contain asbestos or asbestos-containing materials, lead or polychlorinated biphenyl (PCBs), and (b) 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), Tenant will deliver to Port an amount determined by Port to be reasonable additional security for any increased environmental liabilities to Port arising out of the Subtenant's specific use of non-Excepted Hazardous Materials at the Premises (the "**Environmental Financial Performance Deposit**") as additional collateral for the full and faithful performance by Tenant of its obligations under **Article 21**. Port's determination of the amount of the Environmental Financial Performance Deposit will be consistent with the Port Commission's adoption of the Environmental Risk Policy and Financial Assurance Requirements for Real Property Agreements on November 13, 2007, pursuant to Resolution No. 07-81, as may be amended or updated from time to time (the "**Port Environmental Risk Policy**"). In the event Port determines in its sole but reasonable discretion that any proposed change(s) to Tenant's (or its Subtenants') use and operation of Hazardous Materials (other than Excepted Hazardous Materials) on the Premises increase Port's risk of Loss, then prior to commencement of such Sublease, Port may require Tenant to increase the Environmental Financial Performance Deposit in a manner consistent with the Port Environmental Risk Policy. Port also has the right to increase every five (5) years the amount of the Environmental Financial Performance Deposit in a manner consistent with the Port Environmental Risk Policy if Port reasonably believes after review of Tenant's and Subtenants' use and operation of Hazardous Materials (other than Excepted Hazardous Materials) that the then current amount is insufficient.

### **17.3. *Environmental Oversight Deposit.***

(a) If Tenant is required to provide an Environmental Financial Performance Deposit in accordance with **Section 17.1**, then prior to commencement of the Sublease necessitating such deposit, Tenant will also deliver to Port an environmental oversight deposit ("**Environmental Oversight Deposit**") in cash, in an amount equaling Ten Thousand Dollars (\$10,000), as security for Port's recovery of costs of inspection, monitoring, enforcement, and administration of Tenant's performance of its obligations under **Article 21**.

(b) Port at its option may demand reimbursement from Tenant within five (5) business days following demand, or use, apply, or retain the Environmental Oversight Deposit in whole or in part to reimburse Port, for Port's costs incurred if an Environmental Regulatory Agency delivers a notice of violation or order regarding a Hazardous Material Condition ("**Environmental Notice**") to Tenant and either: (i) the actions required to cure or comply with the Environmental Notice cannot be completed within fourteen (14) days after its delivery; or

(ii) Tenant has not begun to cure or comply with the Environmental Notice or is not working actively to cure or comply with the Environmental Notice within fourteen (14) days after its delivery. Under these circumstances, Port's costs may include staff time corresponding with and responding to Regulatory Agencies, Attorneys' Fees and Costs, and inspection, collection, and laboratory analysis of environmental samples and monitoring the Hazardous Material Condition.

(c) If an Environmental Notice is delivered to Tenant, and Tenant has cured or complied with the Environmental Notice within fourteen (14) days after its delivery, Port at its option may demand payment from Tenant within five (5) days following demand, or apply the sum of Five Hundred Dollars (\$500) (which amount will be increased by One Hundred Dollars (\$100) on the tenth (10<sup>th</sup>) anniversary of the Commencement Date and every ten years thereafter) from the Environmental Oversight Deposit, as Additional Rent for each Environmental Notice delivered to Tenant to reimburse Port for its administrative costs.

#### **17.4. Generally.**

(a) The Environmental Financial Performance Deposit (if any) and the Environmental Oversight Deposit (if any), are collectively referred to as the "**Security Deposit.**" Tenant will not be entitled to any interest on the Security Deposit.

(b) The amount of the Security Deposit will not be deemed to limit Tenant's liability for the performance of any of its obligations under this Lease nor be a measure of Port's damages upon an Event of Default. Port may apply the Security Deposit as provided herein without waiving any of Port's other rights and remedies hereunder or at Law or in equity.

(c) The Security Deposit will not be deemed an advance of Rent, an advance of any other payment due to Port under this Lease, or a security deposit subject to the California Civil Code.

(d) Should Port use any portion of the Security Deposit, Tenant must replenish the Security Deposit to the full extent of the required amount within five (5) business days following Port's demand.

(e) Port's obligations with respect to the Security Deposit are those of a debtor and not a trustee. Port will not be required to keep the Security Deposit separate from its general funds.

(f) Upon the expiration or earlier termination of this Lease, Port will return the unused balance of the Security Deposit to Tenant (less any amounts then due and payable from Tenant to Port under this Lease) within thirty (30) days after Tenant surrenders possession of the Premises to Port.

(g) Tenant may satisfy its obligations under *Sections 17.1* and *17.3* by providing to Port a letter of credit naming Port as a joint beneficiary (with Tenant) under a letter of credit which permits Port to draw directly on such letter of credit in the amount of any Environmental Financial Performance Deposit and Environmental Oversight Deposit which may be required in connection with a Sublease authorizing the Subtenant to engage in activities on the Premises involving the use of Hazardous Materials as specified in *Section 17.1*.

### **18. ASSIGNMENT AND SUBLETTING.**

#### **18.1. Transfer.**

##### **(a) Additional Definitions.**

"**Assignment**" means an assignment, conveyance, hypothecation, pledge (other than a pledge in connection with any mezzanine financing which will not require prior Port approval), or otherwise transfer all or any of Tenant's interest in this Lease or Leasehold Estate.

"**Control**" means with respect to any Person (a) the possession, directly or indirectly, of the power to direct or cause the direction of the day to day management, policies or activities of

such Person whether through ownership of voting securities, by contract or otherwise (excluding customary limited partner or non-managing member approval rights, or (b) the ownership (direct or indirect) of more than fifty percent (50%) of the profits or capital of another Person, or (c) the ownership (direct or indirect) of more than fifty percent (50%) of the ownership interest of such Person (whether shares, partnership interests, membership interest or other equity, and whether one or more classes thereof). “Controlled” and “Controlling” have correlative meanings.

“**Excluded Transfer**” means any of the following: (a) the exercise of customary remedies under mezzanine financing of Tenant or any constituent owner thereof; (b) the exercise of customary limited partner or non-managing member remedies under a partnership or limited liability company operating agreement, as applicable; (c) a change resulting from death or legal incapacity of a natural person; (d) the sale, transfer or issuance of less than the Controlling interest of stock listed on a nationally or internationally recognized stock exchange in a single transaction or a related series of transactions; or (e) a transfer of direct or indirect equity interests in the Tenant so long as a party in Control immediately prior to the transaction remains in Control immediately after the transaction.

“**Managing Party**” means, with respect to any Person, both (a) the possession, directly or indirectly, of the power to direct or cause the direction of the day-to-day management, policies or activities of Tenant (excluding customary limited partner or non-managing member approval rights) and (b) the ownership (direct or indirect) of more than ten percent (10%) of the profits or capital of Tenant.

“**Minimum Net Worth Amount**” means Twenty-Seven Million Five Hundred Thousand Dollars (\$27,500,000.00), which amount will increase by ten percent (10%) on the tenth (10th) anniversary of the Commencement Date and every ten (10) years thereafter.

“**Net Worth Guarantor**” means a Person, in combination with Tenant or the proposed transferee, satisfying the Net Worth Requirement that is the guarantor under the Net Worth Guaranty.

“**Net Worth Guaranty**” means a guaranty of performance of all the obligations under this Lease, in an amount not to exceed the Net Worth Requirement (less the net worth of Tenant or the proposed transferee), and otherwise in form and substance reasonably satisfactory to Port, delivered to Port by a Person, in combination with Tenant or the proposed transferee, satisfying the Net Worth Requirement.

“**Net Worth Requirement**” means, with respect to a proposed transferee, the proposed transferee has (a) prior to issuance of a Certificate of Completion, a net worth (inclusive of its equity in the Property) equal to at least the Minimum Net Worth Amount, less any debt to be secured by (i) the proposed transferee’s interest in the Premises or Leasehold Estate, or (ii) a pledge of the proposed transferee’s ownership interest, or (b) following the issuance of a Certificate of Completion, a net worth (inclusive of its equity in the Property) equal to or at least the lesser of (i) Minimum Net Worth Amount and (ii) thirty percent (30%) of the fair market value of the Premises, in each case.

“**Qualified Transferee**” means any transferee that satisfies each of the following criterion: (1) has, or has engaged a property manager with, at least ten (10) years’ experience operating major commercial projects; (2) satisfies the Net Worth Requirement; and (3) is subject to jurisdiction of the courts of the State.

“**Significant Change**” means any change in the direct or indirect ownership of Tenant that results in a change in Control of Tenant; provided, however, in no event will any Excluded Transfer be deemed a Significant Change.

“**Transfer**” means an Assignment or Significant Change.

(b) **Conditions to Transfer Before Certificate of Completion.** Subject to Sections 18.1(e), 18.1(h), 18.1(i), before Port’s issuance of a Certificate of Completion, Tenant

will not (A) suffer or permit any Significant Change to occur, or (B) consummate an Assignment without the prior written consent of Port, which consent may not be unreasonably withheld by Port if each of the following conditions is satisfied:

(i) In the case of an Assignment only, the proposed transferee executes and delivers an Assignment and Assumption Agreement in substantially the form attached to the Vertical DDA as “Exhibit R” if the Vertical DDA is still in effect, or *Exhibit O* attached hereto if Port has issued a Certificate of Completion (each an “Assignment and Assumption Agreement”), which Assignment and Assumption Agreement must contain:

(1) an express assumption by the proposed transferee, for itself and its successors and assigns, and expressly for the benefit of Port, of all of the obligations of Tenant arising from or after the effective date of the Transfer under this Lease, the Vertical DDA if in effect, and any other agreements or documents entered into by and between Port and Tenant pursuant to this Lease directly relating to the Project, and an express agreement by the proposed transferee to be subject to all of the conditions and restrictions to which Tenant is subject;

(2) a representation by the proposed transferee that it has conducted a thorough investigation and due diligence of the Improvements, including the condition of the real property, of all Material Systems, the roof and structural integrity of the Improvements, and if the Transfer occurs after the twentieth (20th) anniversary of the Commencement Date, has reviewed the most recent Facilities Condition Report prepared by Tenant; and

(3) a release by the proposed transferee of the Indemnified Parties and the State Lands Indemnified Parties and waiver of any and all Losses against the Indemnified Parties and the State Lands Indemnified Parties for the condition of the Improvements or the real property or any claims assignor may have against the Indemnified Parties arising prior to the effective date of the Transfer.

(ii) In the case of a Significant Change only, Tenant delivers to Port, a certificate setting forth the purchaser or purchasers of the ownership interest resulting in the Significant Change, purchase price of such interest, any Net Sale Proceeds owed to Port, and a reaffirmation from Tenant that it will continue to be obligated under all the terms and conditions of this Lease, all certified by Tenant’s chief financial officer as true, accurate, and complete, the form of which is attached hereto as *Exhibit P* (“Significant Change Certificate”);

(iii) All instruments and other legal documents involved in effectuating the Transfer reasonably requested by Port, including all documentation necessary for Port to confirm the amount of Port’s share of Net Sale Proceeds, has been submitted to Port for its review and reasonable approval, or at the request of Tenant, such documents are made available for Port’s review at Tenant’s office in San Francisco;

(iv) There is no Event of Default or Unmatured Event of Default on the part of Tenant under this Lease or any of the other documents or obligations to be assigned to the proposed transferee where Tenant or proposed transferee have not made provisions to cure the applicable default, which provisions are satisfactory to Port in its sole discretion;

(v) If the effective date of the Transfer is prior to Port’s issuance of a Certificate of Completion, there is no Developer Event of Default or an Unmatured Developer Event of Default (as such terms are defined in the Vertical DDA) on the part of Developer under the Vertical DDA, where Tenant or the proposed transferee has not made provisions to cure the default, which provisions are satisfactory to Port;

(vi) Subject to *Section 18.1(b)(vii)*, (1) in the case of a Significant Change, Tenant must be a Qualified Transferee immediately following the consummation of such Significant Change; and (2) in the case of an Assignment, the proposed transferee is a Qualified Transferee;

(vii) If Tenant (in the case of a Significant Change) or proposed transferee (in the case of an Assignment) does not satisfy the Net Worth Requirement, Tenant or the proposed transferee, as applicable, will have the right to deliver a Net Worth Guaranty in lieu of satisfying the Net Worth Requirement. Under the Net Worth Guaranty, the Net Worth Guarantor, among other things, will:

(1) guaranty performance of all of Tenant's obligations under this Lease in an amount not to exceed the Net Worth Requirement;

(2) covenant that it will throughout the term of the Net Worth Guaranty, maintain the Net Worth Requirement; and

(3) provide Port as of the first day of each calendar year, a statement certified by its chief financial officer, or if the Net Worth Guarantor is an individual, a certified public accountant, that the Net Worth Guarantor continues to meet the Net Worth Requirement and that to his/her actual knowledge, he/she is not aware of any facts that would cause the Net Worth Guarantor to not meet the Net Worth Requirement.

The Net Worth Guaranty will otherwise be in form and substance reasonably satisfactory to Port. The Net Worth Guaranty will terminate when the Tenant benefiting from the Net Worth Guaranty meets the Net Worth Requirement. Tenant and the Net Worth Guarantor will provide Port with (or make available to) its financial statements and other information necessary to substantiate its position that it meets the Net Worth Requirement and that the Net Worth Guaranty should terminate.

(viii) Tenant provides to Port an estoppel certificate substantially in the form attached hereto as *Exhibit Q*, which estoppel certificate will be effective as of the effective date of Transfer;

(ix) Port receives on or prior to the effective date of Transfer (A) Port's share of Net Sale Proceeds, as described in *Section 4 of Exhibit D*, and (B) a settlement statement relating to the Transfer or other evidence, reasonably satisfactory to Port, of Port's share of Net Sale Proceeds; and

(x) Port receives on or prior to the effective date of Transfer sufficient funds to reimburse Port for its Attorneys' Fees and Costs to review the proposed Transfer provided, however, if Port has not delivered to Tenant an invoice for Attorneys' Fees and Costs prior to the effective date of Transfer, Tenant will reimburse Port for same within ten (10) business days of receipt of such invoice.

(c) **Transfer After Certificate of Completion.** From and after Port's issuance of a Certificate of Completion, Tenant may Transfer without the prior consent of Port so long as:

(i) in the case of a Significant Change, Tenant is a Qualified Transferee immediately following the consummation of such Significant Change; or in the case of an Assignment, the proposed transferee is a Qualified Transferee; provided, however, if Tenant (in the case of a Significant Change) or proposed transferee (in the case of an Assignment) does not satisfy the Net Worth Requirement, Tenant or the proposed transferee, as applicable, will have the right to deliver a Net Worth Guaranty in lieu of satisfying the Net Worth Requirement in accordance with *Section 18.1(b)(vii)*;

(ii) Tenant provides Port prior notice before the effective date of the Transfer;

(iii) in the case of an Assignment, within thirty (30) days after such Assignment, Tenant delivers an Assignment and Assumption Agreement to Port, executed by transferor and the transferee; and

(iv) in the case of a Significant Change, within thirty (30) days after such Significant Change, Tenant delivers a Significant Change Certificate to Port.

(d) **No Limitation.** It is the intent of this Lease, to the fullest extent permitted by Law and equity that no Transfer of this Lease, or any interest therein, however consummated or occurring, and whether voluntary or involuntary, may operate, legally or practically, to deprive or limit Port of the benefits under this Lease or any rights or remedies or controls provided in or resulting from this Lease with respect to the Premises that Port would have had, had there been no such Transfer.

(e) **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 Lender or other purchaser in connection with the exercise of remedies under the provisions of a Mortgage, subject to the limitations, rights and conditions set forth in *Article 40* hereof.

(f) **Limitation on Liability.** From and after an Assignment of all of the transferor's interest in this Lease or Leasehold Estate, the transferor will be released from all obligations and liability under this Lease to the extent first arising after the date of such Assignment. In no event will the transferor be liable for a new default first arising after the date of such Assignment. The effectiveness of any Assignment hereunder is not in any way to be construed to relieve the transferor tenant of any liability arising out of or with regard to the performance of any covenants or obligations to be performed by the transferor tenant hereunder before the date of such Assignment. In connection with any such Assignment, upon request from the transferor, Port will execute documentation evidencing the foregoing release of obligations and liabilities in the form as set forth in the attached *Exhibit O* provided, failure to do so will not invalidate or limit the effect of the release set forth in this Section.

(g) **Notice of Significant Changes; Reports to Port.** Tenant will promptly notify Port of any and all Significant Changes. At such time or times as Port may reasonably request, Tenant must furnish Port with a statement, certified as true and correct by an officer of Tenant, setting forth all of the constituent members of Tenant and the extent of their respective holdings, and in the event any other Persons have a beneficial interest in Tenant, their names and the extent of such interest.

(h) **Assignment to Accommodate Sale of Low-Income Housing Tax Credits.** Notwithstanding anything to the contrary set forth herein, Port's consent will not be required in the event of a Transfer to an entity solely for the purpose of taking advantage of the Low Income Housing Tax Credit, as applicable, subject to all of the following conditions: (i) at least thirty (30) days prior to such Transfer, Tenant furnishes Port with the name of the proposed assignee, together with evidence reasonably satisfactory to Port indicating that the proposed Transfer is solely for the purpose of taking advantage of the Low Income Housing Tax Credit, as applicable; and (ii) the conditions set forth in *Sections 18.1(b)(i)—18.1(b)(viii), and 18.1(b)(x)* have all been met.

(i) **Transfers Not Requiring Port Consent Before Certificate of Completion.** Notwithstanding anything to the contrary set forth herein, Port's consent will not be required in the event of a Transfer to a Tenant Affiliate or a Significant Change in which there is no change of the Managing Party of Tenant, subject to all of the following conditions: (i) at least five (5) business days prior to such Transfer, Tenant provides notice thereof to Port; and (ii) the conditions set forth in *Section 18.1(b)(i)—18.1(b)(viii) and 18.1(b)(x)* have all been met.

**18.2. Assignment of Rents.** Tenant hereby assigns to Port all rents and other payments of any kind, due or to become due from any present or future Subtenant as security for Tenant's obligations hereunder prior to actual receipt thereof by Tenant; provided, however, the foregoing assignment will be subject and subordinate to any assignment made to a Lender under *Article 40* until such time as Port has terminated this Lease (subject to the Port's agreement to enter into a

New Lease with Lender and all other provisions of this Lease protecting Lender's interests in this Lease), at which time the rights of Port in all rents and other payments assigned pursuant to this **Section 18.2** will become prior and superior in right; provided, further, any rents collected by any Lender 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.

### **18.3. Subletting by Tenant.**

(a) **Qualifying Subleases.** Tenant has the right to sublet all or any portion of the Improvements to one or more Subtenants by written Subleases from time to time without the necessity of obtaining the prior written consent of Port for each applicable Sublease upon satisfaction of all the conditions set forth in this **Section 18.3(a)**:

(i) The Sublease (and any further sub-subleases of the Sublease Space) are all subject to the terms and conditions of this Lease and the terms and conditions of the Sublease and further sub-subleases are consistent with the provisions of this Lease, provided that Subtenants need not be obligated for Restoration, and, provided further 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;

(ii) The term of the Sublease does not extend beyond the Term;

(iii) The Sublease rental rates reflect an arms-length transaction at fair market rents for subleases as reasonably determined by Tenant, taking into account, among other things, market conditions, vacancy rates, tenant mix, preferred amenities, creditworthiness of the subtenant and other factors that prudent institutional landlords of buildings of comparable age, size, type and use located in San Francisco would use to determine Sublease rental rates;

(iv) If the Sublease is for property management services at the Premises, (including to a Tenant Affiliate without regard to the provisions of **Section 18.3(b)**), then the size of the Sublease space is comparable to the size of property management offices for buildings of institutional landlords that are of comparable age, size, type and use located in San Francisco, and the Sublease rental rates reflect an arms-length transaction at fair market rents as reasonably determined by Tenant;

(v) The Sublease (other than Subleases directly from Tenant for individual residential units) contains an Indemnification and waiver of claims provision benefitting Port that is substantially and materially the same as **Article 19** except that the term "Tenant" in such provision means "Subtenant" and Subtenant's obligation to Indemnify Port from any Losses arising outside the Premises will be limited to Losses arising from the acts or omissions of Subtenant or its Agents;

(vi) The Sublease (other than Subleases directly from Tenant for individual residential units) 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;

(vii) Subject to the rights of any Lender, the Sublease (other than Subleases directly from Tenant for individual residential units) 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;



(viii) The Sublease (other than Subleases directly from Tenant for individual residential units) requires the Subtenant to expressly waive entitlement to any and all relocation assistance and benefits in connection with this Lease;

(ix) The Sublease (other than Subleases directly from Tenant for individual residential units) contains a provision similar to *Article 39* (Right to Enter) requiring Subtenant to permit Port to enter its Subleased Space for the purposes specified in *Article 39*;

(x) The Sublease (other than Subleases directly from Tenant for individual residential units) contains a provision similar to *Article 31* (Tenant Estoppel) requiring Subtenant, from time to time, to provide Port an estoppel certificate substantially similar to the form attached hereto as *Exhibit R*;

(xi) The Sublease (other than Subleases directly from Tenant for individual residential units) requires Subtenant to comply with the Other City Requirements set forth in *Article 45*;

(xii) The Sublease contains a provision that if for any reason whatsoever this Lease is terminated, unless Port has agreed otherwise in a Non-Disturbance Agreement between Port and the Subtenant, such termination will result in the automatic termination of the Sublease and any existing subleases for the Subleased Space; and

(xiii) Intentionally omitted.

(b) **Sublease with Tenant Affiliate Requires Port Approval.** All Subleases (i) with a Tenant Affiliate; (ii) Controlled by Tenant or a Tenant Affiliate; or (iii) owned either directly or indirectly by Tenant or a Tenant Affiliate, require the prior written consent of Port, which consent may not be unreasonably withheld if the Sublease is on rental rates that reflect an arms' length transaction at fair market rents, as reasonably determined by Port.

(c) **Required Sublease Information.** Within fifteen (15) days of executing any Sublease, Tenant must provide Port with all information related to such Sublease necessary for Port to comply with Administrative Code Sections 23.38 and 23.39 (or any successor statute).

#### **18.4. *Non-Disturbance of Subtenants and Attornment.***

(a) **Generally.** Subject to the provisions of this *Section 18.4*, from time to time upon the request of Tenant, Port will enter into agreements with Subtenants providing generally, with regard to a given Sublease, that in the event of any termination of this Lease resulting from an Event of Default, Port will not terminate or otherwise disturb the rights of the Subtenant under such Sublease, but will instead honor such Sublease as if such agreement had been entered into directly between Port and such Subtenant ("**Non-Disturbance Agreements**").

(b) **Conditions for Issuance of Non-Disturbance Agreements.** Port will enter into a Non-Disturbance Agreement with a particular Subtenant if all of the following conditions are satisfied:

(i) The applicable Sublease is for a term of at least five (5) years (not including any renewal terms);

(ii) The applicable Sublease Space is comprised of at least 10,000 rentable square feet;

(iii) The performance by Tenant of its obligations under such Sublease will not cause an Event of Default to occur under this Lease;

(iv) The applicable Sublease term, including options, does not extend beyond the scheduled Term;

(v) The applicable Sublease complies with all the conditions of *Section 18.3(a)*;

(vi) The Subtenant agrees that in the event this Lease expires, terminates or is canceled during the term of the Sublease, the Subtenant will attorn to Port (provided Port agrees not to disturb the occupancy or other rights of the Subtenant and to be bound by the terms of the Sublease, except as otherwise set forth in the Non-Disturbance Agreement), and the Sublease will be deemed a direct lease between the Subtenant and Port, except that any subleases entered into by Subtenant (or its subtenants) for the Sublease Space will be terminated and Port will not be:

(1) liable to the Subtenant for any security deposit or prepaid rent or other charges previously paid by such Subtenant to Tenant unless such deposits, rent or charges are transferred to Port;

(2) bound by any indemnification obligations or any waivers and releases made by the sublandlord in the Sublease for the benefit of Subtenant or any other party;

(3) bound by any requirement or obligation of the sublandlord under the Sublease to pay any (A) unpaid or unreimbursed tenant improvement allowance (provided, however, if the Subtenant incurs costs after termination of this Lease that are reimbursable from any remaining and unpaid tenant allowance (“Reimbursable Subtenant Costs”), then so long as Subtenant is not in default under the Sublease, Subtenant may receive a rent credit of up to fifty percent (50%) of the monthly base rent then payable until the Reimbursable Subtenant Costs are fully reimbursed, as further refined and agreed to between the parties in the Non-Disturbance Agreement), or (B) liquidated damages;

(4) bound by any Subtenant right of first offer to purchase, first negotiation to purchase or first refusal to purchase Tenant’s interest in the Subleased Premises;

(5) bound by any Sublease term, including options to renew, that extend beyond the expiration date of this Lease;

(6) liable to Subtenant for any indirect, consequential, incidental, punitive or special damages;

(7) bound by any limitation on Subtenant’s obligation to indemnify any sublandlord parties based on Subtenant’s insurance coverage;

(8) bound by any limitation on sublandlord’s ability to transfer its interest in the Sublease (including any requirement to deliver prior notice to Subtenant or obtain Subtenant’s prior approval); and

(9) bound by any requirement or obligation to keep records or documents confidential that violates the Public Records Act or the City’s Sunshine Ordinance.

(vii) During the continuance of any Event of Default, Port may, in its sole discretion, withhold or condition its agreement to provide a Non-Disturbance Agreement on the cure of such default as Port may specify either in a notice of default given under **Section 24.1** or in a notice withholding or conditioning its agreement to provide a Non-Disturbance Agreement;

(viii) Concurrently with its request for a Non-Disturbance Agreement from Port, Tenant will submit to Port:

(1) an electronic copy of the Sublease in the form to be executed in Microsoft Word format (or other comparable format),

(2) a summary of basic terms of the Sublease,

(3) an electronic draft of a Non-Disturbance Agreement in Microsoft Word format (or other comparable format), redlined against the form required by **Section 18.4(d)**,

(4) a statement certifying that the Sublease satisfies all the conditions and requirements set forth in **Section 18.3(a)** including that the Sublease rental rates reflect an arms-length transaction at fair market rents as reasonably determined by Tenant, and the proposed Non-Disturbance Agreement complies with all the conditions and requirements set forth in **Section 18.4(b)**, and

(5) an executed Tenant estoppel certificate substantially in the form attached hereto as **Exhibit Q**, and Tenant will certify as of the effective date of the Non-Disturbance Agreement that the certifications made by Tenant in the estoppel certificate remains unchanged; and

(6) all relevant information requested by Port including reasonable financial information establishing the ability of the proposed Subtenant to perform its contemplated obligations under such Sublease, and relevant information concerning the business character and operating history of the proposed Subtenant; provided however, in lieu of submitting the Subtenant's financial information to Port, Tenant may make such information available for review (but not duplication) at Port's office or at Tenant's office in the City of San Francisco.

(ix) Tenant deposits sufficient funds to reimburse Port for its Attorneys' Fees and Costs to review the proposed Non-Disturbance Agreement (which, for avoidance of doubt, includes any additional administrative fees, or outside counsel or contractors engaged by Port to review such request for a Non-Disturbance Agreement);

(x) Subtenant agrees that notwithstanding any Non-Disturbance Agreement, the Sublease will terminate as of the Lease termination date (1) if the Lease terminates (A) as a result of Tenant exercising its Termination Option due to change in Laws, as further described in **Section 7.3**, or (B) in the event of Casualty or Condemnation, as further described in **Articles 14 and 15**, or (C) as a result of Tenant exercising its termination option for certain Remediation obligations during the last ten (10) years of the Term, as further described in **Section 21.4(d)**; or (2) if there is an uncured Subtenant event of default, giving effect to any notice and cure period provided therein (which agreement will be evidenced by acceptance of a Non-Disturbance Agreement reflecting the matters described in this **Section 18.4(b)(x)**);

(xi) If a guarantor guaranties any Subtenant obligation under the Sublease, Port will be named as an additional beneficiary to such guaranty; provided, however, Port's rights under such guaranty will not be effective until termination of this Lease; and

(xii) The applicable Sublease will provide that the Subtenant will deliver to Port as of the Master Lease termination date or promptly following request by Port an executed estoppel certificate, substantially in the form attached hereto as **Exhibit R**, certifying as of the Master Lease termination date, among other things: (A) that the Sublease, including all amendments, is attached thereto and is unmodified, except for such attached amendments, and is in full force and effect, as so amended, or if such Sublease is not in full force and effect, so stating, (B) which amendments, if any, to the Sublease have been previously approved by Port in writing, including the dates of approval, (C) the dates, if any, to which any rent and other sums payable thereunder have been paid, (D) that the Subtenant is not aware of any Tenant defaults under the Sublease which have not been cured, except as to defaults specified in said certificate, and (E) that the Subtenant is not aware of any Subtenant defaults which have not been cured.

(c) **Copy of Sublease.** To the extent a Sublease has been provided to Port in connection with a request for a Non-Disturbance Agreement, Tenant will provide Port a true and complete copy of the executed Sublease and summary of the Sublease basic terms attached to the Tenant estoppel certificate, in accordance with **Section 18.4(b)(viii)(5)** within five (5) business days after the execution thereof, which Sublease will contain substantially the same (or more favorable to the landlord) business terms as in the form of Sublease, statement, and other information previously provided to Port.

(d) **Form of Non-Disturbance Agreement.** Each Non-Disturbance Agreement will be substantially in the form of *Exhibit S* and, if not in such form, will be in form and substance agreed upon by Tenant and Port, not to be unreasonably withheld by either Party. With each request for a Non-Disturbance Agreement, Tenant will submit a copy of the form, showing any requested interlineations or deletions.

(e) **Response Period.**

(i) Port will respond to any request for a Non-Disturbance Agreement within fifteen (15) business days after receipt of all the materials described in *Section 18.4(b)(viii)*; provided, however, if Tenant requests three (3) or more Non-Disturbance Agreements whose response time overlaps at any given time, (1) Port will have an additional five (5) business days to respond for each Non-Disturbance Agreement, and (2) Tenant will pay to Port an additional administrative processing fee of One Thousand Dollars (\$1,000) for every overlapping Non-Disturbance Agreement request above two (2), which amount will be increased by Five Hundred Dollars (\$500) on the tenth (10th) Anniversary Date and every ten (10) years thereafter.

(ii) If Port fails to respond to such request within such fifteen (15) business day period (or twenty (20) business days if so extended), then Tenant will deliver to Port a second notice requesting Port's response ("Second NDA Notice"). The Second NDA Notice must display prominently on the envelope enclosing such notice and the first page of such notice, substantially the following: **"APPROVAL REQUEST FOR PHASE 1 LOT 2/MISSION ROCK SUBLEASE MATTERS. IMMEDIATE ATTENTION REQUIRED; FAILURE TO RESPOND WITHIN FIVE (5) BUSINESS DAYS WILL RESULT IN THE REQUEST BEING DEEMED APPROVED."** If Port fails to respond within five (5) business days after Port's receipt of the Second NDA Notice, then such non-response will be deemed to be approval of such Non-Disturbance Agreement and the applicable Subtenant will be entitled to rely on the terms of the applicable Non-Disturbance Agreement, provided, however, if there are any conflicts between the provisions in the Sublease and the deemed approved Non-Disturbance Agreement, on the one hand, and *Sections 18.3* and *18.4(b)* on the other hand, *Sections 18.3* and *18.4(b)* will control.

**18.5. No Further Amendment or Consent Implied.** Port's consent to any amendment of a Sublease subject to an effective Non-Disturbance Agreement will not be required if the amendment conforms to all of the requirements of *Section 18.3* and *Section 18.4(b)*. Tenant will provide Port a true and complete copy of any amendment of a Sublease subject to an effective Non-Disturbance Agreement, accompanied by a summary of any revisions to the Sublease basic terms within five (5) business days after the execution thereof. Consent to one Sublease or amendment, as applicable, will not be construed as consent to a subsequent Sublease or amendment, as applicable.

**18.6. 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. Except as set forth in *Section 18.2*, 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.

**18.7. Acknowledgement.** Tenant acknowledges and agrees that each of the rights of Port set forth in this *Article 18* is a reasonable limitation on Tenant's right to assign or sublet for purposes of California Civil Code Section 1951.4.

**19. INDEMNIFICATION.**

**19.1. General Indemnification of the Indemnified Parties.** Subject to *Section 19.4*, 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, or under, the Premises or any part thereof and which may be directly or indirectly caused by any acts done in, on, or under, the Premises during the Term, or any acts or omissions of Tenant, its Agents, Subtenants, or Invitees, or their respective Agents and Invitees in, on, or under the Premises;
- (b) any use, non-use, possession, occupation, operation, maintenance or management by, 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 during the Term 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 Indemnity) and subject to *Section 19.4*, Tenant 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, Release or Exacerbation of Hazardous Materials in, on, or under the Premises during the Term;
- (iii) Intentionally omitted; or
- (iv) without limiting Tenant's Indemnification obligations in *Sections 19.2(a)(ii) or 19.2(a)(iii)*, any Handling, Release, or Exacerbation of Hazardous Materials outside of the Premises, but in, on, or under Mission Rock, by Tenant or any Related Third Party during the Term. "**Related Third Party**" means Tenant's Agents, Subtenants, or their respective Agents; or
- (v) failure by Tenant or any Related Third Party to comply with the Soil Management Plan; or
- (vi) claims by Tenant or any Related Third Party for exposure occurring during the Term to Pre-Existing Hazardous Materials or New Hazardous Materials in, on, or under Mission Rock.

(b) Tenant's obligations 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; (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 19.2**, Tenant must reimburse Port for Port's costs, plus interest at the Default Rate from the date Port incurs each cost 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**, arises upon the earlier to occur of:

- (i) discovery of any such Hazardous Materials (other than Pre-Existing Hazardous Materials) in, on, or under the Premises;
- (ii) the Handling, Release, or Exacerbation of Hazardous Materials in, on, or under the Premises;
- (iii) the Handling, Release, or Exacerbation of Hazardous Materials in, on, or under outside the Premises but within Mission Rock caused by Tenant or a Related Third Party;
- (iv) any occurrence of a Hazardous Materials Condition during the Term; or
- (v) 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**, 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** (Indemnities) relieves the Indemnified Parties or the State Lands Indemnified Parties from liability, nor will the Indemnities set forth in **Section 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 **Section 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 prior to the Commencement Date.

(b) If it is reasonable for an Indemnified Party or a State Lands Indemnified Party to assert that a claim for Indemnification under this *Section 19.4* 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 this *Section 19.4*. 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 this *Section 19.4* 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* survive the expiration or earlier termination of this Lease.

**19.6. *Defense.*** Tenant will, at its option but subject to 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 the Port alleging such failure, to take reasonable and appropriate action to defend, compromise or settle such suit or claim, Port has the right promptly to use the City Attorney or hire outside counsel, at Tenant's sole expense, to carry out such defense, compromise or settlement, which expense is due and payable to 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 and will include in any contract with Related Third Parties an assumption of the risk of, and waiver, discharge and release of, any and all claims against the Indemnified Parties and the State Lands Indemnified Parties from any Losses arising out of this Lease or relating to the Premises, including: (a) damages by death of or injury to any Person, or to property of any kind whatsoever and to whomever belonging; (b) goodwill; (c) business opportunities; (d) any act or omission of persons occupying adjoining premises; (e) theft; (f) explosion, fire, steam, oil, electricity, water, gas or rain, pollution or contamination; (g) building defects (including stopped, leaking or defective Material Systems); (h) inability to use all or any portion of the Premises due to sea level rise or flooding or seismic events; and (i) any other acts, omissions or causes arising at any time and from any cause, in, on, or under the Premises, 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 the 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 the 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 the 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 the 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 OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

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.

Tenant will comply with the insurance requirements set forth in *Exhibit T* attached hereto throughout the Term.

## 21. HAZARDOUS MATERIALS.

**21.1. Compliance with Environmental Laws.** Tenant will comply and cause its Subtenants, their respective Agents and Invitees, while in, on, or under the Premises, to comply with all Environmental Laws, Operations Plans (if any), the Soil Management Plan, and prudent business practices, including, without limitation, any deed restrictions, regulatory agreements, deed notices, any additional 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 in, on, or under 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 (collectively, "**Excepted Hazardous Material.**")



covenants not to sue or to pay the Attorneys' Fees and Costs of any party to sue for such damages, the Indemnified Parties or the 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 OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

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.

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## **20. INSURANCE.**

Tenant will comply with the insurance requirements set forth in *Exhibit T* attached hereto throughout the Term.

## **21. HAZARDOUS MATERIALS.**

**21.1. Compliance with Environmental Laws.** Tenant will comply and cause its Subtenants, their respective Agents and Invitees, while in, on, or under the Premises, to comply with all Environmental Laws, Operations Plans (if any), the Soil Management Plan, and prudent business practices, including, without limitation, any deed restrictions, regulatory agreements, deed notices, any additional 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 in, on, or under 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 (collectively, "**Excepted Hazardous Material.**")



**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 the Term:

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

(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 (other than to the extent the Master Developer, Phase 1 Horizontal Developer or another vertical developer within Mission Rock is designated as the “generator” and such designation is approved in writing by the Port’s Deputy Director of Planning and Environment); provided that the Port hereby approves Master Developer and/or Phase 1 Horizontal Developer as the “generator” of any waste resulting from such entity’s work on the Premises in connection with Phase 1 (as defined in the DDA);

(e) Will comply with all provisions of the Soil 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.

**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 Soil 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**, Handled, in, on, over or under the Premises or emanating from the Premises, or from off-site conditions or events affecting receptors or the environment condition in, on, over, or under, the Premises, or from any vehicles Tenant, or its Agents and Invitees use during the Term 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, over, or under the Premises or emanating from the Premises, or from off-site conditions or events affecting receptors or the environmental condition in, on, over, or under, the Premises during the Term, or from any vehicles Tenant, or its Agents and Invitees use during the Term 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, over or under the Premises during the Term or emanating from the Premises, or from off-site conditions or events affecting receptors or the environmental condition in, on, over, or under, the Premises, or from any vehicles Tenant, or its Agents and Invitees use during the Term;

(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, over, or under the Premises or emanating from the Premises, or from off-site conditions or events affecting receptors or the environmental condition in, on, over, or under, the Premises or from any vehicles Tenant or its Agents and Invitees use in, on, or under the Premises during the Term; 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** 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.

(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** and subject to **Section 21.4(f)**, 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; provided Tenant must take all necessary immediate actions to the extent practicable to address an emergent Hazardous Material Condition to confine or limit the extent or impact of such Hazardous Material Condition, 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 any Hazardous Material Condition caused by Tenant's or its Agents' or Invitees' Handling, Release or Exacerbation of Hazardous Materials during the Term.

(c) In addition to its obligations under *Section 21.4(a)*, but subject to *Section 21.4(d)* before this Lease terminates for any reason, Tenant must Remediate, at its sole cost and in compliance with all Environmental Laws and this Lease any Hazardous Material Condition discovered during the Term 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 Initial Improvements.

(d) If the Hazardous Material Condition requiring Remediation described in *Section 21.4(c)* was not caused by Tenant, its Agents, Subtenants or Invitees and such discovery of such Hazardous Material Condition first occurring during the last ten (10) years of the Term, Tenant will have the option, but not the obligation, to terminate this Lease upon satisfaction of all of the following conditions: (i) provide Port not less than one hundred twenty (120) days prior notice of its intent to terminate; and (ii) pay Port before the effective date of termination of this Lease, a termination fee equal to annual Base Rent, if any, and the Mello-Roos Taxes payable during the twenty-four (24) month period immediately following the effective termination date (the "Early Termination Fee"), so long as there are no Outstanding Bonds. If Tenant elects to terminate this Lease in accordance with this Section 21.4(d) and pays Port the Early Termination Fee, Tenant will have no Remediation obligation or any Indemnity obligations relating to such Hazardous Material Condition first occurring during the last ten (10) years of the Term.

(e) 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.

(f) Unless Tenant or its Subtenants or 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.

**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 *Item 10* (Integrated Pest Management Program) of *Exhibit W*.

#### **21.6. Additional Definitions.**

"**Environmental Covenants**" means any recorded deed restrictions, as may be in effect from time to time, which impose conditions under which certain land uses will be permitted at designated portions of the Project Site.

"**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 3 of the San Francisco Environment Code), the FOG Ordinance, the Soil Management Plan, and Environmental Covenants.

“**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 Soil 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**” has a correlative meaning.

“**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 Soil Management Plan.

**“Hazardous Materials Claim”** means any Environmental Regulatory Action or any claim made or threatened by any third party against the 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, over or under the Premises emanating from the Premises, or from off-site conditions or events affecting receptors or the environmental condition in, on, over, or under, the Premises or from any vehicles Tenant or its Agents and Invitees use in, on, or under the Premises during the Term.

**“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, or under 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 from the Premises or from off-site conditions or events affecting receptors or the environmental condition in, on, over, or under, the Premises. Investigation will include preparation of site history reports and sampling and analysis of environmental conditions in, on, or under the Premises or any Improvements.

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

**“Pre-Existing Hazardous Materials”** means any Hazardous Material existing in, on, or under the Premises as of the Effective Date and identified in the reports listed on *Exhibit U* attached hereto.

**“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, over, or under the Premises or which have been, are being, or threaten to be Released into the environment from the Premises or from off-site conditions or events affecting receptors or the environmental condition in, on, over, or under, the Premises 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.

**“Soil Management Plan”** means that certain Soil Management Plan dated as of October 18, 2019 and prepared by Ramboll US Corporation for the Project Site, approved by Port, DPH, and DTSC.

**“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. DELAY DUE TO FORCE MAJEURE.

For all purposes of this Lease, a Party whose performance of its obligations hereunder is hindered or affected by events of Force Majeure will not be considered in breach of or in default in its obligations hereunder to the extent of any delay resulting from Force Majeure, provided, however, that the provisions of this *Article 22* will not apply to Tenant's obligation to pay Rent. A Party seeking an extension of time pursuant to the provisions of this section will give notice to the other Party describing with reasonable particularity (to the extent known) the facts and circumstances constituting Force Majeure (a) within a reasonable time (but not more than fifteen (15) days) after knowledge of the beginning of such enforced delay or (b) promptly after the other Party's demand for performance.

## 23. PORT'S RIGHT TO PAY SUMS OWED BY TENANT.

### 23.1. *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 *Article 6* 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.

**23.2. *Tenant's Obligation to Reimburse Port.*** If pursuant to *Section 23.1*, 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 23* are in addition to its rights under any other provision of this Lease or under applicable Laws. The provisions of this *Section 23.2* will survive the expiration or earlier termination of this Lease.

## 24. EVENTS OF DEFAULT.

**24.1. *Events of Default.*** Subject to the provisions of *Section 24.2*, 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 24* will constitute an "Event of Default" under the terms of this Lease:

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

(b) 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;

(c) [Intentionally blank];

(d) Prior to the issuance of a Certificate of Completion, a Vertical Developer Default (as such term is defined in the Vertical DDA) occurs under the Vertical DDA and remains uncured but such Event of Default under this Lease will be deemed cured if the Vertical Developer Default is cured pursuant thereto;



(e) 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;

(f) 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 twenty-four (24) hours following written notice from Port; provided, however, if such default cannot reasonably be cured within such twenty-four (24) hours, Tenant will not be in default of this Lease if Tenant commences to cure the default within such twenty-four (24) hours and diligently and in good faith continues to cure the default;

(g) Intentionally omitted;

(h) Tenant fails to comply with the provisions of **Section 10.1** 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 meetings to determine the path to cure such default will be deemed to be a commencement of cure;

(i) Tenant fails to restore the Improvements after an event of Casualty in accordance with and within the time frame set forth in **Section 14.2** and such failure continues for a period of fifteen (15) days following written notice from Port; provided, however, if such default cannot reasonably be cured within such fifteen (15) days period, Tenant will not be in default of this Lease if Tenant commences to cure the default within such fifteen (15) day period and diligently and in good faith continues to cure the default;

(j) Tenant fails to comply with the provisions of **Sections 21.1—21.5** 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 meetings to determine the path to cure such default will be deemed to be a commencement of cure;

(k) 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;

(l) 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 Lender of any of its remedies under its Mortgage will not, in and of itself, constitute a default under this **Section 24.1(l)**;

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

(n) 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.

**24.2. *Courtesy Notice of Default to Mezzanine Lender and Mezzanine Lender Rights to Cure.***

(a) Port will (i) provide a copy of a notice of an Event of Default to Lender in accordance with *Section 40*; and (ii) provide a courtesy copy of an Event of Default to any then current Mezzanine Lender that has requested a copy of an Event of Default notice in accordance with *Section 24.2(b)*, provided Port will not be in default for any failure or delay in providing any courtesy copy of such notice to any then current Mezzanine Lender. Mezzanine Lender will have the right (but not the obligation), at its option, to commence to cure or cause to be cured any Event of Default, within the same period afforded to Tenant. Port will also accept a cure of an Event of Default by any Tenant investor or Mezzanine Lender with the same force and effect as if performed by Tenant.

(b) Each Mezzanine Lender that has delivered a notice to Port in substantially the following form is entitled to receive a courtesy notice of an Event of Default in accordance with *Section 24.2(a)*:

“The undersigned does hereby certify that it is a Mezzanine Lender, as such term is defined in that certain lease entered into by and between the City and County of San Francisco, operating by and through the San Francisco Port Commission, as landlord, and [insert name of Tenant], as tenant (the “Lease”). Mezzanine Lender has a security interest in the partnership/membership interest of Tenant. The undersigned hereby requests that a courtesy copy of an Event of Default notice given under the Lease to tenant by Port be sent to the undersigned at the following address: \_\_\_\_\_. The undersigned acknowledges that it has no claims against Port nor will Port be liable to the undersigned, for any Port failure to deliver a courtesy copy of any Event of Default notice to the undersigned.”

**25. REMEDIES.**

**25.1. *Port’s Remedies Generally.*** Upon the occurrence and during the continuance of an Event of Default under this Lease, 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 applicable Special City and Port Provisions; provided, further, Port’s right to terminate this Lease for an Event of Default will be limited to Events of Default described in *Sections 24.1(a) and 24.1(d)—24.1(m)*.

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.

**25.2. *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, Port may, following written notice to Tenant, 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 (but in no event to extend beyond December 31, 2105), 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 25.2*, nor any appointment of a receiver upon Port's initiative to protect its interest under this Lease, 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 25.2(a)*, the rent that Port receives from reletting will be applied to the payment of:

(i) First, 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;

(ii) Second, the payments of any Imposition or any other indebtedness other than Rent due and unpaid hereunder from Tenant to Port;

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

(iv) After deducting the payments referred to in this *Section 25.2(c)*, any sum remaining from the rent Port receives from reletting will be held by Port and applied to 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 described in *Section 25.2(c)*.

**25.3. 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 cost. If Port at any time following an Event of Default, 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 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 by Tenant.

**25.4. Termination of Tenant's Right to Possession.**

(a) Before exercising any right to terminate this Lease as a result of Tenant's failure to timely commence Construction of the Initial Improvements as described in *Section 11.2*, which failure also results in a Vertical Developer Default under the Vertical DDA, Tenant will have thirty (30) days following Port's delivery of a notice of such default to cure.

(b) Before exercising any right to terminate this Lease and Tenant's right to possession of the Premises for the following Events of Default, 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 24.1(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 24.1(d), 24.1(e), 24.1(h), or 24.1(i)*, Tenant will have ten (10) days following delivery of the Second Default Notice to cure; provided, however, if such default cannot reasonably be cured within such ten (10) day period, then Port will not exercise its termination right if Tenant diligently and in good faith continues to cure the default to completion;

(iii) For an Event of Default under *Sections 24.1(f), Error! Reference source not found., or 24.1(j)*, 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 diligently and in good faith continues to cure the default to completion;

(iv) For an Event of Default under *Sections 24.1(k), 24.1(l), or 24.1(m)*, Tenant will have thirty (30) days following delivery of the Second Default Notice to cure, which may include a dismissal or stay, as applicable.

(c) Port may terminate this Lease and Tenant's right to possession of the Premises for the Events of Default described in *Sections 25.4(a) or 25.4(b)* at any time following expiration of the applicable cure periods set forth in *Sections 25.4(a) and 25.4(b)* for the applicable Event of Default by providing Tenant with a written notice of termination.

(d) 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.

(e) 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 25.4(e)(i) and 25.4(e)(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 25.4(e)(iii)* 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%).

(f) Notwithstanding anything else to the contrary in this *Article 25* or elsewhere in this Lease, so long as there are any Outstanding Bonds, the Port shall comply with any limitations on the Port's authority to terminate the Lease as set forth in the City's financing documents pursuant to which the Outstanding Bonds were issued or authorized.

**25.5. 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.

**25.6. 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.

**25.7. 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.

**25.8. 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 24.1(f)*, if Tenant uses the Premises for the same type of Prohibited Use more than two (2) times within a six (6) month period, then Tenant will pay Port the Prohibited Use Charge as further described in *Section 3.3*.

**25.9. Remedies Not Exclusive.** The remedies set forth in this *Article 25* 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.

## **26. 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.

## **27. NO WAIVER.**

**27.1. 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 will continue in full force and effect, or the respective rights of Port or Tenant with respect to any other then existing or subsequent breach.

**27.2. 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).

## **28. DEFAULT BY PORT; TENANT'S REMEDIES.**

**28.1. *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 (a) such failure continues for more than the time of any cure period provided herein, or, (b) 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, (c) 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.

**28.2. *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 conduct the use on the Premises provided for hereunder or materially obstructs the realization of the Project, Tenant has the exclusive right (a) to offset or deduct only from the Rent becoming due hereunder, or if no Rent is due hereunder, then the amount of the damage award will be amortized over a ten (10) year period and payable by Port on a monthly basis, but in either event only after obtaining a final, unappealable judgment in a court of competent jurisdiction for such damages in accordance with applicable Law and the provisions of this Lease, or (b) to seek equitable relief 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; provided, however, (x) in no event will Tenant be entitled to offset from all or any portion of the Rent becoming due hereunder or to otherwise recover or obtain from Port or its Agents any damages (including, without limitation, any indirect or consequential, incidental, punitive or special damages proximately arising out of a default by Port hereunder) or Losses other than Tenant's actual damages as described in the foregoing clause (a), (y) 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 (z) Tenant has no remedy of self-help.

## **29. TENANT'S RECOURSE AGAINST PORT.**

**29.1. *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.

**29.2. No Recourse Against Specified Persons.** No commissioner, officer or employee of Port or City 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.

**29.3. 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.

### **30. LIMITATIONS ON LIABILITY.**

**30.1. Waiver of Indirect or Consequential, Incidental, Punitive or 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 hereby waives any claims against the other Party for any indirect or consequential, incidental, punitive, special damages.

**30.2. Limitation on Port's 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).

### **31. ESTOPPEL CERTIFICATES BY TENANT AND SUBTENANT.**

**31.1.** 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 Q* stating to the best of Tenant's actual knowledge after diligent inquiry (i) 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), (ii) the dates, if any, to which any Rent and other sums payable hereunder have been paid, (iii) 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 (iv) any other matter actually known to Tenant, directly related to this Lease and reasonably requested by Port.

**31.2.** Unless otherwise 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, to the best of Tenant's knowledge, such attachment is a true, correct and complete copy of this Lease, as applicable, including all modifications thereto.

**31.3.** 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.

**31.4.** Tenant will insert a provision similar to this *Article 31* 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 R*, covering, among other things, the matters described in this *Article 31* with respect

to such Sublease, along with a true and correct copy of the applicable Sublease and all amendments thereto.

### 32. ESTOPPEL CERTIFICATES BY PORT.

Port will execute, acknowledge and deliver to Tenant (or at Tenant's request, to any prospective Subtenant that is entitled to obtain a Non-Disturbance Agreement from Port in accordance with *Section 18.4(b)*, prospective Lender meeting the requirements of *Article 40*, any Mezzanine Lender that has requested a copy of an Event of Default in accordance with *Section 24.2(b)* or a prospective Mezzanine Lender, 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 V* stating to Port's actual knowledge after diligent inquiry (or with respect to any estoppel certificates being provided to Mezzanine Lenders, to the actual knowledge of Port's project manager for this Lease without 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, (c) whether or not, to the knowledge of Port, there are then existing any defaults under this Lease (and if so, specifying the same) and (d) 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 the best of 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 prospective Subtenant, Lender, prospective Lender, prospective purchaser, or other prospective transferee of Tenant's interest under this Lease.

### 33. APPROVALS BY PORT; STANDARD OF REVIEW; FEES FOR REVIEW.

**33.1. *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 to the extent applicable, or if the Executive Director determines, in his or her sole discretion, that Port Commission action approving execution of such instrument is necessary.

**33.2. *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, 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.

**33.3. 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 for Port staff time incurred in connection with the review, investigation, processing, documentation and/or approval of any proposed Transfer, Sale, Mortgage, estoppel certificate, Non-Disturbance Agreement, Refinancing, other certificate, or Subsequent Construction (excluding any such costs incurred by Port's regulatory capacity, which costs will be paid separately by Tenant to the extent required in connection with the review or processing of such regulatory request). Tenant will pay such costs regardless of whether or not Port consents to such proposal.

**34. 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.

**35. QUIET ENJOYMENT.**

Subject to the Permitted Title Exceptions, the terms and conditions of this Lease, the Vertical DDA (while in effect), 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 (unless such defect is due to City's willful misconduct). 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.

**36. SURRENDER OF PREMISES.**

**36.1. Condition of Premises.** Except as set forth in *Section 36.2*, upon the expiration or earlier termination of this Lease, Tenant will quit and surrender to Port the Premises (i) in good order and condition consistent with the requirements of *Section 10.1*, reasonable wear and tear excepted to the extent the same is consistent with maintenance of the Premises in the condition required hereunder; (ii) clean, free of debris, waste, and Hazardous Materials (other than any Pre-Existing Hazardous Materials that have not been Handled, Released, or Exacerbated), and (iii) free and clear of all liens and encumbrances other than the Permitted Title Exceptions and other licenses, easements or access rights approved or consented to by Port in accordance with *Section 3.5*. 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 36.2*, the Premises will be surrendered with all Improvements, repairs, alterations, additions, substitutions and replacements thereto. Tenant hereby agrees to execute all documents as Port may deem necessary to evidence or confirm any such other termination.

### **36.2. Demolition of Improvements.**

(a) **Notice.** 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 and surrender the Premises as a vacant parcel of unimproved 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, (ii) within ninety (90) days following Tenant's election to terminate this Lease in accordance with **Section 7.3** (Termination for Cost Associated with Change in Laws), **Section 14.3(a)** (Termination for Major Casualty), or **Article 15** (Condemnation), or (iii) upon termination of this Lease due to an Event of Default described in **Section 25.4**.

(b) **Access After Termination.** If Port exercises the Demolition Option in accordance with **Section 36.2(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 described in **Section 25.4**), 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 12** (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) **Period to Complete.** Tenant must commence and complete the Demolition and Removal in a timely manner, with due diligence and care, and complete the same within the time period agreed to between the Parties, but in no event shall Tenant commence such Demolition and Removal later than six (6) months following the expiration or earlier termination of this Lease. The provisions of this **Section 36.2** will survive the expiration or earlier termination of this Lease.

**36.3. Personal Property.** On or before expiration or earlier termination of this Lease, Tenant will remove, and will cause all Subtenants to remove (other than any Subtenants that are permitted to remain on the Premises beyond the termination of this Lease in accordance with a Non-Disturbance Agreement previously entered into between the applicable Subtenant and Port), all of their respective Personal Property and Signs within the Premises. If the removal of such Personal Property causes damage to the Premises, Tenant must 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.

**36.4. 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.

**37. HOLD OVER.**

Any holding over by Tenant after the expiration or termination of this Lease (“**Hold Over Period**”) will not constitute a renewal hereof but will be deemed a month-to-month tenancy and will be upon each and every one of the other terms, conditions and covenants of this Lease, except that Rent payable for each applicable month will be equal to twenty percent (20%) of the average Adjusted Gross Income for the three (3) Lease Years immediately prior to the Expiration Date (as described in ***Exhibit D***). Either Party may cancel said month-to-month tenancy upon thirty (30) days written notice to the other Party.

**38. NOTICES.**

**38.1. Notices.** All notices, demands, consents, and requests which may or are to be given by any Party to the other must be in writing, except as otherwise provided herein. All notices, demands, consents and requests to be provided hereunder will 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:

<b><i>To Port:</i></b>	Port of San Francisco Pier 1 San Francisco, CA 94111 Attention: Deputy Director of Real Estate and Development (Reference: Phase 1 Lot 2/Mission Rock) Telephone: (415) 274-0400 Email: <a href="mailto:michael.martin@sfport.com">michael.martin@sfport.com</a>
<b><i>With a copy to:</i></b>	Port of San Francisco Pier 1 San Francisco, CA 94111 Attention: Port General Counsel (Reference: Phase 1 Lot 2/Mission Rock) Telephone: (415) 274-0400
<b><i>To Tenant:</i></b>	Mission Rock Parcel B Owner, L.L.C. c/o Tishman Speyer Development, L.L.C. One Bush Street, Suite 500, San Francisco, California, 94104 Attention: General Counsel
<b><i>With a copy to:</i></b>	Mission Rock Parcel B Owner, L.L.C. c/o San Francisco Giants 24 Willie Mays Plaza San Francisco, CA 94107 Attention: Jack Bair

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 number or 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.

**38.2. Form and Effect of Notice.** Every notice given to a Party or other Person under this *Article 38* must state (or 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 38.2*.

**39. ACCESS TO THE PREMISES BY PORT.**

**39.1. Entry by Port.** 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.

**39.2. General Entry.** In addition to its rights pursuant to *Section 39.3*, 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 *Section 10.1* or *25.2*;
- (b) To serve, post, or keep posted any notices required or allowed under the provisions of this Lease;
- (c) To post "For Sale" signs at any time during the Term; to post "For Lease" signs during the last six (6) months of the Term or during any period in which an Event of Default is continuing;
- (d) On an occasional basis, at all reasonable times after giving Tenant reasonable advance written or oral notice, to show the Premises to prospective tenants or other interested parties during the last eighteen (18) months of the Term; and
- (e) 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 three (3) business 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 39.2*.

**39.3. 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.

**39.4. 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 this *Article 39* 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.

**39.5. Non-Disturbance.** Port will use its commercially reasonable efforts to conduct its activities on the Premises as allowed in this *Article 39* in a manner which, to the extent reasonably practicable, will minimize annoyance or disturbance to Tenant.

**39.6. Subtenant Agreement.** Tenant will require each Subtenant to permit Port to enter its premises for the purposes specified in *Section 39.1* through *Section 39.3*.

#### **40. MORTGAGES.**

##### **40.1. Mortgages.**

(a) **Right to Grant Mortgages.** Tenant has the right during the Term, to grant a mortgage, deed of trust or other security instrument (each a "**Mortgage**") encumbering (i) all or a portion of the Leasehold Estate in all or a portion of the Premises, (ii) Tenant's interest in any permitted Subleases thereon, (iii) any Personal Property of Tenant, (iv) products and proceeds of the foregoing, and (v) any other rights and interests of Tenant arising under this Lease for the benefit of a Bona Fide Institutional Lender (together with its successors in interest, a "**Lender**") as security for one or more loans related solely to the Project or the Property, the proceeds from which are used to pay or reimburse costs incurred in connection with the Project and/or the Property, subject to the terms and conditions contained in this *Article 40*.

"**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 pension fund, an investment banking or merchant banking firm, or any entity directly or indirectly sponsored or managed by any of the foregoing, or other lender, all of which, at the time a Mortgage is recorded in favor of such entity, owns or manages assets of at least Five Hundred Million Dollars (\$500,000,000) in the aggregate (or the equivalent in foreign currency), or (ii) a Low Income Housing Credit investor or Affiliate thereof that has given a loan to Tenant to optimize or utilize effectively the Low Income Housing Tax Credits.

(b) **Restrictions on Financing.** No Mortgage will be granted to secure obligations unrelated to the Project and/or the Property or to provide compensation or rights to a Lender in return for matters unrelated to the Project and/or the Property.

(c) **Leasehold Mortgages Subject to this Lease.** With the exception of the rights expressly granted to Lenders in this *Article 40*, the execution and delivery of a Mortgage will not give or be deemed to give a Lender any greater rights than those granted to Tenant hereunder.

(d) **Transfer by Lenders.** A Lender may transfer or assign all or any part of or interest in any Mortgage to a Bona Fide Institutional Lender without the consent of or notice to any Party; provided, however, that Port will have no obligations under this Agreement to a Lender unless Port is notified of such Lender. Furthermore, Port's receipt of notice of a Lender

following Port's delivery of a notice or demand to Tenant or to one or more Lenders under **Section 40.4** will not result in an extension of any of the time periods in this **Article 40**, including the cure periods specified in **Section 40.5**.

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

(f) **Violation of Covenant.** Any Mortgage not permitted by this **Article 40** will be deemed to be a violation of this covenant on the date of its execution or filing of record regardless of whether or when it is foreclosed or otherwise enforced.

#### **40.2. Copy of Notice of Default to Lender.**

(a) **Copy to Lender.** Whenever Port delivers any notice or demand to Tenant for any breach or default by Tenant in its obligations or covenants under this Lease, Port will at the same time forward a copy of such notice or demand to each Lender that has previously made a written request to Port for a copy of any such notices in accordance with **Section 40.2(b)**. A delay or failure by Port to provide such notice or demand to any Lender that has previously made a written request therefor will extend, by the number of days until notice is given, the time allowed to such Lender to cure.

(b) **Notice from Lender to Port.** Each Lender is entitled to receive notices in accordance with **Section 40.2(a)** provided such Lender has delivered a notice to Port in substantially the following form:

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

\_\_\_\_\_."

If Lender desires to have Port acknowledge receipt of Lender's name and address delivered to Port pursuant to this **Section 40.2(b)**, then such request must be made in bold, underlined and in capitalized letters.

#### **40.3. Lender's Option to Cure Defaults.**

(a) Before or after receiving any notice of failure to cure referred to in **Section 40.2**, Lender will have the right (but not the obligation), at its option, to commence to cure or cause to be cured any Event of Default, within the same period afforded to Tenant hereunder plus an additional period of (a) fifteen (15) days with respect to a monetary Event of Default and (b) forty-five (45) days with respect to a non-monetary Event of Default that is susceptible of cure by such Lender without obtaining title to the applicable property subject to the applicable Mortgage or acquiring the ownership interests in Tenant, as applicable.

(b) If a non-monetary Event of Default cannot be cured by Lender without obtaining title to the Leasehold Estate, or applicable portion thereof, Port will refrain from exercising its right to terminate this Lease and will permit the cure by a Lender of such Event of Default if, within the cure period set forth in **Section 40.3(a)**: (i) such Lender notifies Port in writing that such Lender intends to proceed with due diligence to foreclose the Mortgage or otherwise obtain title to the subject property or ownership interests, as applicable; (ii) such Lender commences foreclosure proceedings whether by non-judicial foreclosure, judicial foreclosure, by appointment of a receiver, or deed (or assignment) in lieu of foreclosure, within sixty (60) days after giving such notice, and diligently pursues such proceedings to completion;

and (iii) after obtaining title, such Lender, subject to **Section 40.4**, diligently proceeds to cure those Events of Default that are susceptible of cure by such Lender. The period from the date Lender so notifies Port 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."**

(c) Nothing in this **Article 40** will preclude Port from exercising any rights or remedies under this Lease against Tenant (other than a termination of this Lease) with respect to any other Events of Default during the Foreclosure Period.

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

#### **40.4. Lender's Obligations with Respect to the Property.**

(a) **Rights and Obligations upon Lender Acquisition.** Except as set forth in this **Article 40**, no Lender will have any obligations or other liabilities under this Lease unless and until it acquires title by any method to the Leasehold Estate (referred to as **"Foreclosed Property"**). Except as otherwise provided herein (including, without limitation, **Sections 40.4(b)-(d)**), a Lender (or its designee, successor or assign) or other winning bidder at a foreclosure sale (collectively, a **"Successor Owner"**) that acquires title to any Foreclosed Property (a **"Lender Acquisition"**) will take title subject to all of the terms and conditions of this Lease to the extent applicable to the Foreclosed Property, including any claims for payment or performance of obligations that are due as a condition to enjoying the benefits under this Lease from and after the Lender Acquisition. Upon completion of a Lender Acquisition, Port will recognize the Successor Owner as Tenant under this Agreement. Such recognition will be effective and self-operative without the execution of any further instruments; provided, upon request, at no cost to Port, Port will execute a written agreement recognizing Successor Owner. A Successor Owner, upon a Lender Acquisition, will be required promptly to cure all monetary defaults and all other defaults then reasonably susceptible of being cured by such Successor Owner to the extent not cured prior to completion of the Lender Acquisition. The foregoing obligation includes any obligation to Restore, except as set forth in **Section 40.4(c)**.

(b) **Obligations by 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 **Article 40**). 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, including the payment of all Impositions and any other sums due and owing hereunder.

(c) **No Obligation to Restore.** Subject to **Sections 40.4(d)** and **(e)**, Lender, including any Lender who obtains title to Foreclosed Property through a Lender Acquisition will not be obligated by the provisions of this Lease to Restore any damage or destruction to the Improvements 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.

(d) **Obligation to Sell If Not Restore.** In the event that Lender acquires the Foreclosed Property through a Lender Acquisition and chooses not to complete or Restore the Improvements, it will notify Port in writing of its election within one hundred twenty (120) days following the Lender Acquisition and will sell its interest with reasonable diligence to a purchaser that will be obligated to Restore the 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").

(e) **Lender Agreement to Complete or 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. In the event Lender agrees, or is deemed to have agreed, to Restore the Improvements, all such work will be performed in accordance with all the requirements set forth in this Lease, and Lender must submit evidence reasonably satisfactory to Port that it has the qualifications and financial responsibility necessary to perform such obligations.

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

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

**40.7. Multiple Mortgages.**

(a) If at any time there is more than one Mortgage constituting a lien on a single portion of the Property or any interest therein, the lien of Lender prior in time to all others (the "Senior Lender") will be vested with the rights under *Sections 40.3, 40.10, 40.13, and 40.14* to the exclusion of the holder of any other Mortgage except if the Senior Lender fails to exercise the rights set forth in *Sections 40.3 and 40.10*, as applicable, then the holder of a junior Mortgage that has provided notice to Port in accordance with *Section 40.2* will succeed to the rights set forth in *Sections 40.3 and 40.10*, as applicable, only if the holders of all Mortgages senior to it have failed to exercise the rights set forth in *Sections 40.3 and 40.10*, as applicable.

(b) A Senior Lender's failure to exercise its rights under *Sections 40.3, 40.10, 40.13, or 40.14*, as applicable, or any delay in the response of any Lender to any notice by Port will not extend (i) any cure period, (ii) period to enter into a New Lease, or (iii) Tenant's or any Lender's rights under this *Article 40*. For purposes of this *Section 40.7*, in the absence of an order of a court of competent jurisdiction that is served on Port, a title report prepared by a reputable title company licensed to do business in the State of California and having an office in the City, setting forth the order of priorities of the liens of Mortgages on real property, may be relied upon by Port as conclusive evidence of priority.

**40.8. Cured Defaults.** Port will accept performance by a Lender with the same force and effect as if performed by Tenant. No such performance on behalf of Tenant in and of itself



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

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

If a Lender becomes the owner of the Leasehold Estate under this Lease or under a New Lease, (i) except as set forth in **Sections 40.4(c)** and **40.4(d)**, such Lender will be liable to Port for the obligations of Tenant hereunder only to the extent such obligations arise during the period that such Lender remains the owner of the Leasehold Estate, and (ii) in no event will Lender have personal liability under this Lease or New Lease, as applicable, greater than Lender's interest in this Lease or such New Lease, and Port will have no recourse against Lender's assets other than its interest herein or therein.

**40.10. New Lease.** In the event of the termination of this Lease before the expiration of the Term, including, without limitation, the rejection of this Lease by a trustee of Tenant in bankruptcy or by Tenant as a debtor-in-possession, except (i) by Total Condemnation, (ii) as the result of damage or destruction as provided in **Article 14**, or (iii) as a result of Tenant exercising its option to terminate this Lease due to change in Laws as provided in **Section 7.3**, 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"):

(i) 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

(ii) 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. If Lender elects not to Restore, then it will follow the procedures set forth in **Sections 40.4(d)** and **(e)**. 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 40.10(ii)** will survive any termination of this Lease (except as otherwise expressly set out in the first sentence of **40.10**), and will constitute a separate agreement by Port for the benefit of and enforceable by Lender.

**40.11. Nominee.** Any rights of a Lender under this **Article 40**, 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.

**40.12. Subleases and Other Property Agreements.** Effective upon the commencement of the term of any New Lease executed pursuant to **Subsection 40.10**, 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 which were not automatically terminated upon termination of the Lease as a result of the absence of a Non-Disturbance Agreement with the Subtenant of such Sublease (unless all the conditions to Port’s recognition of the Sublease under the Non-Disturbance Agreement have not been met) 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.

**40.13. Consent of Lender.** Port will not (i) modify this Lease in a manner that increases base rent owed to Port, decreases the Term 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 not 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.

**40.14. Cooperation.** Port, through its Executive Director, and Tenant will cooperate in including in this Lease by suitable written amendment or agreement from time to time any provision which may be reasonably requested by the Senior Lender and customarily included in such amendment or agreement to implement the provisions and intent of this **Article 40**, provided, however, that any such amendment or agreement will not adversely affect in any material respect any of Port’s rights and remedies under this Lease. Port’s execution of any such amendment or agreement is conditioned on Port’s receipt of its share of Net Refinancing Proceeds (if any), and Attorneys’ Fees and Costs incurred in connection with the review and negotiation of such document.

#### **41. 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.

#### **42. ECONOMIC ACCESS.**

Tenant will comply with the Workforce Development Plan, including the Local Business Enterprise (LBE) Utilization Plan, attached hereto as **Exhibit M** (collectively, 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 Initial

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.

#### 43. REPRESENTATIONS AND WARRANTIES.

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 California.

(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.

(c) **No Limitation on Ability to Perform.** Neither Tenant's articles of organization or 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.

(d) **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.

(e) **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.

(f) **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, and (iv) to Tenant's knowledge, no involuntary petition naming Tenant as debtor has been filed under any chapter of the U.S. Bankruptcy Code.

The representations and warranties herein will survive any termination of this Lease to the extent specified in this Lease.

#### 44. MITIGATION MONITORING REPORTING PROGRAM.

In order to mitigate the significant environmental impacts of this Lease and operation of the Premises, Tenant agrees that the operation of the Project will be in accordance with the applicable Mitigation Monitoring Reporting Program attached to this Lease as ***Exhibit K***. As

appropriate, Tenant will incorporate such Mitigation Monitoring Reporting Program into any contract for the operation of the Improvements.

**45. OTHER CITY REQUIREMENTS.**

Tenant will comply with the Other City Requirements attached hereto as *Exhibit W*.

**46. GENERAL**

**46.1. 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 the provisions of *Article 22* relating to Force Majeure.

**46.2. 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.

**46.3. Successors and Assigns.** This Lease is binding upon and will inure to the benefit of the successors and assigns of Port, Tenant, and any Lender. Where the term “**Tenant**,” “**Port**,” “**Lender**” is used in this Lease, it means and includes their respective successors and assigns, including, as to any Lender, 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 an 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.

**46.4. 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 40* with regard to Lenders.

**46.5. 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 and this Lease.

**46.6. 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.

**46.7. Entire Agreement.** This Lease (including the Exhibits) constitute 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.

**46.8. 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.

**46.9. 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.

**46.10. 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 X*. 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.

**46.11. 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 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.

**46.12. Effective Date.** This Lease will become effective on the date (the "**Effective Date**") the Parties duly execute and deliver this Lease. The Effective Date will be inserted by Port on the cover page and on page 1 hereof, provided, however, that either Party's failure to insert the Effective Date will not invalidate this Lease. Where used in this Lease or in any of its exhibits, references to "the date of this Lease," the "reference date of this Lease," "Lease Date" or "Effective Date" will mean the Effective Date determined as set forth above and shown on the first page hereof.

**46.13. 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.

#### **47. DEFINITIONS OF CERTAIN TERMS.**

For purposes of this Lease, initially capitalized terms will have the meanings ascribed to them in this *Article 47*:

"**Additional Rent**" means any and all sums (including any portion of Net Sale Proceeds and Refinancing Proceeds due to the Port hereunder (if any) and, to the extent applicable, shall include all Rent due during any Hold Over Period (as defined in *Section 37*)) that may become due or be payable by Tenant under this Lease.

"**Affiliate**" means any Person directly or indirectly Controlling, Controlled by or under Common Control with the other Person in question.

"**Agents**" means, when used with reference to either Party to this Lease, the members, officers, directors, commissioners, employees, agents and contractors of such Party, and their respective heirs, legal representatives, successors and assigns.

"**Allocated Tax Increment**" means the portion of Gross Tax Increment from Project Area I that the City has agreed to allocate to the IFD for use in Project Area I by approving Appendix I.

"**Anniversary Date**" means each anniversary date of the Commencement Date; provided, however, that if the Commencement Date is other than the first day of a month, then the first Anniversary Date will be the first day of the thirteenth (13th) month thereafter.

"**As Is With All Faults**" is defined in *Section 1.1(g)*.

“**Assessment Shortfall**” is defined in the DDA.

“**Assessor Information**” is defined in *Section 5.4(a)*.

“**Assessor-Recorder**” or “**County Recorder**” means the Office of the Assessor-Recorder in the City and County of San Francisco, or any successor agency responsible for assessing real property in the City and County of San Francisco.

“**Assignment**” is defined in *Section 18.1(a)*.

“**Assignment and Assumption Agreement**” is defined in *Section 18.1(b)(i)*.

“**Attorneys’ Fees and Costs**” means reasonable attorneys’ fees, costs, expenses and disbursements, including, but not limited to, expert witness fees and costs, travel time and associated costs, transcript preparation fees and costs, document copying, exhibit preparation, courier, postage, facsimile, long-distance and communications expenses, court costs and other reasonable costs and fees associated with any other legal, administrative or alternative dispute resolution proceeding, including such fees and costs associated with execution upon any judgment or order, and costs on appeal.

“**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**” is defined in the DDA.

“**Base Rent**” means monthly installments of rent equal to Zero Dollars (\$0.00) for the first seventy-five years from the Effective Date.

“**Bona Fide Institutional Lender**” is defined in *Section 40.1(a)*.

“**Bond**” is defined in the DDA.

“**Books and Records**” is defined in *Section 3.6* of *Exhibit D*.

“**Capital Items**” is defined in *Section 10.2(a)*.

“**Capital Reserves**” is defined in *Section 10.2(a)*.

“**Capital Reserve Deposits**” is defined in *Section 10.2(a)*.

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

“**Casualty**” is defined in *Section 14.1*.

“**Casualty Notice**” is defined in *Section 14.1(a)*.

“**Certificate of Completion**” is defined in the Vertical DDA”

“**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.

“**Claims**” or “**Claim**” means a demand made in an action or in anticipation of an action for money, mandamus, or any other relief available at law or in equity for a Loss arising directly or indirectly from acts or omissions occurring in relation to the Project or at the Premises during the Term.

“**Commencement Date**” is defined in the Basic Lease Information.

“**Common Control**” means that two Persons are both Controlled by the same other Person.

**“Completion”** means completion of construction of all or any applicable portion of the Initial Improvements, in accordance with the terms hereof, as conclusively evidenced by the issuance of a temporary certificate of occupancy. **“Complete”** has a correlative meaning.

**“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.

**“Condemned Land Value”** is defined in *Section 15.4(iii)*.

**“Construction”** is defined in *Section 12.1(a)*.

**“Construction Impacts”** is defined in *Section 4.1*.

**“Contest Notice”** is defined in *Section 5.4(c)*.

**“Control”** is defined in *Section 18.1(a)*. **“Controlled”** and **“Controlling”** have correlative meanings.

**“Coordination Agreement”** means the Vertical Cooperation Agreement to be entered into between Tenant and Phase 1 Horizontal Developer.

**“DDA”** is defined in *Recital C*.

**“Default Rate”** is defined in *Section 3.9* of *Exhibit D*.

**“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”** has a correlative meaning.

**“Demolition Option”** is defined in *Section 36.2(a)*.

**“Design Controls”** means the Design for Development for Mission Rock that the Port Commission and the Planning Commission approved.

**“Development Agreement”** means that certain Development Agreement between City and Seawall Lot 337 Associates, LLC, a Delaware limited liability company, dated as of August 15, 2018, as may be amended from time to time.

**“Development Documents”** means (i) the SUD; (ii) the Design Controls (including the Green Building Specifications); (iii) the Port Plans and Policies; and (iv) the Development Agreement.

**“Development Projects”** is defined in *Section 4.1*.

**“Disabled Access Laws”** means all Laws related to access for persons with disabilities including, without limitation, the Americans with Disabilities Act, 42 U.S.C. Section 12101 et seq. and disabled access laws under the Port’s building code.

**“DPH”** means the City and County of San Francisco Department of Public Health Environmental Health Branch.

**“DTSC”** means the California Department of Toxic Substances Control.

**“Effective Date”** is defined in *Section 46.12*.



**“Encroachment Area”** is defined in *Section 1.1(e)(i)*.

**“Encroachment Area Charge”** is defined in *Section 1.1(e)(i)*.

**“Environmental Financial Performance Deposit”** is defined in *Section 17.1*.

**“Environmental Laws”** is defined in *Section 21.6*.

**“Environmental Notice”** is defined in *Section 17.3(b)*.

**“Environmental Oversight Deposit”** is defined in *Section 17.3(a)*.

**“Environmental Regulatory Action”** is defined in *Section 21.6*.

**“Environmental Regulatory Agency”** is defined in *Section 21.6*.

**“Event of Default”** is defined in *Section 24.1*.

**“Exacerbate” or “Exacerbating”** is defined in *Section 21.6*.

**“Exempt Parcel”** means, depending on the context: (i) any assessor’s parcel of a real property interest that is exempt from property taxation under California law; and (ii) any assessor’s parcel of a real property interest that is exempt from Mello-Roos Taxes under an RMA. “Exempt Parcel” excludes any parcel that: (1) the Port or any other Regulatory Agency acquires by gift, devise, negotiated transaction, or foreclosure; (2) the Port acquires under the DDA; or (3) is in private use for taxable purposes.

**“Excepted Hazardous Materials”** is defined in *Section 21.1*.

**“Excluded Transfer”** is defined in *Section 18.1(a)*.

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

**“Facilities Condition Report”** is defined in *Section 10.2(b)*.

**“FCR Date”** is defined in *Section 10.2(a)*.

**“Final Certificate of Occupancy”** means a certificate of occupancy and completion that the Chief Harbor Engineer issues in the form of DDA Exh D13 after accepting an Architect’s Certificate verifying that a Vertical Developer has finally completed a Vertical Improvement.

**“Final Map”** means a final Subdivision Map meeting the requirements of the Subdivision Code and the Map Act, subject to amendments made by the DA Ordinance.

**“Flagpoles”** is defined in *Section 9.5*.

**“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 and not caused by the acts or omissions of such Party, including, but not restricted to, acts of nature or of the public enemy, fires, floods, earthquakes, tidal waves, strikes, freight embargoes, and unusually severe weather. Force Majeure does not include (i) failure to obtain financing or failure to have adequate funds, (ii) sea level rise, (iii) flooding as a result of curbsless streets and/or sidewalks, or (iv) any event that does not cause an actual delay. 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 additional repairs or obtain additional Regulatory Approvals that would not have otherwise been required but for the Force Majeure event.

**“Foreclosed Property”** is defined in *Section 40.4(a)*.

**“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.

**“Foreclosure Period”** is defined in *Section 40.3(b)*.

**“Generator”** is described in *Section Error! Reference source not found.*

**“graffiti”** is defined in *Section 9.6*.

**“Gross Income”** is defined in *Section 3.2a)(iii)* in *Exhibit D*.

**“Gross Tax Increment”** means 100% of the property and possessory interest taxes that the City actually receives in a City Fiscal Year by application of the 1% ad valorem tax against the increase in assessed value of Taxable Parcels in Project Area I above their values in the base year of Project Area I.

**“Handle”** is defined in *Section 21.6*.

**“Hard costs”** is defined in *Section 10.5*.

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

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

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

**“Horizontal Improvements”** is defined in the Appendix to the DDA.

**“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 date on which all allocations to the IFD of Tax Increment from the Sub-Project Area in which the Premises is located, and the IFD’s authority to repay indebtedness with Tax Increment from that Sub-Project Area end under Appendix I in accordance with IFD Law, which is no later than 45 years after the IFD actually receives \$100,000 in Tax Increment from that Sub-Project Area.

**“Impositions”** is defined in *Section 5.1(b)*.

**“Improvements”** means all buildings, structures, fixtures and other improvements erected, built, placed, installed, constructed, renovated, or Restored, located upon or within the Premises on or after the Commencement Date, including, but not limited to, the Initial Improvements and any Subsequent Construction.

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

**“Indemnify”** means indemnify, protect and hold harmless.

**“Information Charge”** is defined in *Section 5.4(d)*.

**“Infrastructure CFD”** means the City and County of San Francisco Community Facilities District No. 2020-1 (Mission Rock Public Improvements).

**“Initial Improvements”** means all Improvements to be built on the Premises or portion(s) thereof in accordance with the Vertical DDA, Scope of Development, and SUD.

**“Initial Response Period”** is defined in *Section 5.4(b)*.

**“Investigate”** or **“Investigation”** is 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”** is defined in Basic Lease Information.

**“Late Charge”** is defined in *Section 3.10* of *Exhibit D*.

**“Law”** or **“Laws”** means any one or more present and future laws, (including Environmental 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.

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

**“Lease Year”** is defined in *Exhibit D*.

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

**“Leasing Activity Report”** is defined in *Section 9.3*.

**“Lender Acquisition”** is defined in *Section 40.4(a)*.

**“Lender”** means the holder or holders of a Mortgage in compliance with *Article 40* 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 will 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 (including direct or vicarious liabilities), damages (including foreseeable and unforeseeable, incidental and 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.

**“Low Income Housing Tax Credit”** means a tax credit obtained in accordance with 26 U.S. Code §42 (as amended from time to time), or an equivalent federal or state tax credit program for affordable housing.

**“Maintenance Notice”** is defined in *Section 10.5*.

**“Major Casualty”** means damage to or destruction of all or any portion of the Premises to the extent that the hard costs of Restoration will exceed thirty percent (30%) of the hard costs to replace the Premises in their entirety. The calculation of such percentage will be based upon replacement costs and requirements of applicable Laws in effect as of the date of the event causing such Major Casualty.

**“Managing Party”** is defined in *Section 18.1(a)*.

**“Master Association”** is defined in the DDA.

**“Master CC&Rs”** is defined in the DDA.

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

“**Master Developer Agreements**” means the DDA, the Master Lease, the DA, and related agreements.

“**Master Lease**” is defined in *Recital C*.

“**Material Systems**” is defined in *Section 10.5*.

“**Mello-Roos Taxes**” means special taxes that the City levies in a City Fiscal Year on Taxable Parcels in the Mission Rock CFD in accordance with the RMA, including delinquent special taxes collected at any time by payment or through foreclosure.

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

“**Mezzanine Lender**” means a lender which has a security interest in the partnership/membership interest of Tenant.

“**Minimum Net Worth Amount**” is defined in *Section 18.1(a)*.

“**Mission Rock**” means the master-planned portion of the Mission Rock project that will encompass SWL 337, portions of Terry Francois Boulevard, and the expansion of China Basin Park.

“**Mission Rock CFD**” is a term used for the CFD for Mission Rock, if and when formed.

“**Mitigation Monitoring and Reporting Program**” means the Mitigation Monitoring and Reporting Program described in *Exhibit K*.

“**Mortgage**” means a mortgage, deed of trust, assignment of rents, fixture filing, security agreement or similar security instrument or assignment of the Leasehold Estate recorded in the Official Records.

“**Net Awards and Payments**” is defined in *Section 15.4*.

“**Net Worth Guarantor**” is defined in *Section 18.1(a)*.

“**Net Worth Guaranty**” is defined in *Section 18.1(a)*.

“**Net Worth Requirement**” is defined in *Section 18.1(a)*.

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

“**New Lease**” is defined in *Section 40.10*.

“**New Lease Execution Period**” is defined in *Section 40.10(i)*.

“**Non-Disturbance Agreements**” is defined in *Section 18.4(a)*.

“**Notice for Information**” is defined in *Section 5.4(c)*.

“**Notice of Special Tax**” is defined in *Section 5.2(a)*.

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

“**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.

“**Operations Plan**” means an operations plan reasonably approved by Port regarding the Handling of Hazardous Materials within, on, or near the Premises and the management of Hazardous Materials risks associated with such operations. Any Operations Plan previously approved by Port may be amended from time to time with the prior consent of Port.

“**Other Property Agreements**” is defined in *Section 40.12*.

**“Outstanding Bonds”** shall mean Bonds (i) for which the City has or will have repayment obligations from special taxes or tax increment, (ii) that have been issued by the City and remain outstanding under the terms of such Bonds, (iii) for which the indenture, fiscal agent agreement, resolution or other instrument pursuant to which such Bonds were issued or authorized expressly prohibits the early termination of this Lease, and (iv) which either (a) expire prior to the last ten (10) years of the Term of this Lease, or (b) have been expressly approved in writing by Tenant to extend into the last ten (10) years of the Term of this Lease. The City shall not issue any Bonds which would remain outstanding during the last ten (10) years of the Term of the Lease without the prior written consent of Tenant, which consent may be withheld in Tenant’s sole and absolute discretion.

**“Partial Condemnation”** is defined in *Section 15.3(b)*.

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

**“PCBs”** is defined in *Section 21.6*.

**“Permitted Title Exceptions”** is defined in *Section 1.1(b)*.

**“Permitted Uses”** is defined in *Section 3.1*.

**“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 described in *Section 21.5*.

**“Phase”** means one of the integrated stages of horizontal and vertical development for the Project Site as shown in the Phasing Plan.

**“Phase 1 Horizontal Developer”** is defined in *Recital D*.

**“Phase Area”** means the Development Parcels and other land in the Project Site that are to be developed in a Phase.

**“Phasing Plan”** means DDA Exh A4, which shows the order of development of the Phases and the Development Parcels in each Phase Area, subject to revision under DDA Art. 3 (Phase Approval).

**“Port”** means the San Francisco Port Commission.

**“Port Environmental Risk Policy”** is defined in *Section 17.1*.

**“Port’s Repair Notice”** is defined in *Section 10.5*.

**“Potential Assessment”** is defined in *Section 5.4(a)*.

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

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

**“Prevailing party”** is defined in *Section 46.11*.

**“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”** is defined in *Section 3.2*.

**“Prohibited Use Charge”** is defined in *Section 3.3*.

**“Project”** means the project described in the Scope of Development attached hereto as *Exhibit C-1*, including all Improvements.

**“Project Approvals”** is defined in the Basic Lease Information.

**“Project Area I”** means the area within the IFD covering Mission Rock formed by Ordinance No. 34-18.

**“Project Site”** is defined in *Recital C*.

**“Property”** is defined in Basic Lease Information.

**“Public Access Area”** means any Horizontal Improvement for public enjoyment, such as a public park, public recreational facility, public access, open space, and other similar public amenities, which may be a rooftop facility, or any area marked as a Public Access Area on *Exhibit B*.

**“public work”** is defined in *Section 12.4(f)*.

**“Qualified Transferee”** is defined in *Section 18.1(a)*.

**“reasonable wear and tear”** is defined in *Section 10.1*.

**“Reassessment”** means a proceeding that a taxpayer initiates under the California Revenue and Taxation Code that results in a reduction in ad valorem taxes assessed against the Premises.

**“Record Drawings”** is defined in *Section 12.6(a)*.

**“Refinancing Proceeds”** is defined in *Section 3.5(e)* of *Exhibit D*.

**“Refinancing”** is defined in *Section 3.5(e)* of *Exhibit D*.

**“Regulatory Agency”** means a City Agency or federal, state, or regional body administrative agency, commission, court, or other governmental or quasi-governmental organization with jurisdiction over any aspect of the Improvements or the Premises or the Project Site.

**“Regulatory Approval”** means any motion, resolution, ordinance, permit, approval, license, registration, permit, utility services agreement, Final Map, or other action, agreement, or entitlement required or issued by any Regulatory Agency with jurisdiction over any portion of the Project Site, as finally approved.

**“Reimbursable Subtenant Costs”** is defined in *Section 18.4(b)(vi)(3)*.

**“Release”** is defined in *Section 21.6*.

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

**“Rent”** means Base Rent, if any, the sum of rent for any Hold Over Period pursuant to Section 37, the portion of Net Sale Proceeds or Refinancing Proceeds due to the Port hereunder (if any), Additional Rent and all other sums payable by Tenant to Port hereunder, including any Late Charges and interest assessed at the Default Rate.

**“Replacement Notice”** is defined in *Section 9.5*.

**“Requested Information”** is defined in *Section 5.4(b)*.

**“Response Period”** is defined in *Section 5.4(c)*.

**“Restoration”** means the restoration, replacement, or rebuilding of the Improvements (or the relevant portion thereof) in accordance with all Laws then applicable. All Restoration will be conducted in accordance with the provisions of *Section 12*. **“Restore”** and **“Restored”** have correlative meanings.

**“RMA”** is an acronym for the Rate and Method of Apportionment.

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

**“Sale”** is defined in *Section 3.4(e)* of *Exhibit D*.

**“Sale period”** is defined in *Section 40.4(d)*.

**“Sale Proceeds”** is defined in *Section 3.4(e)* of *Exhibit D*.

**“Second NDA Notice”** is defined in *Section 18.4(e)(ii)*.

**“Security Deposit”** is defined in *Section 17.4(a)*.

**“Senior Lender”** is defined in *Section 40.7(a)*.

**“SFPUC”** means the San Francisco Public Utilities Commission.

**“SFPW”** means San Francisco Public Works.

**“Shoreline Protection Facilities”** means future Improvements to protect the San Francisco Bay shoreline from perils associated with seismic events and climate change, including sea level rise and floods, and other public improvements approved by the Port Commission and the Board of Supervisors.

**“Shoreline Protection Project”** means planning, design, and construction of Shoreline Protection Facilities.

**“Sign”** is defined in *Section 3.4*.

**“Significant Change”** is defined in *Section 18.1(a)*.

**“Significant Change Certificate”** is defined in *Section 18.1(b)(ii)*.

**“Soil Management Plan”** is defined in *Section 21.6*.

**“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, successors 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), and any amendment, modification or supplement thereto, but excluding access or occupancy rights granted under the Master CC&Rs (as defined in the DDA).

**“Subleased Space”** means the portion of the Premises subject to a Sublease.

**“Sub-Project Area”** means a sub-project area that the Board of Supervisors established in Project Area I.

**“Subsequent Assessed Value”** means the assessed value of the Premises in any City Fiscal Year after the most recent Baseline Assessed Value was established.

“**Subsequent Construction**” means all repairs to and reconstruction, replacement, addition, expansion, Restoration, alteration or modification of any Improvements, or any construction of additional Improvements, following completion of the Initial Improvements.

“**Substantial Condemnation**” is defined in *Section 15.3(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 249.80 establishing the Mission Rock Special Use District, as it may be amended from time to time.

“**Tax Increment**” refers to Allocated Tax Increment or Gross Tax Increment, as appropriate in the context.

“**Taxable Parcel**” means an assessor’s parcel of real property or other real estate interest created by each Phase Final Map that is not an Exempt Parcel, which may include leased space occupied for private use in an Exempt Parcel.

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

“**Term**” is defined in *Section 1.2*.

“**Termination Notice for Change in Laws**” is defined in *Section 7.3*.

“**Termination Option**” is defined in *Section 7.3*.

“**Total Condemnation**” is defined in *Section 15.2*.

“**Transportation Demand Management Plan**” means the Transportation Demand Management Plan attached hereto as *Exhibit Y*.

“**Transfer**” is defined in *Section 18.1(a)*.

“**Uninsured Casualty**” is defined in *Section 14.3*.

“**Unmatured Event of Default**” means any default that, with the giving of notice or the passage of time, or both, would constitute an Event of Default.

“**Vertical DDA**” means the Vertical Disposition and Development Agreement between Port and Tenant, as developer, dated as of June 25, 2020.

“**Work**” is defined in *Section 12.5*.



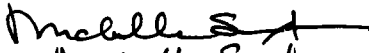
“**Workforce Development Plan**” is defined in *Article 42*.

“**worth at the time of award**” is defined in *Section 25.4*.

[Signature Page Follows]



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

<u>Tenant:</u>	<p><b>MISSION ROCK PARCEL B OWNER, L.L.C.,</b> a Delaware limited liability company</p> <p>By: </p> <p>Name: <b>Authorized Signatory</b></p> <p>Title: <b>Carl D. Shannon</b></p>
<u>Port:</u>	<p><b>CITY AND COUNTY OF SAN FRANCISCO,</b> operating by and through the <b>SAN FRANCISCO PORT COMMISSION</b></p> <p>By: </p> <p>Name: <b>Elaine Forbes</b></p> <p>Title: <b>Executive Director</b></p>
<p>APPROVED AS TO FORM: DENNIS J. HERRERA, City Attorney</p> <p>By: </p> <p>Name: <b>Michelle Sexton</b></p> <p>Title: <b>Deputy City Attorney</b></p>	

Port Commission Resolution No. 18—03, adopted on January 30, 2018

Board of Supervisors Resolution No. 36—18, adopted on February 13, 2018



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

<u>Tenant:</u>	<b>MISSION ROCK PARCEL B OWNER, L.L.C.,</b> a Delaware limited liability company  By: Name: Title:
<u>Port:</u>	<b>CITY AND COUNTY OF SAN FRANCISCO,</b> operating by and through the <b>SAN FRANCISCO PORT COMMISSION</b>  By: Name: Title:
APPROVED AS TO FORM: DENNIS J. HERRERA, City Attorney  By: Name: Title:	

Port Commission Resolution No. 18—03, adopted on January 30, 2018

Board of Supervisors Resolution No. 36—18, adopted on February 13, 2018

EXHIBIT A

Legal Description

LEGAL DESCRIPTION

"LOT 2"

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

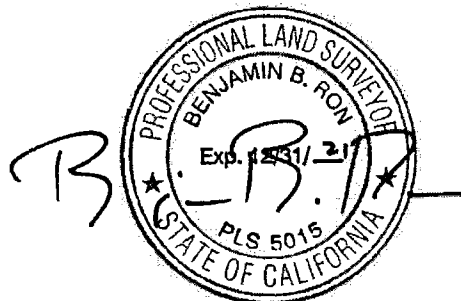
LOT 2, AS SAID LOT IS SHOWN ON FINAL MAP 9443 FILED FOR RECORD ON JUNE 12, 2020, IN BOOK 1 OF FINAL MAPS, PAGES 28-38 INCLUSIVE, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO.

CONTAINING 40,286 SQ.FT. OR 0.92 ACRES, MORE OR LESS

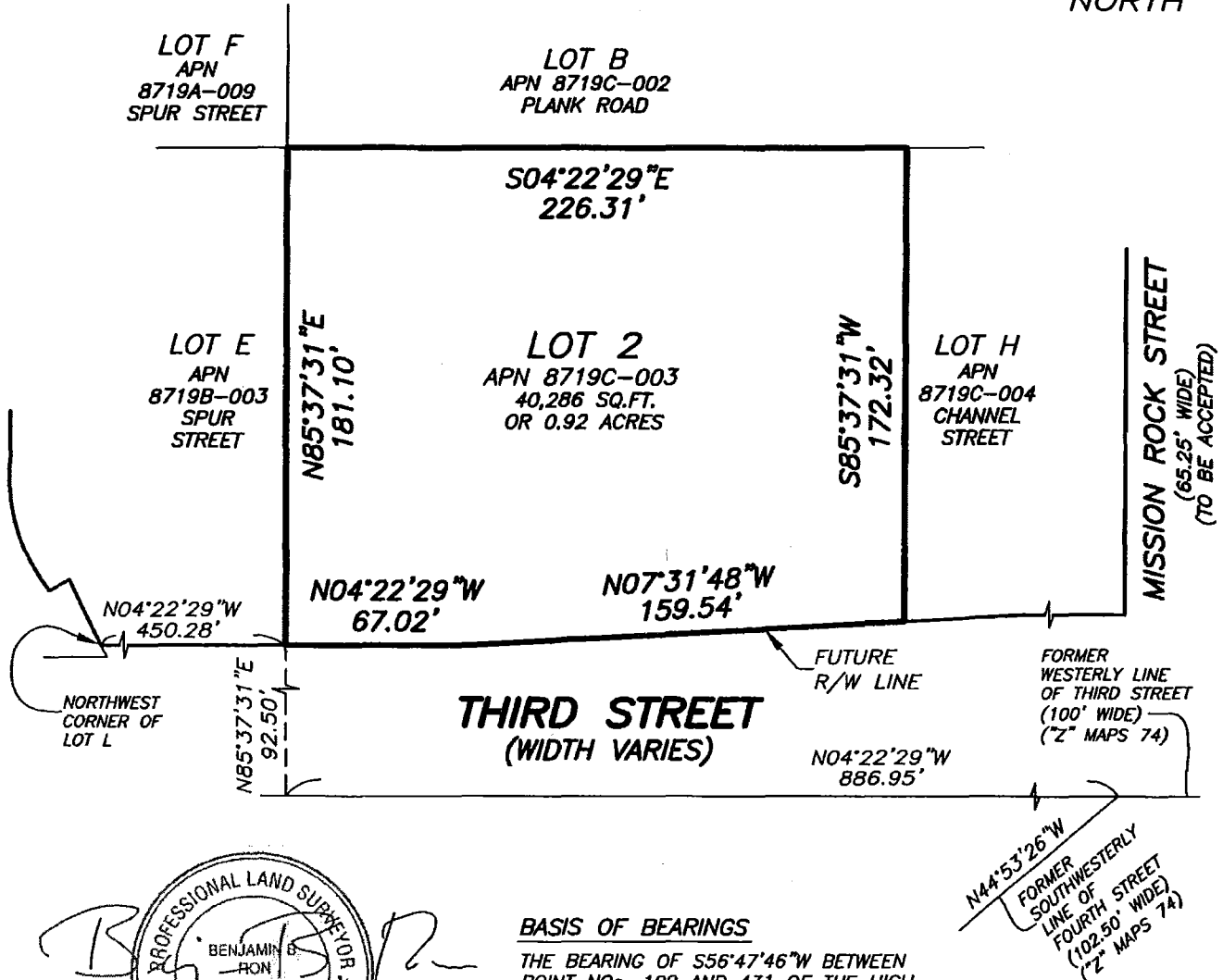
EXCEPTING THEREFROM, ALL SUBSURFACE MINERAL DEPOSITS, INCLUDING OIL AND GAS DEPOSITS, TOGETHER WITH THE RIGHT OF INGRESS AND EGRESS ON SAID LAND FOR EXPLORATION, DRILLING AND EXTRACTION OF SUCH MINERAL, OIL AND GAS DEPOSITS, AS EXCEPTED AND RESERVED BY THE STATE OF CALIFORNIA IN THAT CERTAIN ACT OF THE 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.

AND FURTHER EXCEPTING THEREFROM:

UNTO THE STATE OF CALIFORNIA, ITS SUCCESSORS, AND ASSIGNS, FOREVER, ALL MINERALS AND MINERAL RIGHTS OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED IN THE HEREINAFTER DESCRIBED PORTION OF THE ABOVE DESCRIBED REAL PROPERTY INCLUDING, BUT NOT LIMITED TO, OIL AND GAS AND RIGHTS THERETO, TOGETHER WITH THE SOLE, EXCLUSIVE, AND PERPETUAL RIGHT TO EXPLORE FOR, REMOVE AND DISPOSE OF THOSE MINERALS BY ANY MEANS OR METHODS SUITABLE TO THE STATE OF CALIFORNIA OR TO ITS SUCCESSORS AND ASSIGNS, BUT WITHOUT ENTERING UPON OR USING THE SURFACE OF THE LANDS CONVEYED AND IN SUCH MANNER AS NOT TO DAMAGE THE SURFACE OF THE LANDS CONVEYED, OR TO INTERFERE WITH THE USE THEREOF BY THE CITY AND COUNTY OF SAN FRANCISCO, ITS SUCCESSORS AND ASSIGNS, PROVIDED, HOWEVER, THAT THE STATE OF CALIFORNIA, ITS SUCCESSORS AND ASSIGNS, WITHOUT THE PRIOR WRITTEN PERMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO, ITS SUCCESSORS AND ASSIGNS, SHALL NOT CONDUCT ANY MINING ACTIVITIES OF ANY NATURE WHATSOEVER ABOVE A PLANE FIVE HUNDRED FEET (500') BELOW THE SURFACE OF THE HEREINAFTER DESCRIBED PORTION OF THE ABOVE DESCRIBED REAL PROPERTY, AS RESERVED IN THAT CERTAIN PATENT FROM THE STATE OF CALIFORNIA TO THE CITY AND COUNTY OF SAN FRANCISCO, A CHARTER CITY AND COUNTY, RECORDED JULY 19, 1999, IN REEL H429, IMAGE 518, AS INSTRUMENT NO. G622166, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, AND AS SET FORTH IN CHAPTER 1143, STATUTES OF 1991, AND AMENDMENTS THERETO UPON THE TERMS AND PROVISIONS SET FORTH THEREIN SUCH PORTION OF THE ABOVE DESCRIBED REAL PROPERTY.



# PLAT TO ACCOMPANY LEGAL DESCRIPTION



## BASIS OF BEARINGS

THE BEARING OF S56°47'46"W BETWEEN POINT NOS. 109 AND 431 OF THE HIGH PRECISION NETWORK DENSIFICATION (HPND), CITY & COUNTY OF SAN FRANCISCO 2013 COORDINATE SYSTEM (SFCS13)

## NOTE

LOTS 2, B, E, F, H & L, THE ASSOCIATED APNs AND STREET NAMES ARE AS SHOWN ON FINAL MAP 9443 RECORDED JUNE 12, 2020 IN BOOK 1 OF FINAL MAPS, PAGES 28-38 INCLUSIVE, OFFICIAL RECORDS.

## LEGEND

R/W RIGHT OF WAY

## BOUNDARY — LOT 2

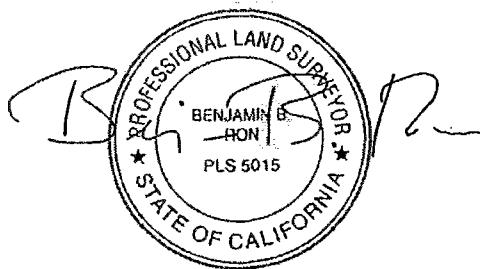
BY JP CHKD. BR DATE 6/17/20 SCALE 1"=60' SHEET 1 OF 1 JOB NO. S-9229

**MARTIN M. RON ASSOCIATES, INC.**  
LAND SURVEYORS

859 HARRISON STREET  
SAN FRANCISCO, CA. 94107  
(415) 543-4500  
S-9229E-FINAL MAP\_PARCEL  
PLATS.dwg

**EXHIBIT B**

**Site Plan**



859 HARRISON STREET  
SAN FRANCISCO, CA. 94107  
(415) 543-4500  
S-9229E-FINAL MAP\_PARCEL  
PLATS.dwg



EXHIBIT C

Scope of Development

**Scope of Development - Mission Rock (Phase 1 Parcel B / Lot 2)**

**Primary Use:** Office

**Ground Floor:** Retail or other ground floor uses allowed within the Mission Rock Special Use District

**Gross Square Footage:** 275,000 – 315,000 square feet

**Building Description:** up to 9 floors, a total of 120' and massing as approved in the Design Controls.

**Affordable Housing Fee:** §5.4(b)(ii) (Jobs / Housing Equivalency Fee) of the Development Agreement states that each Vertical DDA for nonresidential use (a "JHEF Project") will require the Vertical Developer to pay to the Port a Jobs/Housing Equivalency Fee. The Vertical DDA for each JHEF Project shall require payment of the Jobs/Housing Equivalency Fees for the applicable Development Parcel to the Port upon the earlier of (a) issuance by Port of the First Construction Document (which payment will be a condition to issuance by the Port of the First Construction Document) for the JHEF Project on that Development Parcel; or (b) by the date 30 days after notice from the Port that the Vertical Developer of any Residential Project in the Current Phase has completed the foundation of its Residential Project pursuant to a building permit (or foundation addendum to site permit) issued by the Port. The Port shall direct the Special Fund Trustee to disburse from the Affordable Housing Fund to the Vertical Developer of the applicable Residential Project, the amount of the Affordable Housing Subsidy allocated to such Residential Project within 30 days following the Foundation Completion Date, in accordance with the Affordable Housing Subsidy Plan.

The amount of Affordable Housing Fee required to **be paid by** Parcel B / Lot 2 shall be: **\$90.1 million**

**Inclusionary Units:** N / A

EXHIBIT D

Rent

## EXHIBIT D

### ARTICLE 3

#### RENT

#### 3. Rent.

##### 3.1 Prepaid Rent.

The Parties acknowledge that this Lease is a **Fully Pre-paid Lease**, as that term is defined in the Financing Plan attached as Exhibit C1 to the DDA. On the Commencement Date, the **Prepaid Rent**, as set forth in the Basic Lease Information, will be applied by Credit Bid in accordance with Article 3 of the Financing Plan attached to the DDA ("**Credit Bid**").

##### 3.2 Tenant's Covenant to Pay Rent During Hold Over Period.

During any Hold Over Period, Tenant will pay Rent for the Premises to Port at the times and in the manner provided in this Article 3.

(a) Definitions.

(i) "**Adjusted Gross Income**" means Gross Income less Adjustments.

(ii) "**Adjustments**" means the following items (without duplication):

(1) all Impositions paid by Tenant and allocated on a straight-line basis during the Lease Year in which the applicable Imposition was paid;

(2) all charges and bills for utilities, including, without limitation, charges for water, gas, oil, sanitary and storm sewer, and electricity paid by Tenant; and

(3) insurance premiums for insuring the Improvements in compliance with **Section 20** of this Lease and allocated on a straight-line basis during the Lease Year in which the applicable insurance premium was paid.

(iii) "**Gross Income**" means for each Lease Year or portion thereof, 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 (other than as set forth below with respect to tenant improvements), license fees, parking charges, advertising revenues, event or promotional fees, charges and permit fees.

Without limiting the foregoing, "**Gross Income**" also includes any and all payments made to Tenant from the Business Interruption or delayed opening insurance proceeds. "**Gross Income**" does not include any of the following: (i) proceeds from any sale, transfer, hypothecation or condemnation of all or any part of Tenant's interest in the Lease, (ii) any Refinancing Proceeds or any other capital proceeds, (iii) insurance proceeds arising from a Casualty at the Premises (provided that if such insurance proceeds exceed the actual cost incurred by Tenant to repair and restore the Premises, then the difference will be included in the calculation of Gross Income); (iv) payments from any Subtenant to Tenant to reimburse Tenant for actual costs paid by Tenant to an operator of a parking garage or surface parking lot within Mission Rock for the number of parking spaces paid by such Subtenant; or (v) payments from any Subtenant to reimburse Tenant for Tenant's actual out-of-pocket costs related to materials, labor, and non-Affiliated general contractor fees for tenant improvement work performed by Tenant on behalf of Subtenant.

(b) Reporting of Gross Income.

(i) Commencing on the 72nd anniversary of the Effective Date, Tenant will deliver to Port a complete statement setting forth in reasonable detail its Adjusted Gross Income for each calendar quarter, including an itemized list of all Adjustments from Gross Income that Tenant claims and which are expressly permitted under this Lease substantially in the form of *Exhibit Z*, by the twentieth (20th) day of the immediately following calendar quarter. In addition, Tenant will furnish to Port, within sixty (60) days after the expiration of the 72nd Lease Year and each Lease Year thereafter, a complete statement, showing the computation of Gross Income, Adjusted Gross Income, including an itemized list of all Adjustments from Gross Income that Tenant claims and which are expressly permitted under this Lease substantially in the form of *Exhibit AA*.

(ii) Tenant will substantiate actual Adjustments with proof of expenditure, which may include: (i) copies of canceled checks, (ii) bills, contracts and invoices marked "Paid", and (iii) and such other proofs of expenditure as may be reasonably approved by Port.

(iii) If Tenant fails to deliver any rent statement required hereunder within the time period set forth in this Section 3.2(b) (irrespective of whether any 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 of the Premises) as may be necessary to determine the amount of 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 Rent due and payable for the period in question, including any Late Charge and interest at the Default Rate.

### 3.3 Intentionally Omitted.

### 3.4 Port Participation in Sale Proceeds.

(a) Distribution of, and Port's Participation in, Net Sale Proceeds before Early Transfer Date. Tenant will pay upon a Transfer occurring any time prior to the Early Transfer Date:

(i) One Hundred Percent (100%) of Net Sale Proceeds from such Transfer, less the following deductions in this Section 3.4(a), will be deposited into the DRP Fund.

(1) Tenant's Purchase Price;

(2) Port's Attorneys' Fees and Costs associated with Port's review of the Qualifying Early Sale;

(3) Costs of Sale; and

(4) If the work product that is the subject of the Certified Entitlement Cost is purchased by the Transferee and useful in the construction or entitlement of the Vertical Project, Certified Entitlement Costs related to such purchased work product, if any.

(ii) In addition to payment of Port's share of Net Sale Proceeds in accordance with Section 3.4(a)(i) of this Exhibit, Tenant will pay Port a sum equal to Seventy-Five Thousand Dollars (\$75,000) for each 12-month period following the Commencement Date until the effective date of the Sale. By way of example only, if the Sale occurs on the last day of the twenty-fourth (24<sup>th</sup>) month after the Commencement Date, then Tenant will pay Port One Hundred Fifty Thousand Dollars (\$150,000). If Sale occurs at any time after the first twelve-month period, then the Seventy-Five Thousand Dollar amount will be pro-rated for such shorter period.

(b) Distribution of, and Port's Participation in, Net Sale Proceeds and Reassessment Events after Early Transfer Date.

(i) **Sale.** Tenant will pay Port one and one-half percent (1.5%) of the Net Sale Proceeds from each Sale occurring on or after the Early Transfer Date.

(ii) **Reassessment Event.** For purposes of calculating Net Sale Proceeds on a Reassessment Event, Tenant's Sale Proceeds from such Reassessment Event will be deemed to be an amount equal to (1) the total ownership interests in Tenant after the Reassessment Event held by the Person causing the Reassessment Event (expressed as a percentage of total ownership interests in Tenant), multiplied by (2) the value assigned to the Leasehold Estate, as evidenced by (A) the estimated fair market value of the Leasehold Estate provided to the Assessor-Recorder's in connection with the Reassessment Event, or (B) if no such estimate is provided to the Assessor-Recorder's, the appraised value of the Leasehold Estate established in an Appraisal Report reasonably approved by Port and Tenant.

(c) Manner of Payment. The estimated closing statement will be updated as of the date of closing of the Sale to show the actual (i) Sale Proceeds from such Sale, and (ii) line item description of the deductions and exclusions from Sale Proceeds to arrive at Port's share of Net Sale Proceeds. If escrow is opened for a Sale, then Port's share of the proceeds from such Sale must be distributed through escrow. If no escrow is opened for a Sale, Port's share of proceeds from such Sale must be paid upon the closing of any such Sale.

This provision constitutes notice to Tenant that Port is to be paid in full its share of Net Sale Proceeds through the close of escrow or the closing of the applicable Sale. If Port is not paid full by such closing date, the amount due Port will be subject to a Late Charge and will accrue interest at the Default Rate from and after the closing until paid in full to Port. Port may reference in any estoppel certificate or other representation requested from Port that payment to Port of Port's share of proceeds from a Sale is a material obligation under the Lease, due and owing upon the closing of any Triggering Event, provided, however, failure to reference such obligation will in no way negate Tenant's obligation to pay, and Port's right to receive, Port's share of Net Sale Proceeds.

Within forty-five (45) days after any Sale, transferor Tenant will submit to Port a statement prepared in accordance with sound accounting principles consistently applied, and certified by transferor Tenant's chief executive officer or chief financial officer (or equivalent position), as current, complete and correct, confirming the actual amount of proceeds received; line item description of the deductions and exclusions from proceeds to arrive at Port's share of Net Sale Proceeds. At Port's option, any overpayments may be either refunded to transferor Tenant or applied to any other amount then due and unpaid under the Lease. Tenant will accompany the statement of Net Sale Proceeds with the amount of any underpayments. The statements delivered to Port under this Section are subject to the audit provisions of Section 3.7 of this Exhibit for determination of the accuracy of Tenant's reporting of Port's share of Net Sale Proceeds.

(d) Survival. The provisions of this Section 3.4 will survive the earlier termination or expiration of this Lease for Sales occurring prior to such termination or expiration. Additionally, any release by Port of Tenant's obligations under this Lease in connection with any Sale is conditioned on Port's receipt of Port's share of Sale Proceeds.

(e) Additional Definitions. The following definitions apply for purposes of this Section 3.4:

**"Cash Consideration"** means (i) cash, or (ii) cash equivalents.

**"Certified Entitlement Costs"** means Entitlement Costs, as certified in accordance with *Attachment 1* to this *Exhibit D*.

**"Certified Total Development Costs"** means the Total Development Costs, as certified in accordance with *Attachment 1* to this *Exhibit D*.

**"CofO Issuance Date"** means the date Port, in its regulatory capacity, issues a certificate of occupancy for the Initial Improvements.

**"Costs of Sale"** means only the following costs incurred by Tenant in connection with a Transfer: (i) brokerage commissions paid to licensed real estate brokers (provided, however, that in the case of brokerage commissions paid to Affiliate brokers, such commissions must be

commercially reasonable), (ii) finder's fees (provided that in the case of finder's fees to Affiliates, such finder's fees must be commercially reasonable), (iii) reasonable and customary closing fees and costs including recording fees and transfer taxes, title insurance premiums and survey fees, (iv) reasonable advertising and marketing costs, and (v) reasonable Attorneys' Fees and Costs. "**Costs of Sale**" excludes adjustments to reflect prorations of rents, taxes or other items of income or expense customarily prorated in connection with sales of real property.

"**Early Transfer Date**" means the date that Port issues a site permit and first building permit addendum to allow commencement of construction of the Initial Improvements.

"**Entitlement Costs**" means Tenant's reasonable out-of-pocket costs actually incurred from and after the effective date of the Vertical DDA until the effective date of the Sale and attributable to the following only: designing the Initial Improvements; costs related to all land use approvals and entitlements, including preparation and processing of design review applications under the SUD and the Design Control, subdivision maps specific to the Premises that do not impact the initial Final Map recorded for the first Phase, and costs of compliance with all conditions of approval and CEQA mitigation measures legally required by the City, Port or any other Regulatory Authority as a condition to obtaining the entitlements; architectural, engineering, consultants, community outreach, attorney and other professional fees reasonably necessary to obtain the entitlements; financing costs for loans obtained to finance the Entitlement Costs; and Impositions paid (and not reimbursed by the transferee or adjusted at the closing of the Sale) prior to the effective date of the Sale.

"**Hard Costs**" means reasonable out-of-pocket costs actually incurred by Tenant attributable solely to the cost of labor, materials and construction of the Initial Improvements. "**Hard Costs**" do not include the cost of any improvements for any specific or speculative Subtenant or any costs incurred after the issuance of a Certificate of Completion in accordance with Article 13 of the Vertical DDA.

"**Initial Tenant**" means Mission Rock Parcel B Owner, L.L.C.

"**Net Sales Proceeds**" means Sale Proceeds less:

- (i) Costs of Sale; and
- (ii) Port's Attorneys' Fees and Costs associated with Port's review of the Sale or Reassessment Event; and
- (iii) if the transferor Tenant (x) constructed the Initial Improvements, Tenant's Purchase Price (but only if such amount is not included in Certified Total Development Costs) plus the Certified Total Development Costs, or (y) if transferor Tenant did not construct the Initial Improvements, Tenant's Purchase Price; and
- (iv) the total amount of any Net Refinancing Proceeds from any Qualifying Refinancing by the transferor Tenant where Port received its share in such proceeds in accordance with Section 3.5(a) below or any Net Sale Proceeds actually received by Port from any Reassessment Event prior to the last sale in accordance with Section 3.4(b)(ii) of this Exhibit.

"**Non-Cash Consideration**" means consideration received by Tenant in connection with a Sale that is not Cash Consideration.

"**Reassessment Event**" means a change in ownership of real property as described in Cal. Revenue and Taxation Code, Chapter 2 (Change in Ownership and Purchase), Section 64, as that law is in effect as of August 15, 2018 and attached hereto as **Exhibit BB**.

"**Sale**" means either a Transfer (other than an Excluded Transfer) or Reassessment Event.

"**Sale Proceeds**" means all consideration received by or for the account of Tenant in connection with a Sale, including Cash Consideration, the principal amount of any loan made by



Tenant to a purchaser as part of the purchase price, or any other Non-Cash Consideration representing a portion of the purchase price. “**Sale Proceeds**” do not include a commitment by an owner (whether direct or indirect) of Tenant to fund its share of future capital calls to construct the Initial Improvements or Capital Items.

“**Soft Costs**” means reasonable out-of-pocket costs actually incurred by the Tenant that actually constructs the Initial Improvements and attributable solely to architectural, engineering, consultant, attorney, and other professional fees, regulatory fees, CEQA mitigation measures, community benefits, Impact Fees (as defined in the DDA), Port Costs and Other City Costs (as defined in the Vertical DDA), builder’s risk insurance, performance and payment bonds, safety and security measures, and thirty party costs to prepare Certified Total Development Costs, in each case in connection with the Initial Improvements described in the Scope of Development. “**Soft Costs**” do not include costs associated with the design or construction any specific or speculative Subtenant improvements or any costs incurred after the issuance of a Certificate of Completion in accordance with Article 13 of the Vertical DDA.

“**Tenant’s Purchase Price**” means (i) in the case of the Initial Tenant, the “**Acquisition Price**” under the Vertical DDA and (ii) in the case of each subsequent tenant following the Initial Tenant, the Sale Proceeds paid by such Tenant to the immediately prior tenant for the Leasehold Estate.

“**Total Development Costs**” means Soft Costs and Hard Costs, excluding costs incurred by Tenant (if any) that are reimbursed by Master Developer or Phase 1 Horizontal Developer, as applicable, in connection with the construction of an engineered vapor mitigation system if required by the Environmental Covenants.

### **3.5 Port Participation in Refinancing Proceeds.**

(a) Port’s Participation. In connection with any Qualifying Refinancing, Tenant will pay to Port an amount equal to one and ½ percent (1.5%) of Net Refinancing Proceeds.

(b) Reporting of Refinancing Proceeds. No less than fifteen (15) days prior to the close of escrow for each Qualifying Refinancing, Tenant will deliver to Port, an estimated closing statement that includes the best estimate of the following items:

- (i) Gross proceeds from the Qualifying Refinancing;
- (ii) The estimated Net Refinancing Proceeds including a separate line item for each of the costs permitted to be deducted from the gross proceeds from the Refinancing, as applicable to arrive at Net Refinancing Proceeds; and
- (iii) The estimated Net Refinancing Proceeds allocated to Port and Tenant.

(c) Manner of Payment. The estimated closing statement will be updated as of the date for close of escrow under any Qualifying Refinancing to show the actual (i) gross Refinancing Proceeds, (ii) Net Refinancing Proceeds and Port’s share thereof, as applicable, and (iii) with respect to any Qualifying Refinancing, line item description of the deductions and exclusions from Refinancing Proceeds to arrive at Net Refinancing Proceeds. Tenant must pay Port from the close of escrow of any Qualifying Refinancing, Port’s share of the Net Refinancing Proceeds. Port may reference in any estoppel certificate or other representation requested from Port by a Mortgage lender, that payment to Port of Port’s share of Net Refinancing Proceeds is a material obligation under the Lease, due and owing at close of escrow of any Qualifying

Refinancing hereunder, provided, however, failure to reference such obligation will in no way negate Tenant's obligation to pay, and Port's right to receive, Port's share of Net Refinancing Proceeds. This provision constitutes notice to Tenant that Port is to be paid in full its share of Net Refinancing Proceeds through the close of escrow of any Qualifying Refinancing. If Port is not paid full by such closing date, the amount due Port will be subject to a Late Charge and will accrue interest at the Default Rate from and after the closing until paid in full to Port. Within forty-five days (45) after any Qualifying Refinancing, Tenant will submit to Port a statement, prepared in accordance with sound accounting principles consistently applied, and certified by Tenant's chief executive officer or chief financial officer (or equivalent position) as current, complete and correct, confirming the actual amount of Refinancing Proceeds, disbursed, permitted deductions made from such proceeds, and the amount of Net Refinancing Proceeds due to Port and actually paid to Port. At Port's option, any overpayments will be either refunded to Tenant, applied to any other amount then due and unpaid, or credited against Rent due. Tenant will accompany the statement of Net Refinancing Proceeds with the amount of any underpayments. The statements delivered to Port under this Section 3.5(d) will be subject to the audit provisions of Section 3.7 of this Exhibit for determination of the accuracy of Tenant's reporting of Net Refinancing Proceeds.

(d) Survival. The provisions of this Section 3.5 will survive the earlier termination or expiration of this Lease for any Qualifying Refinancing occurring prior to such termination or expiration.

(e) Additional Definitions. The following additional definitions will apply for purposes of this Section.

A "Capital Items" means replacements, repairs, and/or improvements to the Premises, the foundation and structural integrity of the Buildings, and all Material Systems serving the Improvements within the Premises that would be deemed capital assets under general accounting principles consistently applied.

B "Net Refinancing Proceeds" means all gross principal amounts of any Refinancing occurring after the Effective Date hereof (plus, in the event of secondary financing, the original principal balance of any existing financing that is not repaid as a part of such secondary financing), after subtracting the following:

(1) amounts needed to pay the lenders' actual costs of such Refinancing paid by Tenant including application fees, closing costs, points and other customary lenders' fees such as lenders' Attorneys' Fees and Costs and title insurance costs paid at close of escrow for such Refinancing;

(2) amounts needed to pay Port's Attorneys' Fees and Costs associated with Port's review of the Refinancing;

(3) amounts needed to pay Tenant's Attorneys' Fees and Costs associated with the Refinancing;

(4) any portion of the Refinancing Proceeds that will be used for Capital Items approved in accordance with Sections 10.2(d) and 12.1 of this Lease; and

(5) brokerage commissions paid to licensed real estate brokers to arrange the Refinancing (provided, however, if commissions are paid to Affiliate brokers, such commissions must be commercially reasonable).

C “**Qualifying Refinancing**” means any Refinancing that results in positive Net Refinancing Proceeds that is not in connection with (1) a Sale; or (2) the first permanent financing following Completion of the Initial Improvements that is secured by Tenant’s leasehold interest in this Lease.

D “**Refinancing**” means any secured debt financing or refinancing incurred by Tenant and secured by any Mortgage, which may include secured financing from an Affiliate of Tenant and any refinancing or replacement of existing debt secured by a Mortgage (including any permanent take-out financing for financing the construction of the Initial Improvements (as defined in Article 47 of the Parcel Lease)); provided, however, the term "Refinancing" shall exclude any construction loan incurred by Tenant for the purpose of financing the construction of the Initial Improvements.

E “**Refinancing Proceeds**” means all sums actually disbursed by a lender in connection with a Refinancing.

**3.6 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 or in connection with any Sale or Refinancing. 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, including proceeds and costs incurred from any Sale and Refinancing. 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.

**3.7 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 matters identified in Section 3.4(b) of this Exhibit) 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, Adjusted Gross Income, Sale Proceeds, Refinancing Proceeds and Port’s share of the foregoing, for a period of five (5) years after the applicable rent statement in connection with Rent during the Hold Over Period (or closing statement with respect to a Sale or Refinancing) 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 Sale Proceeds, Net Sale Proceeds, Gross Income during any Hold Over Period, Adjusted Gross Income during any Hold Over Period, Refinancing Proceeds, or Net Refinancing Proceeds 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. If Tenant understates its Adjusted Gross Income during any Hold Over Period, Net Refinancing Proceeds or Net Sale Proceeds, or Port's share of the foregoing proceeds 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.

**3.8 Manner of Payment.** Tenant will pay all 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. Rent and Port's share of Sale Proceeds and Refinancing Proceeds are 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.

**3.9 Interest on Delinquent Rent.** Rent not paid when due will bear interest from the date due until paid 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.

**3.10 Late Charge.** Tenant acknowledges and agrees that late payment by Tenant to Port of Rent 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 a rent statement required hereunder to Port within five (5) days following the date it is due, five percent (5%) of Rent due during a Hold Over Period for the subject period of such 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.

**3.11 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, except as expressly set forth in *Section 28.2* of this Lease.

**3.12 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.

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

## ATTACHMENT 1 TO EXHIBIT D

### PROCEDURES TO CERTIFY ENTITLEMENT COSTS AND TOTAL DEVELOPMENT COSTS

#### 1. PORT REPRESENTATIVE.

If Tenant fails to deliver either the Certified Entitlement Cost Statement or the Certified Total Development Cost Statement, as applicable, within the time periods set forth herein, and such failure continues for thirty (30) days after the date Port delivers to Tenant written notice of such failure, Port has the right, among its other remedies under this Lease, to have a Port Representative examine Tenant's books and records as may be necessary to determine all the information required in the Certified Entitlement Cost Statement or Certified Total Development Cost Statement, as applicable. The determination made by Port Representative will be binding upon Tenant, absent manifest error, and Tenant must promptly pay to Port the total cost of the examination.

#### 2. CERTIFIED COST STATEMENT.

(a) ***Certified Entitlement Cost Statement.*** Within thirty (30) days prior to a Transfer occurring before the Early Transfer Date or sixty (60) days following the Early Transfer Date for the Tenant that constructs the Initial Improvements, as applicable, Tenant will furnish Port with an itemized statement setting forth in detail the Entitlement Cost incurred by Tenant to the Building Permit Date or thirty (30) days prior to a Qualifying Early Sale, as applicable, certified as true, accurate and complete by an independent certified public accountant (the "**Certified Entitlement Cost Statement**").

(b) ***Certified Total Development Cost Statement.*** Within the earlier of one hundred twenty (120) days following the issuance of a Certificate of Completion or thirty (30) days prior to a Sale after the Early Transfer Date, the Tenant that constructed the Initial Improvements will furnish Port with an itemized statement setting forth in detail the Total Development Cost incurred by such Tenant to the CofO Issuance Date, certified as true, accurate and complete by an independent certified public accountant (the "**Certified Total Development Cost Statement**").

(b) ***Port Review.*** Port will notify the Tenant within sixty (60) days following Port's receipt of the Certified Entitlement Cost Statement or the Certified Total Development Cost Statement, as applicable, of Port's agreement or disagreement with such statement. If Port disagrees with any such statement, the Parties will meet to resolve the disagreement. If the Parties are unable to resolve their disagreement, either may Party exercise its rights under Section 3 (Audit Rights) of this Attachment 1 to Exhibit D.

#### 3. AUDIT RIGHTS.

If Port disagrees with either the Certified Entitlement Cost Statement or the Certified Total Development Cost Statement, Port may request that such records be audited by an independent certified public accounting firm mutually acceptable to Port and Tenant, or if the Parties are unable to agree, either Party may apply to the Superior Court of the State of California in and for the County of San Francisco for appointment of an auditor meeting the foregoing qualifications. If the court denies or otherwise refuses to act upon such application, either Party may apply to the American Arbitration Association, or any similar provider of professional commercial arbitration services, for appointment in accordance with the rules and procedures of such organization of an independent auditor. Such audit will be binding on the Parties, except in the case of fraud, corruption or undue influence. Port will pay the entire cost of the audit unless the audit discovers that Tenant has overstated the Entitlement Cost or the Total Development Cost, as applicable, by more than three percent (3%) of the lower amount, in which case Tenant will pay the entire cost of the audit.

**4. BOOKS AND RECORDS RELATED TO TOTAL DEVELOPMENT COSTS.**

Tenant must keep accurate books and records of the Entitlement Costs and Total Development Costs incurred to date, funds expended by Tenant, outstanding Tenant capital, Tenant capital return accrued, and debt or other third-party proceeds received by or on behalf of Initial Tenant in connection with the development of the Initial Improvements, all in accordance with accounting principles generally accepted in the construction industry. Port, including its Agents, has the right to inspect Tenant's books and records regarding the development of the Initial Improvements, the costs incurred in connection therewith, and all other Entitlement Costs and Total Development Costs, including funds expended by Tenant, return accrued on such funds, and debt or other third party proceeds received by or on behalf of Tenant in connection with the development of the Initial Improvements in a location within San Francisco during regular business hours and upon reasonable advance notice.

EXHIBIT E

Project Approvals



## **EXHIBIT E**

### **PROJECT APPROVALS**

1. **Final Environmental Impact Report** (Planning Dept. Case No. 2013.0208ENV)
  - Certify FEIR and adopt CEQA Findings: Planning Commission Motion No. 20017 and Motion No. 20018, October 5, 2017
  - Adopt CEQA Findings and MMRP: Port Resolution No. 18-03, January 30, 2018
  - Affirm Planning Commission's certification of FEIR and adopt CEQA Findings and MMRP: Board of Supervisors Resolution No. 36-18, February 13, 2018
2. **Planning Code and Zoning Map amendments**
  - Recommend: Planning Commission Resolution No. 20019, October 5, 2017
  - Consent: Port Resolution No. 18-04, January 30, 2018
  - Approve: Board of Supervisors Ordinance No. 31-18, February 27, 2018
3. **Development Agreement and amendments and waivers of specified provisions of the Administrative and Subdivision Codes**
  - Recommend: Planning Commission Resolution No. 20020, October 5, 2017
  - Consent: Port Resolution No. 18-06, January 30, 2018
  - Consent: SFPUC Resolution No. 18-0014, January 23, 2018
  - Consent: SFMTA Resolution No. 180206-025, February 6, 2018,
  - Approve: Board of Supervisors Ordinance No. 33-18, February 27, 2018
4. **Mission Rock Design Controls**
  - Approve: Planning Commission Motion No. 20021, October 5, 2017
  - Approve: Port Resolution No. 18-04, January 30, 2018
5. **Waterfront Land Use Plan / Waterfront Design and Access Element amendments**
  - Adopt public trust findings and approve: Port Resolution No. 18-03 (Public Trust Findings) January 30, 2018, and Resolution No. 18-05 (Waterfront Land Use Plan), January 30, 2018
6. **Infrastructure Financing District Project Area I and Sub-Project Areas**
  - Adopt public trust findings, approve, and recommend: Port Resolution No. 18-08 January 30, 2018
  - Approve: Board of Supervisors Ordinance Nos. 34-18, February 27, 2018
7. **Memorandum of Understanding re Collection and Allocation of Taxes**
  - Approve and recommend: Port Resolution No. 18-09, January 30, 2018
  - Approve: Board of Supervisors Resolution No. 45-18, February 13, 2018
8. **Special Tax District No. 2020-1 (Mission Rock Facilities and Services)**
  - Resolution of formation: Board of Supervisors Resolution No. 160-20, April 24, 2020

9. **Final Map 9443**

- Approve and recommend: Public Works Order No. 203194, May 22, 2020
- Approve: Board of Supervisors Motion No. M20-60, June 2, 2020

EXHIBIT F

Permitted Title Exceptions

## 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 that arise by reason of:

**THE FOLLOWING MATTERS AFFECT PARCELS ONE AND TWO:**

1. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2020-2021.  
(Affects Parcels One and Two)
2. Intentionally deleted
3. All or a part of the Land herein described does not appear to be assessed on the Tax Roll for the year(s) 2019-2020. Said Land is subject to the possible assessment and collection of property taxes for the current year.  
(Affects Parcels One and Two)
4. The Land 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.  
  
(Affects Parcels One and Two)  
  
None now due and payable as of the date of the policy.
5. 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.  
  
(Affects Parcels One and Two)  
  
None now due and payable as of the date of the policy.
6. Intentionally deleted

## SCHEDULE B (Continued)

7. 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 1333 of the Statutes of 1968, (the Burton Act) as amended by Chapters 1296 and 1400, Statutes of 1969, Chapter 670, Statutes of 1970, Chapter 1253, Statutes of 1971, Chapter 660, Statutes of 2007 and Chapter 529, Statutes of 2016 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 and that certain Agreement Relating to Transfer of the Port of San Francisco from the State of California to the City and County of San Francisco, executed by and between the City and County of San Francisco and the Director of Finance of the State of California and the San Francisco Port Authority, recorded January 30, 1969, Book B308, Page 686, Series No. R404013, of Official Records as modified by Chapters 1296 and 1400, Statutes of 1969, Chapter 670, Statutes of 1970, Chapter 1253, Statutes of 1971, Chapter 660, Statutes of 2007 and Chapter 529, Statutes of 2016 and as may be further modified.

(Affects Parcels One and Two)

8. Intentionally deleted

9. Intentionally deleted

10. Matters contained in that certain document

Entitled: Development Agreement  
 Dated: August 15, 2018  
 Executed by: The City and County of San Francisco and Seawall Lot 337 Associates, LLC, a Delaware limited liability company  
 Recording Date: August 17, 2018  
 Recording No: 2018-K656939-00, Official Records

Reference is hereby made to said document for full particulars.

### Assignment and Assumption Agreement

Assignor: Seawall Lot 337 Associates, LLC, a Delaware limited liability company and Mission Rock Horizontal Sub (Phase 1), L.L.C., a Delaware limited liability company  
 Assignee: Mission Rock Parcel B Owner, L.L.C., a Delaware limited liability company  
 Recorded: , 2020, as Instrument No. 2020 , Official Records

(Affects Parcels One and Two)

11. Intentionally deleted

## SCHEDULE B (Continued)

12. Covenants, conditions and restrictions set forth in that certain Permit No. 2017-004-00 dated June 29, 2018 granted by the San Francisco Bay Conservation and Development Commission, recorded August 17, 2018, Recording No. 2018-K656942-00, of Official Records, but omitting any covenant or restriction, if any, based upon race, color, religion, sex, handicap, familial status or national origin as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law.

A First Amendment to BCDC Permit, recorded June 18, 2020, as Instrument No. 2020-K942228-00, Official Records.

A Second Amendment to BCDC Permit recorded June 18, 2020, as Instrument No. 2020-K942229-00, Official Records.

(Affects Parcels One and Two)

13. Ordinance 209-19: Street and Public Service Easement Vacation Order – Mission Rock Project, upon the terms and conditions contained therein.

Recorded: May 15, 2020, as Instrument No. 2020-K931482-00, Official Records

Said instrument provides for the reservation of various temporary rights and easements in favor of the City and County of San Francisco and Pacific Gas and Electric Company.

(Affects Parcels One and Two)

14. The herein described property lies within the boundaries of a Mello-Roos Community Facilities District (CFD) as follows:

CFD No: 2020-1  
 For: Mission Rock Facilities and Services  
 Disclosed by: Notice of Special Tax Lien  
 Recorded: May 22, 2020, as Instrument No. 2020-K933385-00, Official Records

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 of San Francisco County of San Francisco. The tax may not be prepaid.

(Affects Parcels One and Two)

15. Recitals as shown on that certain map/plat entitled "Final Map 9443"

Recording Date: June 12, 2020, as Instrument No. 2020-K940602-00, Official Records  
 Recording No.: Book 1 of Final Maps, Pages 28-38, inclusive

**SCHEDULE B  
(Continued)**

## 16. Matters contained in that certain document

Entitled: Public Improvement Agreement  
Dated: June 12, 2020  
Executed by: The City and County of San Francisco and Seawall Lot 337 Associates, LLC, a Delaware limited liability company  
Recording Date: June 12, 2020, as Instrument No. 2020-K940619-00, Official Records

Reference is hereby made to said document for full particulars.

(Affects Parcels One and Lots A, B, C, D, E, F, G, H, I, J, K and L of Book 1 of Final Maps, at Page(s) 28-38, inclusive of Parcel Two.)

17. The matters set forth in the document shown below which, among other things, contains or provides for: certain easements; liens and the subordination thereof; provisions relating to partition; restrictions on severability of component parts; and covenants, conditions and restrictions but omitting any covenants or restrictions, if any, including, but not limited to those based upon race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, veteran or military status, genetic information, medical condition, citizenship, primary language, and immigration status, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law.

Entitled: Mission Rock Master Declaration of Restrictions  
Recorded: June 25, 2020, as Instrument No. 2020-K944344-00, Official Records

Said covenants, conditions and restrictions provide that a violation thereof shall not defeat the lien of a first mortgage or first deed of trust made in good faith and for value.

Liens and charges as set forth in the above mentioned declaration,

Payable to: Mission Rock Owners Association, a California nonprofit corporation

18. Any rights of the tenants listed below, as tenants only with no options to purchase or rights of first refusal.

a) "None"

19. Any rights, interests, or claims which may exist or arise by reason of the following matters disclosed by survey,

Job No.: S-9229.2  
Dated: August 11, 2020  
Prepared by: Martin M. Ron Associates  
Matters shown:

No matters to reflect

20. Intentionally deleted

21. Intentionally deleted

## SCHEDULE B (Continued)

22. Intentionally deleted

23. Intentionally deleted

24. Notice of Special Restrictions

Recording Date: , 2020

Recording No: 2020- , Official Records

Reference is hereby made to said document for full particulars

25. Memorandum of Vertical Disposition and Development Agreement, upon the terms, covenants, conditions and provisions set forth therein

Dated: , 2020

Executed by: The City and County of San Francisco, a municipal corporation and Mission Rock Parcel B Owner, L.L.C., a Delaware limited liability company

Recorded: , 2020, as Instrument No. 2020- , Official Records

Reference is hereby made to said document for full particulars.

(Affects Parcel One)

26. Matters contained in that certain document

Entitled: Agreement to Comply with CFD Matters

Executed by: The City and County of San Francisco and Mission Rock Parcel B Owner, L.L.C., a Delaware limited liability company

Recording Date: , 2020

Recording No: 2020- , Official Records

Reference is hereby made to said document for full particulars

(Affects Parcel One)

### THE FOLLOWING MATTERS AFFECT ONLY PARCEL TWO:

27. Matters contained in that certain document

Entitled: City and County of San Francisco Department of Public Works Street Encroachment Agreement

Dated: April 13, 2000

Executed by: City and County of San Francisco and China Basin Ballpark Company, LLC

Recording Date: May 15, 2000

Recording No: 2000-G773008-00, Official Records

Reference is hereby made to said document for full particulars.

(Affects: Lot H, I and J of Book 1 of Final Maps, at Page(s) 28-38, inclusive of Parcel Two)



## SCHEDULE B (Continued)

28. Conditions and restrictions as set forth in a document recorded by the City and County of San Francisco, Department of Public Works.

Type of Permit: San Francisco Bay Conservation and Development Commission Permit No. M201404200  
 Recording Date: August 4, 2015  
 Recording No.: 2015-K105732-00, Official Records

Reference is made to said document for full particulars.

(Affects: Lot K of Book 1 of Final Maps, at Page(s) 28-38, inclusive of Parcel Two)

29. Matters contained in that certain document

Entitled: Disposition and Development Agreement  
 Dated: August 15, 2018  
 Executed by  
 And between: City and County of San Francisco, acting by and through the San Francisco Port Commission and Seawall Lot 337 Associates, LLC, a Delaware limited liability company  
 Recording Date: August 17, 2018  
 Recording No.: 2018-K656938-00, Official Records

Reference is hereby made to said document for full particulars.

Assignment and Assumption Agreement (Mission Rock Project, Phase 1)

Dated: December 18, 2019  
 Executed by: Seawall Lot 337 Associates, LLC, a Delaware limited liability company and Mission Rock Horizontal Sub (Phase 1), L.L.C., a Delaware limited liability company  
 Recording Date: December 19, 2019  
 Recording No.: 2019-K879368-00, Official Records

Reference is hereby made to said document for full particulars.

A First Amendment to Disposition and Development Agreement

Recorded: June 26, 2020, as Instrument No. 2020-K944593-00, Official Records

(Affects Lots A, B, C, D, E, F, G, H, I, J, K and L of Book 1 of Final Maps, at Page(s) 28-38, inclusive of Parcel Two.)

**SCHEDULE B  
(Continued)**

30. An unrecorded lease with certain terms, covenants, conditions and provisions set forth therein as disclosed by the document

Entitled: Memorandum of Lease  
Lessor: The City and County of San Francisco, operating by and through the San Francisco Port Commission  
Lessee: Seawall Lot 337 Associates, LLC, a Delaware limited liability company  
Recording Date: August 17, 2018  
Recording No: 2018-K656941-00, Official Records

Matters contained in that certain document

Entitled: First Amendment to Memorandum of Master Lease  
Dated: January 31, 2020  
Executed by: The City and County of San Francisco, a municipal corporation operating by and through the San Francisco Port Commission and Seawall Lot 337 Associates, LLC, a Delaware limited liability company  
Recording Date: January 31, 2020  
Recording No: 2020-K898106-00, Official Records

Reference is hereby made to said document for full particulars.

The present ownership of the leasehold created by said lease and other matters affecting the interest of the lessee are not shown herein.

(Affects Lots A, B, C, D, E, F, G, H, I, J, K and L of Book 1 of Final Maps, at Page(s) 28-38, inclusive of Parcel Two.)

31. Any rights of the tenants, as tenants only with no options to purchase or rights of first refusal.
32. Any rights, interests, or claims which may exist or arise by reason of the following matters disclosed by survey,

Job No.: S-9229.2  
Dated: August 11, 2020  
Prepared by: Martin M. Ron Associates  
Matters shown:

No matters to reflect

33. Offer of Improvements upon the terms and conditions contained therein.

Recording Date: June 12, 2020, as Instrument No. 2020-K940595-00, Official Records

(Affects Lots A, B, C, D, E, F, G, H, I, J, K and L of Book 1 of Final Maps, at Page(s) 28-38, inclusive of Parcel Two)

34. Rights and Easements for Commerce, Navigation and Fishery.

(Affects Parcel Two)

**SCHEDULE B  
(Continued)**

35. Matters contained in that certain document

Entitled: Covenant to Restrict Use of Property – Environmental Restrictions  
Dated: July 24, 2002  
Executed by: City and County of San Francisco  
Recorded: July 25, 2002, as Instrument No. 2002-H209674-00, Official Records

Reference is hereby made to said document for full particulars

Affects: Parcel Two

36. Matters contained in that certain document

Entitled: Amended Covenant to Restrict Use of Property Environmental Restriction  
Executed by: The City and County of San Francisco, a Charter City and County, in Trust, and  
The Department of Toxic Substances Control  
Recording Date: September 2019  
Recording No: 2019-K835128-00, Official Records

Reference is hereby made to said document for full particulars

Affects: Parcel Two

**END OF SCHEDULE B**

**This is a pro forma policy** furnished to or on behalf of the party to be insured. It neither reflects the present status of title, nor is it intended to be a commitment to insured. The inclusion of endorsements as a part of the pro forma policy in no way evidences the willingness of the company to provide any affirmative coverage shown therein. There are requirements which must be met before a final policy can be issued in the same form as the pro forma policy. A commitment to insure setting forth these requirements should be obtained from the Company.

**Additional Matters** may be added or other amendments may be made to this pro forma policy by reason of any defects, liens or encumbrances that appear for the first time in the Public Records or come to the attention of the Company and are created or attached between the issuance of this pro forma policy and the issuance of a policy of title insurance. The Company shall have no liability because of such addition or amendment.

EXHIBIT G

Executed Notice of Special Tax

## NOTICE OF SPECIAL TAX

### CITY AND COUNTY OF SAN FRANCISCO SPECIAL TAX DISTRICT NO. 2020-1 (MISSION ROCK FACILITIES AND SERVICES)

TO: THE PROSPECTIVE TENANT OF THE REAL PROPERTY IDENTIFIED AS FOLLOWS (THE “PROPERTY”):

**Lot 2 shown on the Final Map No. 9443 approved by the Board of Supervisors of the City and County of San Francisco on June 2, 2020**

THIS IS A NOTIFICATION TO YOU PRIOR TO YOUR ENTERING INTO A CONTRACT TO LEASE THIS PROPERTY. THE LANDLORD IS REQUIRED TO GIVE YOU THIS NOTICE AND TO OBTAIN A COPY SIGNED BY YOU TO INDICATE THAT YOU HAVE RECEIVED AND READ A COPY OF THIS NOTICE.

Each Assessor’s Parcel (a “**Parcel**”) of this Property (in existence now or as further subdivided in the future) is subject to a development special tax (the “**Development Special Tax**”), an office special tax (the “**Office Special Tax**”), a shoreline special tax (the “**Shoreline Special Tax**”), and a contingent services special tax (the “**Contingent Services Special Tax**”) and, with the Development Special Tax, Office Special Tax, and Shoreline Special Tax, collectively, the “**Special Taxes**”) that are in addition to the regular property taxes and any other charges, fees, special taxes, and benefit assessments on the Property. The Special Taxes are imposed on each Parcel of the Property because it is a new development, and is not necessarily imposed generally upon property outside of this new development. If you fail to pay the Special Taxes levied on the leasehold interest in a Parcel of the Property when due each year, the delinquent leasehold interest in the Parcel may be foreclosed upon and sold. The Special Taxes are used to provide facilities and services that are likely to particularly benefit the Property. YOU SHOULD TAKE THE SPECIAL TAXES AND THE BENEFITS FROM THE FACILITIES AND SERVICES FOR WHICH THEY PAY INTO ACCOUNT IN DECIDING WHETHER TO LEASE THIS PROPERTY.

The Property you are leasing is located within the boundaries of Tax Zone 1 of the City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services) (“**Mission Rock STD**”). The Special Taxes are levied pursuant to a Rate and Method of Apportionment of Special Taxes (the “**Rate and Method**”) for the Mission Rock STD. A copy of the Rate and Method applicable to this Property is attached as Exhibit “C” to the Notice of Special Tax Lien attached hereto as Exhibit 1 (the “**Notice of Special Tax Lien**”). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Rate and Method.

### **Classification of Property**

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor's Parcel numbers for all Taxable Parcels. The Administrator shall also determine: (i) whether each Taxable Parcel is Developed Property or Undeveloped Property; (ii) the Planning Parcel and Tax Zone within which each Taxable Parcel is located; (iii) for Developed Property, the Market-Rate Residential Square Footage and Office Square Footage within each building; (iv) the Taxpayer for each Leasehold Interest in a Taxable Parcel; and (v) the Development Special Tax Requirement, Office Special Tax Requirement, Shoreline Special Tax Requirement, and, if applicable, Services Special Tax Requirement for the Fiscal Year.

The Property will become Developed Property for purposes of the levy of the Special Taxes as set forth in the definition of Developed Property in the Rate and Method, which means "in any Fiscal Year, all Taxable Parcels for which the 24-month anniversary of the Parcel Lease Execution Date has occurred in a preceding Fiscal Year, regardless of whether a Permit has been issued. For any Taxable Parcel on which a structure is built and occupied without execution of a Parcel Lease, such Taxable Parcel shall be categorized as Developed Property in the Fiscal Year in which a Certificate of Occupancy was issued on or prior to June 30 of the preceding Fiscal Year."

When a Parcel becomes Developed Property, the Administrator and Review Authority shall reference the Permit for each building on the Parcel to determine the Market-Rate Residential Square Footage and/or Office Square Footage within the building(s). If the Market-Rate Residential Square Footage and/or Office Square Footage is not identified on the Permit, the square footage assumptions used in the appraisal prepared when the Vertical DDA and/or Parcel Lease for such Parcel was executed shall be used to determine Market-Rate Residential Square Footage and/or Office Square Footage within the building. If, after review of the Permit and appraisal, there is still no clear indication of the Market-Rate Residential Square Footage and/or Office Square Footage for a building, the Review Authority shall review the Development Approval Documents and make a determination as to the amount of Market-Rate Residential Square Footage and/or Office Square Footage in the building.

When a Parcel becomes Developed Property, the Administrator and Review Authority shall also identify and document the Initial Exempt Square Footage for the building or buildings on or expected on the Parcel. The Administrator shall keep a record of the Initial Exempt Square Footage broken down by Exempt Use. After the First Bond Sale, as square footage within a building is designated for Exempt Uses, the Administrator shall compare the actual square footage used for each Exempt Use to the Initial Exempt Square Footage by Exempt Use. If, at any point in time, there is determined to be Excess Exempt Square Footage within a building, the Administrator and Review Authority shall use this comparison to determine which square footage should be designated Excess Exempt Square Footage. In addition, the Administrator shall determine whether the Excess Exempt Square Footage resulted in a reduction in Market-Rate Residential Square Footage or Office Square Footage expected in the building and, based on this determination, identify the applicable Maximum Special Taxes for the Excess Exempt Square Footage pursuant to the tables in Section C of the Rate and Method.

The Administrator shall also: (i) coordinate with the Deputy Director to confirm Parcel Increment; (ii) coordinate with the Treasurer-Tax Collector's Office to determine if there have been any Special Tax delinquencies or repayment of Special Tax delinquencies in prior Fiscal Years; (iii) review the Development Approval Documents and communicate with the Developer and Vertical Developers regarding proposed Land Use Changes; and (iv) upon each annexation, Land Use Change, and notification of Parcel Lease Execution Dates, update Attachment 3 to the Rate and Method to reflect the then-current Expected Land Uses, Expected Maximum Development Special Tax Revenues, Expected Maximum Office Special Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues.

The Developer, Port, or Vertical Developer shall notify the Administrator each time a Parcel Lease is executed in order for the Administrator to keep track of Parcel Lease Execution Dates.

In addition, the Port will: (i) provide the Administrator with copies of all leases that establish a Leasehold Interest, (ii) notify the Administrator of renewals of leases that establish a Leasehold Interest, and (iii) identify the buildings, Parcels, and Square Footage subject to such leases that establish a Leasehold Interest. Any time a lease on property within the Mission Rock STD is terminated, the Port will immediately notify the Administrator of such termination.

Prior to the First Bond Sale, the Administrator, Port, Developer, and any Vertical Developers shall coordinate to review the Expected Land Uses and determine if changes should be made to reflect more current estimates for land uses on each Planning Parcel. Based on this review, the Administrator shall update Attachment 3 to the Rate and Method with the then-current Expected Land Uses and Expected Maximum Development Special Tax Revenues, Expected Maximum Office Special Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues, which will be used to size the sale of Bonds unless and until there are additional updates of Attachment 3 to the Rate and Method.

### **Maximum Special Taxes**

In calculating Maximum Special Taxes pursuant to Section C of the Rate and Method, in any Fiscal Year in which the boundaries of the Planning Parcels are not identical to the boundaries of the then-current Assessor's Parcels, the Administrator shall review the Expected Land Uses for each Planning Parcel and assign the Maximum Special Taxes to the then-current Assessor's Parcels. The Maximum Special Tax Revenues after such allocation shall not be less than the Maximum Special Tax Revenues prior to the allocation.

***Developed Property:*** The Maximum Development Special Tax, the Maximum Office Special Tax, the Maximum Shoreline Special Tax, and the Maximum Contingent Services Special Tax are defined in the Rate and Method as follows:

**"Maximum Development Special Tax"** means the greatest amount of Development Special Tax that can be levied on a Leasehold Interest in a Taxable Parcel in any Fiscal Year determined in accordance with Sections C, D, and E of the Rate and Method. When a Taxable Parcel in Tax Zone 1 or Tax Zone 2 becomes Developed Property, the Administrator shall use the Base Development Special Taxes for the applicable Tax Zone shown in Table 1 of the Rate

and Method and apply the steps set forth in Section C.2a of the Rate and Method to determine the Maximum Development Special Tax for Leasehold Interests in a Taxable Parcel. ***The Base Development Special Tax for each Tax Zone as shown in Table 1 of the Rate and Method shall be escalated beginning July 1, 2020, and each July 1 thereafter, by 2% of the amount in effect in the prior Fiscal Year.***

**“Maximum Office Special Tax”** means the greatest amount of Office Special Tax that can be levied on a Leasehold Interest in a Taxable Parcel in any Fiscal Year determined in accordance with Sections C, D, and E of the Rate and Method. When a Taxable Parcel in Tax Zone 1 or Tax Zone 2 becomes Developed Property, the Administrator shall use the Base Office Special Taxes for the applicable Tax Zone shown in Table 2 of the Rate and Method and apply the steps set forth in Section C.2b of the Rate and Method to determine the Maximum Office Special Tax for Leasehold Interests in a Taxable Parcel. ***The Base Office Special Tax for each Tax Zone as shown in Table 2 of the Rate and Method shall be escalated beginning July 1, 2020, and each July 1 thereafter, by 2% of the amount in effect in the prior Fiscal Year.***

**“Maximum Shoreline Special Tax”** means the greatest amount of Shoreline Special Tax that can be levied on a Leasehold Interest in a Taxable Parcel in any Fiscal Year determined in accordance with Sections C, D, and E of the Rate and Method. When a Taxable Parcel in Tax Zone 1 or Tax Zone 2 becomes Developed Property, the Administrator shall use the Base Shoreline Special Taxes for the applicable Tax Zone shown in Table 3 of the Rate and Method and apply the steps set forth in Section C.2c of the Rate and Method to determine the Maximum Shoreline Special Tax for Leasehold Interests in a Taxable Parcel. ***The Base Shoreline Special Tax for each Tax Zone as shown in Table 3 of the Rate and Method shall be escalated beginning July 1, 2020, and each July 1 thereafter, by 2% of the amount in effect in the prior Fiscal Year.***

**“Maximum Contingent Services Special Tax”** means, after the Trigger Event, the greatest amount of Contingent Services Special Tax that can be levied on a Leasehold Interest in a Taxable Parcel in any Fiscal Year determined in accordance with Sections C, D, and E of the Rate and Method. In the first Fiscal Year after the Fiscal Year in which the Trigger Event occurs, and in each Fiscal Year thereafter, Section C.2d of the Rate and Method shall be applied to determine the Contingent Services Special Tax for each Taxable Parcel in the Mission Rock STD. When a Taxable Parcel in Tax Zone 1 or Tax Zone 2 becomes Developed Property, the Administrator shall use the Base Contingent Services Special Taxes for the applicable Tax Zone shown in Table 4 of the Rate and Method and apply the steps set forth in Section C.2d of the Rate and Method to determine the Maximum Contingent Services Special Tax for Leasehold Interests in a Taxable Parcel. ***The Base Contingent Services Special Tax for each Tax Zone as shown in Table 4 of the Rate and Method shall be escalated beginning July 1, 2020, and each July 1 thereafter, by the Escalator.***

#### ***Undeveloped Property:***

**Development Special Tax, Office Special Tax, and Shoreline Special Tax.** The Maximum Development Special Tax, Maximum Office Special Tax, and Maximum Shoreline Special Tax for Leasehold Interests in Undeveloped Property in all Tax Zones shall be the Expected Maximum Development Special Tax Revenues, Expected Maximum Office Special



Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues shown in Attachment 3 of the Rate and Method, as it may be amended as set forth in the Rate and Method. Each of these Special Taxes shall be escalated beginning July 1, 2020, and each July 1 thereafter, by 2% of the amount in effect in the prior Fiscal Year.

Contingent Services Special Tax. No Contingent Services Special Tax shall be levied on Parcels of Undeveloped Property in any Tax Zone within the Mission Rock STD.

### **Adjustments to the Maximum Special Taxes**

Section D of the Rate and Method describes the circumstances in which the Maximum Special Taxes may be adjusted, including as a result of (i) annual escalation of the Base Development Special Tax for each Tax Zone, the Base Office Special Tax for each Tax Zone; the Base Shoreline Special Tax for each Tax Zone; the Expected Maximum Development Special Tax Revenues, the Expected Maximum Office Special Tax Revenues, and the Expected Maximum Shoreline Special Tax Revenues in Attachment 3 to the Rate and Method; and the Maximum Development Special Tax, the Maximum Office Special Tax, and the Maximum Shoreline Special Tax assigned to the Leasehold Interests in each Taxable Parcel, (ii) annual escalation of the Base Contingent Services Special Tax for each Tax Zone and the Maximum Contingent Services Special Tax assigned to the Leasehold Interests in each Taxable Parcel, (iii) rezoning or other Land Use Changes, (iv) changes in Expected Land Uses, and (v) changes in the boundaries of the Planning Parcels.

In addition, the Base Development Special Tax may be reduced prior to the First Bond Sale as described in Section D.5.

### **Offset of Parcel Increment**

For a discussion of the offset of the Parcel Increment against the Development Special Tax for Assessed Parcels, see Section F.1 of the Rate and Method.

### **Term of the Special Taxes**

Special Taxes shall be collected in the same manner and at the same time as ordinary ad valorem property taxes on the regular tax roll, provided, however, that the City may directly bill Special Taxes, may collect Special Taxes at a different time or in a different manner, and may collect delinquent Special Taxes through foreclosure or other available methods as authorized by the CFD Law. The Board of Supervisors has ordered any Special Taxes to be levied on Leasehold Interests to be levied on the secured roll. The Special Tax bill for any Taxable Parcel subject to a Leasehold Interest will be sent to the same party that receives the possessory interest tax bill associated with the Leasehold Interest unless it is sent directly to the Taxpayer.

In calculating the Development Special Tax Requirement, Office Special Tax Requirement, or Shoreline Special Tax Requirement, under no circumstances may the Development Special Tax, Office Special Tax, or Shoreline Special Tax that is levied on a Leasehold Interest in a Taxable Parcel in a Fiscal Year be increased by more than ten percent (10%) of the Maximum Development Special Tax, Maximum Office Special Tax, or Maximum Shoreline Special Tax for that Parcel (or such lesser amount required by the CFD Law) as a

consequence of delinquency or default in payment of Special Taxes levied on Leasehold Interests in another Parcel(s) in the Mission Rock STD (the “**Delinquency Levy**”).

The Delinquency Levy, if any, is determined when calculating the Development Special Tax Requirement. Accordingly, when determining the levy of Development Special Taxes on Leasehold Interests in Assessed Parcels pursuant to Step 1 of Section F.1 of the Rate and Method, the Delinquency Levy, if any, has already been applied and, therefore, the Administrator shall not levy any additional Delinquency Levy on an Assessed Parcel that has its Development Special Tax levy reduced or eliminated by Parcel Increment.

The Development Special Tax shall be levied and collected on Leasehold Interests in each Taxable Parcel until the earlier of: (i) the Fiscal Year in which the Port determines that all Authorized Expenditures that will be funded by the Mission Rock STD have been funded and all Development Special Tax Bonds have been fully repaid; (ii) the Fiscal Year after the Fiscal Year in which Tax Increment is no longer collected within the Sub-Project Area within which the Taxable Parcel is located and all Development Special Tax Bonds have been fully repaid, as determined by the Administrator with direction from the Deputy Director; and (iii) Fiscal Year 2093-94.

The Office Special Tax shall be levied on and collected from Leasehold Interests in each Taxable Parcel for 120 Fiscal Years.

The Shoreline Special Tax shall be levied on and collected from Leasehold Interests in each Taxable Parcel for 120 Fiscal Years.

Beginning in the first Fiscal Year after the Fiscal Year in which the Trigger Event occurs, the Contingent Services Special Tax shall be levied and collected in perpetuity.

### **Prepayment**

The Special Taxes may not be prepaid.

### **Authorized Facilities and Services**

The authorized facilities that are being paid for by the Development Special Tax, the Office Special Tax, and the Shoreline Special Tax, and by the money received from the sale of bonds that are being repaid by these Special Taxes, are described in Exhibit “B” to the Notice of Special Tax Lien attached hereto as Exhibit 1.

*These facilities may not yet have all been constructed or acquired and it is possible that some may never be constructed or acquired.*

The authorized public services that may be paid for by the Contingent Services Special Tax, if levied, are described in Exhibit “B” to the Notice of Special Tax Lien attached hereto as Exhibit 1.

**Further Information**

YOU MAY OBTAIN A COPY OF THE RESOLUTION OF FORMATION THAT AUTHORIZED CREATION OF MISSION ROCK STD, AND THAT SPECIFIES MORE PRECISELY HOW THE SPECIAL TAXES ARE APPORTIONED TO EACH PARCEL OF THE PROPERTY AND HOW THE PROCEEDS OF THE SPECIAL TAXES WILL BE USED, FROM THE SPECIAL TAX CONSULTANT, GOODWIN CONSULTING GROUP, INC., 333 UNIVERSITY AVE # 160, SACRAMENTO, CA 95825, TELEPHONE: (916) 561-0890. THERE MAY BE A CHARGE FOR THESE DOCUMENTS NOT TO EXCEED THE REASONABLE COST OF PROVIDING THE DOCUMENTS.

**Acknowledgment**

I (WE) ACKNOWLEDGE THAT I (WE) HAVE READ THIS NOTICE AND RECEIVED A COPY OF THIS NOTICE PRIOR TO ENTERING INTO A CONTRACT TO LEASE OR DEPOSIT RECEIPT WITH RESPECT TO THE ABOVE-REFERENCED PROPERTY. I (WE) UNDERSTAND THAT I (WE) MAY TERMINATE THE VERTICAL DDA OR DEPOSIT RECEIPT WITHIN THREE DAYS AFTER RECEIVING THIS NOTICE IN PERSON OR WITHIN FIVE DAYS AFTER IT WAS DEPOSITED IN THE MAIL BY GIVING WRITTEN NOTICE OF THAT TERMINATION TO THE OWNER, SUBDIVIDER, OR AGENT LEASING THE PROPERTY.

DATE: 8/6/20

**MISSION ROCK PARCEL B OWNER, L.L.C.,**  
a Delaware limited liability company

By: 

Name: Carl D. Shannon

Its: Authorized Signatory

EXHIBIT 1  
NOTICE OF SPECIAL TAX LIEN

[see attached]

Recording Requested by

Angela Calvillo  
Clerk of the Board of Supervisors  
City and County of San Francisco  
1 Dr Carlton B Goodlett Place  
San Francisco, CA 94102

When Recorded Mail to

Angela Calvillo  
Clerk of the Board of Supervisors  
City and County of San Francisco  
1 Dr Carlton B Goodlett Place  
San Francisco, CA 94102

Assessor Parcel Numbers (APN) 8719A-002

Address 1051 Third Street and No Site Address



San Francisco Assessor-Recorder  
Carmen Chu, Assessor-Recorder  
**DOC- 2020-K933385-00**  
Acct 28-SFCC Board of Supervisors  
Friday, MAY 22, 2020 08:44:59  
Ttl Pd \$0.00 Rcpt # 0006192255  
VT1/VV/1-72

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**NOTICE OF SPECIAL TAX LIEN**

(Please fill in Document Title(s) above this line)

This document is exempt from the \$75 Building Homes and Jobs Act Fee (per Government Code §27388 1(a)(2)(D)) as the document is a real estate instrument, paper, or notice executed or recorded by the state or any county, municipality, or other political subdivision of the state

**This page added to provide adequate space for recording information  
(additional recording fee applies)**

## **NOTICE OF SPECIAL TAX LIEN**

### **CITY AND COUNTY OF SAN FRANCISCO Special Tax District No. 2020-1 (Mission Rock Facilities and Services)**

Pursuant to the requirements of Section 3114.5 of the California Streets and Highways Code of California and Section 53328.3 of the California Government Code, the undersigned Clerk of the Board of Supervisors of the City and County of San Francisco, State of California, hereby gives notice that a lien to secure payment of a special tax is hereby imposed by the Board of Supervisors of the City and County of San Francisco, State of California. The special tax secured by this lien is authorized to be levied for the purpose of (1) financing directly the acquisition and construction of all or a portion of the facilities described in Exhibit B attached hereto (the "Authorized Facilities"), (2) financing the services described in Exhibit B attached hereto (the "Authorized Services"), (3) paying principal and interest on bonds (and other debt as defined in the Mello-Roos Community Facilities Act of 1982 cited below), the proceeds of which are being used to finance the acquisition and construction of all or a portion of the Authorized Facilities, and (4) paying the cost of administering the Special Tax District (defined below)

#### **TAXES LEVIED BY THE SPECIAL TAX DISTRICT MAY BE USED TO PAY FOR CLEANUP OF HAZARDOUS SUBSTANCES**

The special tax is authorized to be levied within "City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services)" (the "Special Tax District") which has now been officially formed under the San Francisco Special Tax Financing Law (Admin. Code ch. 43, art. X), which incorporates the Mello-Roos Community Facilities Act of 1982 (Cal. Gov't Code Section 53311 et seq.), and the lien of the special tax is a continuing lien that shall secure each annual levy of the special tax and that shall continue in force and effect until the special tax obligation is prepaid, permanently satisfied, and canceled in accordance with law or until the special tax ceases to be levied and a notice of cessation of special tax is recorded in accordance with Section 53330.5 of the Government Code.

The rate, method of apportionment, and manner of collection of the authorized special tax is as set forth in Exhibit C attached hereto and hereby made a part hereof. Conditions under which the obligation to pay the special tax may be prepaid and permanently satisfied and the lien of the special tax canceled are as follows: None.

Notice is further given that upon the recording of this notice in the office of the Assessor-Recorder the obligation to pay the special tax levy shall become a lien upon all nonexempt real property within the Special Tax District in accordance with Section 3115.5 of the Streets and Highways Code of California. The nonexempt real property consists of leasehold or possessory interests in land owned by the City and County of San Francisco or the San Francisco Port Commission.

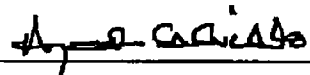
The nonexempt leasehold or possessory interests will be in the parcels listed in Exhibit A attached hereto and hereby made a part hereof. Exhibit A lists the name(s) of the owner(s) and the assessor's tax parcel numbers of such parcels.

Reference is made to the boundary map of the Special Tax District recorded in the Assessor-Recorder's Office for the City and County of San Francisco, State of California on March 31, 2020 at 11:03 a.m. as Document No. 2020-K920032-00 in Book 001 Pages 173-174 of the

Book of Maps of Assessment and Special Tax Districts, which map is now the final boundary map of the Special Tax District

For further information concerning the current and estimated future tax liability of owners or purchasers of the leasehold or possessory interests in real property subject to this special tax lien, interested persons should contact the Director of the Office of Public Finance, City and County of San Francisco, 1 Dr Carlton B Goodlett Place, San Francisco, California 94102, Telephone (415) 554-5956.

Dated As of May 21, 2020

By   
Angela Calvillo  
Clerk of the Board of Supervisors,  
City and County of San Francisco

**EXHIBIT A**

**NOTICE OF SPECIAL TAX LIEN**

**CITY AND COUNTY OF SAN FRANCISCO  
Special Tax District No. 2020-1  
(Mission Rock Facilities and Services)**

**ASSESSOR'S PARCEL NUMBERS AND OWNERS OF LAND  
WITHIN SPECIAL TAX DISTRICT**

<b>Assessor's Tax Parcel Number</b>	<b>Landowner</b>
8719A-002	CITY AND COUNTY OF SAN FRANCISCO, ACTING BY AND THROUGH THE SAN FRANCISCO PORT COMMISSION

Note Upon the recording of this notice in the office of the Assessor-Recorder the obligation to pay the special tax levy shall become a lien upon all nonexempt real property within the Special Tax District in accordance with Section 3115.5 of the Streets and Highways Code of California. The nonexempt real property consists of leasehold or possessory interests in the listed parcels that are owned by the City and County of San Francisco or the San Francisco Port Commission.



## **EXHIBIT B**

### **NOTICE OF SPECIAL TAX LIEN**

#### **CITY AND COUNTY OF SAN FRANCISCO Special Tax District No. 2020-1 (Mission Rock Facilities and Services)**

### **DESCRIPTION OF AUTHORIZED FACILITIES AND SERVICES**

City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services) (as originally configured and as expanded through annexation of property in the future, the "STD"), is authorized to finance the Facilities, Services and Incidental Costs described in this Exhibit A. Capitalized terms used in this Exhibit A but not defined herein have the meanings given them in the Appendix to Transaction Documents for the Mission Rock 28-Acre Site Project, attached as an appendix to the Disposition and Development Agreement ("DDA"), dated as of August 15, 2018, by and between the Port and the Developer, including all exhibits and attachments, as may be amended from time to time. When used in this Exhibit B, "including" has the meaning given to it in the DDA.

### **AUTHORIZED FACILITIES**

The STD is authorized to finance the purchase, construction, reconstruction, expansion, improvement, or rehabilitation of all or any portion of the facilities authorized to be financed by the San Francisco Special Tax Financing Law (Admin Code ch 43, art X) and the Mello-Roos Community Facilities Act of 1982 (Cal Gov't Code Section 53311 et seq ), including

- 1 Land Acquisition – includes, but is not limited to, acquisition of land for public improvements or for other requirements under the DDA
- 2 Demolition and Abatement – includes, but is not limited to, Site Preparation costs, including abatement of hazardous materials, removal of below-grade, at-grade, and above-grade facilities, and recycling or disposal of waste, including demolition and abatement within future vertical sites that is necessary for Horizontal Improvements
- 3 Auxiliary Water Supply System - includes, but is not limited to, main pipe, laterals, valves, fire hydrants, cathodic protection, tie-ins, and any other components required for onsite and offsite high pressure water supply network intended for fire suppression
- 4 Low Pressure Water - includes, but is not limited to, main pipe, laterals, water meters, water meter boxes, back flow preventers, gate valves, air valves, blow-offs, fire hydrants, cathodic protection, tie-ins, and any other components required for onsite and offsite low pressure water supply network intended for domestic use
- 5 Non-Potable Water System (Blackwater Treatment Facility) - includes, but is not limited to, water recycling production equipment such as buffer and treatment tanks, reverse osmosis and ultraviolet treatment equipment, and plant auxiliary equipment such as pumps, valves, and electrical equipment, distribution facilities such as main pipes, laterals, and valves, customer interface equipment such as water meters, back flow preventers,

and valves, along with financing costs and any other components required for non-potable water supply system (whether publicly or privately owned) intended to provide treated wastewater for use in, among other things, irrigation of parks, landscaping, and non-potable uses within buildings, and any other components or administrative costs required for non-potable water system

- 6 District Energy System - includes, but is not limited to, whether publicly or privately-owned, district energy production equipment such as boilers, chillers, heat pumps, cooling towers, bay water interface equipment and piping, and plant auxiliary equipment such as pumps, valves, and electrical equipment, distribution facilities such as main pipes, laterals, and valves, customer interface equipment such as energy meters and energy transfer stations, along with financing costs and any other components or administrative costs required for district energy system intended to provide heating and cooling or domestic hot water within buildings
- 7 Sanitary Sewer, Storm Drain, and Stormwater Management- includes, but is not limited to, retrofit of existing combined sewer facilities, new gravity main pipe, force main pipe and associated valves, laterals, manholes, catch basins, traps, air vents, pump stations, outfalls, lift stations, connections to existing systems, stormwater treatment best management practices (BMPs) such as detention vaults, and any other components required for a network intended to convey storm water and sanitary sewage, including components, such as ejector pumps, associated with vertical buildings to meet design criteria for the Horizontal Improvements
- 8 Joint Trench & Dry Utilities – includes, but is not limited to, installation of primary and secondary conduits, overhead poles, pull boxes, vaults, subsurface enclosures, gas main, and anodes for dry utilities including electrical, gas, telephone, cable, internet, and information systems, as well as any payment obligations related to providing such services
- 9 Earthwork and Retaining Walls – includes, but is not limited to, Site Preparation activities including importation of clean fill materials, clearing and grubbing, slope stabilization, ground improvement, installation of geogrid, surcharging, wick drains, excavation, rock fragmentation, grading, lightweight cellular concrete, geofoam, placement of fill, compaction, retaining walls, subdrainage, erosion control, temporary fencing, and post-construction stabilization such as hydroseeding Also, includes, but is not limited to, excavation of future vertical development sites if the excavated soils is used on site for purposes of raising Horizontal Improvements
- 10 Roadways – includes, but is not limited to, Public ROWs, roads and paseos in Public Space, road subgrade preparation, aggregate base, concrete roadway base, asphalt wearing surface, concrete curb, concrete gutter, medians, colored asphalt and concrete, pavers, speed bumps, sawcutting, grinding, conform paving, resurfacing, any other components required for onsite and offsite roadways, transit stops, bus facilities, permanent pavement marking and striping, traffic control signage, traffic light signals, offsite traffic improvements, and any other components or appurtenant features as required in the approved Improvement Plan details and specifications through the permitting process
- 11 Streetscape – includes, but is not limited to, subgrade preparation, aggregate base, sidewalks, pavers, ADA curb ramps, detectable tiles, streetlights, light pole foundations,

signage, emergency services infrastructure, landscaping (including trees and Silva cells and/or structural soil), irrigation, street furniture, waste receptacles, bike racks, shared bike parking facilities (whether publicly or privately owned), newspaper stands, any other components or appurtenant features as required in the approved Improvement Plan details and specifications through the permitting process, and wayfinding and interpretative signage and facilities

- 12 Parks and Public Space – includes, but is not limited to, fine grading, storm drainage and treatment, sanitary sewer, low pressure water, park lighting, community wifi, distributed antenna systems, security infrastructure, low-voltage electrical, various hardscaping, irrigation, landscaping, various concrete structures, site furnishings, public art, wayfinding, interpretive and other park signage, viewing platforms, water access facilities (including boat launch), retrofit of shoreline structures and slopes (including demolition, excavation, installation of revetment, structural repair, construction and occupancy costs of park structures, and any other components, e.g., Shoreline Improvements), and any other associated work in publicly accessible spaces such as parks, open spaces, plazas, and mid-block passages, including publicly-accessible parks, plazas, mid-block passages and open space that is located on private property, but identified as public open space in the DDA, Design Controls documents, or Subdivision Map
- 13 Water-based Transportation Improvements – includes, but not limited to, modes of water-based transportation and all infrastructure, design, and permitting costs related to providing water-based transportation facilities at the Project
- 14 Historic Rehabilitation Required for Horizontal Improvements – includes, but is not limited to, eligible cost for relocation, structural retrofit, repair, and rehabilitation of historic Pier 48
- 15 Hazardous Soil Removal – includes, but is not limited to, removal and disposal of contaminated soil which cannot be reused on site in accordance with the Mission Rock Development Soil Management Plan, dated October 18, 2019, Dust Control Plan, dated November 1, 2019, Asbestos Dust Mitigation Plan, dated November 15, 2019, and other related documents, and associated with public improvements
- 16 Shoreline Adaptation Studies - includes, but is not limited to, analysis and planning to characterize the preferred Shoreline Protection Project and alternatives, including pre-entitlement planning and design work, environmental review, negotiation, and Regulatory Approvals related to the Shoreline Protection Facilities
- 17 Shoreline Protection Facilities includes, but is not limited to, waterfront improvements at the San Francisco Bay shoreline to provide stability, to protect the area from perils associated with seismic events and climate change, including sea level rise and floods, and other public improvements approved by the Port Commission and the Board of Supervisors
- 18 Deferred Infrastructure
- 19 Entitlement costs, including Entitlement Costs and costs to obtain approvals necessary to proceed with development incurred after the Reference Date, such as the cost to comply with the California Environmental Quality Act, negotiate transaction documents, permitting of Horizontal Improvements, subdivision mapping, conduct community outreach, and prepare development design and land use requirements, but not expenses related to any

campaign or ballot measure or any other expenses prohibited by law. Entitlement costs may include interim costs as approved from time to time by the Board of Supervisors.

- 20 Associated Public Benefits – including, but not limited to, costs required to provide Associated Public Benefits related to transportation, childcare, public open space, sustainability, community meeting space and programs, and other public-benefitting improvements and expenditures
- 21 Miscellaneous Horizontal Development Costs - any other Horizontal Development Costs associated with implementing the DDA, including any additional costs that the Parties agree shall be incurred by the Developer for the Project, including workforce liaisons, studies and consultants required to comply with the DDA, such as auditors, inspectors, attorneys and appraisers, replacement and rework costs, including repairs to correct incidental damage that occurs throughout the course of construction and restoration of roadway pavement in areas where there are trenches excavated after the initial roadway is paved, and maintenance prior to acceptance by the City and/or Port
- 22 Any other costs authorized to be financed by the STD under the DDA
- 23 Interim improvements required for the use of the Project Site including temporary bike lanes, landscape, hardscape, accessibility infrastructure, grading, furniture and other improvements required for the interim use of the remaining Project Site
- 24 Soft Costs required to support the construction of the Horizontal Improvements and implementation of the DDA, including developer management costs, third party professional services, construction management Fees, and asset management costs
- 25 Developer Mitigation Measures, including the formation of the Transportation Management Association and dust, vibration, asbestos and settlement monitoring
- 26 Insurance, Bonding and Warranty costs as required by the City in connection with the authorized improvements
- 27 Miscellaneous Costs, such as costs associated with implementing the DDA, including any additional costs that the Parties have agreed shall be incurred by the Developer for the Project, such as master planning for each phase, audits, appraisals, workforce development costs (such as a liaison), cash payments and community outreach initiatives

Any facility authorized to be financed by the STD may be financed through the construction and acquisition of the facility or through the payment of fees for such facility.

The facilities authorized to be financed may be located within or outside the boundaries of the STD.

The facilities to be financed shall include all Hard Costs and Soft Costs associated with the facilities, including the costs of the acquisition of land and rights-of-way, the costs of design, engineering and planning, the costs of any environmental or traffic studies, surveys or other reports, costs related to landscaping and irrigation, soils and other environmental testing and observation, permits, plan check, and inspection fees, insurance, legal and related overhead costs, bonding, trailer rental, utility bills, site security, coordination and supervision and any other

costs or appurtenances related to any of the foregoing as further defined in one or more acquisition agreements with the developer of the property in the STD

The facilities to be financed shall also include all incidental expenses, defined as follows

- 1 The cost of planning and designing facilities to be financed by the STD, including the cost of environmental evaluations of those facilities
- 2 The costs associated with the creation of the STD, issuance of bonds, determination of the amount of taxes, collection of taxes, payment of taxes, or costs otherwise incurred in order to carry out the authorized purposes of the STD
- 3 Any other expenses incidental to the construction, completion, and inspection of the authorized work, including costs for temporary facilities with a useful life of at least 3 years that are required to construct an authorized facility.
- 4 Special taxes levied on a property in the STD and paid by the Developer on behalf of a local agency or other landowner prior to the development of the property

The facilities to be financed also includes the interim cost of the facilities, which shall mean the Developer Return or Port Return, as applicable, and any interest payable on any promissory note payable to the STD

The STD may also apply bond proceeds and special taxes to repay the Port Commission for advances made to pay for authorized costs, under any promissory note or otherwise

Special taxes may be collected and set-aside in designated funds and collected over several years (i.e., reserves), and used to fund facilities authorized to be financed by the STD

#### **AUTHORIZED SERVICES**

Special taxes collected in the STD may finance, in whole or in part, the services authorized to be financed by the San Francisco Special Tax Financing Law (Admin Code ch 43, art X) and the Mello-Roos Community Facilities Act of 1982 (Cal Gov't Code Section 53311 et seq ), in the STD and, to the extent permitted by the DDA, outside the STD, including

- Maintenance, capital repair, replacement and operation (including public events) of Public Spaces, including facilities for public enjoyment, such as public parks, public recreational facilities, public access, open space, public paseos and other public amenities, some of which may be rooftop facilities or located on privately leased property but identified as public open space in the DDA or Design Controls or Subdivision Map
- Maintenance, capital repair, replacement and operation of Public Right-of-Ways (ROWs), including public streets, sidewalks, shared public ways, mid-block passages, bicycle lanes, and other paths of travel, associated landscaping and furnishings, maintenance, trenching, backfilling, and monitoring of Lightweight Cellular Concrete infrastructure, retaining walls within the ROWs and related amenities in the STD, some of which may be located on privately leased property but identified as public open space in the DDA or Design Controls
- Maintenance, capital repair, replacement and operation of Shoreline Improvements in and adjacent to the STD that were completed per the DDA, such as shoreline restoration, including installation of stone columns, pilings, secant walls, and other structures to stabilize the seawall or shoreline, removal of bay fill, creation of waterfront public access to or environmental remediation of the San Francisco waterfront

- Maintenance, capital repair, replacement and operation of landscaping and irrigation systems and other equipment, material, and supplies directly related to maintaining and replacing landscaped areas and water features in Public Spaces and Public ROWs
- Maintenance, capital repair, replacement and operation as needed of Public Spaces, including street cleaning and paving
- Maintenance, capital repair, replacement and operation of lighting, rest rooms, trash receptacles, park benches, planting containers, picnic tables, bollards, bicycle racks and corrals and other furniture and fixtures and signage in Public Spaces and Public ROWs
- Maintenance, capital repair, replacement and operation of utilities in Public Spaces and Public ROWs
- General liability insurance for any Public ROWs or structures in Public ROWs that Public Works does not submit to the Board of Supervisors for City acceptance for City General Fund liability purposes and other commercially reasonable insurance coverages
- Port, City, or third party personnel, administrative, and overhead costs related to maintenance or to contracting for and managing third-party maintenance, including rent for storage space needed to support the maintenance activities
- Any other costs authorized to be financed by the STD under the DDA

Special taxes may be collected and set-aside in designated funds and collected over several years (i.e., reserves), and used to fund services authorized to be financed by the STD. The term "operation" includes providing security and hosting special events.

### **INCIDENTAL COSTS**

Special taxes collected in the STD will also fund, in whole or in part, the incidental costs associated with the facilities and services authorized to be financed. Incidental costs include, but are not limited to:

- 1 Administrative expenses and fees including costs incurred to form the STD, to annex territory to the STD, to annually administer the STD, to levy and collect special taxes for the STD, and any other costs incurred in standard administration of the STD by the City or their authorized consultants,
- 2 Any amounts needed to cure actual or estimated delinquencies in special taxes for the current or previous fiscal years,
- 3 Bond related expenses, including underwriters discount, reserve fund, capitalized interest, bond, disclosure, and underwriter counsel fees and all other incidental expenses, and
- 4 Reimbursement of costs related to the formation of the STD advanced by the City and any landowner(s) in the STD, or any party related to any of the foregoing, as well as reimbursement of any costs advanced by the City or any landowner(s) in the STD or any party related to any of the foregoing, for facilities, fees or other purposes or costs of the STD

### **COMPLIANCE WITH CFD GOALS**

The City hereby waives the requirements of the CFD Goals to the extent inconsistent with this Exhibit A

**EXHIBIT C**

**NOTICE OF SPECIAL TAX LIEN**

**CITY AND COUNTY OF SAN FRANCISCO  
Special Tax District No. 2020-1  
(Mission Rock Facilities and Services)**

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX**

Special Taxes applicable to the Leasehold Interest in each Taxable Parcel in the City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services) shall be levied and collected according to the tax liability determined by the Administrator through the application of the appropriate amount or rate for Leasehold Interests in Taxable Parcels, as described below. The Leasehold Interest in all Taxable Parcels in the STD shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to the STD

Special Taxes shall be levied only on Leasehold Interests in Taxable Parcels. In the event a Leasehold Interest in a Taxable Parcel is terminated, the Special Taxes shall be levied on any successor Leasehold Interest in the Taxable Parcel. If a Leasehold Interest terminates while a Special Tax that was previously levied remains unpaid, the owner of the successor Leasehold Interest will take the interest subject to the obligation to pay the unpaid Special Tax along with any applicable penalties and interest.

The City will covenant in each Indenture that, as long as any Bonds are outstanding, it will not terminate, and it will inhibit the Port from terminating, any Leasehold Interest in a Taxable Parcel unless the Port enters into a new lease the term of which ends on or after the final maturity date of the Bonds and that covers substantially the same real property and improvements as the terminated lease. It will not be a violation of this



covenant if the City or the Port initiates judicial foreclosure of any such lease pursuant to the CFD Law.

#### **A. DEFINITIONS**

The terms hereinafter set forth have the following meanings

**"Administrative Expenses"** means any or all of the following the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of the City carrying out duties with respect to the STD and the Bonds, including, but not limited to, levying and collecting the Special Taxes, the fees and expenses of legal counsel, charges levied by the City, including the Controller's Office, the Treasurer and Tax Collector's Office, the City Attorney, and the Port, costs related to property owner inquiries regarding the Special Taxes, costs associated with appeals or requests for interpretation associated with the Special Taxes and this RMA, costs associated with annexation of property into the STD, amounts needed to pay rebate to the federal government with respect to the Bonds, costs associated with complying with any continuing disclosure requirements for the City and any other major property owner (whether or not deemed to be an obligated person), costs associated with foreclosure and collection of delinquent Special Taxes, and all other costs and expenses of the City in any way related to the establishment or administration of the STD

**"Administrator"** means the Director of the Office of Public Finance or his/her designee who shall be responsible for administering the Special Taxes according to this RMA

**"Affordable Housing Project"** means a residential or primarily residential project, as determined by the Review Authority, within which 100% of the residential units are Affordable Units

**"Affordable Square Footage"** means both (i) the entire square footage of an Affordable Housing Project, and (ii) the aggregate net rentable square footage that is or is expected to be associated with Affordable Units within a building on a Parcel of Developed Property. The Review Authority shall make the final determination as to the amount of Affordable Square Footage within a building in the STD.

**"Affordable Unit"** means a Residential Unit for which a deed restriction has been recorded that (i) limits the rental rates on the unit or (ii) in any other way is intended to restrict the current or future value of the unit, as determined by the Review Authority

**"Appendix"** means the Appendix to the DDA.

**"Assessed Parcel"** means, in any Fiscal Year, any Taxable Parcel that meets all five of the following conditions: (i) there is a building on the Taxable Parcel for which a Certificate of Occupancy has been issued, (ii) based on all information available to the Administrator, the Baseline Assessed Value has been determined for the Taxable Parcel, (iii) ad valorem taxes have been levied on the Taxable Parcel based on the Baseline Assessed Value of the building, (iv) by the end of the prior Fiscal Year, at least one year of ad valorem taxes based upon the Baseline Assessed Value of the building have been paid, and (v) the Taxable Parcel does not have outstanding delinquencies in the payment of ad valorem property taxes or Special Taxes at the latest point at which the Administrator is able to receive delinquency information from the County prior to submitting the Development Special Tax levy in any Fiscal Year. Once a Taxable

Parcel has been categorized as an Assessed Parcel, such Taxable Parcel shall be considered an Assessed Parcel in all future Fiscal Years in which there are no outstanding delinquencies for the Parcel, regardless of increases or decreases in assessed value

**"Assessor's Parcel" or "Parcel"** means a lot or parcel shown on an Assessor's Parcel Map with an assigned Assessor's Parcel number.

**"Assessor's Parcel Map"** means an official map of the County Assessor designating Parcels by Assessor's Parcel number

**"Association"** means a homeowners or property owners association, including any master or sub-association, that provides services to, and collects dues, fees, or charges from, property within the STD

**"Association Square Footage"** means square footage within a building that is (i) on property in the STD that is leased to an Association, not including any such property that is located directly under a residential structure, and (ii) used for purposes of the Association and not leased or otherwise used for purposes that are not part of the operation of the Association.

**"Authorized Expenditures"** means, separately with respect to the Development Special Tax, Office Special Tax, Shoreline Special Tax, and Contingent Services Special Tax, those costs, facilities or public services authorized to be funded by the applicable Special Tax as set forth in the Financing Plan and the documents adopted by the Board at STD Formation, as may be amended from time to time

**"Base Contingent Services Special Tax"** means, for any Square Footage Category, the per-square-foot Contingent Services Special Tax for square footage within such Square Footage Category, as identified in Table 4 in Section C below, that can be levied on a Leasehold Interest in a Taxable Parcel.

**"Base Development Special Tax"** means, for any Square Footage Category, the per-square-foot Development Special Tax for Square Footage within such Square Footage Category, as identified in Table 1 in Section C below, that can be levied on a Leasehold Interest in a Taxable Parcel

**"Base Office Special Tax"** means, for Office Square Footage and Excess Exempt Square Footage, the per-square-foot Office Special Tax identified in Table 2 in Section C below, that can be levied on a Leasehold Interest in a Taxable Parcel

**"Base Shoreline Special Tax"** means, for any Square Footage Category, the per-square-foot Shoreline Special Tax for Square Footage within such Square Footage Category, as identified in Table 3 in Section C below, that can be levied on a Leasehold Interest in a Taxable Parcel

**"Base Special Tax"** means, collectively, the Base Development Special Tax, the Base Office Special Tax, the Base Shoreline Special Tax, and the Base Contingent Services Special Tax

**"Baseline Assessed Value"** means, after a Certificate of Occupancy has been issued for a Taxable Parcel, the assessed value that the Port and Vertical Developer mutually agree is the final, unappealable value for the Taxable Parcel

**"Board"** means the Board of Supervisors of the City, acting as the legislative body of STD No. 2020-1.

**"Bond Sale"** means, for the Development Special Tax, issuance of Development Special Tax Bonds, for the Office Special Tax, issuance of Office Special Tax Bonds, and, for the Shoreline Special Tax, issuance of Shoreline Special Tax Bonds

**"Bonds"** means bonds or other debt (as defined in the CFD Law), whether in one or more series, that are issued or assumed by or for the STD to finance Authorized Expenditures including any Development Special Tax Bonds, Office Special Tax Bonds, and Shoreline Special Tax Bonds. The term "Bonds" includes any promissory note executed by or on behalf of STD No. 2020-1 for the benefit of the Port.

**"Capitalized Interest"** means funds in any capitalized interest account available to pay debt service on Bonds.

**"Certificate of Occupancy"** means the first certificate, including any temporary certificate of occupancy, issued by the Port to confirm that a building or a portion of a building has met all of the building codes and can be occupied for residential or non-residential use. For purposes of this RMA, "Certificate of Occupancy" shall not include any certificate of occupancy that was issued prior to January 1, 2019 for a building within the STD, however, any subsequent certificates of occupancy that are issued for new construction, or expansion of a building shall be deemed a Certificate of Occupancy and the Special Taxes shall apply to the associated square footage. For Pier 48, only a certificate of occupancy issued in association with the permanent reuse of the building (as determined by the Port) shall qualify as a "Certificate of Occupancy" for purposes of this RMA.

**"CFD Law"** means the San Francisco Special Tax Financing Law (Admin Code ch. 43, art. X), which incorporates the Mello-Roos Act

**"City"** means the City and County of San Francisco, California.

**"Contingent Services Special Tax"** means a special tax levied in any Fiscal Year after the Trigger Event on a Leasehold Interest in a Taxable Parcel to pay the Services Special Tax Requirement

**"County"** means the City and County of San Francisco, California

**"DDA"** means the Disposition and Development Agreement between the Port and the Developer, including all exhibits and attachments, as may be amended from time to time

**"Deputy Director"** means the Deputy Director of Finance and Administration for the Port or other such official that acts as the chief financial officer for the Port

**"Developed Property"** means, in any Fiscal Year, all Taxable Parcels for which the 24-month anniversary of the Parcel Lease Execution Date has occurred in a preceding Fiscal Year, regardless of whether a Permit has been issued. For any Taxable Parcel on which a structure is built and occupied without execution of a Parcel Lease, such Taxable Parcel shall be categorized as Developed Property in the Fiscal Year in which a Certificate of Occupancy was issued on or prior to June 30 of the preceding Fiscal Year.

**"Developer"** means Seawall Lot 337 Associates, LLC, or any successor or assign that takes over as tenant under the Master Lease.

**"Development Approval Documents"** means, collectively, the DDA, any Vertical DDA, any Final Maps, Review Authority approvals, or other such approved or recorded document or plan that identifies the type of structures, acreage, and Market-Rate Residential Square Footage and Office Square Footage approved for development on Taxable Parcels

**"Development Special Tax"** means a special tax levied in any Fiscal Year on a Leasehold Interest in a Taxable Parcel to pay the Development Special Tax Requirement.

**"Development Special Tax Bonds"** means any Bonds secured solely by Development Special Taxes

**"Development Special Tax Requirement"** means the amount necessary in any Fiscal Year to: (i) pay principal and interest on Development Special Tax Bonds that are due in the calendar year that begins in such Fiscal Year; (ii) pay periodic costs on Development Special Tax Bonds, including but not limited to, credit enhancement, liquidity support and rebate payments, (iii) replenish reserve funds created for Development Special Tax Bonds under the Indenture to the extent such replenishment has not been included in the computation of the Development Special Tax Requirement in a previous Fiscal Year, (iv) cure any delinquencies in the payment of principal or interest on Development Special Tax Bonds which have occurred in the prior Fiscal Year, (v) in any Fiscal Year in which there is a Development Special Tax levied on one or more Parcels pursuant to Step 1d in Section F below, pay the fee imposed by the

City for levying such Development Special Tax on the County tax roll, (vi) pay other obligations described in the Financing Plan, and (vii) pay directly for Authorized Expenditures, so long as such levy under this clause (vii) does not increase the Development Special Tax levied on Undeveloped Property. The amount calculated to pay items (i) through (vii) above may be reduced in any Fiscal Year by (a) interest earnings on or surplus balances in funds and accounts for the Development Special Tax Bonds to the extent that such earnings or balances are available to apply against such costs pursuant to the Indenture, (b) in the sole and absolute discretion of the Port, proceeds received by the STD from the collection of penalties associated with delinquent Development Special Taxes, and (c) any other revenues available to pay such costs, as determined by the Administrator, the City, and the Port.

**"Escalator"** means the lesser of the following (i) the annual increase, if any, in the Consumer Price Index (CPI) for All Urban Consumers in the San Francisco-Oakland-Hayward region (base years 1982-1984=100) published by the Bureau of Labor Statistics of the United States Department of Labor, or, if such index is no longer published, a similar escalator that is determined by the Port and City to be appropriate, and (ii) five percent (5%)

**"Estimated Base Development Tax Revenues"** means, at any point in time, the amount calculated by the Administrator by multiplying the Base Development Special Tax by square footage within each Square Footage Category proposed for development and, if applicable, already in completed buildings on a Taxable Parcel

**"Estimated Base Office Special Tax Revenues"** means, at any point in time, the amount calculated by the Administrator by multiplying the Base Office Special Tax by



square footage within each Square Footage Category proposed for development and, if applicable, already in completed buildings on a Taxable Parcel

**"Estimated Base Shoreline Special Tax Revenues"** means, at any point in time, the amount calculated by the Administrator by multiplying the Base Shoreline Special Tax by square footage within each Square Footage Category proposed for development and, if applicable, already in completed buildings on a Taxable Parcel

**"Excess Exempt Square Footage"** means, after the First Bond Sale, any square footage in a building on a Parcel of Developed Property that is determined by the Review Authority to exceed the amount of Exempt Square Footage for such building  
Excess Exempt Square Foot means a single square-foot unit of Excess Exempt Square Footage

**"Exempt Square Footage"** means, prior to the First Bond Sale, any square footage in or expected in a building on a Parcel of Developed Property that is determined by the Review Authority to be used or reserved for an Exempt Use After the First Bond Sale, "Exempt Square Footage" for any building on a Parcel of Developed Property shall be the sum of following, as determined by the Review Authority

1. The Initial Exempt Square Footage for the building, and
- 2 Square footage in or expected in the building that (i) exceeds the Initial Exempt Square Footage, and (ii) if exempted from Special Taxes, would not reduce coverage on outstanding Bonds below the Required Coverage

**"Exempt Use"** means any of the following uses

- 1) Affordable Square Footage
- 2) Association Square Footage
- 3) Child Care – child care uses that qualify for exemption from the Special Taxes, as determined by the Review Authority after review and consideration of the criteria and requirements set forth in the Parcel Lease and DDA
- 4) Parking – areas reserved for automobile, motorcycle, or bicycle parking
- 5) Retail – commercial establishments that sell general merchandise, hard goods, food and beverage, personal services, and other items directly to consumers, including but not limited to restaurants, bars, entertainment venues, health clubs, laundromats, dry cleaners, repair shops, storage facilities, and parcel delivery shops. In addition (i) all street-level retail bank branches, real estate brokerages, and other such ground-level uses that are open to the public, and (ii) any area designated, pursuant to Section 102 of the Planning Code or successor sections, for “Planning, Distribution, and Repair” (PDR) services, which includes but will not be limited to the following uses: industrial or agricultural use, ambulance services, animal hospital, automotive service station, automotive repair, automotive wash, arts activities, business services, cat boarding, catering service, commercial storage, kennel, motor vehicle tow service, livery stable, parcel delivery service, public utilities yard, storage yard, trade office, trade shop, wholesale sales, or wholesale storage
- 6) Utilities – areas reserved for facilities associated with the treatment of water or sewer, or the transmission or provision of gas and electricity, or the heating and cooling of buildings.
- 7) Amenity Square Footage – areas reserved for sitewide amenities, such as a welcome center, leasing office, sitewide management, or sitewide security.

**“Expected Land Uses”** means the total Market-Rate Residential Square Footage and Office Square Footage expected on each Planning Parcel in the STD. The Expected

Land Uses at STD Formation are identified in Attachment 3 and may be revised pursuant to Sections B, C, D, and E below

**"Expected Maximum Development Special Tax Revenues"** means the aggregate Development Special Tax that can be levied based on application of the Base Development Special Tax to the Expected Land Uses. The Expected Maximum Development Special Tax Revenues for each Planning Parcel at STD Formation are shown in Attachment 3 and may be revised pursuant to Sections B, C, D, and E below

**"Expected Maximum Office Special Tax Revenues"** means the aggregate Office Special Tax that can be levied based on application of the Base Office Special Tax to the Expected Land Uses. The Expected Maximum Office Special Tax Revenues for each Planning Parcel at STD Formation are shown in Attachment 3 and may be revised pursuant to Sections B, C, D, and E below

**"Expected Maximum Shoreline Special Tax Revenues"** means the aggregate Shoreline Special Tax that can be levied based on application of the Base Shoreline Special Tax to the Expected Land Uses. The Expected Maximum Shoreline Special Tax Revenues for each Planning Parcel at STD Formation are shown in Attachment 3 and may be revised pursuant to Sections B, C, D, and E below.

**"Final Map"** means a final map, or portion thereof, recorded by the County pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq ) that creates individual lots on which Permits for new construction or historic rehabilitation may be issued without further subdivision

**"Financing Plan"** means the Financing Plan attached as Exhibit C1 and incorporated into the DDA, as such plan may be amended or supplemented from time to time in accordance with the terms of the DDA

**"First Bond Sale"** means, (i) for the Development Special Tax, a Bond Sale of the first series of Development Special Tax Bonds, (ii) for the Office Special Tax, a Bond Sale of the first series of Office Special Tax Bonds, and (iii) for the Shoreline Special Tax, a Bond Sale of the first series of Shoreline Special Tax Bonds

**"Fiscal Year"** means the period starting July 1 and ending on the following June 30

**"Future Annexation Area"** means that geographic area that, at STD Formation, was considered potential annexation area for the STD and which was, therefore, identified as "future annexation area" on the recorded STD boundary map. Such designation does not mean that any or all of the Future Annexation Area will annex into the STD, but should owners of property designated as Future Annexation Area choose to annex, the annexation may be processed pursuant to the annexation procedures in the CFD Law for territory included in a future annexation area, as well as the procedures established by the Board and any other applicable provisions of the CFD Law.

**"Indenture"** means any indenture, fiscal agent agreement, resolution, or other instrument pursuant to which Bonds are issued, as modified, amended, or supplemented from time to time, and any instrument replacing or supplementing the same

**"Initial Exempt Square Footage"** means, for any building on a Parcel of Developed Property, the square footage in or expected in the building that, at the time the Parcel

became Developed Property, was determined by the Review Authority to be reserved for an Exempt Use

**"Land Use Change"** means a change to the Expected Land Uses after STD Formation

**"Leasehold Interest"** means a Master Lease, ground lease, or any other lease arrangement of a Parcel or Parcels against which Special Taxes may be levied in any current or future Fiscal Year. The Review Authority shall make the final determination as to whether a Parcel or building in the STD is subject to a Leasehold Interest for purposes of this RMA

**"Management Agreement"** means the agreement between the Port and the Association (or related entity) for maintenance, operations, and event planning of the entire public realm (parks, streets, other ROWs) within the Project Site

**"Market-Rate Residential Square Footage"** means, in any building on a Taxable Parcel, the net rentable square footage that is or is expected to be used for one or more of the following uses (i) Market-Rate Units, (ii) any type of group or student housing that provides lodging for a week or more and may or may not have individual cooking facilities, including but not limited to boarding houses, dormitories, housing operated by medical institutions, and single room occupancy units, or (iii) a residential care facility, that is not staffed by licensed medical professionals. As set forth in Section B below, the Review Authority shall make the determination as to the amount of Market-Rate Residential Square Footage on a Taxable Parcel in the STD. Market-Rate Residential Square Foot means a single square-foot unit of Market-Rate Residential Square Footage.

**"Market-Rate Unit"** means a Residential Unit that is not an Affordable Unit.

**"Master Lease"** means a lease for all or part of the Project Site that allows the Developer to take possession of the Master Lease Premises and construct horizontal improvements approved under the DDA and to conduct other uses as provided in the DDA.

**"Master Lease Premises"** means, at any point in time, the area subject to the Master Lease

**"Maximum Contingent Services Special Tax"** means, after the Trigger Event, the greatest amount of Contingent Services Special Tax that can be levied on a Leasehold Interest in a Taxable Parcel in any Fiscal Year determined in accordance with Sections C, D, and E below.

**"Maximum Contingent Services Special Tax Revenues"** means, at any point in time after the Trigger Event, the aggregate Maximum Contingent Services Special Tax that can be levied on all Leasehold Interests in all Taxable Parcels

**"Maximum Development Special Tax"** means the greatest amount of Development Special Tax that can be levied on a Leasehold Interest in a Taxable Parcel in any Fiscal Year determined in accordance with Sections C, D, and E below.

**"Maximum Development Special Tax Revenues"** means, at any point in time, the aggregate Maximum Development Special Tax that can be levied on all Leasehold Interests in all Taxable Parcels

**"Maximum Office Special Tax"** means the greatest amount of Office Special Tax that can be levied on a Leasehold Interest in a Taxable Parcel in any Fiscal Year determined in accordance with Sections C, D, and E below.

**"Maximum Office Special Tax Revenues"** means, at any point in time, the aggregate Maximum Office Special Tax that can be levied on all Leasehold Interests in all Taxable Parcels

**"Maximum Shoreline Special Tax"** means the greatest amount of Shoreline Special Tax that can be levied on a Leasehold Interest in a Taxable Parcel in any Fiscal Year determined in accordance with Sections C, D, and E below

**"Maximum Shoreline Special Tax Revenues"** means, at any point in time, the aggregate Maximum Shoreline Special Tax that can be levied on all Leasehold Interests in all Taxable Parcels

**"Maximum Special Tax"** means, for any Leasehold Interest in a Taxable Parcel in any Fiscal Year, the sum of the Maximum Development Special Tax, Maximum Office Special Tax, Maximum Shoreline Special Tax, and Maximum Contingent Services Special Tax

**"Maximum Special Tax Revenues"** means, collectively, the Maximum Development Special Tax Revenues, Maximum Office Special Tax Revenues, Maximum Shoreline Special Tax Revenues, and Maximum Contingent Services Special Tax Revenues

**"Mello-Roos Act"** means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2 5, (commencing with Section 53311), Part 1, Division 2 of Title 5 of the Government Code of the State of California

**"Office Special Tax"** means a special tax levied in any Fiscal Year on Office Square Footage within a Leasehold Interest in a Taxable Parcel to pay the Office Special Tax Requirement

**"Office Special Tax Bonds"** means any Bonds secured solely by Office Special Taxes.

**"Office Special Tax Requirement"** means the amount necessary in any Fiscal Year to (i) pay principal and interest on Office Special Tax Bonds that are due in the calendar year that begins in such Fiscal Year, (ii) pay periodic costs on Office Special Tax Bonds, including but not limited to, credit enhancement, liquidity support and rebate payments, (iii) replenish reserve funds created for Office Special Tax Bonds under the Indenture to the extent such replenishment has not been included in the computation of the Office Special Tax Requirement in a previous Fiscal Year, (iv) cure any delinquencies in the payment of principal or interest on Office Special Tax Bonds which have occurred in the prior Fiscal Year, (v) pay Administrative Expenses, (vi) pay other obligations described in the Financing Plan, and (vii) pay directly for Authorized Expenditures, so long as such levy under this clause (vii) does not increase the Office Special Tax levied on Undeveloped Property. The amount calculated to pay items (i) through (vii) above may be reduced in any Fiscal Year by (a) interest earnings on or surplus balances in funds and accounts for the Office Special Tax Bonds to the extent that such earnings or balances are available to apply against such costs pursuant to the Indenture, (b) in the sole and absolute discretion of the Port, proceeds received by the STD from the collection of penalties associated with delinquent Office Special Taxes, and (c) any



other revenues available to pay such costs, as determined by the Administrator, the City, and the Port

**"Office Square Footage"** means, within any building on a Taxable Parcel (i) the planning gross square footage for which a Prop. M allocation has been secured, (ii) square footage that is or is expected to be part of a hotel operation, including square footage of hotel rooms, restaurants, meeting and convention facilities, gift shops, spas, offices, and other related uses, and (iii) any other square footage in the building that does not meet the definition of Market-Rate Residential Square Footage, Exempt Square Footage, or Excess Exempt Square Footage. The Review Authority shall make the final determination as to the amount of Office Square Footage within a building in the STD. Office Square Foot means a single square-foot unit of Office Square Footage.

**"Parcel Increment"** means, in any Fiscal Year, the amount of Tax Increment and funds from any tax increment reserve fund maintained by the City that the Deputy Director has determined, pursuant to the Financing Plan, is available to reduce the amount of Development Special Tax levied against Assessed Parcels.

**"Parcel Lease"** means a contract in the form set forth as an exhibit to the DDA by which the Port will convey a leasehold interest in a Taxable Parcel to a Vertical Developer.

**"Parcel Lease Execution Date"** means the effective date of a Parcel Lease that was fully executed by the Port and a Vertical Developer.

**"Permit"** means (i) for Pier 48, a permit issued by the Port that allows for rehabilitation of the existing historic structures, and (ii) for all property in the STD (other than Pier 48 if it is annexed to the STD), the first permit, whether a site permit or building permit,

issued by the Port that, immediately upon issuance or ultimately after addenda to the permit, allows for vertical construction of a building or buildings

**"Pier 48"** is defined in the Appendix

**"Planning Code"** means the Planning Code of the City and County of San Francisco, as it may be amended from time to time

**"Planning Parcel"** means a geographic area within the STD that, for planning and entitlement purposes, has been designated as a separate Parcel with an alpha, numeric, or alpha-numeric identifier to be used for reference until an Assessor's Parcel is created and an Assessor's Parcel number is assigned. The Planning Parcels at STD Formation are identified in Attachment 1 hereto

**"Port"** means the Port of San Francisco

**"Project Area I"** means the area within the City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco) that covers the Project Site and was formed by Ordinance No. 34-18

**"Project Site"** is defined in the Appendix

**"Prop. M"** means Proposition M, the citizen-sponsored initiative passed by San Francisco voters in November 1986 that created an annual limit on the square footage of certain office development in the City, and any subsequent proposition that limits office square footage within the STD.

**"Proportionately"** means, for Developed Property, that the ratio of the actual Contingent Services Special Tax levied in any Fiscal Year to the Maximum Contingent Services Special Tax authorized to be levied in that Fiscal Year is equal for all Parcels of Developed Property. For Undeveloped Property, "Proportionately" means that the ratio of the actual Development Special Tax, Office Special Tax, and Shoreline Special Tax levied to the Maximum Development Special Tax, Office Special Tax, and Shoreline Special Tax, respectively, is equal for all Parcels of Undeveloped Property.

**"Public Property"** means any property within the boundaries of the STD that is owned by or leased to the federal government, State of California, City, or public agency other than the Port. Parcels of Public Property, and/or Leasehold Interests in Public Property, that do not fall within the definition of Exempt Square Footage shall be taxed as Developed Property or Undeveloped Property, as determined by the Administrator pursuant to the definitions set forth in this RMA.

**"Remainder Special Taxes"** means, as calculated between September 1st and December 31st of any Fiscal Year, any Development Special Tax, Office Special Tax, and Shoreline Special Tax revenues that were collected in the prior Fiscal Year and were not needed to (i) pay debt service on the applicable Development Special Tax Bonds, Shoreline Special Tax Bonds, or Office Special Tax Bonds that was due in the calendar year that begins in the Fiscal Year in which the Remainder Special Taxes were levied, (ii) pay periodic costs on the applicable Development Special Tax Bonds, Shoreline Special Tax Bonds, or Office Special Tax Bonds, including but not limited to, credit enhancement, liquidity support and rebate payments (iii) replenish reserve funds created for the applicable Development Special Tax Bonds, Shoreline Special Tax Bonds, or Office Special Tax Bonds under the applicable Indenture, (iv) cure any delinquencies in the payment of principal or interest on applicable Development Special

Tax Bonds, Shoreline Special Tax Bonds, or Office Special Tax Bonds which have occurred in the prior Fiscal Year, or (v) pay Administrative Expenses that have been incurred, or are expected to be incurred, by the City or Port prior to the receipt of Development Special Tax, Shoreline Special Tax or Office Special Tax proceeds

**"Required Coverage"** means (i) for Development Special Tax Bonds, the amount by which the Maximum Development Special Tax Revenues must exceed the Development Special Tax Bond debt service and priority Administrative Expenses (if any), as set forth in the applicable Indenture, Certificate of Special Tax Consultant, or other STD Formation Proceedings or Bond document that sets forth the minimum required debt service coverage, (ii) for Shoreline Special Tax Bonds, the amount by which the Maximum Shoreline Special Tax Revenues must exceed the Shoreline Special Tax Bond debt service and priority Administrative Expenses (if any), as set forth in the applicable Indenture, Certificate of Special Tax Consultant, or other STD Formation Proceedings or Bond document that sets forth the minimum required debt service coverage, and (iii) for Office Special Tax Bonds, the amount by which the Maximum Office Special Tax Revenues must exceed the Office Special Tax Bond debt service and priority Administrative Expenses (if any), as set forth in the applicable Indenture, Certificate of Special Tax Consultant, or other STD Formation Proceedings or Bond document that sets forth the minimum required debt service coverage

**"Residential Unit"** means an individual residential housing unit in a residential or mixed-use building

**"Review Authority"** means the Deputy Director of Real Estate & Development for the Port or an alternate designee from the Port or the City who is responsible for approvals and entitlements of a development project.

**"RMA"** means this Rate and Method of Apportionment of Special Taxes.

**"Services Special Tax Requirement"** means the amount necessary in any Fiscal Year to (i) pay the costs of operations and maintenance or other public services that are included as Authorized Expenditures, (ii) cure delinquencies in the payment of Contingent Services Special Taxes in the prior Fiscal Year, and (iii) pay Administrative Expenses.

**"Shoreline Special Tax"** means a special tax levied in any Fiscal Year to pay the Shoreline Special Tax Requirement

**"Shoreline Special Tax Bonds"** means any Bonds secured solely by Shoreline Special Taxes that have been levied and are available after dividing the Shoreline Special Taxes as set forth in Financing Plan Section 4 7, and factoring in debt service coverage and related Indenture requirements, as determined by the Administrator

**"Shoreline Special Tax Requirement"** means the amount necessary in any Fiscal Year to pay (i) pay principal and interest on Shoreline Special Tax Bonds that are due in the calendar year that begins in such Fiscal Year, (ii) pay periodic costs on Shoreline Special Tax Bonds, including but not limited to, credit enhancement, liquidity support and rebate payments, (iii) replenish reserve funds created for Shoreline Special Tax Bonds under the Indenture to the extent such replenishment has not been included in the computation of the Shoreline Special Tax Requirement in a previous Fiscal Year, (iv) cure any delinquencies in the payment of principal or interest on Shoreline Special Tax Bonds which have occurred in the prior Fiscal Year, (v) pay Administrative Expenses, (vi) pay directly for the costs of shoreline improvements so long as such levy

under this clause (vi) does not increase the Shoreline Special Tax levied on Undeveloped Property, and (vii) pay other obligations described in the Financing Plan. The amount calculated to pay items (i) through (vii) above may be reduced in any Fiscal Year by (a) interest earnings on or surplus balances in funds and accounts for the Shoreline Special Tax Bonds to the extent that such earnings or balances are available to apply against such costs pursuant to the Indenture, (b) in the sole and absolute discretion of the Port, proceeds received by the STD from the collection of penalties associated with delinquent Shoreline Special Taxes, and (c) any other revenues available to pay such costs, as determined by the Administrator, the City, and the Port.

**"Special Taxes"** means the Development Special Tax, Shoreline Special Tax, Office Special Tax, and Contingent Services Special Tax.

**"Square Footage Category"** means, individually, Market-Rate Residential Square Footage, Office Square Footage, and Excess Exempt Square Footage.

**"STD"** or **"STD No. 2020-1"** means the City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services).

**"STD Formation"** means the date on which the Board approved documents to form the STD.

**"STD Formation Proceedings"** means the proceedings to form the STD, including all resolutions, reports, and notices.

**"Sub-Project Areas"** means all sub-project areas designated within Project Area I.

**"Tax-Exempt Port Parcels"** means Port-owned Parcels that are or are intended to be used as streets, walkways, alleys, rights of way, parks, open space, or other similar uses. The final determination as to whether a Parcel is a Tax-Exempt Port Parcel shall be made by the Review Authority

**"Tax Increment"** means the tax increment generated from all Sub-Project Areas.

**"Taxable Parcel"** means any Parcel within the STD that is not a Tax-Exempt Port Parcel or a Parcel for which the Special Tax has been prepaid pursuant to Sections 53317.3 or 53317.5 of the Mello-Roos Act.

**"Taxpayer"** means the lessee of a Taxable Parcel within the STD

**"Tax Zone"** means a separate and distinct geographic area in the STD within which one or more Special Taxes are applied at a rate or in a manner that is different than in other areas within the STD. The two Tax Zones at STD Formation are identified in Attachment 2 hereto. Parcels that annex into the CFD may annex into Tax Zone 1, Tax Zone 2, or establish a new Tax Zone upon annexation. The Port will determine the applicable Tax Zone for Parcels that annex into the STD

**"Trigger Event"** means the earlier of (i) any amendment to the Management Agreement that expressly authorizes the levy of Contingent Services Special Taxes, (ii) the expiration or earlier termination of the Management Agreement, or (iii) any Taxable Parcel becoming Developed Property prior to a Management Agreement being executed by both the Port and the Association (or related entity)

**"Undeveloped Property"** means, in any Fiscal Year, all Taxable Parcels that are not Developed Property

**"Vertical Developer"** means a developer that has entered into a Parcel Lease for construction of vertical improvements on a Taxable Parcel or rehabilitation of Pier 48

## **B. DATA FOR STD ADMINISTRATION**

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor's Parcel numbers for all Taxable Parcels. The Administrator shall also determine (i) whether each Taxable Parcel is Developed Property or Undeveloped Property, (ii) the Planning Parcel and Tax Zone within which each Taxable Parcel is located, (iii) for Developed Property, the Market-Rate Residential Square Footage and Office Square Footage within each building, (iv) the Taxpayer for each Leasehold Interest in a Taxable Parcel, and (v) the Development Special Tax Requirement, Office Special Tax Requirement, Shoreline Special Tax Requirement, and, if applicable, Services Special Tax Requirement for the Fiscal Year

When a Parcel becomes Developed Property, the Administrator and Review Authority shall reference the Permit for each building on the Parcel to determine the Market-Rate Residential Square Footage and/or Office Square Footage within the building(s). If the Market-Rate Residential Square Footage and/or Office Square Footage is not identified on the Permit, the square footage assumptions used in the appraisal prepared when the Vertical DDA and/or Parcel Lease for such Parcel was executed shall be used to determine Market-Rate Residential Square Footage and/or Office Square Footage within the building. If, after review of the Permit and appraisal, there is still no clear indication of the Market-Rate Residential Square Footage and/or Office Square Footage for a building, the Review Authority shall review the



Development Approval Documents and make a determination as to the amount of Market-Rate Residential Square Footage and/or Office Square Footage in the building

When a Parcel becomes Developed Property, the Administrator and Review Authority shall also identify and document the Initial Exempt Square Footage for the building or buildings on or expected on the Parcel. The Administrator shall keep a record of the Initial Exempt Square Footage broken down by Exempt Use. After the First Bond Sale, as square footage within a building is designated for Exempt Uses, the Administrator shall compare the actual square footage used for each Exempt Use to the Initial Exempt Square Footage by Exempt Use. If, at any point in time, there is determined to be Excess Exempt Square Footage within a building, the Administrator and Review Authority shall use this comparison to determine which square footage should be designated Excess Exempt Square Footage. In addition, the Administrator shall determine whether the Excess Exempt Square Footage resulted in a reduction in Market-Rate Residential Square Footage or Office Square Footage expected in the building and, based on this determination, identify the applicable Maximum Special Taxes for the Excess Exempt Square Footage pursuant to the tables in Section C below.

The Administrator shall also (i) coordinate with the Deputy Director to confirm Parcel Increment, (ii) coordinate with the Treasurer-Tax Collector's Office to determine if there have been any Special Tax delinquencies or repayment of Special Tax delinquencies in prior Fiscal Years, (iii) review the Development Approval Documents and communicate with the Developer and Vertical Developers regarding proposed Land Use Changes, and (iv) upon each annexation, Land Use Change, and notification of Parcel Lease Execution Dates, update Attachment 3 to reflect the then-current Expected Land Uses, Expected Maximum Development Special Tax Revenues,

Expected Maximum Office Special Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues. The Developer, Port, or Vertical Developer shall notify the Administrator each time a Parcel Lease is executed in order for the Administrator to keep track of Parcel Lease Execution Dates. In addition, the Port will (i) provide the Administrator with copies of all leases that establish a Leasehold Interest, (ii) notify the Administrator of renewals of leases that establish a Leasehold Interest, and (iii) identify the buildings, Parcels, and Square Footage subject to such leases that establish a Leasehold Interest. Any time a lease on property within the STD is terminated, the Port will immediately notify the Administrator of such termination.

Prior to the First Bond Sale, the Administrator, Port, Developer, and any Vertical Developers shall coordinate to review the Expected Land Uses and determine if changes should be made to reflect more current estimates for land uses on each Planning Parcel. Based on this review, the Administrator shall update Attachment 3 with the then-current Expected Land Uses and Expected Maximum Development Special Tax Revenues, Expected Maximum Office Special Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues, which will be used to size the sale of Bonds unless and until there are additional updates of Attachment 3.

In any Fiscal Year, if it is determined that (i) a parcel map or condominium plan was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created Parcels into the then current tax roll), (ii) because of the date the map or plan was recorded, the Assessor does not yet recognize the newly-created Parcels, and (iii) one or more of the newly-created Parcels meets the definition of Developed Property, the Administrator shall calculate the Special Taxes for the property affected by recordation of the map or plan by determining the Special Taxes that applies separately to each newly-created Parcel, then applying the sum of

the individual Special Taxes to the Parcel that was subdivided by recordation of the parcel map or condominium plan

### **C. MAXIMUM SPECIAL TAXES**

In calculating Maximum Special Taxes pursuant to this Section C, in any Fiscal Year in which the boundaries of the Planning Parcels are not identical to the boundaries of the then-current Assessor's Parcels, the Administrator shall review the Expected Land Uses for each Planning Parcel and assign the Maximum Special Taxes to the then-current Assessor's Parcels. The Maximum Special Tax Revenues after such allocation shall not be less than the Maximum Special Tax Revenues prior to the allocation

#### **1. Undeveloped Property**

##### **1a. Development Special Tax, Office Special Tax, Shoreline Special Tax**

The Maximum Development Special Tax, Maximum Office Special Tax, and Maximum Shoreline Special Tax for Leasehold Interests in Undeveloped Property in all Tax Zones shall be the Expected Maximum Development Special Tax Revenues, Expected Maximum Office Special Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues shown in Attachment 3 of this RMA, as it may be amended as set forth herein

##### **1b. Contingent Services Special Tax**

- No Contingent Services Special Tax shall be levied on Parcels of Undeveloped Property in any Tax Zone within the STD

## **2. Developed Property**

### **2a. Development Special Tax**

When a Taxable Parcel in Tax Zone 1 or Tax Zone 2 becomes Developed Property, the Administrator shall use the Base Development Special Taxes shown in Table 1 below and apply the steps set forth in this Section 2a to determine the Maximum Development Special Tax for Leasehold Interests in the Taxable Parcel. For property that annexes into the CFD, different maximum rates and different Square Footage Categories may be established by creating a separate Tax Zone for such annexed property. Alternatively, property may be annexed into Tax Zones that were established prior to the annexation, and such property shall be subject to the Maximum Special Taxes applicable to that Tax Zone

<b>Table 1</b> <b>Base Development Special Tax</b>		
<b>Square Footage Category</b>	<b>Base Development Special Tax Tax Zone 1 (FY 2019-20) *</b>	<b>Base Development Special Tax Tax Zone 2 (FY 2019-20) *</b>
Market-Rate Residential Square Footage	\$8.58 per Market-Rate Residential Square Foot	\$8.58 per Market-Rate Residential Square Foot
Office Square Footage	\$6.50 per Office Square Foot	\$6.50 per Office Square Foot
Excess Exempt Square Footage	\$8.58 per Excess Exempt Square Foot if Market-Rate Residential Square Footage was reduced or \$6.50 per Excess Exempt Square Foot if Office Square Footage was reduced	\$8.58 per Excess Exempt Square Foot if Market-Rate Residential Square Footage was reduced or \$6.50 per Excess Exempt Square Foot if Office Square Footage was reduced

**\*\*The Base Development Special Tax shown above for each Tax Zone shall be escalated as set forth in Section D.1.**

**Step 1** Identify the Market-Rate Residential Square Footage, Office Square Footage, and/or Excess Exempt Square Footage in the building(s) on the Taxable Parcel pursuant to Section B above.

**Step 2** Multiply the applicable Base Development Special Tax from Table 1 by the actual and/or expected Market-Rate Residential Square Footage and Office Square Footage included in Leasehold Interests in the Taxable Parcel Prior to the First Bond Sale, the Maximum Development Special Tax for Leasehold Interests in the

Taxable Parcel shall be the sum of the amounts calculated for Market-Rate Residential Square Footage and Office Square Footage, and Step 3 below shall not apply

After the First Bond Sale, the Administrator shall apply Step 3 to determine the Maximum Development Special Tax for Leasehold Interests in the Taxable Parcel.

**Step 3** Compare the Estimated Base Development Special Tax Revenues from Step 2 to the Expected Maximum Development Special Tax Revenues, and, apply one of the following, as applicable

If the Estimated Base Development Special Tax Revenues are (i) greater than or equal to the Expected Maximum Development Special Tax Revenues or (ii) less than the Expected Maximum Development Special Tax Revenues, but the Maximum Development Special Tax Revenues, assuming the same land uses that went into the calculation of the Estimated Base Development Special Tax Revenues, are still sufficient to provide Required Coverage, then the Maximum Development Special Tax for Leasehold Interests in the Taxable Parcel shall be determined by multiplying the applicable Base Development Special Taxes by the actual and/or expected Market-Rate Residential Square Footage and Office Square Footage within each building on the Taxable Parcel. The Administrator shall update Attachment 3 to reflect the change in the Expected Maximum Development Special Tax Revenues.

If the Estimated Base Development Special Tax Revenues are less than the Expected Maximum Development Special Tax Revenues, and the Maximum Development Special Tax Revenues, assuming the same land uses that went into the calculation of the Estimated Base Development Special Tax Revenues, are insufficient to provide Required Coverage, then the Administrator and Review Authority shall coordinate with

the Developer and Vertical Developer, and the Review Authority shall determine which of the following shall occur

(i) the Base Development Special Taxes that were applied to Market-Rate Residential Square Footage and/or Office Square Footage in Step 2 shall be increased proportionately until the amount that can be levied on Leasehold Interests in the Taxable Parcel, combined with the Expected Maximum Development Special Tax Revenues from all other Taxable Parcels in the STD, is sufficient to maintain Required Coverage, or

(ii) if Estimated Base Development Special Tax Revenues are less than the Expected Maximum Development Special Tax Revenues due to Excess Exempt Square Footage, then the Base Development Special Tax for Excess Exempt Square Footage shall be levied against all Excess Exempt Square Footage included in Leasehold Interests in the Taxable Parcel.

If, pursuant to (i) above, the Base Development Special Taxes are proportionately increased to maintain Required Coverage, the Administrator shall use the adjusted per-square-foot rates to calculate the Maximum Development Special Tax for each building on the Taxable Parcel. The Administrator shall revise Attachment 3 to reflect any changes to the Expected Land Uses (including the addition of Excess Exempt Square Footage) and the Expected Maximum Development Special Tax Revenues

If, in any Fiscal Year, the Maximum Development Special Tax is determined for Leasehold Interests in any Parcel of Developed Property for which a Permit had not yet been issued, and if, when a Permit is issued for a building(s) on the Parcel, the Market-Rate Residential Square Footage and/or Office Square Footage of such building(s) is

different than that used to determine the Maximum Development Special Tax, then the Administrator shall once again apply Steps 1 through 3 in this Section C 2a to recalculate the Maximum Development Special Tax for Leasehold Interests in the Parcel based on the Market-Rate Residential Square Footage and/or Office Square Footage that was determined when the Permit was issued

The Administrator shall do a final check of the Market-Rate Residential Square Footage and Office Square Footage within each building when a Certificate of Occupancy is issued. Once again, if the Market-Rate Residential Square Footage and/or Office Square Footage is different than the Market-Rate Residential Square Footage and/or Office Square Footage that was used to determine the Maximum Development Special Tax after the Permit was issued, then the Administrator shall apply Steps 1 through 3 in this Section C 2a to recalculate the Maximum Development Special Tax for Leasehold Interests in the Parcel.

#### **2b. Office Special Tax**

When a Taxable Parcel in Tax Zone 1 or Tax Zone 2 becomes Developed Property, the Administrator shall use the Base Office Special Taxes shown in Table 2 below and apply the steps set forth in this Section 2b to determine the Maximum Office Special Tax for Leasehold Interests in the Taxable Parcel. For property that annexes into the CFD, different maximum rates and different Square Footage Categories may be established by creating a separate Tax Zone for such annexed property. Alternatively, property may be annexed into Tax Zones that were established prior to the annexation, and such property shall be subject to the Maximum Special Taxes applicable to that Tax Zone.



Table 2 Base Office Special Tax		
Square Footage Category	Base Office Special Tax Tax Zone 1 (FY 2019-20) *	Base Office Special Tax Tax Zone 2 (FY 2019-20) *
Office Square Footage	\$1 92 per Office Square Foot	\$1 61 per Office Square Foot
Excess Exempt Square Footage	\$1 92 per Excess Exempt Square Foot	\$1 61 per Excess Exempt Square Foot

\* The Base Office Special Tax shown above for each Tax Zone shall be escalated as set forth in Section D.1.

**Step 1** Identify the Office Square Footage and Excess Exempt Square Footage in the building(s) on the Taxable Parcel pursuant to Section B above.

**Step 2** Multiply the applicable Base Office Special Tax from Table 2 by the actual and/or expected Office Square Footage included in Leasehold Interests in the Taxable Parcel which, prior to the First Bond Sale, shall be the Maximum Office Special Tax for Leasehold Interests in the Taxable Parcel, Step 3 below shall not apply

After the First Bond Sale, the Administrator shall apply Step 3 to determine the Maximum Office Special Tax for Leasehold Interests in the Taxable Parcel

**Step 3.** Compare the Estimated Base Office Special Tax Revenues from Step 2 to the Expected Maximum Office Special Tax Revenues, and, apply one of the following, as applicable

- *If the Estimated Base Office Special Tax Revenues are (i) greater than or equal to the Expected Maximum Office Special Tax Revenues or (ii) less than the Expected Maximum Office Special Tax Revenues, but the Maximum Office Special Tax Revenues, assuming the same Office Square Footage that went into the calculation of the Estimated Base Office Special Tax Revenues, are still sufficient to provide Required Coverage, then the Maximum Office Special Tax for Leasehold Interests in the Taxable Parcel shall be determined by multiplying the applicable Base Office Special Taxes by the actual and/or expected Office Square Footage within each building on the Taxable Parcel. The Administrator shall update Attachment 3 to reflect the change in the Expected Maximum Office Special Tax Revenues.*
  
- *If the Estimated Base Office Special Tax Revenues are less than the Expected Maximum Office Special Tax Revenues, and the Maximum Office Special Tax Revenues, assuming the same Office Square Footage that went into the calculation of the Estimated Base Office Special Tax Revenues, are insufficient to provide Required Coverage, then the Administrator and Review Authority shall coordinate with the Developer and Vertical Developer, and the Review Authority shall determine which of the following shall occur:*
  - (i) the Base Office Special Taxes that were applied to Office Square Footage in Step 2 shall be increased proportionately until the amount that can be levied on Leasehold Interests in the Taxable Parcel, combined with the Expected Maximum Office Special Tax Revenues from all other Taxable Parcels in the STD, is sufficient to maintain Required Coverage, or

(ii) if Estimated Base Office Special Tax Revenues are less than the Expected Maximum Office Special Tax Revenues due to Excess Exempt Square Footage, then the Base Office Special Tax for Excess Exempt Square Footage shall be levied against all Excess Exempt Square Footage included in Leasehold Interests in the Taxable Parcel

If, pursuant to (i) above, the Base Office Special Taxes are proportionately increased to maintain Required Coverage, the Administrator shall use the adjusted per-square-foot rates to calculate the Maximum Office Special Tax for each building on the Taxable Parcel. The Administrator shall revise Attachment 3 to reflect any changes to the Expected Land Uses (including the addition of Excess Exempt Square Footage) and the Expected Maximum Office Special Tax Revenues

If, in any Fiscal Year, the Maximum Office Special Tax is determined for Leasehold Interests in any Parcel of Developed Property for which a Permit had not yet been issued, and if, when a Permit is issued for a building(s) on the Parcel, the Office Square Footage of such building(s) is different than that used to determine the Maximum Office Special Tax, then the Administrator shall once again apply Steps 1 through 3 in this Section C.2b to recalculate the Maximum Office Special Tax for Leasehold Interests in the Parcel based on the Office Square Footage that was determined when the Permit was issued

The Administrator shall do a final check of the Office Square Footage within each building when a Certificate of Occupancy is issued. Once again, if the Office Square Footage is different than the Office Square Footage that was used to determine the Maximum Office Special Tax after the Permit was issued, then the Administrator shall

apply Steps 1 through 3 in this Section C.2b to recalculate the Maximum Office Special Tax for Leasehold Interests in the Parcel

**2c. Shoreline Special Tax**

When a Taxable Parcel in Tax Zone 1 or Tax Zone 2 becomes Developed Property, the Administrator shall use the Base Shoreline Special Taxes shown in Table 3 below and apply the steps set forth in this Section 2c to determine the Maximum Shoreline Special Tax for Leasehold Interests in the Taxable Parcel. For property that annexes into the CFD, different maximum rates and different Square Footage Categories may be established by creating a separate Tax Zone for such annexed property. Alternatively, property may be annexed into Tax Zones that were established prior to the annexation, and such property shall be subject to the Maximum Special Taxes applicable to that Tax Zone

<b>Table 3</b> <b>Base Shoreline Special Tax</b>		
<b>Square Footage Category</b>	<b>Base Shoreline Special Tax Tax Zone 1 (FY 2019-20) *</b>	<b>Base Shoreline Special Tax Tax Zone 2 (FY 2019-20) *</b>
Office Square Footage	\$1.82 per Office Square Foot	\$1.82 per Office Square Foot
Excess Exempt Square Footage	\$1.82 per Excess Exempt Square Foot if Market-Rate Residential Square Footage was reduced or \$1.82 per Excess Exempt Square Foot if Office Square Footage was reduced	\$1.82 per Excess Exempt Square Foot if Market-Rate Residential Square Footage was reduced or \$1.82 per Excess Exempt Square Foot if Office Square Footage was reduced

\* The Base Shoreline Special Tax shown above for each Tax Zone shall be escalated as set forth in Section D.1.

**Step 1** Identify the Market-Rate Residential Square Footage, Office Square Footage, and/or Excess Exempt Square Footage in the building(s) on the Taxable Parcel pursuant to Section B above

**Step 2** Multiply the applicable Base Shoreline Special Tax from Table 3 by the actual and/or expected Market-Rate Residential Square Footage and Office Square Footage included in Leasehold Interests in the Taxable Parcel Prior to the First Bond Sale, the Maximum Shoreline Special Tax for Leasehold Interests in the Taxable Parcel shall be the sum of the amounts calculated for Market-Rate Residential Square Footage and Office Square Footage, and Step 3 below shall not apply.

After the First Bond Sale, the Administrator shall apply Step 3 to determine the Maximum Shoreline Special Tax for Leasehold Interests in the Taxable Parcel.

**Step 3** Compare the Estimated Base Shoreline Special Tax Revenues from Step 2 to the Expected Maximum Shoreline Special Tax Revenues, and, apply one of the following, as applicable:

If the Estimated Base Shoreline Special Tax Revenues are (i) greater than or equal to the Expected Maximum Shoreline Special Tax Revenues or (ii) less than the Expected Maximum Shoreline Special Tax Revenues, but the Maximum Shoreline Special Tax Revenues, assuming the same land uses that went into the calculation of the Estimated Base Shoreline Special Tax Revenues, are still sufficient to provide Required Coverage, then the Maximum Shoreline Special Tax for Leasehold Interests in the Taxable Parcel shall be determined by multiplying the applicable Base Shoreline Special Taxes by the actual and/or expected Market-Rate Residential Square Footage and Office Square Footage within each building on the Taxable Parcel. The Administrator shall update Attachment 3 to reflect the change in the Expected Maximum Shoreline Special Tax Revenues.

If the Estimated Base Shoreline Special Tax Revenues are less than the Expected Maximum Shoreline Special Tax Revenues, and the Maximum Shoreline Special Tax Revenues, assuming the same land uses that went into the calculation of the Estimated Base Shoreline Special Tax Revenues, are insufficient to provide Required Coverage, then the Administrator and Review Authority shall coordinate with the Developer and Vertical Developer, and the Review Authority shall determine which of the following shall occur:

(i) the Base Shoreline Special Taxes that were applied to Market-Rate Residential Square Footage and/or Office Square Footage in Step 2 shall be increased proportionately until the amount that can be levied on Leasehold Interests in the Taxable Parcel, combined with the Expected Maximum Shoreline Special Tax Revenues from all other Taxable Parcels in the STD, is sufficient to maintain Required Coverage, or

(ii) if Estimated Base Shoreline Special Tax Revenues are less than the Expected Maximum Shoreline Special Tax Revenues due to Excess Exempt Square Footage, then the Base Shoreline Special Tax for Excess Exempt Square Footage shall be levied against all Excess Exempt Square Footage included in Leasehold Interests in the Taxable Parcel

If, pursuant to (i) above, the Base Shoreline Special Taxes are proportionately increased to maintain Required Coverage, the Administrator shall use the adjusted per-square-foot rates to calculate the Maximum Shoreline Special Tax for each building on the Taxable Parcel. The Administrator shall revise Attachment 3 to reflect any changes to the Expected Land Uses (including the addition of Excess Exempt Square Footage) and the Expected Maximum Shoreline Special Tax Revenues.

If, in any Fiscal Year, the Maximum Shoreline Special Tax is determined for Leasehold Interests in any Parcel of Developed Property for which a Permit had not yet been issued, and if, when a Permit is issued for a building(s) on the Parcel, the Market-Rate Residential Square Footage and/or Office Square Footage of such building(s) is different than that used to determine the Maximum Shoreline Special Tax, then the Administrator shall once again apply Steps 1 through 3 in this Section C 2c to

recalculate the Maximum Shoreline Special Tax for Leasehold Interests in the Parcel based on the Market-Rate Residential Square Footage and/or Office Square Footage that was determined when the Permit was issued.

The Administrator shall do a final check of the Market-Rate Residential Square Footage and Office Square Footage within each building when a Certificate of Occupancy is issued. Once again, if the Market-Rate Residential Square Footage and/or Office Square Footage is different than the Market-Rate Residential Square Footage and/or Office Square Footage that was used to determine the Maximum Shoreline Special Tax after the Permit was issued, then the Administrator shall apply Steps 1 through 3 in this Section C 2c to recalculate the Maximum Shoreline Special Tax for Leasehold Interests in the Parcel

**2d. Contingent Services Special Tax**

In the first Fiscal Year after the Fiscal Year in which the Trigger Event occurs, and in each Fiscal Year thereafter, this Section C 2d shall be applied to determine the Contingent Services Special Tax for each Taxable Parcel in the STD

When a Taxable Parcel in Tax Zone 1 or Tax Zone 2 becomes Developed Property, the Administrator shall use the Base Contingent Services Special Taxes shown in Table 4 below and apply the steps set forth in this Section 2d to determine the Maximum Contingent Services Special Tax for Leasehold Interests in the Taxable Parcel For property that annexes into the CFD, different maximum rates may be established by creating a separate Tax Zone for such annexed property Alternatively, property may be annexed into Tax Zones that were established prior to the annexation, and such property shall be subject to the Maximum Special Taxes applicable to that Tax Zone.



<b>Table 4</b> <b>Base Contingent Services Special Tax</b>		
<b>Square Footage Category</b>	<b>Base Contingent Services Special Tax Tax Zone 1 (FY 2019-20) *</b>	<b>Base Contingent Services Special Tax Tax Zone 2 (FY 2019-20) *</b>
Market-Rate Residential Square Footage	\$1.40 per Market-Rate Residential Square Foot	\$1.40 per Market-Rate Residential Square Foot
Office Square Footage	\$1.40 per Office Square Foot	\$1.40 per Office Square Foot
Excess Exempt Square Footage	\$1.40 per Excess Exempt Square Foot	\$1.40 per Excess Exempt Square Foot

**\* The Base Contingent Services Special Tax for each Tax Zone shown above shall be escalated as set forth in Section D.2.**

**Step 1** Identify the Market-Rate Residential Square Footage, Office Square Footage, and/or Excess Exempt Square Footage in the building(s) on the Taxable Parcel pursuant to Section B above.

**Step 2** Multiply the applicable Base Contingent Services Special Tax from Table 4 by the actual and/or expected Market-Rate Residential Square Footage, Office Square Footage, and Excess Exempt Square Footage included in Leasehold Interests in the Taxable Parcel. The Maximum Contingent Services Special Tax for Leasehold Interests in the Taxable Parcel shall be the sum of the amounts calculated for Market-Rate Residential Square Footage, Office Square Footage, and Excess Exempt Square Footage.

If additional structures are anticipated to be built on the Taxable Parcel as shown in the Development Approval Documents, the Administrator shall, regardless of the definitions set forth herein, categorize each building for which a Permit has been issued as Developed Property, and any remaining buildings for which Permits have not yet been issued shall not be subject to a Contingent Services Special Tax until a Permit is issued for such remaining buildings. To determine the Contingent Services Special Tax for any such Taxable Parcel, the Administrator shall take the sum of the Contingent Services Special Taxes determined for each building

**D. CHANGES TO THE MAXIMUM SPECIAL TAXES**

**1 Annual Escalation of Development Special Tax, Office Special Tax, and Shoreline Special Tax**

Beginning July 1, 2020 and each July 1 thereafter, each of the following amounts shall be increased by 2% of the amount in effect in the prior Fiscal Year the Base Development Special Tax for each Tax Zone, the Base Office Special Tax for each Tax Zone, the Base Shoreline Special Tax for each Tax Zone, the Expected Maximum Development Special Tax Revenues, the Expected Maximum Office Special Tax Revenues, and the Expected Maximum Shoreline Special Tax Revenues in Attachment 3, and the Maximum Development Special Tax, the Maximum Office Special Tax, and the Maximum Shoreline Special Tax assigned to the Leasehold Interests in each Taxable Parcel

**2. Annual Escalation of Contingent Services Special Tax**

Beginning July 1, 2020 and each July 1 thereafter, the Base Contingent Services Special Tax for each Tax Zone and the Maximum Contingent Services Special Tax assigned to the Leasehold Interests in each Taxable Parcel shall be adjusted by the Escalator

**3. Changes in Square Footage Category on a Parcel of Developed Property**

If any Parcel that had been taxed as Developed Property in a prior Fiscal Year is rezoned or otherwise has a Land Use Change, as determined by the Review Authority, the Administrator shall, separately for each of the Special Taxes, multiply the applicable Base Special Tax by the new square footage within each Square Footage Category, if the First Bond Sale has not yet occurred, this amount shall be the Maximum Special Tax for Leasehold Interests in the Parcel. If the First Bond Sale has taken place, the Administrator shall apply the remainder of this Section D.3

If the Maximum Special Tax that would apply to Leasehold Interests in the Parcel after the Land Use Change is greater than the Maximum Special Tax that applied to Leasehold Interests in the Parcel prior to the Land Use Change, the Administrator shall increase the Maximum Special Tax for the Parcel to the amount calculated for each new Square Footage Category. If the Maximum Special Tax after the Land Use Change is less than the Maximum Special Tax that applied prior to the Land Use Change, there will be no change to the Maximum Special Tax for Leasehold Interests in the Parcel. Under no circumstances shall the Maximum Special Tax on Leasehold Interests in any Parcel of Developed Property be reduced, regardless of changes in Square Footage Category or square footage on the Parcel, including reductions in square footage that may occur due to demolition, fire, water damage, or acts of God

#### **4. Changes to Planning Parcels and Expected Land Uses**

If, at any time prior to the First Bond Sale, the Developer or a Vertical Developer makes changes to the boundaries of the Planning Parcels or the Expected Land Uses within one or more Planning Parcels, as determined by the Review Authority, the Administrator shall update the Expected Land Uses and Expected Maximum Development Special Tax Revenues, Expected Maximum Office Special Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues, which will be reflected on an updated Attachment 3. In addition, the Administrator will request updated Attachments 1 and 2 from the Developer. Updated attachments shall be maintained by the Administrator for purposes of applying this RMA, and such updates shall not require recordation of an amended RMA.

If, after the First Bond Sale, the Developer or a Vertical Developer proposes to make changes to the boundaries of the Planning Parcels or the Expected Land Uses within one or more Planning Parcels, the Administrator shall meet with the Port, Developer, and any affected Vertical Developers to review the proposed changes and evaluate the impact on the Expected Maximum Development Special Tax Revenues, Expected Maximum Office Special Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues. If the Administrator determines that such changes will not reduce Required Coverage on Bonds that have been or will be issued, the Port will decide whether to allow the proposed changes and corresponding redistribution of the Expected Maximum Development Special Tax Revenues, Expected Maximum Office Special Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues. If such changes are permitted, the Administrator will update Attachment 3 and request updated Attachments 1 and 2 from the Developer. Updated attachments shall be maintained by the Administrator for purposes of applying this RMA, and such updates

shall not require recordation of an amended RMA. If the Administrator determines that the proposed changes will reduce Required Coverage on Bonds that have been issued, the Port will not permit the changes.

#### **5 Reduction in Maximum Development Special Taxes Prior to First Bond Sale**

Prior to the First Bond Sale, if the City, Port and Developer determine that assumptions that were factored into estimates of Tax Increment at STD Formation have changed, and the estimated Tax Increment is expected to be lower than the original estimates, the Port and Developer may agree to a proportional or disproportional reduction in the Base Development Special Tax as set forth in Section 4.5(e) of the Financing Plan. If the parties agree to such a reduction, the Port will direct the Administrator to use the reduced Base Development Special Tax for purposes of levying the taxes pursuant to this RMA, and an amended Notice of Special Tax Lien reflecting the reduction will be recorded against all Taxable Parcels within the STD. The reduction shall be made without a vote of the qualified STD electors.

### **E. ANNEXATIONS**

If, in any Fiscal Year, a property owner within the Future Annexation Area wants to annex property into the STD, the Administrator shall apply the following steps as part of the annexation proceedings:

**Step 1** Working with Port staff, the Administrator shall determine the Expected Land Uses for the area to be annexed and the Tax Zone into which the property will be placed.

**Step 2** The Administrator shall prepare or have prepared updated Attachments 1, 2, and 3 to reflect the annexed property and identify the revised Expected Land Uses, Expected Maximum Development Special Tax Revenues, Expected Maximum Office Special Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues. After the annexation is complete, the application of this RMA shall be based on the adjusted Expected Land Uses and Maximum Development Special Tax Revenues, Maximum Office Special Tax Revenues, and Maximum Shoreline Special Tax Revenues, as applicable, including the newly annexed property.

**Step 3** The Administrator shall ensure that a Notice of Special Tax Lien is recorded against all Parcels that are annexed to the STD.

## **F. METHOD OF LEVY OF THE SPECIAL TAXES**

### **1. Development Special Tax**

Each Fiscal Year, the Administrator shall determine the Development Special Tax Requirement for the Fiscal Year, and the Development Special Tax shall be levied according to the steps outlined below.

**Step 1.** The Administrator shall determine the Development Special Tax to be levied on Leasehold Interests in each Taxable Parcel of Developed Property, as follows:

**Step 1a.** Calculate the Maximum Development Special Tax for each Leasehold Interest in each Parcel of Developed Property

**Step 1b** In consultation with the City, determine which Parcels of Developed Property are Assessed Parcels.

**Step 1c.** For all Parcels of Developed Property that are not Assessed Parcels, levy the Maximum Development Special Tax on Leasehold Interests in such Parcels  
Any Remainder Special Taxes collected shall be applied pursuant to the Financing Plan

**Step 1d** For all Assessed Parcels

**Step 1dA.** Determine the amount of the Parcel Increment.

**Step 1dB** If the total amount of Parcel Increment available is equal to or greater than the total aggregate Maximum Development Special Taxes for all Assessed Parcels, then the levy on each Assessed Parcel shall be zero (\$0)

**Step 1dC** If the total amount of Parcel Increment available is less than the aggregate Maximum Development Special Taxes for all Assessed Parcels, the Administrator shall apply the appropriate sub-step below

**Substep 1dC(i).** If, after coordination with the City and Port, the Administrator is provided with a breakdown of Parcel Increment on a Parcel-by-Parcel basis in time for submission of the Special Tax levy, the Administrator shall determine the net tax levy on Leasehold Interests in each Assessed Parcel (the "Net Assessed Parcel Tax Levy") by

taking the following steps in the following order of priority (i) subtract from the Maximum Development Special Tax for each Assessed Parcel the amount of Parcel Increment generated from the applicable Assessed Parcel, and (ii) for each Assessed Parcel whose tax levy was not reduced to \$0 pursuant to item (i) in this paragraph, apply any remaining Parcel Increment that was not applied pursuant to item (i) in this paragraph to each such Assessed Parcel on a pro rata basis (based on the Assessed Parcel's net remaining tax levy as a percentage of the aggregate net remaining tax levy for all Assessed Parcels for which Parcel Increment was insufficient to pay the full amount of the Assessed Parcel's Maximum Development Special Tax) The Administrator shall levy on Leasehold Interests in each Assessed Parcel the Net Assessed Parcel Tax Levy for such Assessed Parcel. Any Remainder Special Taxes collected shall be applied pursuant to the Financing Plan

*Substep 1dC(ii)* If, after coordination with the City and Port, the Administrator determines that a breakdown of Parcel Increment on a Parcel-by-Parcel basis cannot be provided in time for submission of the Special Tax levy, the Administrator shall determine the net tax levy on the Leasehold Interest in each Assessed Parcel (the "Net Assessed Parcel Tax Levy") by subtracting from the Maximum Development Special Tax for each Assessed Parcel a pro rata share of the Parcel Increment, with such pro rata share determined based on each Assessed Parcel's Maximum Development Special Tax as a percentage of the aggregate Maximum Development Special Tax for all Assessed Parcels in the STD The Administrator shall levy on the Leasehold Interest in each Assessed Parcel the Net Assessed Parcel Tax Levy for such Assessed Parcel. Any Remainder Special Taxes collected shall be applied pursuant to the Financing Plan



The Review Authority shall make the final determination regarding available Parcel Increment, the Maximum Development Special Tax that applies to a Parcel based on the Leasehold Interests in the Parcel, and the application of Parcel Increment pursuant to Substeps 1dC(i) and 1dC(ii) above

*Step 2* After the First Bond Sale, if additional revenue is needed after Step 1 in order to meet the Development Special Tax Requirement after Capitalized Interest has been applied to reduce the Development Special Tax Requirement, the Development Special Tax shall be levied Proportionately on Leasehold Interests in each Taxable Parcel of Undeveloped Property, in an amount up to 100% of the Maximum Development Special Tax for Leasehold Interests in each Taxable Parcel of Undeveloped Property for such Fiscal Year

## **2. Office Special Tax**

Each Fiscal Year, the Administrator shall determine the Office Special Tax Requirement for the Fiscal Year, and the Office Special Tax shall be levied according to the steps outlined below

*Step 1.* Levy the Maximum Office Special Tax on Leasehold Interests in each Taxable Parcel of Developed Property Any Remainder Special Taxes collected shall be applied pursuant to the Financing Plan

*Step 2* After the First Bond Sale, if additional revenue is needed after Step 1 in order to meet the Office Special Tax Requirement after Capitalized Interest has been applied to reduce the Office Special Tax Requirement, the Office Special Tax shall be levied Proportionately on Leasehold Interests in each Taxable Parcel of

Undeveloped Property, in an amount up to 100% of the Maximum Office Special Tax for Leasehold Interests in each Taxable Parcel of Undeveloped Property for such Fiscal Year

### **3. Shoreline Special Tax**

Each Fiscal Year, the Administrator shall determine the Shoreline Special Tax Requirement for the Fiscal Year, and the Shoreline Special Tax shall be levied according to the steps outlined below

*Step 1* Levy the Maximum Shoreline Special Tax on Leasehold Interests in each Taxable Parcel of Developed Property Any Remainder Special Taxes collected shall be applied pursuant to the Financing Plan.

*Step 2* After the First Bond Sale, if additional revenue is needed after Step 1 in order to meet the Shoreline Special Tax Requirement after Capitalized Interest has been applied to reduce the Shoreline Special Tax Requirement, the Shoreline Special Tax shall be levied Proportionately on Leasehold Interests in each Taxable Parcel of Undeveloped Property, in an amount up to 100% of the Maximum Shoreline Special Tax for Leasehold Interests in each Taxable Parcel of Undeveloped Property for such Fiscal Year

### **4. Contingent Services Special Tax**

Each Fiscal Year after the Fiscal Year in which the Trigger Event occurs, the Administrator shall coordinate with the City and the Port to determine the Services Special Tax Requirement for the Fiscal Year The Contingent Services Special Tax

shall then be levied Proportionately on Leasehold Interests in each Taxable Parcel of Developed Property, in an amount up to 100% of the Maximum Contingent Services Special Tax for Leasehold Interests in each Parcel of Developed Property for such Fiscal Year until the amount levied is equal to the Services Special Tax Requirement. The Contingent Services Special Tax may not be levied on Undeveloped Property.

#### **G. COLLECTION OF SPECIAL TAXES**

Special Taxes shall be collected in the same manner and at the same time as ordinary ad valorem property taxes on the regular tax roll, provided, however, that the City may directly bill Special Taxes, may collect Special Taxes at a different time or in a different manner, and may collect delinquent Special Taxes through foreclosure or other available methods as authorized by the CFD Law. The Board of Supervisors has ordered any Special Taxes to be levied on Leasehold Interests to be levied on the secured roll. The Special Tax bill for any Taxable Parcel subject to a Leasehold Interest will be sent to the same party that receives the possessory interest tax bill associated with the Leasehold Interest unless it is sent directly to the Taxpayer.

In calculating the Development Special Tax Requirement, Office Special Tax Requirement, or Shoreline Special Tax Requirement, under no circumstances may the Development Special Tax, Office Special Tax, or Shoreline Special Tax that is levied on a Leasehold Interest in a Taxable Parcel in a Fiscal Year be increased by more than ten percent (10%) of the respective Maximum Development Special Tax, Maximum Office Special Tax, or Maximum Shoreline Special Tax for that Parcel (or such lesser amount required by the CFD Law) as a consequence of delinquency or default in payment of Special Taxes levied on Leasehold Interests in another Parcel(s) in the STD (the "Delinquency Levy").

The Delinquency Levy, if any, is determined when calculating the Development Special Tax Requirement. Accordingly, when determining the levy of Development Special Taxes on Leasehold Interests in Assessed Parcels pursuant to Step 1 of Section F.1, the Delinquency Levy, if any, has already been applied and, therefore, the Administrator shall not levy any additional Delinquency Levy on an Assessed Parcel that has its Development Special Tax levy reduced or eliminated by Parcel Increment.

The Development Special Tax shall be levied and collected on Leasehold Interests in each Taxable Parcel until the earlier of (i) the Fiscal Year in which the Port determines that all Authorized Expenditures that will be funded by the STD have been funded and all Development Special Tax Bonds have been fully repaid, (ii) the Fiscal Year after the Fiscal Year in which Tax Increment is no longer collected within the Sub-Project Area within which the Taxable Parcel is located and all Development Special Tax Bonds have been fully repaid, as determined by the Administrator with direction from the Deputy Director, and (iii) Fiscal Year 2093-94.

The Office Special Tax and the Shoreline Special Tax shall be levied on and collected from Leasehold Interests in each Taxable Parcel for 120 Fiscal Years.

Beginning in the first Fiscal Year after the Fiscal Year in which the Trigger Event occurs, the Contingent Services Special Tax shall be levied and collected in perpetuity.

#### **H. EXEMPTIONS**

Notwithstanding any other provision of this RMA, no Special Taxes will be levied on fee simple interests in the STD, including Tax-Exempt Port Parcels.

## **I. INTERPRETATION OF SPECIAL TAX FORMULA**

The City may interpret, clarify, and revise this RMA to correct any inconsistency, vagueness, or ambiguity, by resolution or ordinance, as long as such interpretation, clarification, or revision does not materially affect the levy and collection of the Special Taxes and any security for any Bonds

## **J. SPECIAL TAX APPEALS**

Any Taxpayer who wishes to challenge the accuracy of computation of the Special Taxes in any Fiscal Year may file an application with the Administrator. The Administrator, in consultation with the City Attorney, shall promptly review the Taxpayer's application. If the Administrator concludes that the computation of the Special Taxes was not correct, the Administrator shall correct the Special Tax levy and, if applicable in any case, a refund shall be granted. If the Administrator concludes that the computation of the Special Taxes was correct, then such determination shall be final and conclusive, and the Taxpayer shall have no appeal to the Board from the decision of the Administrator.

The filing of an application or an appeal shall not relieve the Taxpayer of the obligation to pay the Special Taxes when due

Nothing in this Section J shall be interpreted to allow a Taxpayer to bring a claim that would otherwise be barred by applicable statutes of limitation set forth in the CFD Law or elsewhere in applicable law

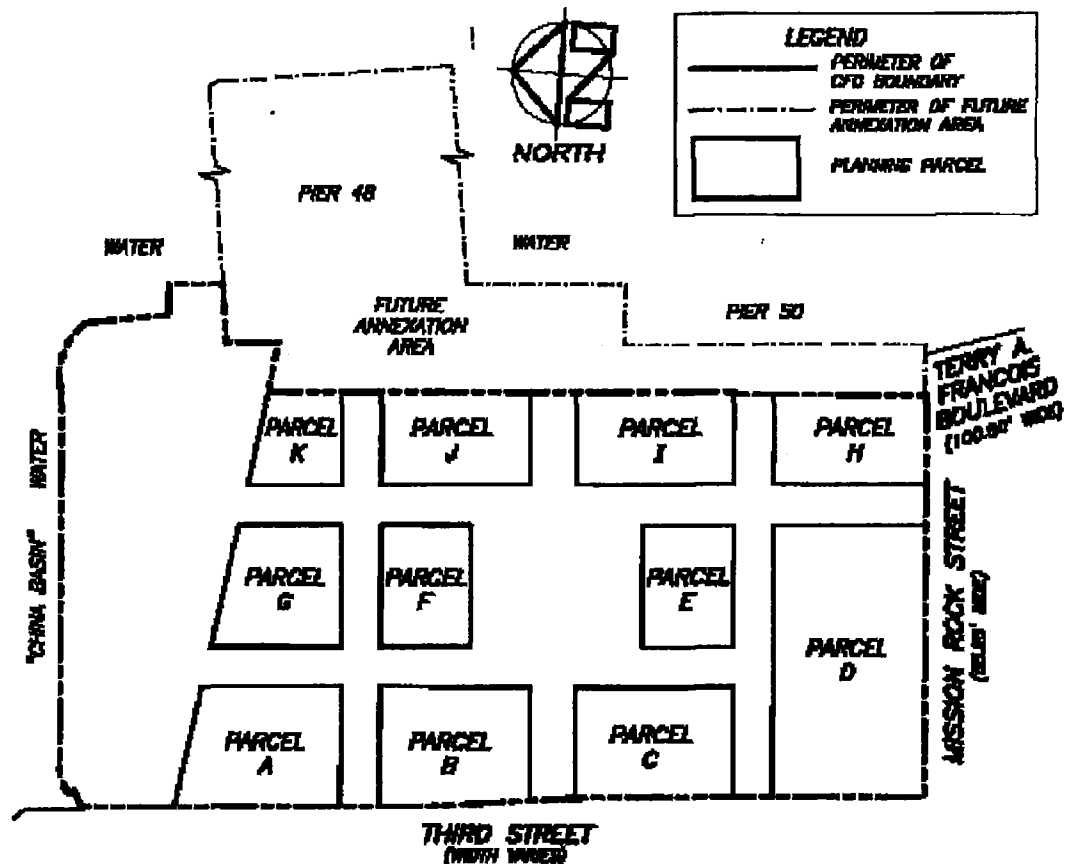
**ATTACHMENT 1**  
**CITY AND COUNTY OF SAN FRANCISCO**  
**SPECIAL TAX DISTRICT NO. 2020-1**  
**(MISSION ROCK FACILITIES AND SERVICES)**  
**IDENTIFICATION OF PLANNING PARCELS**

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## ATTACHMENT 1

City and County of San Francisco  
Special Tax District No. 2020-1  
(Mission Rock Facilities and Services)

### IDENTIFICATION OF PLANNING PARCELS



MARTIN M. RON ASSOCIATES, INC.  
Land Surveyors  
250 HARRISON STREET, SUITE 200  
San Francisco, California 94107  
C-95996, EXHIBIT-C'S ONLY.swp  
JANUARY 31, 2020

**ATTACHMENT 2**

**CITY AND COUNTY OF SAN FRANCISCO  
SPECIAL TAX DISTRICT NO. 2020-1  
(MISSION ROCK FACILITIES AND SERVICES)**

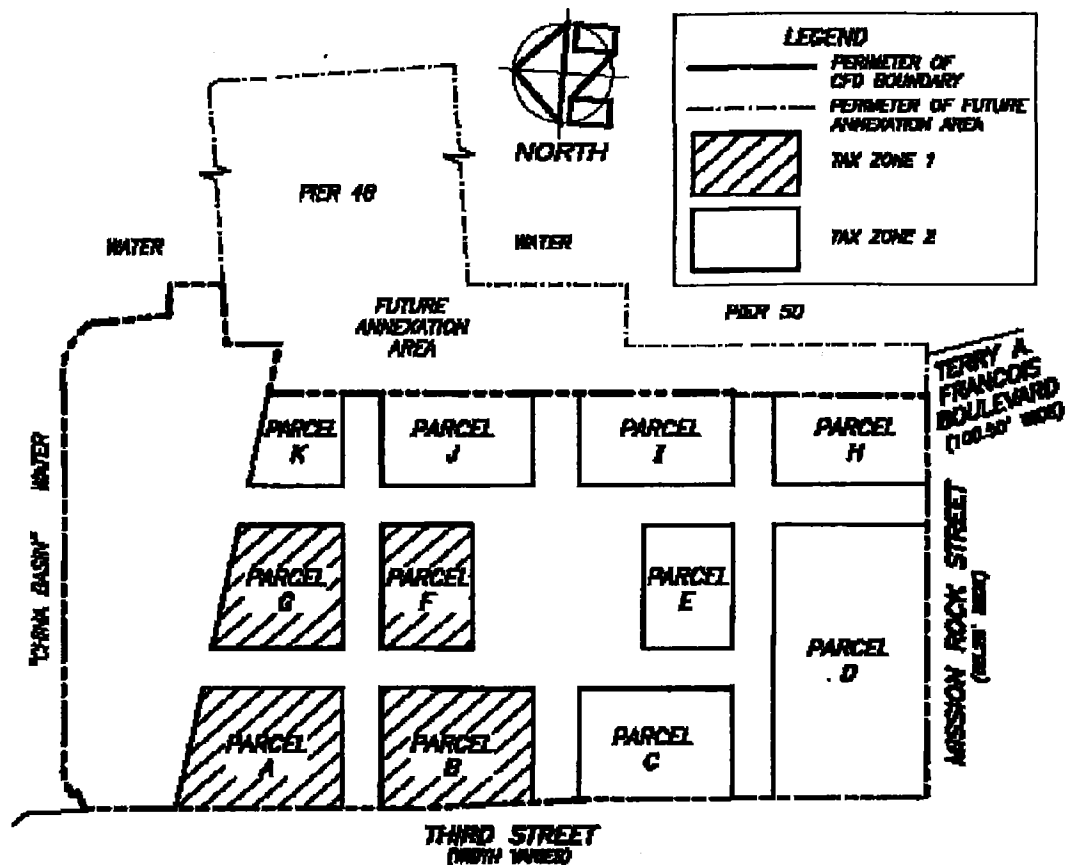
**IDENTIFICATION OF TAX ZONES**



## ATTACHMENT 2

City and County of San Francisco  
Special Tax District No. 2020-1  
(Mission Rock Facilities and Services)

### IDENTIFICATION OF TAX ZONES



MARTIN M. RON ASSOCIATES, INC.  
Land Surveyors  
859 HARRISON STREET, SUITE 200  
San Francisco, California 94107  
0-01292\_EXHIBIT-CFD 2101.dwg  
JANUARY 31, 2020

**ATTACHMENT 3**  
**City and County of San Francisco**  
**Special Tax District No. 2020-1**  
**(Mission Rock Facilities and Services)**

**Expected Land Uses, Expected Maximum Development Special Tax Revenues,  
Expected Maximum Office Special Tax Revenues, and  
Expected Maximum Shoreline Special Tax Revenues**

Planning Parcel	Expected Land Uses	Expected Square Footage	Expected Maximum Development Special Tax Revenues (FY 2019-20)*	Expected Maximum Office Special Tax Revenues (FY 2019-20)*	Expected Maximum Shoreline Special Tax Revenues (FY 2019-20)*
<b>Tax Zone 1</b>					
Parcel A	Market Rate Residential Square Footage	146,000	\$1,252,680	\$0	\$0
	Office Square Footage	48,447	\$314,906	\$93,018	\$88,174
Parcel B	Market Rate Residential Square Footage	0	\$0	\$0	\$0
	Office Square Footage	255,008	\$1,657,552	\$489,615	\$464,115
Parcel G	Market Rate Residential Square Footage	0	\$0	\$0	\$0
	Office Square Footage	283,323	\$1,841,600	\$543,980	\$515,648
Parcel F	Market Rate Residential	113,000	\$969,540	\$0	\$0

Planning Parcel	Expected Land Uses	Expected Square Footage	Expected Maximum Development Special Tax Revenues (FY 2019-20)*	Expected Maximum Office Special Tax Revenues (FY 2019-20)*	Expected Maximum Shoreline Special Tax Revenues (FY 2019-20)*
	Square Footage				
	Office Square Footage	0	\$0	\$0	\$0
<b>Tax Zone 2</b>					
Parcel C	Market Rate Residential Square Footage	0	\$0	\$0	\$0
	Office Square Footage	355,000	\$2,307,500	\$571,550	\$646,100
Parcel D	Market Rate Residential Square Footage	76,800	\$658,944	\$0	\$0
	Office Square Footage	0	\$0	\$0	\$0
Parcel E	Market Rate Residential Square Footage	0	\$0	\$0	\$0
	Office Square Footage	141,000	\$916,500	\$227,010	\$256,620
Parcel H	Market Rate Residential Square Footage	96,000	\$823,680	\$0	\$0
	Office Square Footage	49,999	\$324,994	\$80,498	\$90,998

Planning Parcel	Expected Land Uses	Expected Square Footage	Expected Maximum Development Special Tax Revenues (FY 2019-20)*	Expected Maximum Office Special Tax Revenues (FY 2019-20)*	Expected Maximum Shoreline Special Tax Revenues (FY 2019-20)*
Parcel I	Market Rate Residential Square Footage	0	\$0	\$0	\$0
	Office Square Footage	152,000	\$988,000	\$244,720	\$276,640
Parcel J	Market Rate Residential Square Footage	0	\$0	\$0	\$0
	Office Square Footage	152,000	\$988,000	\$244,720	\$276,640
Parcel K	Market Rate Residential Square Footage	62,400	\$535,392	\$0	\$0
	Office Square Footage	49,999	\$324,994	\$80,498	\$90,998
<b>TOTAL EXPECTED REVENUES (FY2019-20)</b>			<b>\$13,904,280</b>	<b>\$2,575,611</b>	<b>\$2,705,932</b>

\*Beginning July, 2020 and each July 1 thereafter, the Base Development Special Tax, the Base Office Special Tax, and the Base Shoreline Special Tax shall be escalated as set forth in Section D.1.

EXHIBIT H

CFD and Assessment Matters

## Parcel Lease Exhibit H: CFD and Assessment Matters

All matters addressed in this Exhibit relate to the following actions (the “**CFD Actions**”), all of which the City undertook 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**”), approved by the Board of Supervisors pursuant to a resolution of formation (the “**Formation Resolution**”) to form the Special Tax District (as defined herein) to implement the Financing Plan in the DDA between the Master Developer and the Port (collectively, the “**CFD Provisions**”). Capitalized terms not otherwise defined hereinafter shall have the meaning set forth in the DDA (as such term is defined in the Parcel Lease). 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 CFD Actions included:

- (a) formation of a special tax district designated as “*City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services)*” (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 of special taxes for the Special Tax District (the “**Rate and Method**”), a copy of which is attached to the Formation Resolution, for the calculation and levy of (i) the Development Special Tax, the Shoreline Special Tax, and the Office Special Tax (as each term is defined in the Rate and Method and collectively referred to herein as the “**Facilities Special Taxes**”), and (ii) the Contingent Services Special Tax (as such term is defined in the Rate and Method and referred to herein as the “**Contingent Services Special Tax**” and together with the Facilities Special Taxes, 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 pursuant to California Government Code Section 53328.3;
- (e) authorization to issue bonds secured by one or more of the Facilities Special Taxes (“**Bonds**”);
- (f) authorization to use Bond proceeds and Facilities Special Taxes to finance the construction, completion, and acquisition of improvements described in the Formation Resolution (the “**CFD Improvements**”); and
- (g) following the Trigger Event (as defined in the Rate and Method), authorization to levy and use Contingent Services 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 Interest Subject to CFD Provisions. The Tenant acknowledges and agrees as follows.

(a) Its leasehold interest in the Premises will be 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 leasehold interest in the Premises were reduced or eliminated, coordination of CFD Improvements and Services 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 leasehold interest in the Premises;

iv. the authorization to issue, and the timing, amount, and structure of the issuance of, 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 Taxes 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 the Parcel Lease has on the date of execution of the Parcel 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 the Parcel Lease;

ii. a review of documents that the person determined were reasonably necessary to obtain knowledge of the matters set forth in the Parcel 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 without 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:

(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 executed in connection with the issuance of municipal bonds relating to Related Property in projects in California.

6. Acknowledgment of the Special Tax Rates. The Rate and Method has been provided to the Tenant prior to the Effective Date of the Parcel Lease. The Tenant has read and, if deemed necessary, consulted with counsel, regarding the Rate and Method.

7. Issuance of Bonds. This Section will apply to the Special Tax District's issuance of each and every series 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 leasehold interest in 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 Premises;
- 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. customary 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. any 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. customary opinions of counsel for the Tenant requested by any of the Financing Participants, which may include any of the matters 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 with the consent of the Master Developer in accordance with the Financing Plan 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 leasehold interest in 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 leasehold interest in 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 the Parcel 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 customarily 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, (i) 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, and (ii) the assumption of any continuing disclosure agreement will be a condition precedent to the Effective Date of the Parcel 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 leasehold interest in 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. Intentionally Omitted.

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) Tenant may initiate a Reassessment to reduce a Baseline Assessed Value of the Premises, but may not initiate and waives any right to initiate, a Reassessment of the Subsequent 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:

- i. For each year during the period provided in clause (ii) below, 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.
- ii. 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 IFD Termination Date; and (B) when the Assessment Shortfall is reduced to zero.
- iii. Payment of the Assessment Shortfall will constitute a cure of any Event of Default with respect to any breach by “Tenant” of the covenant and waiver in Section 5.2(d)(i) (Tenant Waiver and Covenant) of the Parcel Lease.

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 tenant of the entirety of the Premises and require each such tenant 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 tenants

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 the Parcel 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 hereto as Exhibit E and the Tenant shall execute and return to the Port a copy of the Notice of Special Tax within three business days after being provided a copy of the Notice of Special Tax.

(f) The covenants and provisions contained in this Exhibit remain in effect for the term of the Parcel Lease.

Attachment 1: Certain Representations of Tenant  
Exhibit G to Parcel Lease: Notice of Special Tax

**Attachment 1:**

**Certain Representations of Tenant**

None.

EXHIBIT I

Assessor Information



## PARCEL LEASE EXHIBIT I - ASSESSORS INFORMATION

### Overview of major events

- Pre-event information
- Assessable/actionable events for ASR
  - Initial land sale/transfer of title
  - Mapping
  - Tax certificates
  - Lien date new construction
  - Completed new construction
  - Final ownership changes/sales to users

### Pre-event information

- Project timeline of major events
- Points of contact for the project (City PM, developer, etc.)
- Physical boundaries and clear legal descriptions of what is being conveyed, built, sold, etc. in each phase of the project and at the time of map recordation
- Anticipated final land use for each phase of the project
- Current federal/state maps if available

*Advance notice and communication of updates at each step in the process*

### Event information

#### 1. Initial land sale / transfer of title

- a. Assessable: any recorded change in ownership or ground lease/changes to existing ground lease
- b. Information needed:
  - i. Deeds (transfer maps do not convey title for ASR purposes)
  - ii. Subdivision maps and how they correspond to recorded deeds
  - iii. Appraisal for transfers from government entities or non-arm's length transactions
- c. Timing: at the time of recording for a basis of calculating transfer tax

#### 2. Mapping

- a. Justification/Purpose: ASR needs this information to reserve new block and lot numbers for the project.
- b. Information needed:
  - i. Tentative maps that overlay future parcel changes and project phases (with current APNs and future reserved APNs)
  - ii. Federal/state maps if applicable
  - iii. Timeline of subdivision activity and how the current parcels will be divided/combined/adjusted in each phase of the subdivision
  - iv. Initial subdivision maps and what deeds they correspond to
- c. Timing:
  - i. Upon request to reserve APNs for new project

### 3. Tax certificates (Treasurer & Tax Collector's Office provides to ASR)

- a. Justification: ASR needs this information to (1) ensure that any outstanding changes in ownership have been recorded and any completed or anticipated new construction has been valued and (2) to generate a new assessed value for TTX to use for tax pre-payment purposes.
- b. Information needed:
  - i. Pre-final map
  - ii. TTX Form A and B (depending on how complicated the development is)
- c. Timing: whenever requested by the taxpayer, ASR has four weeks to review and determine new value

### 4. Lien date new construction

- a. Justification/Purpose: ASR needs this information to accurately assess the value of new construction in progress as of January 1<sup>st</sup> as required by the Revenue & Taxation Code.
- b. Information needed:
  - i. The date construction started and the estimated completion date. If construction was in progress on January 1<sup>st</sup>, the percentage of construction completed.
  - ii. A complete list of all the construction and/or demolition cost incurred as of this date, including direct and indirect costs and entrepreneurial profit. *(sample provided for reference)*
  - iii. Copies of any leases signed.
  - iv. A detailed description of all work to be completed or any changes to the work description.
  - v. A copy of the pro forma, feasibility study or appraisal used to support the building of this project.
  - vi. Copies of all application for building permits.
  - vii. Certified copy of the lender's disbursement of funds.
  - viii. Cost not funded by construction loan.
  - ix. Details on any current or anticipated efforts to sell the property, if applicable.
  - x. Any additional information, if not referenced above, that would influence the market value of the property.
  - xi. Name, mailing address, phone number and e-mail of person(s) to contact regarding additional questions and inspection of property.
- c. Timing:
  - i. By January 31<sup>st</sup> of each year the construction is in progress

### 5. Completed new construction

- a. Justification: ASR needs this information to accurately assess the value of completed new construction as of the date of completion as required by the Revenue & Taxation Code.
- b. Information needed:
  - i. All property types
    - 1. The date construction started and completion date.
    - 2. A detailed description of all work completed (attach referenced floor plans, etc.)
    - 3. Copies of all applications for building permits.
    - 4. A complete list of all construction costs (see form) including direct, indirect costs and anticipated or actual entrepreneurial profit.
    - 5. Detailed information on costs not funded by construction loans.
    - 6. A copy of the pro forma, feasibility study or appraisal used to support the building of this project.
    - 7. Details on any current or anticipated efforts to sell the property, if applicable.
    - 8. Copies of any leases signed or currently in negotiation. Please include asking rents for spaces not leased.
    - 9. A copy of the land lease or other document that indicates the value of the land, if applicable.
    - 10. Projected or actual income and expense statement and a schedule of asking rent, if applicable. For actual statements, please provide the source document.

11. Certified copy of the lender's disbursement of funds.
  12. Details on parking stall rents and any miscellaneous income.
  13. Any appraisal completed.
  14. Any additional information, if not referenced above, that would influence the market value of the property.
  15. Name, address, phone number and email of person to contact for questions/arrange for a site inspection.
- ii. Office
1. Rent roll showing net rentable areas by floor and area leased by each tenant; the type of lease (FSG, NNN or IG); the date and terms of each lease; the move in date; options to renew; escalation clauses; tax clauses; free rent or any lease concessions, landlord tenant improvement allowances.
  2. The gross and net rentable areas of the building.
  3. Projected or actual sales volume of the property.
  4. A copy of any existing operating agreements, if applicable.
  5. A copy of the feasibility study.
  6. A copy of the stacking plan, if applicable.
  7. XFactor or BOMA recalculation of square footage, if applicable.
  8. If the construction project includes a parking garage:
    - a. How will it be operated (i.e. leased to a second party for contract rent or net income to the owner)?
    - b. What is the anticipated number of spaces and vehicle capacity (with valet services if applicable)?
    - c. What will be the monthly fee for parking?
- iii. Retail
1. Rent roll showing net rentable areas by floor and area leased by each tenant; the type of lease (FSG, NNN or IG); the date and terms of each lease; the move in date; options to renew; escalation clauses; tax clauses; free rent or any lease concessions, landlord tenant improvement allowances.
  2. The gross and net rentable areas of the building.
  3. Details on parking stall rents and any miscellaneous income.
  4. Projected or actual sales volume of the property.
  5. A copy of the operating agreement signed with the mall owner, if applicable.
- iv. Apartments
1. Tenant Rent Roll for residential and commercial units that includes the unit number, unit type (number of beds/baths), number of rooms, market rate or BMR unit, occupancy, square footage, contract rental rate, date lease signed, market rental rate, other fees collected – parking, storage, pet. Overall parking spaces, any upgrades, floor and view premiums (if applicable). Please provide a rent roll as of the certificate of occupancy and/or when stabilized occupancy is achieved.
  2. A finish schedule.
  3. Total square footage of improvements allocated by use (residential, retail, common area, parking, etc.). Area (sq. ft.) of each floor including basement, mezzanine, penthouse, etc.
- v. Condos
1. The Parcel Split/Condo Conversion Questionnaire (*attached, Excel is strongly preferred.*)
  2. For any units retained by the developer (i.e. parking, storage, retail, etc.), please provide copies of any signed leases, details on any leases in negotiation or proposed, or a summary of asking rents. Include a tenant rent roll, projected or actual income and expense statements, and net rentable area of each retained unit.
  3. Condo map/plan (if applicable) – required for us to split a new condo project or condo conversion

vi. Hotel

1. A list of the number of hotel rooms, the average daily rates, and projected occupancy levels.
  2. Percentage of guest segmentation.
  3. A copy of the Management Agreement.
  4. A copy of the Franchise Fee Agreement, specifically identifying the franchise fees and how they are determined.
  5. Breakdown of real property and personal property.
  6. Current or projected rent roll showing any net rentable areas of the building by floor and area leased by each retail tenant (if any); the type of lease (FSG, NNN, or IG); the date and terms of each lease, the move in date; options to renew, escalation clauses, tax clauses, free rent or any lease concessions, or landlord/tenant improvement allowances. If there are no leasable office or retail areas on the property, so state.
- c. Timing: within 60 days upon completion of construction for each project phase

6. Final ownership changes/sales to users

- a. Event: any recorded change in ownership or new lease/changes to existing lease
- b. Information needed:
  - i. All property types
    1. Information about the sale:
      - a. The purchase agreement and closing statement
      - b. Identify the broker or agent on the sale
      - c. Original list price
      - d. Days on market
    2. Details and terms of financing the property.
    3. Details on any anticipated deferred maintenance costs or capital expenditures anticipated by buyer at the time of the sale (i.e. renovations, major repairs, seismic retrofitting, and asbestos abatement) and a detailed schedule of when the work is to be completed.
    4. If the purchase price was not considered market value for the property, an explanation of why.
    5. Detailed anticipated income and expense operating statements of the new owner at time of purchase and/or acquisition and the prior two (2) years.
    6. Copies of any leases or lease abstracts, amendments or renewals, including free rent and tenant improvement allowances agreed to.
    7. Marketing materials and/or asking rents to lease vacant space as of the transfer date.
    8. Any anticipated changes in use.
  - ii. Office
    1. A copy of the Offering Memorandum distributed by selling agent.
    2. Copies of any appraisal prepared for purchase financing.
    3. The investor's pro-forma and market rent assumptions generated by Argus investment analysis or other format (Excel preferred).
    4. A rent roll as of the change in ownership date showing; all tenants with corresponding suite numbers, suite sizes (sf), monthly or annual rent, date and terms of leases, scheduled rent escalations and any vacant rentable space (Excel format preferred).
    5. Indicate if any lease expense agreements are other than full-service gross with a base year (FSG).
    6. If vacancy is above 10%, provide historical vacancy or occupancy ratios (on an annual or bi-annual basis) over the previous three (3) years.
    7. A detailed annual income and expense summary for the year of sale and the prior two (2) years. If historical income and operating statements were not provided by the seller, please substitute your operating budget as of the purchase date (Excel format preferred).

iii. Retail

1. Any cash flow analysis, pro forma worksheets or investment analysis in the acquisition of the property.
2. Any appraisal prepared for the acquisition or financing of the subject property.
3. Details on the financing involved for the purchase and/or acquisition of the subject property.
4. Current rent roll showing net rentable areas by floor and area leased by each tenant; the type of lease (FSG, NNN or IG); the date and terms of each lease; the move in date; options to renew; escalation clauses; tax clauses; free rent or any lease concessions, landlord tenant improvement allowances.
5. The gross and net rentable areas of the building.
6. At the time of transfer, indicate the amount of net rentable vacant space, identify its location within the building and indicate the asking rental rates.
7. The anticipated sales volume of the property.

iv. Apartments

1. Rent roll as of the change in ownership date, showing the list of all tenants with monthly rent and move-in date. For retail tenants, please provide copies of the lease(s), including any amendments or renewals (Excel format preferred).
2. The anticipated rental rates for any vacant units.
3. The anticipated operating income and expenses at the time of purchase/change in ownership. If available, provide the operating income and expenses statements for the two (2) years preceding change in ownership (Excel format preferred).
4. Details on any miscellaneous income (parking, laundry, storage, etc.)
5. A copy of any appraisal prepared for any purpose (financing, insurance, investment) within two (2) years of the event date.
6. A description of each unit; number of rooms, bedrooms, bathrooms, furnished or unfurnished.

v. Hotel

1. Any appraisal, pro forma or feasibility study made to assist in the acquisition of the subject property, or for any other purpose (i.e. insurance, investment, financing) prepared within two (2) years of the event date.
2. List of the number of hotel rooms, the average daily rates and occupancy levels as of the change in ownership date and for the previous two (2) years.
3. The guest segmentation, by percentage.
4. Detailed, historic income and expense statement for the two (2) years prior to the event date, and the budgeted or anticipated income and expense statement for the first year following the change in ownership date.
5. Copy of the Management Agreement.
6. Copy of the Franchise Agreement, specifically identifying the franchise fees and how they are determined.
7. Copy of the Smith Travel Report for the property, as of the same year as the change in ownership.
8. The current rent roll showing net rentable areas by floor and area leased by each retail tenant (if any); the type of lease (FSG, NNN or IG); the date and terms of each lease; the move in date; options to renew; escalation clauses; tax clauses; free rent or any lease concessions, landlord tenant improvement allowances. If there are no leasable areas of the property, so state.
9. Copy of the sale agreement with detailed itemizations of all real property and business personal property components included in the sale.

vi. Single Family Homes/Condos

1. No additional information needed, recorded deed is sufficient

c. Timing: within 60 days of a change to the fee owner of the property

## Attachments

1. In Progress and Completed New Construction Cost Report template
2. Parcel Split/Condo Conversion Questionnaire

EXHIBIT J

Leasing Activity Report

Parcel Lease Exhibit J

Form of Leasing Activity Report

**LEASING ACTIVITY REPORT**

Parcel: [    ]

Date: [    ]

This Leasing Activity Report is being delivered to Port pursuant to Section 9.3(a) of that certain Lease dated \_\_\_\_\_ by and between \_\_\_\_\_ ("Tenant") and the Port. Initially capitalized terms used herein are defined in the Lease.

Item	As of the Above-Listed Date
Total square footage available for Sublease at the Premises	
Total square footage of Subleased Space	
Number of Subtenants	
Average rental rate for Subleased Space (expressed as monthly rate of dollars per square foot of Subleased Space)	
Gross revenues from the Premises [Note: If gross revenues haven't been made available in other public forums, such as government filings, then Tenant is not required to disclose the same in this Leasing Activity Report and may write "N/A" in the column at right]	

The contents of this Leasing Activity Report were prepared by the undersigned, who, as an officer of the Tenant, certified that to the best of his/her knowledge this Leasing Activity Report is a true and correct copy. The undersigned has executed this Leasing Activity Report in his/her capacity as an officer of Tenant, and shall incur no personal liability in connection herewith.

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_



EXHIBIT K

Mitigation Monitoring and Reporting Program

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
NOTE: Each mitigation measure in this document applies to the proposed project and all variants, unless noted otherwise.				
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility (Public Agency)	Monitoring Schedule
MITIGATION MEASURES FOR THE SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
<del>Cultural Resources (Archeological Resources) Mitigation Measures</del>				
<p><b>M-CP-2: Archeological Testing.</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 sponsor shall retain the services of an archeological consultant from the rotational Qualified Archeological Consultants List (QACL) maintained by the Planning Department archeologist. The project sponsor shall contact the Planning 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 4 weeks. At the direction of the ERO, the suspension of construction can be extended beyond 4 weeks only if such a suspension is the only feasible means to reduce to a less-than-significant level of potential effects on a significant archeological resource, as defined in CEQA Guidelines, Sections 15064.5 (u) and (c).</p>	<p>Permittee for horizontal improvements, such as infrastructure, in public right-of-ways, and public spaces (hereinafter "infrastructure developer") or vertical developer(s) for work on vertical development parcels and related improvements (hereinafter "vertical developer(s)").<sup>1</sup> As applicable, to retain qualified professional archaeologist from the rotational pool of archaeological consultants maintained by the Planning</p>	<p>Prior to issuance of site permits.</p>	<p>Infrastructure developer or vertical developer, as applicable, to retain the qualified archeological consultant for the project who shall report to the ERO. Qualified archeological consultant will scope archeological testing program with ERO.</p>	<p>Considered complete when infrastructure developer or vertical developer(s), as applicable, retains a qualified professional archaeological consultant and archaeological consultant has approved scope by the ERO and submits any required reports to ERO for the archeological testing program.</p>

<sup>1</sup> Where applicable, "vertical developer" includes the Pier 48 developer.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
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MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility (Public Agency)	Monitoring Schedule
	Department.			
<i>Consultation with Descendant Communities:</i> On discovery of an archaeological site <sup>2</sup> associated with descendant Native Americans, the overseas Chinese, or other potentially interested descendant group, an appropriate representative <sup>3</sup> of the descendant group and the ERO shall be contacted. The representative of the descendant group shall be given the opportunity to monitor archaeological field investigations of the site and offer recommendations to the ERO regarding appropriate archaeological treatment of the site, recovered data from the site, and, if applicable, interpretative treatment of the associated archaeological site. A copy of the final archaeological resources report shall be provided to the representative of the descendant group.	Infrastructure developer or vertical developer(s) (as applicable) and archaeological consultant.	For the duration of soil-disturbing activities and data recovery of potentially significant archaeological sites.	Infrastructure developer or vertical developer(s) (as applicable) and/or archaeological consultant shall contact the ERO and descendant group representative upon discovery of an archaeological site associated with descendant Native Americans, Overseas Chinese, or interested descendant group. 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. Archaeological Consultant shall prepare a Final Archaeological Resources	Considered complete upon submittal of Final Archaeological Resources Report.

<sup>2</sup> The term "archaeological site" is intended here to include any archaeological deposit, feature, burial, or evidence of burial.

<sup>3</sup> An "appropriate representative" of the descendant group is here defined to mean, in the case of Native Americans, any individual listed in the current Native American contact list for the City and County of San Francisco maintained by the NAHC or, in the case of overseas Chinese, the Chinese Historical Society of America. An appropriate representative of other descendant groups should be determined in consultation with the department archeologist.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
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			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.	
<i>Archeological Testing Program.</i> 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 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 identify and evaluate whether any archeological resource encountered on the site constitutes a historical resource under CEQA.	Infrastructure developer or vertical developer(s) (as applicable) and archaeological consultant in consultation with the ERO. Development of ATP for a defined geographic area and/or specified construction activities.	Prior to any excavation, site preparation or construction, and prior to testing, submit an ATP for a defined geographic area and/or specified construction activities to and obtain approval by the ERO. A single ATP or multiple ATPs may be produced to address project phasing.	Archaeological consultant to undertake ATP in consultation with ERO.	Prior to any soil disturbing activities. Considered complete upon approval of the ATP by the ERO and finding by the ERO that the ATP is implemented.
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. No archeological data recovery shall be undertaken without the prior approval of the ERO or the Planning Department archaeologist. 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 sponsor:	Infrastructure developer or vertical developer(s) (as applicable) and archaeological consultant in consultation with the ERO.	Upon completion of the archeological testing program.	Archaeological consultant to submit results of testing, and, in consultation with ERO, determine whether additional measures are warranted. If significant archaeological resources are present and may be adversely affected, the infrastructure developer or vertical developer(s) (as applicable), at its discretion, may elect to redesign a project, or implement data	Considered complete after ERO review and approval of report(s) on ATP findings.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
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MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility (Public Agency)	Monitoring Schedule
			recovery program, unless ERO determines the archaeological resource is of greater interpretive than research significance and that interpretive use is feasible.	
<p>A. The proposed project shall be redesigned so as to avoid any adverse effect on the significant archaeological resource, or</p> <p>B. A data recovery program shall be implemented, unless the ERO determines that the archaeological resource is of greater interpretive than research significance and that interpretive use of the resource is feasible.</p>	Written report on ATP findings: Infrastructure developer or vertical developer(s) (as applicable) and archaeological consultant in consultation with the ERO.	At the completion of each archaeological testing program.	Archaeological consultant shall submit report of the findings of the ATP to the ERO.	After completion of archaeological testing program.
<p><i>Archaeological Monitoring Program.</i> If the ERO, in consultation with the archaeological consultant, determines that an archaeological monitoring program shall be implemented, the archaeological monitoring program shall include the following provisions:</p> <ul style="list-style-type: none"> <li>The archaeological consultant, project sponsor, and ERO shall meet and consult on the scope of the archaeological monitoring program reasonably prior to any project-related soil-disturbing activities commencing. The ERO, in consultation with the archaeological consultant, shall determine what project activities shall be archaeologically monitored. In most cases, any soil-disturbing activities, such as demolition, foundation removal, excavation, grading, utility installation, foundation work, pile driving (foundation, shoring, etc.), site remediation, etc., shall require archaeological monitoring because of the risk these activities pose to potential archaeological resources and their depositional context;</li> <li>The archaeological consultant shall advise all project contractors to be on the alert for evidence of the presence of the expected resource(s), know how to identify evidence of the expected resource(s), and know the appropriate protocol in the event of apparent discovery of an archaeological</li> </ul>	Infrastructure developer or vertical developer(s) (as applicable) and archaeological consultant in consultation with the ERO.	The archaeological consultant, infrastructure developer or vertical developer(s) (as applicable), and ERO shall meet prior to the commencement of soil-disturbing activities for a defined geographic area and/or specified construction activities. The ERO in consultation with the archaeological	If required, archaeological consultant to prepare the AMP in consultation with the ERO. Infrastructure developer or vertical developer(s) (as applicable), project archaeological consultant, and infrastructure developer's or vertical developer(s) contractors shall implement the AMP, if required by the ERO.	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.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
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<p>resource;</p> <ul style="list-style-type: none"> <li>The archeological monitor(s) shall be present on the project site according to the 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/eofactual material as warranted for analysis;</li> <li>If an intact archeological deposit is encountered, all soil-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, the pile-driving activity shall be terminated 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.</li> <li>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.</li> </ul>		consultant shall determine what archeological monitoring is necessary. A single AMP or multiple AMPs may be produced to address project phasing.		
<p><i>Archeological Data Recovery Program.</i> The archeological data recovery program shall be conducted in accordance with an archeological data recovery plan (ADRP). The archeological consultant, project sponsor, 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</p>	Infrastructure developer or vertical developer(s) (as applicable) and archeological consultant in consultation with 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 upon review and approval of the ADRP(s) by the ERO.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
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<p>address the applicable research questions. Data recovery, in general, should 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 any portions of the archeological resources if nondestructive methods are practical.</p> <p>The scope of the ADRP shall include the following elements:</p> <ul style="list-style-type: none"> <li>Field Methods and Procedures. Descriptions of proposed field strategies, procedures, and operations.</li> <li>Cataloging and Laboratory Analysis. Description of selected cataloging system and artifact analysis procedures.</li> <li>Discard and Deaccession Policy. Description of and rationale for field and post-field discard and deaccession policies.</li> <li>Interpretive Program. Consideration of an onsite/offsite public interpretive program during the course of the archeological data recovery program.</li> <li>Security Measures. Recommended security measures to protect the archeological resource from vandalism, looting, and nonintentionally damaging activities. Final Report. Description of proposed report format and distribution of results.</li> <li>Curation. 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><i>Final Archeological Resources Report.</i> The archeological consultant shall submit a Draft 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. A separate, brief, non-confidential summary of findings that can be made available to the public shall be submitted with each FARR.</p>	Infrastructure developer or vertical developer(s) (as applicable) and archaeological consultant in consultation with the ERO.	For infrastructure developer-prior to acceptance of work. Prior to issuance of Certificate of Temporary or Final Occupancy, whichever occurs first.	If applicable, archaeological consultant to submit a Draft FARR to ERO.	Considered complete on submittal of FARR and approval by ERO.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
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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 copy, the ERO shall receive a copy of the transmittal of the FARR to the NWIC, and 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 public interest in or high interpretive value of the resource, the ERO may require a final report content, format, and distribution different from that presented above. --	Archaeological consultant at the direction of the ERO.	Upon approval of the FARR by the ERO.	Archaeological consultant to distribute FARR.	Considered complete when archaeological consultant provides written certification to the ERO that the required FARR distribution has been completed.
<b>M-CP-3: Treatment of Human Remains, Associated or Unassociated Funerary Objects.</b> The treatment of human remains and associated or unassociated funerary objects discovered during any soil-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 Native American Heritage Commission (NAHC), which shall appoint a Most Likely Descendant (MLD) (PRC Section 5097.98). The ERO will also be immediately notified. The archeological consultant, project sponsor, ERO, and MLD shall have up to but not beyond 6 days after the discovery to make all reasonable efforts to develop an agreement for the treatment of human remains and associated or unassociated funerary objects with appropriate dignity (CEQA Guidelines, Section 15064.5(d)). The agreement should take into consideration the appropriate excavation, removal, recordation, analysis, custodianship, curation, and final disposition of the human remains and associated or unassociated funerary objects. Nothing in existing state regulations or in this mitigation measure compels the project sponsor and the ERO to accept recommendations of an MLD. 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.	Infrastructure developer or vertical developer(s) (as applicable) and archaeological consultant, in consultation with the San Francisco Coroner, NAHC, ERO, and MLD.	In the event human remains and/or funerary objects are encountered during soils disturbing activity.	Archaeological consultant or archaeological monitor or infrastructure developer or vertical developer(s) or contractor to contact San Francisco County Coroner and ERO Implement regulatory requirements, if applicable, regarding discovery of Native American human remains and associated and/or unassociated funerary objects. Contact archaeological consultant and ERO.	Considered complete on notification of the San Francisco County Coroner, ERO, and NAHC, if necessary, and completion of treatment agreement and/or analysis.



MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
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<p><b>M-CP-4: Tribal Cultural Resources Interpretive Program.</b></p> <p>If the ERO determines that a significant archeological resource is present, and if in consultation with the affiliated Native American tribal representatives, the ERO determines that the resource constitutes a tribal cultural resource (TCR) and that the resource could be adversely affected by the proposed project, the proposed project shall be redesigned so as to avoid any adverse effect on the significant tribal cultural resource, if feasible.</p> <p>If the Environmental Review Officer (ERO) determines that preservation-in-place of the tribal cultural resource (TCR) pursuant to Mitigation Measure M-CP-2, Archeological Testing, is both feasible and effective, then the archeological consultant shall prepare an archeological resource preservation plan (ARPP). Implementation of the approved ARPP by the archeological consultant shall be required when feasible.</p> <p>If the Environmental Review Officer (ERO), if in consultation with the affiliated Native American tribal representatives and the Project Sponsor, determines that preservation-in-place of the tribal cultural resources is not a sufficient or feasible option, the project sponsor shall implement an interpretive program of the TCR in consultation with affiliated tribal representatives. An interpretive plan produced in consultation with the ERO and affiliated tribal representatives, at a minimum, and approved by the ERO would be required to guide the interpretive program. The plan shall identify, as appropriate, proposed locations for installations or displays, the proposed content and materials of those displays or installation, the producers or artists of the displays or installation, and a long-term maintenance program. The interpretive program may include artist installations, preferably by local Native American artists, oral histories with local Native Americans, artifacts displays and interpretation, and educational panels or other informational displays.</p>	Infrastructure developer or vertical developer(s) (as applicable), archaeological consultant, and ERO, in consultation with the affiliated Native American tribal representatives.	If significant archeological resources are present during implementation of the project.	Infrastructure developer, vertical developer(s), or archaeological consultant shall implement the project redesign, completion of archeological resource preservation plan, or interpretive program of the TCR, if required.	Considered complete upon project redesign, completion of ARPP, or interpretive program of the TCR, if required.
<b>Transportation and Circulation Mitigation Measures</b>				
<p><b>M-TR-3: Parking Garage and Intersection Queue Impacts.</b></p> <p>The easternmost driveway on Long Bridge Street (i.e., closest to Bridgeview Street) shall be restricted to right-in, right-out access during all times. Restricted access could be accomplished by placing signage (i.e., on Long Bridge Street to direct westbound traffic to the westernmost garage driveway, and within the parking garage for exiting traffic to indicate outbound right</p>	Infrastructure developer, garage operator, or vertical developer(s) of garage.	Prior to issuance of certificate of occupancy of Block D2 parking garage. Note: Mitigation	SFMTA, in consultation with the Planning Department and the Port, to review and sign off on detailed plans regarding driveways to ensure design will	Considered complete upon approval of the final driveway plans by SFMTA.

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turn movement only allowed) as well as delineators of a sufficient length in the middle of Long Bridge Street to block left-turn access to the driveway.		Measure M-TR-3 is not applicable to Variant 3 (Reconfigured Parking).	sufficiently restrict movements at driveway to right-in, right-out.	Planning Department, and the Port.
<p><b>M-TR-4.1: Provide Fair-Share Contribution to Improve 10 Townsend Line Capacity.</b></p> <p>Upon completion and occupancy of Phase 1 of the proposed project and upon completion and occupancy of each subsequent phase as defined in the Development Agreement the project sponsor shall obtain from SFMTA the current ridership on the 10 Townsend and conduct an assessment of the capacity utilization at the screenline's Maximum Load Point (MLP) for weekday AM and PM peak hour conditions.</p> <p>If the capacity utilization exceeds 85 percent, a fair share contribution payment shall be made to SFMTA by the project sponsor, calculated as further provided in a Transit Mitigation Agreement described below, and attached to or incorporated into the Development Agreement. Such payment shall be adjusted, as appropriate, to the extent, if any, that the proposed project reflects either the High Residential Assumption or High Commercial Assumption based upon all phases of the proposed project that have been completed up to such date. Accordingly, the fair share contributions by phase may differ by scenario because the number of transit riders varies due to different mixes of land use.</p> <p>If the capacity utilization based on SFMTA's ridership data is less than 85 percent, then the project sponsor's fair share payment for that phase shall be \$0 and the process will repeat at the next subsequent phase. Each subsequent fair share calculation shall take account of amounts paid for prior phases, to ensure that payments are not duplicative for the same transit rider impacts.</p> <p>The project sponsor shall enter into a Transit Mitigation Agreement with the SFMTA pursuant to which the project sponsor will make a fair share contribution to the cost of providing additional bus service or otherwise improving service on the 10 Townsend. The fair share contribution as documented in the Transportation Impact Study for the proposed project shall not exceed the following amounts, in total across all phases:</p> <p>a. \$991,230 for High Commercial Assumption</p>	Infrastructure developer and/or vertical developer(s), Transportation Coordinator, and SFMTA.	Prior to issuance of certificate of occupancy of Phase 1 of the proposed project, enter into Transit Mitigation Agreement. Upon issuance of a certificate of occupancy for each phase of development as defined in the Development Agreement, SFMTA to provide ridership data and assess capacity utilization and, if capacity utilization exceeds 85 percent, the infrastructure developer/vertical developer(s) would pay fair share contribution fees as specified in this measure, which would be used by	Infrastructure developer and/or vertical developer(s) and Transportation Coordinator to obtain current ridership on the 10 Townsend from SFMTA and conduct an assessment of the capacity utilization associated with the project, as described in the measure. If the capacity utilization of the 10 Townsend line at its maximum load point exceeds 85 percent as measured at the completion of any individual project phase, and the SFMTA has committed to implement M-TR-4.1, the infrastructure developer shall provide a fair share contribution subject to the limits stated in M-TR-4.1 to capital costs for SFMTA to implement one of the designated capacity enhancement measures.	Considered complete upon execution of Transit Mitigation Agreement and payment of fair share contribution as described in this M-TR-4.1 for any phase of development for which such contribution is determined to be necessary.

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<p>b. \$782,706 for High Residential Assumption</p> <p>SFMTA will determine whether adding bus(es) or other measures are more desirable to increase capacity along the route and will use the funds provided by the project sponsor to implement the most desirable measure(s), which may include but is not limited to the following measures:</p> <ol style="list-style-type: none"> <li>1. Convert to using higher-capacity vehicles on the 10 Townsend route. In this case, the project sponsor's fair share contribution may be utilized 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 be extended by removing one or more parking spaces at locations where appropriate space is available.</li> <li>2. Instead of adding more buses to a congested route, increase travel speeds along the route which would allow for buses to move faster thus increasing efficiency and reliability. In this case, the project sponsor's fair share contribution may 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 enough to increase capacity along the bus route. Such improvements could include transit only lanes, transit signal priority, and transit boarding improvements.</li> <li>3. Increase capacity along the corridor by adding a new Muni service route in this area. If this option is selected, the project sponsor's fair share contribution may fund the purchase of the new vehicles.</li> </ol>		SFMTA to increase capacity.		
<p><b>M-TR-4.2: Provide Fair-Share Contribution to Improve 30 Stockton Line Capacity Proposed Project.</b></p> <p>Upon completion and occupancy of Phase 1 of the proposed project and upon completion and occupancy of each subsequent phase as defined in the Development Agreement, the project sponsor shall obtain from SFMTA the current ridership on the 30 Stockton and conduct an assessment of the capacity utilization at the Maximum Load Point (MLP) on the route between the proposed project and Market Street for weekday PM peak hour conditions.</p> <p>If the capacity utilization exceeds 85 percent, a fair share contribution payment shall be made by the project sponsor, calculated as further provided in Transit Mitigation Agreement described below, and attached to or incorporated into the Development Agreement. Such payment shall be</p>	Infrastructure developer and/or vertical developer(s), or Transportation Coordinator, and SFMTA.	Prior to issuance of certificate of occupancy of Phase 1 of the proposed project, enter into Transit Mitigation Agreement. Upon issuance of a certificate of occupancy for each phase of development as	Infrastructure developer or Transportation Coordinator to obtain current ridership on the 30 Stockton from SFMTA and conduct an assessment of the capacity utilization associated with the project, as described in the measure.  If the capacity utilization of the 30 Stockton line at its maximum load point exceeds 85 percent as measured at	Considered complete upon execution and implementation of Transit Mitigation Agreements and payment of fair share contribution as described in this M-TR-4.2 for any phase for which

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<p>adjusted, as appropriate, to the extent, if any, that the proposed project reflects either the High Commercial Assumption or the High Residential Assumption, the latter of which does not require any fair share contribution. The fair share contributions differ by scenario because the number of transit riders varies due to different mixes of land use.</p> <p>If the capacity utilization based on SFMTA's ridership data is less than 85 percent, then the project sponsor's fair share payment for that phase shall be \$0 and the process will repeat at the next subsequent phase. Each subsequent fair share calculation shall take account of amounts paid for prior phases, to ensure that payments are not duplicative for the same transit rider impacts.</p> <p>The project applicant shall enter into a Transit Mitigation Agreement with the SFMTA pursuant to which the project applicant will make a fair share contribution to the cost of providing additional bus service or otherwise improving service on the 30 Stockton. The fair share contribution as documented in the Transportation Impact Study for the proposed project shall not exceed the following amounts, in total across all phases:</p> <ul style="list-style-type: none"> <li>a. \$417,691 for High Commercial Assumption</li> <li>b. \$0 for High Residential Assumption</li> </ul> <p>SFMTA will determine whether adding bus(es) or other measures are more desirable to increase capacity along the route and will use the funds provided by the project sponsor to implement the most desirable measure(s), which may include but is not limited to the following measures:</p> <ol style="list-style-type: none"> <li>1. Convert to using higher-capacity vehicles on the 30 Stockton route. In this case, the project sponsor's fair share contribution may be utilized 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 be extended by removing one or more parking spaces at locations where appropriate space is available.</li> <li>2. Instead of adding more buses to a congested route, increase travel speeds along the route which would allow for buses to move faster thus increasing efficiency and reliability. In this case, the project sponsor's fair share contribution may 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 enough to increase capacity along the</li> </ol>		<p>defined in the Development Agreement, SFMTA to provide ridership data and assess capacity utilization and, if capacity utilization exceeds 85 percent, the infrastructure developer/vertical developer(s) would pay fair share contribution fees as specified in this measure, which would be used by SFMTA to increase capacity.</p>	<p>the completion of any individual project phase, and the SFMTA has committed to implement M-TR-4.2, the infrastructure developer shall provide the fair share contribution subject to the limits stated in M-TR-4.2 to capital costs for SFMTA to implement one of the designated capacity enhancement measures.</p>	<p>such contribution is determined to be necessary.</p>

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bus route. Such improvements could include transit only lanes, transit signal priority, and transit boarding improvements. 3. Increase capacity along the corridor by adding a new Muni service route in this area. If this option is selected, the project sponsor's fair share contribution may fund the purchase of the new vehicles.				
<b>M-TR-6: Parking Garage and Intersection Queue Impacts on Transit Delay</b> A. The westernmost driveway on Mission Rock Street (i.e., closest to Third Street) shall be restricted to right-in, right-out access and closed during large AT&T Park events. Restricted access could be accomplished by placing signage as well as delineators of a sufficient length on the center line on Mission Rock Street, east of Third Street to block left-turn access to the driveway.	Infrastructure developer and/or garage operator SFMTA, Planning Department, Transportation Coordinator, onsite transportation staff, parking garage management staff, event staff.	Prior to certificate of occupancy for Block D garage.	SFMTA, in consultation with the Planning Department and the Port, to review and sign off on detailed plans regarding driveways to ensure design will sufficiently restrict movements at driveway to right-in, right-out.	Infrastructure developer's/garage operator's obligations deemed complete once construction of listed improvements are complete.
B. A "keep clear" zone shall be provided in front of the easternmost driveway on Mission Rock Street (i.e., closest to Bridgeview Street) to prevent westbound queues at the Third Street/Mission Rock traffic signal from blocking inbound access to the driveway. The Keep Clear pavement markings shall be placed in the westbound lane immediately in front of the easternmost driveway, for the Block D2 parking garage.	Infrastructure developer and/or garage operator SFMTA, Planning Department, Transportation Coordinator, onsite transportation staff, parking garage management staff, event staff.	Prior to the opening of the Block D2 garage.	SFMTA, in consultation with the Planning Department and the Port, to review and sign off on detailed plan regarding the easternmost driveway keep clear zone.	Infrastructure developer's/garage operator's obligations deemed complete once construction of listed improvements are complete.
C. The southbound left-turn lane at the Third Street/Mission Rock Street intersection shall be restriped to extend the length of the left-turn lane to 350 feet. Advance traffic signal detection equipment shall be installed at the end of the newly striped left-turn pocket to detect when queues fill up the left-turn pocket and extend north to the end of the pocket near the Third Street/Channel Street intersection, allowing additional green time to be allocated to the southbound left-turn movement at the Third Street/Mission Rock Street traffic signal.	Infrastructure developer and/or garage operator SFMTA, Planning Department, Transportation Coordinator, onsite transportation staff, parking garage	Prior to certificate of occupancy for Block D garage; sequencing and selection of interventions outlined within Item C shall be at the direction of the	SFMTA, in consultation with the Planning Department and the Port, to review and sign off on detailed plans regarding extension of the left-turn pocket on Third Street/Mission Rock Street.	Infrastructure developer's/garage operator's obligations deemed complete once construction of listed improvements are complete.

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	management staff, event staff.	SFMTA. In the case that the SFMTA identifies any of these intervention as technically challenging, infeasible, or undesirable because of resultant operational issues, other interventions must be selected.		
D. Wayfinding signs including Static and Variable Message Signs will be installed to provide directions to the parking garages and to provide traffic alerts, messages, and alternate driving routes for drivers traveling to the Block D2 aboveground garage, to destinations in the vicinity, or through the area. Four High Visibility Static Signs will be installed, three on the approaches to the Third Street/Mission Rock Street intersections (for southbound, eastbound and northbound directions) and one for northbound drivers on Terry A. Francois Boulevard, south of Mission Rock Street. One permanent Variable Message Sign shall be installed for southbound drivers on Third Street, between King Street and Berry Street.	Infrastructure developer and/or garage operator SFMTA. Planning Department, Transportation Coordinator, onsite transportation staff, parking garage management staff, event staff.	Prior to certificate of occupancy for Block D garage.	SFMTA. in consultation with the Planning Department and the Port, to review and sign off on detailed plans regarding wayfinding signs including Static and Variable Message Signs.	Infrastructure developer's/ garage operator's obligations deemed complete once construction of listed improvements is complete.
E. The project sponsor shall enter into an Event Mitigation Agreement with the SFMTA that provides for Parking Control Officers (PCOs) to manage traffic within the project site adjacent to the proposed project's parking garages and on Exposition Street (between Third Street and the Shared Public Way) during all AT&T Park events and on-site events with 15,000 or more attendees.	Infrastructure developer and/or garage operator, SFMTA. Planning Department, Transportation Coordinator, onsite transportation staff, parking garage management staff.	Enter into Event Mitigation Agreement prior opening of the Block D2 parking garage. Prior to commencement of construction on the site, and on-going	Infrastructure developer and/or garage operator to enter in Event Management Agreement with SFMTA, who should provide for implementation of all of these items, as well as closure of the westernmost driveway during AT&T events per Item A.	Considered complete upon Infrastructure developer and SFMTA entering into Event Mitigation Agreement.

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	event staff.	through the life of project.		
F. The site's transportation coordinator shall be a member of the Mission Bay Ballpark Transportation Coordination Committee and provide notification prior to the start of any on-site event that would overlap with an event at AT&T Park or the Warriors arena.	Infrastructure developer and/or garage operator SFMTA, Planning Department, Transportation Coordinator, onsite transportation staff, parking garage management staff, event staff.	Enter into Event Mitigation Agreement prior opening of the Block D2 parking garage. With commencement of construction, and on-going through life of the project.	Infrastructure developer and/or garage operator to enter into Event Management Agreement with SFMTA, who should provide for implementation of all of these items, as well as closure of the westernmost driveway during AT&T events per Item A.	Upon infrastructure developer and SFMTA entering into Event Mitigation Agreement and ongoing during project operations.
G. Traffic destined for the proposed project's parking garages will be monitored by the owner/operator during all AT&T Park events and on-site events with 15,000 or more attendees, and periodically during weekday a.m. and p.m. peak hours, to ensure that garage access queues do not affect operations of the T Third transit line. Action will be taken by the Mission Rock Transportation Coordinator, onsite transportation staff, parking garage management staff, event staff, and/or PCOs assigned to event traffic management to implement real-time traffic management strategies (i.e., alternative traffic routing, temporal parking pricing, enhanced garage driveway controls, etc.) to reduce vehicle garage access queues so they do not affect operations of the T Third line.	Infrastructure developer and/or garage operator SFMTA, Planning Department, Transportation Coordinator, onsite transportation staff, parking garage management staff, event staff.	Enter into Event Mitigation Agreement prior opening of the Block D2 parking garage. With commencement of construction, and on-going through life of the project; the weekday (non-event) AM and PM peak-hour monitoring shall be conducted quarterly on a Tuesday, Wednesday, or Thursday of a	Infrastructure developer and/or garage operator to enter into Event Management Agreement with SFMTA, who should provide for implementation of all of these items, as well as closure of the westernmost driveway during AT&T events per Item A.	Upon Infrastructure developer and SFMTA entering into Event Mitigation Agreement and ongoing during project operations.

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11. If the SFMTA Director, or his or her designee, receives information that a recurring queue that could affect the operation of the T Third line is imminent or present, SFMTA shall notify the property owner in writing. Upon request, the owner/operator shall hire a qualified transportation consultant to evaluate the conditions at the site for no less than 7 days. The consultant shall prepare a monitoring report to be submitted to SFMTA for review. If SFMTA determines that a recurring queue does exist, the facility owner/operator shall have 45 days from the date of the written determination to abate the excessive recurring queue. Approaches to queue abatement could include but are not limited to: changing parking access and revenue collection system (PARCS) technology to process vehicles more rapidly, adjusting the layout of the garage's ground floor to accommodate more queuing vehicles within the garage, implementing peak-period surge pricing to encourage garage access and egress outside of times with recurrent excessive queues; installing additional variable message signage further upstream from the site to direct drivers to garage access routes away from affected intersections; and/or closing, limiting or controlling Mission Rock Street access from Third Street during times with excessive recurrent queuing and redirecting garage-bound traffic to Terry A. Francois Boulevard.	Infrastructure developer and/or garage operator vertical, SFMTA, Planning Department, Transportation Coordinator, onsite transportation staff, parking garage management staff, event staff.	non-holiday week.  As may be requested during operations, per written notification by SFMTA  With commencement of operation of the Block D2 garage and on-going through the life of the project. If analysis is requested, the analysis shall be conducted during a period that is representative of standard traffic patterns, e.g. on week that does not contain a holiday, is not during winter break, or off-season, etc. The analysis period chosen by the infrastructure developer/garage operator and consultants must be approved by the SFMTA.	SFMTA.	Ongoing during project operations after opening of Block D2 garage.



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<b>M-TR-9: Install Traffic Signals and Related Intersection Improvements at Unsignalized Intersections on Fourth Street at Mission Rock Street and Long Bridge Street.</b> Prior to issuance of approval of the third building site permit, but in no event later than the site permit for the Block D2 parking garage, the project sponsor shall provide funding to SFMTA, for a maximum amount of \$1 million for SFMTA to design and construct (1) a traffic signal at the intersection of Fourth Street/Long Bridge Street and (2) a traffic signal at the intersection of Fourth Street/Mission Rock Street. These improvements should be constructed by SFMTA prior to opening of the Block D2 parking garage.	Infrastructure developer. SFMTA.	Payment to SFMTA: Prior to issuance of approval of the third building site permit, but in no event later than the site permit for the Block D2 parking garage. Installation of traffic signals: Prior to opening of the Block D2 parking garage.	SFMTA.	Infrastructure developer's obligations deemed complete once payment is made. SFMTA's obligations deemed complete once traffic signals are constructed.
<b>M-TR-10: Bicycle-Truck Interface at Pier 48.</b> The project shall construct a highly visible crossing treatment across the driveway as well as bollards and detectable warning pavers that satisfy ADA requirements at the Pier 48 driveway's beginning and end locations along the Blue Greenway path to warn cyclists and pedestrians of the upcoming driveway crossing.	Pier 48 developer.	Prior to occupancy of Pier 48.	Planning Department will monitor.	Considered complete when crossing treatment is constructed.
The project shall provide a traffic control staff at the junction of the Blue Greenway and the driveway to the Pier 48 valley during deliveries to manage bicycle and truck traffic. A flagger shall be provided to manage bicycle and pedestrian travel along the Blue Greenway at the Pier 48 valley driveway whenever trucks back into Pier 48.	Pier 48 developer.	During deliveries.	Pier 48 developer to document arrangement for traffic control staff to manage traffic during deliveries. Planning Department to review documentation.	Ongoing during deliveries.

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<p><b>M-TR-11.1: Commercial Loading Supply – Monitor Loading Activity and Implement Additional Loading Management Strategies as Needed.</b></p> <p>After completion of the first phase of the proposed project and prior to approval of each subsequent phase, the project sponsor shall conduct a study of utilization of commercial loading spaces. The methodology for the study shall be reviewed and approved by the Planning Department prior to completion. 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 sponsor shall implement additional loading management strategies and/or provide additional or expanded off-street loading supply sufficient to meet the loading demand in subsequent phases of the project in either the garages or in off-street parking in individual buildings, consistent with the proposed project's design intent. Additional loading strategies could include (but are not limited to): expanding efforts to coordinate with parcel delivery companies to schedule deliveries to the site during hours outside the peak hour of loading; installing parcel lock boxes that allow parcel delivery personnel unsupervised access to enable off-hour deliveries; coordinating delivery services across buildings to enable the delivery of several buildings' packages to a single location; and/or encouraging deliveries to the retail and restaurant components of the projects to happen during early morning or late evening hours. The project sponsor may also address a shortfall by reserving parking spaces for smaller delivery vehicles such as autos or vans, which comprise approximately two-thirds of the vehicle types for freight delivery service, on the ground floor of the Block D2 garage during peak or appropriate business hours for small-vehicle deliveries and, in connection therewith, providing hand trucks, bicycles, or electric wheeled carts for distribution of packages to buildings throughout the site.</p> <p>If plans for individual buildings include a driveway to off-street loading or parking (maximum 10 off-street spaces) along a frontage that has a designated on-street loading zone, an equivalent amount or level of off-street loading space shall be provided to effectively replace the lost on-street loading area.</p>	Infrastructure developer, vertical developer(s) or garage operators (as applicable).	Study completion: after completion of the first phase of the proposed project and prior to approval of each subsequent phase. If additional loading management strategies ongoing in subsequent phases are needed: after completion of each phase for which additional strategies are applicable.	Planning Department, in consultation with the SFMTA, will review and approve methodology of utilization study. Infrastructure developer, vertical developer(s), and garage operators (as applicable) will provide report to Planning Department on implementation of additional loading management strategies, if required.	Considered complete for each phase after Planning Department staff reviews and approves the study, in consultation with the SFMTA, and, if deemed necessary, the infrastructure developer, vertical developer(s), and garage operators (as applicable) incorporate provides a report of how it incorporated any additional management strategies for loading into each applicable phase.

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<p><b>M-TR-11.2: Coordinate Deliveries and Tenant Moving Activities.</b></p> <p>The project's transportation coordinator and in-building concierges shall coordinate with building tenants and delivery services to minimize deliveries and moving activities during peak periods, and endeavor to spread deliveries across the full day and moving activities to time periods after regular working hours, thereby reducing activity during the peak hour for loading. Although many deliveries cannot be limited to specific hours, the transportation coordinator and in-building concierges shall work with tenants to find opportunities to consolidate deliveries and reduce the need for peak-period deliveries, wherever possible.</p>	Project Transportation Coordinator and vertical developer(s).	Ongoing.	Planning Department will monitor.	On-going during project operations.
<p><b>M-C-TR-4: Provide Fair-Share Contribution to Improve 10 Townsend Line Capacity Proposed Project.</b></p> <p>Upon completion and occupancy of Phase 1 and upon completion and occupancy of each subsequent phase of the proposed project as defined in the Disposition and Development Agreement, the project sponsor shall fund a transit capacity study to be reviewed and approved by the SFMTA. The project sponsor shall obtain from SFMTA the current ridership on the 10 Townsend and conduct an assessment of the capacity utilization at the screenline's Maximum Load Point (MLP) for weekday AM and PM peak hour conditions.</p> <p>If the capacity utilization exceeds 85 percent, a fair share payment shall be made to SFMTA by the project sponsor, calculated as further provided in a Transit Mitigation Agreement. Such payment shall be calculated in light of the project's progress towards one or the other of the development scenario (i.e. High Commercial or High Residential) as reflected by all phases of the project that have been completed up to such date. The fair share contributions by phase differ by scenario because the number of transit riders varies due to different mixes of land use.</p> <p>If the capacity utilization based on SFMTA's ridership data is less than 85 percent, then the project sponsor's fair share payment for that phase shall be \$0 and the process will repeat at the next subsequent phase. Each subsequent fair share calculation shall take account of amounts paid for prior phases, to ensure that payments are not duplicative for the same transit rider impacts.</p>	Infrastructure developer and/or vertical developer(s), Transportation Coordinator, and SFMTA.	Prior to issuance of certificate of occupancy of Phase 1 of the proposed project, enter into Transit Mitigation Agreement. Upon issuance of a certificate of occupancy for each phase of development as defined in the Development Agreement, SFMTA to provide ridership data and assess capacity utilization and, if capacity utilization exceeds 85 percent, the infrastructure developer/vertical developer(s) would pay fair share contribution fees as	Infrastructure developer and/or vertical developer(s) and Transportation Coordinator to obtain current ridership on the 10 Townsend from SFMTA and conduct an assessment of the capacity utilization associated with the project as described in the measure. If the capacity utilization of the 10 Townsend line at its maximum load point exceeds 85 percent as measured at the completion of any individual project phase, and the SFMTA has committed to implement M-C-TR-4, the infrastructure developers shall provide the fair share contribution subject to the limits stated in M-C-TR-3 to capital costs for SFMTA to implement one of the designated capacity enhancement measures.	Considered complete upon execution of Transit Mitigation Agreement for each phase of development, for which this measure is determined to be necessary.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
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<p>The project sponsor shall enter into a Transit Mitigation Agreement with the SFMTA under which the agreement shall provide for the project sponsor to make a fair share contribution to the cost of providing additional bus service or improving service on the 10 Townsend by paying a fee. The fair share contribution as documented in the Transportation Impact Study from the proposed project shall not exceed the following amounts, in total across all phases:</p> <ul style="list-style-type: none"> <li>a. \$391,179 for High Commercial</li> <li>b. \$324,595 for High Residential</li> </ul> <p>SFMTA may determine that other measures to increase capacity along the route would be more desirable than adding buses and may use the funds provided by the project sponsor to implement these other measures, which include but are not limited to the following measures:</p> <ol style="list-style-type: none"> <li>1. Convert to using higher-capacity vehicles on the 10 Townsend route. In this case, the project sponsor's fair share contribution may be utilized 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 be extended by removing one or more parking spaces at locations where appropriate space is available.</li> <li>2. Instead of adding more buses to a congested route, it would be more desirable to increase travel speeds along the route which would allow for buses to move faster thus increasing efficiency and reliability. In this case, the project sponsor's fair share contribution may 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 enough to increase capacity along the bus route. Such improvements could include transit only lanes, transit signal priority, and transit boarding improvements.</li> <li>3. Another option to increase capacity along the corridor is to add a new Muni service route in this area. If this option is selected, the project sponsor's fair share contribution may fund the purchase of the new vehicles.</li> </ol>		specified in this measure, which would be used by SFMTA to increase capacity.		

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<i>Noise and Vibration Mitigation Measures</i>				
<p><b>M-NOI-1: Prepare and Implement a Construction Noise Control Plan to Reduce Construction Noise at Noise-Sensitive Land Uses.</b></p> <p>The project sponsor shall develop a noise control plan that requires the following:</p> <ul style="list-style-type: none"> <li>Construction contractors shall specify noise-reducing construction practices that will be employed to reduce construction noise from construction activities. The measures specified by the project sponsor shall be reviewed and approved by the City prior to the issuance of building permits. Measures that can be used to limit noise include, but are not limited to, those listed below. <ul style="list-style-type: none"> <li>Locate construction equipment as far as feasible from noise-sensitive uses.</li> <li>Require that all construction equipment powered by gasoline or diesel engines have sound control devices that are at least as effective as those originally provided by the manufacturer and that all equipment be operated and maintained to minimize noise generation.</li> <li>Idling of inactive construction equipment for prolonged periods shall be prohibited (i.e., more than 5 minutes).</li> <li>Prohibit gasoline or diesel engines from having unmuffled exhaust systems.</li> <li>Use noise-reducing enclosures around noise-generating equipment that has the potential to disturb nearby land uses.</li> <li>Ensure that equipment and trucks used for project construction utilize the best available noise control techniques (e.g., improved mufflers, equipment redesign, intake silencers, ducts, engine enclosures, acoustically attenuating shields or shrouds) wherever feasible.</li> <li>Monitor the effectiveness of noise attenuation measures by taking noise measurements. A plan for noise monitoring shall be provided to the City for review prior to the commencement of each construction phase.</li> </ul> </li> </ul>	Infrastructure developer and/or vertical developer(s) (as applicable).	Prior to the issuance of building permits; implementation ongoing during construction.	Infrastructure developer or vertical developer(s) (as applicable) to submit the Construction Noise Control Plan to the Port's Building Permit Group. <sup>4</sup> A single Noise Control Plan or multiple Noise Control Plans may be produced to address project phasing.	Considered complete upon submittal of the Construction Noise Control Plan to the Port's Building Permit Group.

<sup>4</sup> The Port may designate another agency, such as the Planning Department, to carry out monitoring and reporting, and any reference to Port responsibilities includes such designated agencies.

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<ul style="list-style-type: none"> <li>Impact tools (e.g., jack hammers, pavement breakers, rock drills) used for project construction shall be "quiet" gasoline-powered compressors or electrically powered compressors, and electric rather than gasoline- or diesel-powered engines shall be used to avoid noise associated with compressed air exhaust from pneumatically powered tools. However, where the use of pneumatic tools is unavoidable, an exhaust muffler on the compressed air exhaust shall be used; this muffler can lower noise levels from the exhaust by up to about 10 dBA. External jackets on the tools themselves shall be used; which could achieve a reduction of 5 dBA. Quieter equipment shall be used when feasible, such as drills rather than impact equipment.</li> <li>Construction contractors shall be required to use "quiet" gasoline-powered compressors or electrically powered compressors and electric rather than gasoline- or diesel-powered forklifts for small lifting.</li> <li>Stationary noise sources, such as temporary generators, shall be located as far from nearby receptors as possible; they shall be muffled and enclosed within temporary enclosures and shielded by barriers, which could reduce construction noise by as much as 5 dB, or other measures, to the extent feasible.</li> </ul>				
<ul style="list-style-type: none"> <li>Prior to the issuance of the building permit, along with the submission of construction documents, the project sponsor shall submit to the Planning Department and Department of Building Inspection a list of measures for responding to and tracking complaints pertaining to construction noise. These measures shall include: <ul style="list-style-type: none"> <li>Identification of measures that will be implemented to control construction noise.</li> <li>A procedure and phone numbers for notifying the Department of Building Inspection, the Department of Public Health, or the Police Department of complaints (during regular construction hours and off hours).</li> <li>A sign posted onsite describing noise complaint procedures and a complaint hotline number that shall be answered at all times during construction.</li> <li>Designation of an onsite construction complaint and enforcement manager for the project.</li> </ul> </li> </ul>	Infrastructure developer and/or vertical developer(s) (as applicable).	Prior to the issuance of each building permit for duration of the project.	Infrastructure developer and/or vertical developer(s) (as applicable) to submit a list of measures for handling noise complaints to the Planning Department and Department of Building Inspection.	Considered complete upon review and approval of the complaint tracking measures by the Planning Department and Department of Building Inspection.

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<ul style="list-style-type: none"> <li>A plan for notification of neighboring residents and nonresidential building managers within 300 feet of the project construction area at least 30 days in advance of extreme noise-generating activities (defined as activities that generate noise levels of 90 dBA or greater) about the estimated duration of the activity and the associated control measures that will be implemented to reduce noise levels.</li> </ul>				
<p><b>Mitigation Measure M-NOI-2.1: Noise Control Plan for Special Outdoor Amplified Sound.</b></p> <p>To reduce potential impacts related to noise generated by events in project outdoor use areas, the project sponsor 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 sponsor shall comply with noise controls and restrictions in applicable entertainment permit requirements for outdoor concerts, and shall comply with the Port of San Francisco's "Good Neighbor" standards, unless the Port Commission makes a specific finding that a particular condition is unnecessary or infeasible.</li> <li>Speaker systems shall be directed away from the nearest sensitive receptors to the degree feasible.</li> <li>In order to limit or prevent sleep disturbance, events with amplified sound shall, to the extent reasonable and appropriate given the nature and context of the event, end at 10:00 p.m.</li> </ul>	Infrastructure developer and/or park manager, the Port, parks management entity and/or parks programming entity.	Prior to the issuance of event permit.	Infrastructure developer and/or park manager, the Port, parks management entity and/or parks programming entity to submit the Noise Control Plan to the Port.	Considered complete upon submission and approval of the Noise Control Plan by the Port, although the Noise Control Plan may be adjusted as needed.
<p><b>Mitigation Measure M-NOI-2.2: Stationary Equipment Noise Controls.</b></p> <p>Noise attenuation measures shall be incorporated into all stationary equipment (including HVAC equipment and emergency generators) installed on all buildings that include such stationary equipment as necessary to meet noise limits specified in Section 2909 of the Police Code. Interior 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 residential uses, and restriction of generator testing to the daytime hours.</p>	Vertical developer(s).	Prior to the issuance of certificate of occupancy for each building located on the site.	The Port's Building Permit Group to review construction plans regarding noise attenuation measures for stationary equipment.	Considered complete after submittal and approval of plans including noise attenuation measures by the Port's Building Permit Group.

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<p><b>Mitigation Measure M-NOI-2.3: Design of Future Noise-Sensitive Uses.</b> Prior to issuance of a building permit for a residential building on Mission Rock Boulevard between Terry A. Francois Boulevard and Third Street, a noise study shall be conducted by a qualified acoustician to 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 the projected increase in traffic noise as a result of project traffic along Mission Rock Boulevard between Terry A. Francois Boulevard and Third Street and 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>	Vertical developer(s) and qualified acoustician.	Prior to the issuance of the building permit for vertical construction of any residential building on each parcel on Mission Rock Boulevard between Terry A. Francois Boulevard and Third Street.	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.
<p><b>Mitigation Measure M-NOI-2.4: Design of Future Noise-Generating Uses near Residential Uses.</b> Future land uses shall be designed to minimize the potential for sleep disturbance (defined as exceeding 45 dBA at residential interiors during the hours of 10 p.m. to 7 a.m.) at any future adjacent residential uses. Design approaches including, but not limited to, the following shall 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>Design of Future Noise-Generating Uses. To reduce potential conflicts between sensitive receptors and new noise-generating land 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 (e.g., residences). If this is not feasible, these types of facilities shall be enclosed or equipped with appropriate noise shielding.</li> <li>Design of Future Above-Ground Parking Structure on Block D2. For parking garage on Block D2, 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>	Garage developer (for Block D2 garage) and vertical developer(s) (for commercial/office buildings).	Prior to the issuance of a building permit for each commercial/office building, and prior to issuance of building permit for Block D2 parking garage.	The Port's Building Permit Group to review construction plans to confirm that future noise-generating land uses meet the requirements of this Measure M-NOI-2.4.	Considered complete after submittal and approval of construction plans by the Port's Building Permit Group.



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<p><b>M-NOI-3.1: Pile-Driving Control Measures – Annoyance.</b></p> <p>To reduce impacts associated with pile driving, a set of site-specific vibration attenuation measures shall be implemented under the supervision of a qualified acoustical consultant during the project construction period. These attenuation measures shall include as feasible, in consideration of technical and structural requirements and conditions, the following control strategy, as well as any other effective strategies to the extent necessary to achieve a PPV vibration level at neighboring properties of less than the strongly perceptible level of 0.10 in/sec.</p> <p>The project sponsor shall require the construction contractor to limit pile-driving activity so that the PPV vibration level at neighboring uses is less than 0.10 in/sec to the extent it is practical and necessary, and, to the extent it is practical, implement "quiet" pile-driving technology, such as predrilling piles, using sonic pile drivers, or using more than one pile driver to shorten the total duration of pile driving.</p>	Infrastructure developer and/or vertical developer(s) (as applicable), qualified acoustical consultant.	Prior to issuance of building permit for each proposed building.	Infrastructure developer or vertical developer(s) (as applicable) to submit the Construction Noise Control Plan (detailed in M-NOI-1) to the Port's Building Permit Group documenting site-specific vibration attenuation measures. A single Noise Control Plan or multiple Noise Control Plans may be produced to address project phasing.	Considered complete upon submittal and approval of the Construction Noise Control Plan (including vibration attenuation measures) to the Port's Building Permit Group.
<p><b>M-NOI-3.2: Pile-Driving Vibration Control Measures – Damage.</b></p> <p>To reduce the potential for damage to Pier 48, the following measures shall be implemented:</p> <ul style="list-style-type: none"> <li>The Port of San Francisco shall be notified in writing prior to construction activity that construction may occur within 100 feet of the Pier 48 buildings.</li> <li>The project sponsor shall retain a structural engineer, an architectural historian, and a licensed historical architect (hereafter referred to as the building evaluation team) to evaluate potentially affected buildings and determine their susceptibility to damage. The structural engineer shall evaluate the building structure. The architectural historian and licensed historical architect shall evaluate architectural elements. This building evaluation team shall then establish building-specific vibration thresholds that will (a) identify the level of vibration affected historic buildings will tolerate so as to preclude structural damage to the building of a nature that would result in material damage to any historic features of the buildings, and (b) identify the level of vibration at which cosmetic damage may begin to occur to buildings.</li> <li>The building evaluation team shall inventory and document existing cracks in paint, plaster, concrete, and other building elements.</li> </ul>	Infrastructure developer and/or vertical developer(s) (as applicable), building evaluation team.	Prior to construction activities adjacent to Pier 48.	Infrastructure developer or vertical developer(s) (as applicable) to submit proposed building-specific vibration thresholds with input from structural engineer, architectural historian, and historic architect: an inventory of the condition of Pier 48; a vibration monitoring plan; and results of the inspection following construction activities to the Port's Building Permit Group for review and approval.	Considered complete upon submittal and approval of documentation incorporating identified measures by the Port's Building Permit Group.

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<ul style="list-style-type: none"> <li>The building evaluation team shall develop a ground-borne vibration monitoring plan that will include monitoring vibration at the buildings of concern to determine if the established thresholds are exceeded.</li> <li>The project sponsor shall retain a qualified acoustical consultant or engineering firm to implement the vibration monitoring plan at Pier 48. As part of the monitoring plan, the consultant shall conduct regular periodic inspections for cosmetic damage to each building within 160 feet of planned ground-disturbing activity on the project site.</li> <li>Should vibration levels be observed in excess of the cosmetic damage threshold or cosmetic damage be observed below that level, the driving of piles within 100 feet of the Pier 48 structure (or within the impact distance determined by the study of building-specific vibration thresholds, per second bullet above, whichever distance is shorter) shall be halted until measures are implemented to prevent cosmetic damage to the extent feasible. These measures include use of alternative construction techniques, including, but not limited to, use of pre-drilled piles if soil conditions allow, use of smaller, lighter equipment, using vibratory hammers in place of impact hammers, and using pile cushioning or equipping the impact hammer with wooden cushion blocks to increase the period of time over which the energy from the driver is imparted to the pile. Should cosmetic damage to a building occur as a result of ground-disturbing activity on the site notwithstanding the use of alternative construction techniques, the building(s) shall be remediated to its pre-construction condition at the conclusion of ground-disturbing activity on the site.</li> <li>Should vibration levels be observed that reach the threshold designed to protect historic buildings from material damage to historic features, pile-driving within impact distances of the Pier 48 building, as determined by the building evaluation team, shall be halted and a structural bracing program or other appropriate protective measures for the potentially affected buildings shall be designed by the building evaluation team and implemented by the project sponsor. The structural bracing program or other protective measures shall be designed to prevent damage to the potentially affected buildings that could materially impair their historic resource status consistent with CEQA Guidelines Section 15064.5(b)(2).</li> </ul>				

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<p>In addition, the structural bracing program shall be consistent with the proposed rehabilitation of the Pier 48 buildings and meet the Secretary of the Interior's Standards for Rehabilitation.</p> <p>Following completion of construction, the project sponsor shall conduct a second inspection to inventory changes in existing cracks and new cracks or damage, if any, that occurred as a result of pile driving. If new damage is found, then the project sponsor shall promptly arrange to have the damage repaired in accordance with recommendations made by the building evaluation team.</p>				
<b>Air Quality Mitigation Measures</b>				
<p><b>Mitigation Measure M-AQ-1.1: Off-Road Construction Equipment Emissions Minimization.</b></p> <p>The project sponsor shall require all construction contractors to implement the following measures to reduce construction emissions.</p> <p><b>A. Engine Requirements</b></p> <ol style="list-style-type: none"> <li>1. All off-road equipment greater than 25 horsepower and operating for more than 20 total hours over the entire duration of construction activities shall have engines that meet or exceed either USEPA or ARB Tier 4 Interim off-road emissions standards. Tier 4 final equipment, which may be largely available in the Bay Area, may be used to comply with this requirement (since Tier 4 final engines must comply with a stricter standard than Tier 4 interim engines, Tier 4 final engines meet Tier 4 interim standards and thus comply with this requirement).</li> <li>2. Where access to alternative sources of power are available, portable diesel engines shall be prohibited.</li> <li>3. Diesel engines, whether for off-road or on-road equipment, shall not be left idling for more than 2 minutes at any location, except as provided in exceptions to the applicable state regulations regarding idling for off-road and on-road equipment (e.g., traffic conditions, safe operating conditions). The contractor shall post legible and visible signs in English, Spanish, and Chinese in designated queuing areas and at the construction site to remind operators of the 2-minute idling limit.</li> </ol>	Infrastructure developer and/or vertical developer(s) (as applicable).	<p>Prepare and Implement Construction Emissions Minimization Plan: Prior to issuance of grading, excavation, or demolition permits and ongoing during demolition and construction activities.</p> <p>Quarterly Monitoring Reports: Quarterly after start of construction activities.</p> <p>Final Construction Report: After completion of construction activities but prior to receiving a final certificate of occupancy.</p>	Infrastructure developer and/or vertical developer(s) (as applicable) or contractor to submit a Construction Emissions Minimization Plan to Port staff for review and approval. Quarterly reports to be submitted to Port staff documenting compliance with the plan for review and approval. Final Construction Report to be submitted to Port staff for review and approval.	Considered complete upon Port review and approval of Construction Emissions Minimization Plan, ongoing review and approval of quarterly reports, and review and approval of final construction report.

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<p>4. The contractor shall instruct construction workers and equipment operators regarding the maintenance and tuning of construction equipment and require that such workers and operators properly maintain and tune equipment in accordance with manufacturers' specifications.</p> <p>B. Waivers</p> <p>1. The Planning Department's Environmental Review Officer (ERO) or designee may waive the requirement for an alternative source of power from Subsection (A)(2) if an alternative source of power is limited or infeasible at the project site. If the ERO grants the waiver, the contractor must submit documentation that the equipment used for onsite power generation meets the requirements of Subsection (A)(1).</p> <p>2. The ERO may waive the equipment requirements of Subsection (A)(1) if use of a particular piece of off-road equipment with a Tier 4 interim-compliant engine is not feasible or reasonable, the equipment would not produce the desired emissions reductions because of the expected operating modes, installation of the equipment would create a safety hazard or impair visibility for the operator, or there is a compelling emergency that requires use of off-road equipment that is not Tier 4 interim-compliant. If seeking an exception, the project sponsor shall demonstrate to the ERO's satisfaction that the resulting construction emissions would not exceed the health risk thresholds of significance for cancer risk and PM2.5 concentrations with respect to sensitive receptors, as identified within the EIR under Impact AQ-4. If the ERO grants the waiver, the contractor must use the next-cleanest piece of available off-road equipment, according to the table below.</p> <p>3. Off-road Equipment Compliance Step-down Schedule</p> <table><tr><th>Compliance Alternative</th><th>Engine Emissions Standard</th><th>Emissions Control</th></tr><tr><td>1</td><td>Tier 3</td><td>ARB Level 2 VDECS</td></tr><tr><td>2</td><td>Tier 2</td><td>Alternative Fuel*</td></tr></table> <p>VDECS = Verified Diesel Emissions Control Strategies</p> <p>* Alternative fuels are not a VDECS.</p>	Compliance Alternative	Engine Emissions Standard	Emissions Control	1	Tier 3	ARB Level 2 VDECS	2	Tier 2	Alternative Fuel*				
Compliance Alternative	Engine Emissions Standard	Emissions Control											
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<p>4. How to use the table: If the ERO determines that the equipment requirements cannot be met, then the project sponsor must attempt to meet Compliance Alternative 1. If the ERO determines that the contractor cannot supply off-road equipment that meets Compliance Alternative 1, then the contractor must meet Compliance Alternative 2.</p> <p>C. Construction Emissions Minimization Plan</p> <p>Before starting onsite construction activities, the contractor shall submit a Construction Emissions Minimization Plan to the ERO for review and approval. The plan shall state, in reasonable detail, how the contractor shall meet the requirements of Section A.</p> <ol style="list-style-type: none"> <li>1. The plan shall include estimates of the construction timeline by phase, with a description of each piece of off-road equipment required for every construction phase. The description may include, as such information is available, but is 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 VDECS installed, the description may include technology type, serial number, make, model, manufacturer, ARB verification number level, and installation date and hour meter reading on installation date. For off-road equipment using alternative fuels, the description shall also specify the type of alternative fuel being used. Renewable diesel shall be considered an alternative fuel if it can be demonstrated to the Planning Department or the City's air quality specialists that it is compatible with tiered engines and that emissions of ROG and NOx from the transport of fuel to the project site will not offset its NOx reduction potential.</li> <li>2. The project sponsor shall ensure that all applicable requirements of the plan have been incorporated into the contract specifications. The plan shall include a certification statement, stating that the contractor agrees to comply fully with the plan.</li> <li>3. The contractor shall make the plan available to the public for review onsite during working hours. The contractor shall post at the construction site a legible and visible sign summarizing the plan. The sign shall also state that the public may ask to inspect the plan for the project at any time during working hours and explain how to request</li> </ol>				

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<p>to inspect the plan. The contractor shall post at least one copy of the sign in a visible location on each side of the construction site facing a public right of way.</p> <p>D. Monitoring</p> <p>After start of construction activities, the contractor shall submit quarterly reports to the ERO, documenting compliance with the plan. After completion of construction activities but prior to receiving a final certificate of occupancy, the project sponsor shall submit to the ERO a final report, summarizing construction activities, including the start and end dates, the duration of each construction phase, and the specific information required in the plan.</p>				
<p><b>Mitigation Measure M-AQ-1.2: On-Road Material Delivery and Haul Trucks Construction Emissions Minimization.</b></p> <p>The project sponsor shall require all construction contractors to implement the following measures to reduce construction haul truck emissions.</p> <p>A. Engine Requirements</p> <ol style="list-style-type: none"> <li>1. The project sponsor shall also ensure that all on-road heavy-duty diesel trucks with a gross vehicle weight rating of 19,500 pounds or greater used at the project site (such as haul trucks, water trucks, dump trucks, and concrete trucks) be model year 2010 or newer.</li> </ol> <p>B. Construction Emissions Minimization Plan</p> <p>As part of the <i>Construction Emissions Minimization Plan</i> identified above for Mitigation Measure M-AQ-1.1 Section C, the contractor shall state, in reasonable detail, how the contractor shall meet the requirements of Section A.</p> <ol style="list-style-type: none"> <li>1. The plan shall include estimates of the construction timeline by phase, with a description of how the on-road haul truck fleet required for every construction phase will comply with the engine requirements stated above. The plan shall also include expected fuel usage (or miles traveled) and hours of operation for the on-road haul truck fleet. For on-road trucks using alternative fuels, the description shall also specify the type of alternative fuel being used. Renewable diesel shall be considered as an alternative fuel if it can be demonstrated to the Planning Department or the City's air quality specialists that it is compatible with on-road truck engines and that emissions of ROG and NOx from transport of fuel to the project site will not offset its NOx reduction potential.</li> </ol>	Infrastructure developer and/or vertical developer(s) (as applicable).	Prepare and Implement Construction Emissions Minimization Plan including engine requirements: Prior to issuance of a grading, excavation, or demolition permits and ongoing during demolition and construction activities. Quarterly Monitoring Reports: Quarterly after start of construction activities. Final Construction Report: After completion of construction	Infrastructure developer and/or vertical developer(s) (as applicable) or contractor to submit a Construction Emissions Minimization Plan including engine requirements to Port staff for review and approval. Quarterly reports to be submitted to Port staff documenting compliance with the plan for review and approval. Final Construction Report to be submitted to Port staff for review and approval.	Considered complete upon Port review and approval of Construction Emissions Minimization Plan, ongoing review and approval of quarterly reports, and review and approval of final construction report.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
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<ul style="list-style-type: none"> <li>a. See Mitigation Measure M-AQ-1.1 Section C, Part 2.</li> <li>b. See Mitigation Measure M-AQ-1.1 Section C, Part 3.</li> </ul> <p>C. Monitoring See Mitigation Measure M-AQ-1.1 Section D.</p>		activities but prior to receiving a final certificate of occupancy.		
<p><b>Mitigation Measure M-AQ-1.3: Low-VOC Architectural Coatings.</b> The project sponsor shall use low-VOC (i.e., ROG) coatings, beyond local requirements (i.e., Regulation 8, Rule 3: Architectural Coatings), for at least 90 percent of all residential and nonresidential interior and exterior paints. This includes all architectural coatings applied during both construction and reapplications throughout the project's operational lifetime. At least 90 percent of coatings applied must meet the "super-compliant" VOC standard of less than 10 grams of VOC per liter of paint. After start of construction activities, the contractor shall submit quarterly reports to the ERO documenting compliance with this measure by providing an inventory listing the VOC content of all coatings purchased and applied during construction activities. For the reapplication of coatings during the project's operational lifetime, the Declaration of Covenants, Conditions, and Restrictions shall also contain a stipulation that low-VOC coatings must be used and a list of potential coatings shall be provided. A list of "super-compliant" coatings can be found on the South Coast Air Quality Management District's website: <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>.</p>	Vertical developer(s).	At the start of construction activities and quarterly during construction and the project's operational lifetime.	Vertical developer(s) to submit initial report and quarterly reports to the Port's Building Permit Group documenting compliance for review and approval.	Ongoing throughout construction and operation.
<p><b>Mitigation Measure M-AQ-1.4: Best Available Control Technology for In-Water Construction Equipment.</b> The project sponsor shall require all construction contractors to implement the following measures to reduce emissions from in-water equipment.</p> <p>A. Engine Requirements</p> <ol style="list-style-type: none"> <li>The project sponsor shall ensure that the construction barge shall have engines that meet or exceed USEPA marine engine Tier 3 emissions standards.</li> <li>The project sponsor shall also ensure that the construction work boat engine shall be model year 2005 or newer or meet NOx and PM emissions standards for that model year.</li> </ol>	Pier 48 developer.	Prepare and Implement Construction Emissions Minimization Plan including barge and work boat engine requirements: Prior to issuance of a grading, excavation, or demolition permits	Pier 48 developer or contractor to submit a Construction Emissions Minimization Plan including barge and work boat engine requirements to Port staff for review and approval. Quarterly reports to be submitted to Port staff documenting compliance with the plan for review and approval.	Considered complete upon Port review and approval of Construction Emissions Minimization Plan, ongoing review and approval of quarterly reports, and review and

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<p><b>B. Construction Emissions Minimization Plan</b> As part of the <i>Construction Emissions Minimization Plan</i> identified above for Mitigation Measure M-AQ-1.1 Section C, the contractor shall state, in reasonable detail, how the contractor shall meet the requirements of Section A.</p> <p>1. The plan shall include estimates of the construction timeline by phase, with a description of how each in-water equipment piece (e.g. barge engines, work boats) required for every construction phase will comply with the engine requirements stated above. The plan shall also include expected fuel usage and hours of operation for in-water equipment. For in-water equipment using alternative fuels, the description shall also specify the type of alternative fuel being used. Renewable diesel shall be considered as an alternative fuel if it can be demonstrated to the Planning Department or the City's air quality specialists that it is compatible with tiered engines and that emissions of ROG and NOx from transport of fuel to the project site will not offset its NOx reduction potential.</p> <p>a. See Mitigation Measure M-AQ-1.1 Section C, Part 2. b. See Mitigation Measure M-AQ-1.1 Section C, Part 3.</p> <p><b>C. Monitoring</b> See Mitigation Measure M-AQ-1.1 Section D.</p>		<p>and ongoing during demolition and construction activities.</p> <p>Quarterly Monitoring Reports: Quarterly after start of construction activities.</p> <p>Final Construction Report: After completion of construction activities but prior to receiving a final certificate of occupancy.</p>	<p>Final Construction Report to be submitted to Port staff for review and approval.</p>	<p>approval of final construction report.</p>
<p><b>Mitigation Measure M-AQ-1.5: Emissions Offsets for Construction and Operational Ozone Precursor Emissions.</b> Prior to the estimated first year of exceedance, the project sponsor, with oversight of the Planning Department, shall elect to either:</p> <p>1. Directly implement a specific offset project or program to achieve emission reductions of up to 9.6 tons of ozone precursors to offset the combined emissions from construction and operations remaining above significance levels after implementation of identified mitigation measures. To qualify under this mitigation measure, the specific emissions reduction project must result in emissions reductions within the STBAAB that are real, surplus, quantifiable, and enforceable and would not otherwise be achieved through compliance with existing regulatory requirements or any other legal requirement. Prior to implementation of the offset project, the project sponsor must obtain the</p>	Infrastructure developer.	<p>Implement a specific offset project or program:</p> <p>Prior to the estimated first year of exceedance, and notify the Port within 6 months of completion of the offset project.</p> <p>Mitigation Fee: Installment for each development block to be paid</p>	<p>Implementation of specific offset project or program: Port approval of proposed offset program. Port verification of successful completion of offset program.</p> <p>Mitigation Fee: Infrastructure developer, BAAQMD, and Port to determine fee. BAAQMD and infrastructure developer to develop and implement MOU.</p>	<p>Implementation of specific offset project or program: Complete upon Port's verification of successful completion of offset program.</p> <p>Mitigation Fee: Complete for each block upon payment of fee</p>



MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
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<p>Planning Department's approval of the proposed offset project by providing documentation of the estimated amount of emissions of ROG and NOx to be reduced (tons per year) within the SFBAAB from the emissions reduction project(s). The project sponsor shall notify the Planning Department within 6 months of completion of the offset project for Planning Department verification.</p> <p>2. Pay a mitigation offset fee to the BAAQMD Bay Area Clean Air Foundation (Foundation) in installments, as further described below, with each installment amount to be determined prior to the estimated first year of exceedance. This fee is intended to fund emissions reduction projects to achieve reductions totaling up to 10.5 tons of ozone precursors per year, the estimated maximum tonnage of operational and construction-related emissions offsets required to reduce emissions below significance levels after implementation of other identified mitigation measures. This total emissions offset amount was calculated by summing the maximum daily construction and operational emissions of ROG and NOx (pounds/day), multiplying by 260 work days per year for construction and 365 days per year for operation, and converting to tons. The amount represents the total estimated operational and construction-related ROG and NOx emissions offsets required.</p> <p>The fee shall be paid in up to 12 installments, each installment payable at the time of application for a site permit for each development block, representing the portion of the 10.5 tons of ozone precursors per year attributable to each building, as follows: (a) Blocks A, G, and K: 6.6% or 0.70 tons per each development block; (b) Pier 48: 18.6% or 1.95 tons; (c) Blocks B, C, and D: 9% or 0.95 tons per each development block; (d) Blocks E and F: 10.3% or 1.08 tons per each development block; and (e) Blocks H, I, and J: 4.6% or 0.49 tons per each development block. The mitigation offset fee, currently estimated at approximately \$18,262 per weighted ton, shall not exceed \$35,000 per weighted ton of ozone precursors plus an administrative fee of no more than 5 percent of the total offset to fund one or more emissions reduction projects within the SFBAAB. The not to exceed amount of \$35,000 will be adjusted to reflect annual California Consumer Price Index adjustments between 2017 and the estimated first year of exceedance. Documentation of payment shall be provided to the Planning Department.</p>		with site permit application for each block, if no specific project or program is identified. Enter into MOU with BAAQMD Foundation and pay offset fee in installments for each development block.		installment outlined in the MOU.

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Unless directly implementing a specific offset project (or program) as described above, the project sponsor would enter into a Memorandum of Understanding (MOU) with the BAAQMD Foundation in connection with each installment payment described above. The MOU will include details regarding the funds to be paid, the administrative fee, and the timing of the emissions reductions project. Acceptance of this fee by the BAAQMD shall serve as acknowledgment and a commitment to (1) implement an emissions reduction project(s) within a time frame to be determined, based on the type of project(s) selected, after receipt of the mitigation fee to achieve the emissions reduction objectives specified above and (2) provide documentation to the Planning Department and the project sponsor describing the project(s) funded by the mitigation fee, including the amount of emissions of ROG and NOx reduced (tons per year) within the SFBAAB from the emissions reduction project(s). To qualify under this mitigation measure, the specific emissions reduction project must result in emission reductions within the SFBAAB that are real, surplus, quantifiable, and enforceable and would not otherwise be achieved through compliance with existing regulatory requirements or any other legal requirement.				
<b>Mitigation Measure M-AQ-2.1: Best Available Control Technology for Operational Diesel Generators.</b> The project sponsor shall ensure that the operational backup diesel generators comply with the following: (1) ARB Airborne Toxic Control Measure (ATCM) emissions standards for model year 2008 or newer engines; and (2) meet or exceed one of the following emission standards for particulate matter: (A) Tier 4 interim certified engine or (B) Tier 2 or Tier 3 certified engine that is equipped with an ARB Level 3 VDECS. A nonverified diesel emissions control strategy may be used if the filter has the same particulate matter reduction as the identical ARB-verified model and BAAQMD approves of its use. The project sponsor shall submit documentation of compliance with the BAAQMD NSR permitting process (Regulation 2, Rule 2, and Regulation 2, Rule 5) and the emissions standard requirement of this measure to the Planning Department for review and approval prior to issuance of a permit for a backup diesel generator from any City agency.	Vertical developer(s).	Prior to issuance of permit for each backup diesel generator from BAAQMD.	Vertical developer(s) shall submit documentation of compliance to the Port for review and approval.	Considered complete upon review and approval of documentation by Port staff.

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<p><b>Mitigation Measure M-AQ-2.2: Reactive Organic Gases Emissions Reduction Measures.</b></p> <p>To reduce ROG emissions associated with the project, the project sponsor shall provide education for residential and commercial tenants to help reduce area source (e.g., architectural coatings, consumer products, and landscaping) emissions associated with residential and building operations. Prior to receipt of any building permit and every 5 years thereafter, the project sponsor shall work with the San Francisco Department of Environment to develop electronic correspondence, which will be distributed by email annually to tenants of the project that encourages the purchase of consumer products that are better for the environment and generate fewer VOC emissions. The correspondence shall encourage environmentally preferable purchasing and include contact information and links to SF APPROVED. While microbreweries do not typically implement emission control devices, to further reduce ROG (primarily ethanol) emissions associated with Pier 48 industrial operations, the project sponsor shall implement technologies to reduce ethanol emissions if available and practicable. Such measures could include wet scrubbers, ethanol recovery and capture (e.g., carbon absorption) or incineration. At the time when specific designs for the Pier 48 use are submitted to the City for approval, the project sponsor shall provide an analysis that quantifies the emissions, based on the specific design proposal, and evaluates ROG emission control technologies.</p>	Vertical developer(s).	Prior to issuance of any building permit and every 5 years thereafter.	Vertical developer(s) to work with the San Francisco Department of Environment to develop materials. San Francisco Department of the Environment to review and approve materials.	Considered complete after documentation provided to the Department of Environment of distribution of educational materials to residential and commercial tenants.
<p><b>Mitigation Measure M-AQ-2.3: Transportation Demand Management.</b></p> <p>The project sponsors shall prepare and implement a Transportation Demand Management (TDM) Plan. The TDM Plan shall have a goal of reducing estimated aggregate daily one-way vehicle trips by 20 percent compared to the aggregate daily one-way vehicle trips identified in the project's travel demand memo, prepared by Advant Consulting, dated June 30, 2015 ("Travel Demand Memo"), and attached as Appendix 4-4 to the Draft EIR. The project sponsors shall be responsible for monitoring implementation of the TDM Plan and proposing adjustments to the TDM Plan if its goal is not being achieved, in accordance with the following provisions.</p> <p>The TDM Plan may include, but is not limited to, the types of measures summarized below by way of example. TDM Plan measures shall generally be consistent with the City's adopted TDM Program Standards and the draft</p>	Transportation Coordinator and/or infrastructure developer to prepare the TDM Plan, which will be implemented by the Transportation Coordinator and will be binding on all development parcels.	Transportation Coordinator and/or Infrastructure developer to prepare TDM Plan and submit to Planning Department staff prior to approval of the project.	Transportation Coordinator to submit the TDM Plan to Planning Department staff for review and approval. Transportation Coordinator to submit monitoring report annually to Planning Department staff and implement TDM Plan Adjustments (if required).	The TDM Plan is considered complete upon approval by the Planning Department staff, in consultation with the SFMTA. Annual monitoring reports would be on-going during project buildout.

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<p>proposed TDM Plan prepared by Nelson Nygaard, dated September 2016, and attached as Appendix 4-5 to the Draft EIR. The TDM Plan describes the scope and applicability of candidate measures in detail, and may include, for example:</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 wayfinding signage, transportation information displays, and tailored transportation marketing services;</li> <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 describe each measure, including the degree of implementation (e.g., how long will it be in place, how many tenants or visitors it will benefit, on which locations within the site it will be placed, etc.) and the population that each measure is intended to serve (e.g., residential tenants, retail visitors, employees of tenants, visitors). The TDM Plan shall commit to monitoring vehicle trips to and from the project site to determine the TDM Plan's effectiveness, as required by TDM Plan Monitoring and Reporting outlined below.</p> <p>The TDM Plan shall have been approved by the Planning Department prior to site permit application for the first building and the TDM Plan shall be implemented as to each new building upon the issuance of the certificate of occupancy for that building.</p>				<p>or until five consecutive reporting periods show that the fully-built project has met its reduction goals, at which point reports would be submitted every three years.</p>

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<p>The TDM Plan shall remain a component of the proposed project to be implemented for the duration of the project.</p> <p><b>TDM Plan Monitoring and Reporting:</b> the Transportation Coordinator shall collect data, prepare monitoring reports and submit them to the Planning Department. To ensure the goal of reducing by 20 percent the aggregate daily one-way vehicle trips is reasonably achievable, the project sponsor shall monitor daily one-way vehicles trips for all buildings that have received a Certificate of Occupancy, and compare these vehicle trips to the aggregate daily one-way vehicle trips anticipated for the those buildings based on the trip generation rates contained within the proposed project Travel Demand Memo.</p> <ul style="list-style-type: none"> <li>• <b>Timing:</b> The Transportation Coordinator shall collect monitoring data and shall begin submitting monitoring reports to the Planning Department beginning 18 months after the completion and commencement of operation of the proposed garage on Block D. Thereafter, annual monitoring reports shall be submitted (referred to as "reporting periods") until five consecutive reporting periods show that the project has met the reduction goal, at which point monitoring data shall be submitted to the Planning Department once every 3 years. The project sponsor shall complete each trip count and survey (see below for description) 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 project sponsor shall modify the timing of monitoring reports such that a new monitoring report is submitted 12 months after adjustments are made to the TDM Plan in order to meet the reduction goal, as may be required under the "TDM Plan Adjustments" heading, below. In addition, the Planning Department may modify the timing of monitoring reports as needed to consolidate this requirement with other monitoring and/or reporting requirements for the project, such as annual reporting under the proposed project Development Agreement.</li> <li>• <b>Term:</b> The Project Sponsor shall monitor, submit monitoring reports, and make plan adjustments as provided below until the earlier of: (i) the expiration of the Development Agreement, or (ii) the reduction goal has been met for up to eight consecutive reporting periods as determined by the Planning Department. Notwithstanding the foregoing or any other provision of this mitigation measure, all obligations for monitoring,</li> </ul>				

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<p>reporting and for making adjustments to the TDM Plan shall terminate if the project sponsor has paid and/or made a commitment to pay the offset fee for any shortfall in the TDM Plan's meeting the reduction goal as provided below.</p> <ul style="list-style-type: none"> <li>• <b>Components:</b> The monitoring and reporting, including trip counts, surveys and travel demand information, shall include the following components or comparable alternative methodology and components, as approved, accepted or provided by Planning Department staff: <ul style="list-style-type: none"> <li>○ <b>Trip Count and Intercept Survey:</b> Provide a site-wide trip count and intercept survey of persons and vehicles arriving and leaving the project site, other than on AT&amp;T Park ballgame or other major event (e.g., concert or other event substantially occupying the capacity of AT&amp;T Park) days or hours, for no less than two days during 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 survey consultant, and the Planning Department shall approve the methodology prior to the Project Sponsors conducting the components of the trip count and intercept survey. The Planning Department anticipates it will have a standard trip count and intercept survey methodology developed and available to project sponsors at the time of data collection.</li> <li>○ <b>Travel Demand Information:</b> The above trip count and survey information shall be able to provide the 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>○ <b>Documentation of Plan Implementation:</b> The transportation coordinator shall work in conjunction with the Planning Department to develop a survey (online or paper) that can be reasonably completed by the transportation coordinator and/or Transportation</li> </ul> </li> </ul>				

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<p>Management Association (TMA) staff members to document implementation of TDM program elements and other basic information during the reporting period. The project sponsors shall include this survey in the monitoring report submitted to the Planning Department.</p> <ul style="list-style-type: none"> <li>Assistance and Confidentiality: The Planning Department will assist the transportation coordinator with questions regarding the components of the monitoring report and will assist the transportation coordinator in determining ways to protect the identity of individual survey responders.</li> </ul> <p><b>TDM Plan Adjustments.</b> The project sponsors shall adjust the TDM Plan according to the 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 the Planning Department and may require refinements to existing measures (e.g., changes to subsidies, increased bicycle parking), inclusion of new measures (e.g., a new technology or project operational changes not inconsistent with any agreements with the Port), or removal of existing measures (e.g., measures that are ineffective or induce vehicle trips).<sup>5</sup> If three consecutive reporting periods' monitoring results demonstrate that measures within the TDM Plan are not achieving the reduction goal, the project sponsors shall propose TDM Plan adjustments to be incorporated in the TDM Plan within 270 days following the last reporting period. The project sponsors shall implement the TDM Plan adjustments until the results of three consecutive reporting periods demonstrate that the reduction goal is being achieved.</p> <p>If after implementing TDM Plan adjustments as described above, and the project sponsors have not met the reduction goal for up to eight consecutive reporting periods as determined by the Planning Department, the project sponsors may, at any time thereafter, elect to address the shortfall in meeting the TDM Plan reduction target by, in addition to paying the emission offset fees set forth in Mitigation Measure M-AQ-1.5, also paying an additional</p>				

<sup>5</sup> No parking-related restrictive measures on the project site shall by design or effect, restrict parking on the project site for patrons of AT&T ballpark games or events.

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offset fee in accordance with Mitigation Measure M-AQ-1.5, in the amount required to address, both the shortfall in reduction during the previously monitored years and the anticipated shortfall in the remaining expected years of project operations, the latter of which shall be based on the shortfall that occurred in the most recently monitored year. Calculations of emissions to be offset shall be based on the total amount of emissions anticipated to be reduced by achieving the 20 percent TDM goal adjusted for the actual percentage of aggregate daily one-way vehicle trip reduction achieved in the most recently monitored year.				
<b>Wind and Shadow Mitigation Measures</b>				
<b>M-WS-1: Assessment and Mitigation of Wind Hazards on a Building-by-Building Basis.</b> 1. Prior to or as part of the submittal package for the schematic design of a new building (Proposed Building), the Proposed Building developer shall submit to the Planning Department, for its review and approval, a scope of work and, following approval of the scope, a report from a Qualified Wind Consultant (QWC) that reviews the Proposed Building schematic design, absent landscaping. "QWC" means a wind consultant retained by the Proposed Building(s) developer and approved by the Planning Department for preparation of the report. The EIR wind consultant for the proposed project and any other wind consultant on the City's then approved list or otherwise approved by the City will be considered a QWC. 2. The QWC report shall evaluate whether the Proposed Building(s) would create a Significant Wind Impact. "Significant Wind Impact" means a substantial increase on a site-wide basis in the number of hours per year that the 26 mph wind hazard criterion is exceeded or, if baseline wind conditions are greater than 26 mph, a substantial increase in the area subjected to winds greater than 26 mph. This analysis shall focus on the entire project area that was studied in wind tunnel tests conducted for the EIR and not just the area immediately surrounding the Proposed Building(s).	Vertical developer(s) and qualified wind consultant. Vertical developer(s) to implement architectural or landscaping features, or a combination of such features, that have been demonstrated in wind tunnel to reduce the Proposed Building's wind hazards to a level no greater than those of either	Prior to or as part of the submittal package for the schematic design of a new building.	Vertical developer(s) to submit to the Planning Department and the Port, for their review and approval, a scope of work and, following the approval of the scope of work by Planning Department and Port staff, a report from a qualified wind consultant that determines building-specific wind conditions.	Considered complete upon approval of wind report by the Planning Department and Port.

<sup>6</sup> The scope of work for this report shall use the same methodology and wind test point locations as the Wind Study prepared for this EIR.



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MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility (Public Agency)	Monitoring Schedule
<p>3. The QWC shall consider the Proposed Building(s) in the context of the "Current Project," which, at any given time during construction of the Project, shall be defined as the building masses used in the Original Model (Wind Study Configuration B),<sup>7</sup> except as updated to reflect schematic design submittals for any previously approved building that has not yet commenced construction, and construction permit designs for on-site buildings that are under construction or have completed construction. This model shall be referred to as the "Current Project" and shall be updated over time as architectural design for each proposed project block/building is completed.</p> <p>4. The Proposed Building shall be tested in the wind tunnel as proposed, including any architectural features that can be shown on plans to mitigate wind effects.<sup>8</sup> Testing may not include any existing or proposed onsite landscaping. A separate test shall be conducted with existing and proposed onsite landscaping included, if required per Section 5, below. The accompanying report shall compare the wind tunnel results analyzing the Proposed Building in the context of the Current Project to the following two baselines: (1) the EIR baseline conditions for the project site (Wind Study Configuration A), and (2) Existing Plus Project (i.e., with Mission Rock proposed project) conditions used in the EIR (Wind Study Configuration B).</p> <p>5. No further analysis shall be required if the QWC concludes, and the Planning Department concurs, that the Proposed Building's schematic design, absent proposed onsite landscaping, would not create a Significant Wind Impact. If the QWC concludes that the Proposed Building's schematic design, absent proposed onsite and existing offsite landscaping, would create a Significant Wind Impact, as defined above, then a second wind tunnel test shall be conducted, taking into account proposed onsite landscaping and existing offsite landscaping. The intent of landscaping is</p>	Wind Study Configuration A or Wind Study Configuration B.			

<sup>7</sup> All references to the Wind Study refer to the Mission Rock EIR Pedestrian Wind Study Wind Tunnel Tests Report prepared by RWDI, final report, January 25, 2017, which can be found in Appendix 7-I to this EIR.

<sup>8</sup> These could include features such as setbacks, wind baffles, randomized balconies, overhangs, canopies, awnings and the like, provided they are consistent with the project's Design Controls and shown on schematic architectural plans for the Proposed Building.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
NOTE: Each mitigation measure in this document applies to the proposed project and all variants, unless noted otherwise.				
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility (Public Agency)	Monitoring Schedule
<p>to emulate the function and effect of a manmade wind screen. The following parameters have been determined to be the minimum requirements for landscaping features to be effective in controlling wind:<sup>9</sup></p> <ul style="list-style-type: none"> <li>It is the combined effect of a cluster or group of landscaping features that is most effective, rather than the maturity of one tree.</li> <li>Since a general rule is that vertical wind control features should be taller than the average height of a person, foliage from the ground up is most effective at a height of approximately 6 to 8 feet.</li> <li>Since winds can easily flow under tree crowns, underplantings (e.g., shrub plantings at the base of a tree) should be included where trunks are bare for the first 5 to 6 feet of a tree measured from the ground.</li> <li>Tree crowns with at least 60 percent cover (density of leafage) and even spread of branches are most effective.</li> </ul>				
<b>Biological Resources Mitigation Measures</b>				
<p><b>M-BI-3.1: Conduct Impact Hammer Pile Driving during Periods that Avoid Special-Status Fish Species' Spawning and Migration Seasons.</b> In-water pile installation using impact hammers shall occur within the work window of June 1 to November 30, which has been established for dredging in San Francisco Bay to reduce potential effects on special-status fish species.</p>	Pier 48 developer.	During the construction work window of June 1 to November 30.	Pier 48 developer to submit detailed construction schedule to Port staff for review and approval.	Considered complete upon approval of construction schedule by Port staff.
<p><b>M-BI-3.2: Pile-Driving Noise Reduction for the Protection of Fish.</b> Prior to the start of pile driving in the Bay, the project sponsor shall develop an underwater noise monitoring and attenuation plan and obtain approval from NMFS. The NMFS-approved plan or any modifications shall be provided to the City Planning Department for determination of consistency with the requirements in this measure. The plan shall provide details regarding the estimated underwater sound levels expected, sound attenuation methods, methods used to monitor and verify sound levels during pile-driving activities, and management practices</p>	Pier 48 developer.	Prior to the start of pile driving in the Bay.	Pier 48 developer to prepare an underwater noise monitoring and attenuation plan and obtain approval from NMFS. The NMFS-approved plan or any modifications to be provided to the Port staff for determination of consistency with the requirements in this	Considered complete upon review and approval of the sound attenuation and monitoring plan by NMFS and consistency determination by

<sup>9</sup> RWDI, Landscaping, December 8, 2016.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
NOTE: Each mitigation measure in this document applies to the proposed project and all variants, unless noted otherwise.				
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility (Public Agency)	Monitoring Schedule
<p>to be taken to reduce pile-driving sound in the marine environment to below NMFS thresholds for injury to fish. The plan shall incorporate, but not be limited to, the following BMPs:</p> <ul style="list-style-type: none"> <li>All steel pilings shall be installed with a vibratory pile driver to the deepest depth practicable. An impact pile driver may be used only where necessary, as determined by the contractor and/or project engineer, to complete installation of the steel pilings, in accordance with seismic safety or other engineering criteria.</li> <li>The smallest pile driver and minimum force shall be used to complete the work necessary to meet NMFS requirements, as determined by the contractor and/or project engineer.</li> <li>The hammer shall be cushioned using a 12-inch-thick wood block during all impact hammer pile-driving operations.</li> <li>To reduce impacts to levels below injury thresholds, based on hydroacoustic monitoring and the amount of impact pile driving occurring on a particular day, a bubble curtain, wood block cushion, air barrier, or similar technology shall be employed during impact pile-driving activities.</li> <li>A "soft start"<sup>10</sup> technique shall be employed upon initial pile-driving activities every day to allow fish an opportunity to vacate the area.</li> <li>During impact pile driving, the contractor shall limit the number of strikes per day to the minimum necessary to complete the work, as determined by the contractor and/or project engineer.</li> <li>No pile driving shall occur at night.</li> <li>During impact pile driving, a qualified fish biologist shall monitor the project site for fish that exhibit signs of distress. If fish are observed exhibiting signs of injury or distress, work shall be halted by the biologist, and the cumulative SEL up to that point shall be examined. If the cumulative SEL is close to the threshold or exceeds the threshold, then pile-driving activities will cease until the next day.</li> </ul>			measure.	Port sign.

<sup>10</sup> Soft starts require an initial set of three strikes from the impact hammer at 40 percent energy, followed by a 1-minute waiting period between subsequent three-strike sets. Soft starts for vibratory hammers will initiate noise at 15 seconds at reduced energy, followed by a 1-minute waiting period between subsequent starts. This process should continue for a period of no less than 20 minutes.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
NOTE: Each mitigation measure in this document applies to the proposed project and all variants, unless noted otherwise.				
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility (Public Agency)	Monitoring Schedule
<ul style="list-style-type: none"> <li>All pile-driving and pile-removal activity shall be monitored by a NMFS-approved biological monitor before and during all pile driving. The biological monitor shall maintain a monitoring log of daily pile-driving activities, any field sound measurements, fish sightings, and implementation of soft-start and shut-down requirements. A monitoring report shall be prepared for submission to NMFS and the City (submitted monthly and at the completion of all pile-driving/pile-removal activities).</li> </ul>				
<p><b>M-BI-3.3: Pile-Driving Noise Reduction for Protection of Marine Mammals.</b> Prior to the start of pile driving in the Bay, as part of the underwater noise monitoring and attenuation plan required by Mitigation Measure M-BI-3.2, the project sponsor shall provide details regarding the estimated underwater sound levels expected, not just from impact hammer pile driving that may affect fish but also from vibratory pile driving and removal because these sound levels may affect marine mammals. The plan shall also address sound attenuation methods, methods used to monitor and verify sound levels during pile-driving activities, and management practices to be taken to reduce pile-driving sound in the marine environment to below NMFS thresholds for injury to marine mammals. As part of implementation of the sound attenuation monitoring plan, the project sponsor shall take actions to reduce the effect of underwater noise transmission on marine mammals. These actions shall include, at a minimum:</p> <ul style="list-style-type: none"> <li>The establishment of initial safety zones, based on the estimated NMFS injury threshold contours for the different marine mammals (as shown in Table 4.L-8 and Table 4.L-9). The initial size of the safety zones may be modified, based on subsequent analysis of the anticipated noise levels and the actually proposed piles, equipment, and activity prior to construction but only with the approval of NMFS.</li> <li>Hydroacoustic monitoring, according to the NMFS-approved sound attenuation and monitoring plan, shall be completed during initial pile driving to verify projected isopleths for pile driving and removal. The plan shall require real-time hydroacoustic monitoring for a sufficient number of piles to determine and verify modeled noise isopleths. The safety zones established prior to construction may be modified, based on field measurements of noise levels from different pile-driving activities, if the field measurements indicate that different noise threshold contours than those estimated prior to construction are appropriate but only with approval of NMFS.</li> </ul>	Pier 48 developer.	Prior to the start of pile driving in the Bay.	Pier 48 developer to prepare an underwater noise monitoring and attenuation plan (including estimated underwater sound levels expected) and obtain approval from NMFS. The NMFS-approved plan or any modifications to be provided to Port staff for determination of consistency with the requirements in this measure.	Considered complete upon review and approval of the sound attenuation and monitoring plan by NMFS and consistency determination by Port staff.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
NOTE: Each mitigation measure in this document applies to the proposed project and all variants, unless noted otherwise.				
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility (Public Agency)	Monitoring Schedule
<ul style="list-style-type: none"> <li>Halting of work activities when a marine mammal enters a safety zone (specific to that species) and resumed only after the animal has not been observed within the safety zone for a minimum of 15 minutes.</li> <li>Use of a "soft start"<sup>11</sup> technique each day upon commencement of pile-driving activity, any time after ceasing pile-driving activity for more than 1 hour, and any time after shutdown due to marine mammal entry into a safety zone.</li> <li>Monitoring by an NMFS-approved biological monitor of all pile-driving and pile-removal activity before and during all pile driving/removal to inspect the work zone and adjacent Bay waters for marine mammals and implement the safety zone requirements described above. The biological monitor shall maintain a monitoring log of daily pile-driving/removal activities, any field sound measurements, marine mammal sightings, and implementation of soft-start, shut-down, and safety-zone requirements. A monitoring report shall be prepared for submission to the City and NMFS (submitted monthly and at the completion of all pile-driving/pile-removal activities).</li> </ul>				
<b>M-BI-5: Conduct Pre-Construction Surveys for Nesting Migratory Birds.</b> To facilitate compliance with state and federal laws (California Fish and Game Code and the MBTA) and prevent impacts on nesting migratory birds, the project sponsor shall avoid vegetation/structure removal, ground-disturbing activities, and elevated noise levels near suitable nesting habitat during the nesting season (February 1 through August 31) or conduct pre-construction surveys, as described below. Alternatively, the project sponsor may remove vegetation or structures that may support nesting birds outside of the breeding season such that no breeding habitat would be present should construction start in the normal breeding season.	Infrastructure or vertical developer(s) (as applicable), qualified wildlife biologist (if necessary).	Infrastructure or vertical developer(s) (as applicable) to avoid vegetation and/or structure removal, ground-disturbing activities, and elevated noise levels near suitable nesting habitat	Avoid Removal during Nesting Season: contractor to provide detailed construction schedule to Port to confirm affected activities fall outside nesting season or removal of trees and/or structures occurs outside breeding season. Nesting Surveys: If necessary, wildlife biologist to complete a memorandum	Avoid Removal during Nesting Season: complete upon review and approval of construction schedule by Port staff. Nesting Surveys: Considered complete upon review and

<sup>11</sup> Soft starts require an initial set of three strikes from the impact hammer at 40 percent energy, followed by a 1-minute waiting period between subsequent three-strike sets. Soft starts for vibratory hammers will initiate noise at 15 seconds at reduced energy, followed by a 1-minute waiting period between subsequent starts. This process should continue for a period of no less than 15 minutes.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
NOTE: Each mitigation measure in this document applies to the proposed project and all variants, unless noted otherwise.				
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility (Public Agency)	Monitoring Schedule
<p>If it is not feasible to avoid the nesting season and suitable nesting areas remain on the project site, the project sponsor shall hire a qualified wildlife biologist with demonstrated nest-searching experience to conduct surveys for nesting birds, including raptors. The following list details the nesting bird survey requirements for this project.</p> <ul style="list-style-type: none"> <li>One nesting bird assessment is required at the beginning of each year, at the start of the nesting bird season (February), to determine if suitable nesting habitat remains or has been reinstated (e.g., the project site is revegetated).</li> <li>If suitable nesting habitat is present, one nesting survey shall be conducted between February and April, and one nesting survey shall be conducted between April and June.</li> <li>Additional nesting surveys are required when construction work stops at a portion of the site where suitable nesting habitat remains for more than 15 days or if construction is phased in such a way that no disturbance has occurred in a portion of the project site.</li> <li>If active nests are observed during construction when the wildlife biologist is not present, all work within 250 feet of the nest shall stop, and wildlife biologist shall be contacted immediately. All personnel shall move at least 250 feet away from the nest. To the extent feasible, after consulting with the wildlife biologist, construction equipment shall be shut down or moved 250 feet away from the nest.</li> </ul> <p>Nesting bird surveys shall be performed no earlier than 7 days prior to the commencement of ground-disturbing activities and vegetation removal (including clearing, grubbing, and staging). The area surveyed shall include all construction areas as well as areas within 250 feet outside the boundaries of the areas to be cleared or as otherwise determined by the biologist.</p> <p>If the wildlife biologist finds any active nests (e.g., a nest with eggs, chicks, or young) during the survey, the biologist shall establish no-disturbance species-specific buffer zones for each nest, marked with high-visibility fencing, flagging, or pin flags. No construction activities shall be allowed within the buffer zones. The size of the buffer shall be based on the species' sensitivity to disturbance and planned work activities in the vicinity; typical buffer sizes are 250 feet for raptors and 50 feet for other birds. The buffer shall remain in effect until the chicks have fledged from the nest or the nest is no longer active, which will be verified by the biologist.</p>		<p>during the nesting season (February 1 through August 31), conduct pre-construction surveys (February through June), or remove vegetation and/or structures outside breeding season.</p>	<p>detailing the survey effort and results and submit the memorandum to the infrastructure developer or vertical developer (s) (as applicable) and Port staff within 7 days of survey completion. Port staff to review and approve report.</p>	<p>approval of nesting surveys by Port staff.</p>

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
NOTE: Each mitigation measure in this document applies to the proposed project and all variants, unless noted otherwise.				
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility (Public Agency)	Monitoring Schedule
<p>If inactive nests are identified, the project sponsor or its contractor shall remove those nests from the structure/vegetation and install nest exclusion measures on structures (i.e., fine mesh netting, panels, or metal projectors) outside of the nesting season, if deemed necessary and suitable by the qualified wildlife biologist. All exclusionary devices shall be monitored and maintained throughout the breeding season to ensure that they are successful in preventing the birds from accessing the cavities or nest sites.</p> <p>After each survey and/or after nest-deterrence activities are completed, the wildlife biologist shall complete a memorandum detailing the survey effort and results and submit the memorandum to the project sponsor within 7 days of survey completion.</p>				
<b>Geology and Soils Mitigation Measures</b>				
<p><b>M-GE-5: Accidental discovery of paleontological resource.</b></p> <p>Given the potential for paleontological resources to be present at the project site at excavation depths within the Colma Formation, the following measures shall be undertaken to avoid any significant adverse effect from the proposed project on paleontological resources. Before the start of any drilling or pile-driving activities, the project sponsor shall retain a qualified paleontologist, as defined by the SVP, who is experienced in teaching nonspecialists. The qualified paleontologist shall train all construction personnel who are involved with earthmoving activities, including the site superintendent, regarding the possibility of encountering fossils, the appearance and types of fossils that are likely to be seen during construction, and proper notification procedures should fossils be encountered. Procedures to be conveyed to workers include halting construction within 50 feet of any potential fossil find and notifying a qualified paleontologist, who shall evaluate the significance.</p> <p>If paleontological resources are discovered during earthmoving activities, the construction crew shall immediately cease work near the find and notify the project sponsor and the San Francisco Planning Department.</p> <p>Construction work in the affected areas shall remain stopped or be diverted to allow recovery of fossil remains in a timely manner. The project sponsor shall retain a qualified paleontologist to evaluate the resource and prepare a recovery plan in accordance with SVP guidelines. The recovery plan may include a field survey, construction monitoring, sampling and data recovery</p>	Infrastructure developer and/or vertical developer(s) (as applicable), and qualified paleontologist.	Before the start of any drilling or pile-driving activities.	Infrastructure developer or vertical developer(s) (as applicable) to retain qualified paleontologist and notify Port staff. Port staff to approve selection of paleontologist. If necessary, paleontologist to prepare and submit a recovery plan for Port review and approval.	Considered complete once training is complete, once construction is complete, or once the Planning Department approves the recovery plan and the infrastructure developer or vertical developer(s) and qualified paleontologist implements the plan.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
NOTE: Each mitigation measure in this document applies to the proposed project and all variants, unless noted otherwise.				
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility (Public Agency)	Monitoring Schedule
procedures, museum storage coordination for any specimen recovered, and a report of findings. Recommendations in the recovery plan that are determined by the San Francisco Planning Department to be necessary and feasible shall be implemented before construction activities can resume at the site where the paleontological resources were discovered. The San Francisco Planning Department shall be responsible for ensuring that the monitor's recommendations regarding treatment and reporting are implemented.				
IMPROVEMENT MEASURES FOR THE SEAWALL LOT 337 AND PIER 48 MIXED-USED PROJECT				
<p><b>I-TR-1: Construction Management Plan.</b></p> <p><b>Traffic Control Plan for Construction</b> – To reduce potential conflicts between construction activities and pedestrians, bicyclists, transit and autos during construction activities, the project sponsor 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 sponsor and their construction contractor(s) should 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. This includes coordinating project construction activities with nearby City construction projects, such as the Third Street Rehabilitation Project. For any work within the public right-of-way, the contractor would be required to comply with the San Francisco's Regulations for Working in San Francisco Streets, which establishes rules and permit requirements so that construction activities can be conducted safely and with the least possible interference with pedestrians, bicyclists, transit, and vehicular traffic. Additionally, restrict truck movements and deliveries to the maximum feasible extent during peak hours (generally 7:00 to 9:00 a.m. and 4:00 to 6:00 p.m., or other times, as determined by SFMTA and the 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 sponsor 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</p>	Infrastructure developer and/or developer(s) (as applicable) (s).	Construction Management Plan for Construction: Prior to the issuance of a grading, excavation, or building permit. Project Construction Updates: ongoing throughout construction activities.	Infrastructure developer and/or vertical developer(s) (as applicable) and construction contractor(s) to submit Traffic Control Plan for Construction to the Port and SFMTA for review and approval. Project construction update materials would be provided in the annual mitigation and monitoring plan.	Ongoing during project construction.



MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
NOTE: Each mitigation measure in this document applies to the proposed project and all variants, unless noted otherwise.				
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility (Public Agency)	Monitoring Schedule
<p>impacts. The project sponsor, 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><b>Reduce Single-Occupant Vehicle Mode Share for Construction Workers</b> – To minimize parking demand and vehicle trips associated with construction workers, the project sponsor should require the construction contractor to include in the Traffic Control Plan for Construction methods to encourage walking, bicycling, carpooling, and transit access to the project construction sites by construction workers in the coordinated plan.</p> <p><b>Project Construction Updates for Adjacent Residents and Businesses</b> – To minimize construction impacts on access for nearby residences, institutions, and businesses, the project sponsor 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>I-TR-7: Garage Access – Pedestrian Design Features.</b> During the final design process for the parking facilities and the pedestrian realm of adjacent streets, improvements should be designed for the safe interface of vehicles and pedestrians at parking facility driveways. This design shall include adequate sight distance, signing, striping, warning devices, and lighting.</p>	Garage developer.	During the final design process for the parking facilities and the pedestrian realm of adjacent streets.	Garage developer to design parking facilities and pedestrian realm for the safe interface of vehicles and pedestrians. SFMTA, in consultation with the Planning Department to review and approve plans.	Considered complete once SFMTA and Planning Department signs off on final plans.
<p><b>I-TR-10: Garage Access – Bicycle-Vehicle Design Features.</b> During the final design process for Long Bridge Street, adequate sight distance should be provided through a combination of signing, striping, and lighting improvements, which should be designed for the safe interface of vehicles and cyclists at the two Block D2 parking facility driveways.</p>	Garage developer.	During final design process for Long Bridge Street.	Garage developer to design Long Bridge Street with adequate sight distance. SFMTA to review and approve plans.	Considered complete once SFMTA signs off on final plans.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
NOTE: Each mitigation measure in this document applies to the proposed project and all variants, unless noted otherwise.				
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility (Public Agency)	Monitoring Schedule
I-TR-12: Strategies to Enhance Transportation Conditions During Large Events. The project's Transportation Coordinator should participate as a member of the Mission Bay Ballpark Transportation Coordination Committee and provide at least 1-month notification prior to the start of any large event that would overlap with an event at AT&T Park.	Project Transportation Coordinator.	Ongoing.	Transportation Coordinator to provide at least 1-month notification to Port. Planning Department, and SFMTA prior to the start of any large event that would overlap with an event at AT&T Park.	On-going during project operations.

EXHIBIT L

Form of Facilities Condition Report

**Parcel Lease Exhibit L  
Form of Facilities Condition Report**

**FACILITIES CONDITION REPORT**

**Parcel [ ]**

**Date: [ ]**

This Facilities Condition Report is being delivered to Port pursuant to Section 10.2 of that certain Lease dated \_\_\_\_\_ by and between \_\_\_\_\_ ("Tenant") and the Port with respect to the property commonly known as \_\_\_\_\_ (the "Property"). The purpose of this Facilities Condition Report is to document the condition of the Property and to assist Tenant in developing cost estimates needed for capital planning, deferred maintenance and life-cycle replacement costs.

This Facilities Condition Report was prepared by \_\_\_\_\_ following a visual inspection of the Property and review of written notices of Building Code violations, if any, received by the Property owner (a "Code Violation Notice").

<b><u>Building System or Component</u></b>	<b><u>Narrative Summary of Condition</u></b>	<b><u>Immediate Repair Recommended to Address any Code Violation Notice</u></b> (If none, write "None")	<b><u>Short Term Repair and Renewal Recommendations<sup>1</sup></u></b> (If none, write "None")	<b><u>Long Term Repair and Renewal Recommendations<sup>2</sup></u></b> (If none, write "None")	<b><u>Estimated Cost of Recommended Repair</u></b>	<b><u>Estimated Remaining Useful Life</u></b>
1. Building Site (Topography, drainage, retaining walls, paving, curbing, lighting)						

<sup>1</sup> Short term repairs will include any repair recommended to occur prior to the next regularly scheduled Facilities Condition Report.

<sup>2</sup> Long term repairs will include any repair recommended to occur following the next regularly scheduled Facilities Condition Report.

<u>Building System or Component</u>	<u>Narrative Summary of Condition</u>	<u>Immediate Repair Recommended to Address any Code Violation Notice</u> (If none, write "None")	<u>Short Term Repair and Renewal Recommendations<sup>1</sup></u> (If none, write "None")	<u>Long Term Repair and Renewal Recommendations<sup>2</sup></u> (If none, write "None")	<u>Estimated Cost of Recommended Repair</u>	<u>Estimated Remaining Useful Life</u>
2. Building Envelope (Windows and Walls)						
3. Structural (Foundation and Framing)						
4. Interior Elements (Stairways, hallways, common areas)						
5. Roofing Systems						
6. Major Mechanical Systems (Heating, Ventilation, and Air Conditioning)						
7. Major Plumbing Systems						
8. Major Electrical Systems						
9. Vertical						

<u>Building System or Component</u>	<u>Narrative Summary of Condition</u>	<u>Immediate Repair Recommended to Address any Code Violation Notice</u> (If none, write "None")	<u>Short Term Repair and Renewal Recommendations<sup>1</sup></u> (If none, write "None")	<u>Long Term Repair and Renewal Recommendations<sup>2</sup></u> (If none, write "None")	<u>Estimated Cost of Recommended Repair</u>	<u>Estimated Remaining Useful Life</u>
Transportation (Elevators and escalators)						
10. [If Tenant elects to include in the Facilities Condition Report: Site-specific testing, such as infrared thermography for energy loss, air leakage, roofing and building envelope moisture intrusion]						

EXHIBIT M

Workforce Development Plan

**EXHIBIT M**  
**WORKFORCE DEVELOPMENT PLAN**

For purposes of this ***Exhibit M***, references to Exhibit B6-A in the attached Workforce Development Plan will mean this ***Exhibit M*** to this Lease.



## **Parcel Lease Exhibit M**

### **Workforce Development Plan**

The development plan for Mission Rock under the Transaction Documents provides for the development of a new mixed-use neighborhood composed of commercial/office, retail, garage, market rate and affordable residential uses and major new and expanded parks. This Workforce Development Plan sets forth the activities Port, Developer and Vertical Developer shall undertake, and require their Contractors, Consultants, Subcontractors, Subconsultants, Commercial Tenants, Lessees, Service Providers and Professional Service Providers, as applicable, to undertake, to support workforce development in the pre-construction, construction and end use phases of the Project, as set forth in this Exhibit B6-A.<sup>1</sup>

The Port and Developer shall enter into the DDA which will provide for the development of the 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 Project. Developer will enter into contracts with Contractors and Consultants to construct all Horizontal Improvements allowed under the Master Lease.

Developer will submit Phase Submittals to the Port pursuant to the Transaction Documents. Following each Phase Approval, the Port will authorize the Chief Harbor Engineer to issue Port permits necessary for Developer to begin to construct Horizontal Improvements in accordance with the DDA and the Master Lease. Upon exercise of an Option in accordance with the DDA, the Port will convey each Development Parcel through Parcel Leases to a Vertical Developer. A Vertical Developer will enter into contracts with Contractors and Consultants to construct the Vertical Improvements, including residential and commercial improvements, in accordance with the Parcel Lease and Vertical DDA. 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.

The foregoing summary is provided for convenience and for informational purposes only. In case of any conflict, the provisions of the DDA and each Vertical DDA shall control.

#### **A. First Source Operations and Pre-Construction Hiring Agreement.**

1. Developer shall, with respect to Horizontal Improvements, and the Port shall require that each Vertical Developer shall, with respect to each Vertical Improvement, comply with the operational requirements of the First Source Hiring Program pursuant to San Francisco Administrative Code Chapter 83 ("**Chapter 83**") and upon entering into: (a) leases or any other occupancy contracts for commercial space at Vertical Improvements that are subject to Chapter 83 with a tenant ("**Lessee**"), provided, however, that no Lessee occupying less than 5,000 square

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<sup>1</sup> Any capitalized term used in this Exhibit B6-A, including its Attachments, that is not defined herein, or in such Attachments, or in the referenced Administrative Code Sections, shall have the meaning given to such term in the DDA.

feet in floor area within the Project Site shall have an obligation to enter into a First Source Hiring Agreement or comply with the requirements of Chapter 83; or (b) janitorial, security, landscape, operations and maintenance contracts, will include in each such lease or contract a requirement that such third party enter into a First Source Hiring Agreement in the form attached hereto as Attachment A, and provide a signed copy thereof to the Office of Economic and Workforce Development within 10 business days of execution. The Port shall cause (i) Developer to comply with the above requirements by including such requirements as a material term in the Master Lease applicable to such Contract and (ii) each Vertical Developer to comply with the above requirements by including such requirements as a material term in the Vertical DDA applicable to such Contract.

2. Further, Developer shall, with respect to Horizontal Improvements, and the Port shall require that each Vertical Developer shall, with respect to each Vertical Improvement, voluntarily include within its good faith efforts to comply with Chapter 83 a requirement to include pre-construction work within the Project's First Source Hiring Program and upon entering into professional services contracts for architectural and engineering services, provided, however, that no professional services firm performing work through a contract valued at less than \$500,000 or a contract for services relating to the construction of any tenant improvements within a leased premises comprised of less than 15,000 square feet in floor area shall have an obligation to enter into a First Source Hiring Agreement, include in each such contract a requirement that such third party enter into a First Source Hiring Agreement in the form attached hereto as Attachment A, and provide a signed copy thereof to the Office of Economic and Workforce Development within 10 business days of execution. The Port shall cause (i) Developer to comply with the above requirements by including such requirements as a material term in the Master Lease applicable to such Contract and (ii) each Vertical Developer to comply with the above requirements by including such requirements as a material term in the Vertical DDA applicable to such Contract.

3. Residential units within the Project shall not be subject to any obligations under this Section A and the tenants of such residential units shall have no obligation to enter into a First Source Hiring Agreement.

4. The Office of Economic and Workforce Development ("OEWD") is the sole administrator of the First Source Hiring Program per San Francisco Administrative Code Chapter 83. OEWD's Business Services team will manage the First Source Hiring Agreement and will be the point of contact for Lessees and Service Providers. OEWD's Business Team will provide Referrals for the permanent Entry Level Positions located within the Project where required under Chapter 83.

5. Incorporation into contract provisions.

i. Developer or Vertical Developer shall include in its Contracts provisions that require Lessees and Service Providers to enter into a First Source Hiring Agreement and follow the good faith efforts within such agreements towards the hiring goals of Chapter 83. Developer or Vertical Developer shall also include in such 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.

ii. Developer or Vertical Developer shall include in its Professional Service Contracts provisions that require Professional Service Providers to enter into a First Source Hiring Agreement and follow the good faith efforts within such agreement towards the hiring goals of Chapter 83. Developer or Vertical Developer shall also include in such Professional Service Contracts provisions that require Professional 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.

6. Pre-start conference and access.

i. Developer or Vertical Developer shall meet with OEWD prior to initial occupancy of Vertical Improvements at the Project Site for a pre-start conference to assess the operation goals of the First Source Hiring Program, including commercial tenant operations, janitorial, security, landscape, operations and maintenance services and provide projections for Entry Level Position employment opportunities within such fields with respect to the Horizontal Improvements or Vertical Improvements. Developer or Vertical Developer shall also provide OEWD access to meet Lessees and Service Providers at the Project Site and encourage the same to meet with OEWD regarding their respective First Source Hiring Obligations.

ii. With respect to each Horizontal Improvement, Developer shall meet with OEWD upon submission of a Phase Submittal, and, with respect to each Vertical Improvement, Vertical Developer shall meet with OEWD upon entering into a Vertical DDA at the Project Site for a pre-start conference to assess the pre-construction goals of the First Source Hiring Program, including architectural and engineering services and provide projections for Entry Level Position employment opportunities within such fields with respect to such Horizontal Improvement or Vertical Improvement. Developer or Vertical Developer shall also provide OEWD access to meet Professional Service Providers at the Project Site and encourage the same to meet with OEWD regarding their respective First Source Hiring Obligations.

7. Compliance with the operational goals of Chapter 83 shall be determined on an individual Contract or Professional Service Contract basis. Lessees and Service Providers shall demonstrate good faith efforts towards the hiring goals of Chapter 83. Professional Service Providers shall demonstrate good faith efforts towards the hiring goals of their First Source Hiring Agreement.

8. For the purposes of a First Source Hiring Agreement, (i) Contract shall mean: (a) any commercial lease or other commercial occupancy agreement with respect to a Vertical Improvements; and (b) any contract for janitorial, security, landscape, or operations and maintenance services performed at a Horizontal Improvement or Vertical Improvement; (ii) Professional Service Contract shall mean any contract for architectural or engineering services performed with respect to a Horizontal Improvement or Vertical Improvement, (iii) Service Provider shall mean any person(s), firm, partnership, corporation, government agency, nonprofit or combination thereof, who owns or operates a commercial business that enters into a Contract to perform janitorial, security, landscape, and operations and maintenance services with respect a Horizontal Improvement or Vertical Improvement, and (iv) Professional Service Provider shall mean any person(s), firm, partnership, corporation, government agency, nonprofit or combination thereof, who owns or operates a commercial business that enters into a Contract to

perform architectural or engineering services with respect a Horizontal Improvement or Vertical Improvement.

9. OEWD shall notify any Lessees, Service Providers or Professional Service Providers in writing, with a copy to Developer or Vertical Developer, as applicable, and to the Port, of any alleged breach on the part of that entity of its obligations under the First Source Hiring Agreement, as applicable, and provide such entity a reasonable opportunity to cure its alleged breach before seeking an assessment of liquidated damages pursuant to Section 83.12 of the Administrative Code. OEWD sole remedy against a Lessees, Service Providers and Professional Service Providers shall be as set forth in Chapter 83, including the enforcement process. Upon OEWD's request, Port, Developer or Vertical Developer, as applicable, shall reasonably cooperate with OEWD in any such enforcement action against any Lessees, Service Providers or Professional Service Providers, provided in no event shall Port, Developer or Vertical Developer, as applicable, be liable for any breach by a Lessees, Service Providers or Professional Service Providers.

10. If Port, Developer or Vertical Developer, as applicable, fulfills its obligations as set forth in this Section A, it shall not be held responsible for the failure of Lessee, Service Provider or Professional Service Provider or any other person or party to comply with the requirements of Chapter 83, their applicable First Source Hiring Agreement or this Section A. If Developer or Vertical Developer, as applicable, fails to fulfill its obligations under this Section A, the applicable provisions of Chapter 83 shall apply as to Developer or Vertical Developer, as applicable, though the Port and Developer shall have the right to invoke the dispute resolution process set forth in Article 10 of the DDA.

11. This Section A is an approved "First Source Hiring Agreement" as referenced in Sections 83.9 and 83.11 of the Administrative Code.

**B. Local Hiring Agreement.**

1. Developer, with respect to each Horizontal Improvement, shall, and the Port shall require that each Vertical Developer, with respect to each Vertical Improvement, shall (i) include in each Contract for construction work a provision requiring each Contractor to enter into a Local Hiring Agreement in the form attached hereto as Attachment B before beginning any construction work, and (ii) provide a signed copy thereof to the Office of Economic and Workforce Development ("OEWD") and CityBuild within 10 business days of execution, provided, however, that no person or entity entering into leases or other occupancy contracts for commercial space at a Vertical Improvement within the Project site ("**Commercial Tenant**") which occupies less than 15,000 square feet in floor area within such Vertical Improvement shall have an obligation to enter into a Local Hiring Agreement or be subject to the Local Hiring Program pursuant to Chapter 82, as defined below.<sup>2</sup> All future tenant improvements performed subsequent to any initial tenant improvements within such Vertical Improvement shall be subject to the local hiring requirement within Attachment B on a good faith basis only. The Port shall cause (i) Developer to comply with the above requirements by including such requirements as a

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<sup>2</sup> Any capitalized term used in this Section B that is defined in Attachment B will have the definition given to such term in such Attachment.

material term in the Master Lease applicable to such Contract and (ii) each Vertical Developer to comply with the above requirements by including such requirements as a material term in the Vertical DDA applicable to such Contract.

2. CityBuild shall represent OEWD and will provide referrals of Targeted Workers for positions on the construction work for Improvements subject to a Local Hiring Agreement in accordance with San Francisco Administrative Code Chapter 82 ("**Chapter 82**").

3. Incorporation into contract provisions. Developer and Vertical Developer, as applicable, shall include in their respective contracts provisions that require prospective Contractors and Subcontractors to comply with the requirements set forth in the Local Hiring Agreement Attachment B.

4. Tenant improvements performed within any residential units within the Project shall not be subject to any obligations under this Section B and the tenants of such residential units shall have no obligation to enter into a Local Hiring Agreement.

5. Compliance with the construction requirements of Chapter 82 for Horizontal Improvements shall be determined on a Phase by Phase basis. Compliance will be measured by dividing the number of Construction Work Hours performed by Local Residents or Apprentices, as applicable, by the total number of Construction Work Hours performed on Horizontal Improvements within a Phase. If Developer exceeds its obligations set forth in its applicable Local Hiring Agreement with respect to an individual Horizontal Improvement, Developer may, at its option, allocate such excess towards the compliance of another Horizontal Improvement within the Project Site, subject to the requirements of Attachment B. Notwithstanding anything to the contrary, Developer may, at its election, require that compliance be determined on a Project-wide basis by giving notice to OEWD and the Port of such election during the submission of the penultimate Phase Submittal.

6. Compliance with the construction requirements of Chapter 82 for Vertical Improvements shall be determined on an individual Vertical Improvement basis. Compliance will be measured by dividing the number of Construction Work Hours performed by Local Residents or Apprentices, as applicable, by the total number of Construction Work Hours performed on the Vertical Improvement. If a Vertical Developer exceeds its obligations set forth in its applicable Local Hiring Agreement with respect to an individual Vertical Improvement, the Vertical Developer of such Vertical Improvement may, at its option, allocate such excess towards the compliance of another Vertical Improvement within the Project Site, subject to the requirements of Attachment B. Notwithstanding anything to the contrary, Developer may, at its election, require that compliance be determined on a Phase-wide basis by giving notice to OEWD and the Port of such election during the submission of a Phase Submittal.

7. OEWD shall notify Contractor, Subcontractor and Commercial Tenant, as applicable, in writing, with a copy to the Port and Developer or Vertical Developer, as applicable, of any alleged breach on the part of that entity of its obligations under Chapter 82 or its Local Hiring Agreement, as applicable, and provide such entity an opportunity to cure its obligations before seeking an assessment of liquidated damages pursuant to Section 82.8 of the Administrative Code. OEWD's sole remedies against a Contractor, Subcontractor or Commercial

Tenant shall be as set forth in Chapter 82, including the enforcement process. Upon OEWD's request, Port, Developer or Vertical Developer, as applicable, shall reasonably cooperate with OEWD in any such enforcement action against any Contractor, Subcontractor or Commercial Tenant, provided that in no event shall Port, Developer or Vertical Developer, as applicable, be liable for any breach by a Contractor, Subcontractor or Commercial Tenant.

8. If Port, Developer or Vertical Developer, as applicable, fulfills its obligations as set forth in this Section B, it shall not be held responsible for the failure of a Contractor, Subcontractor, Commercial Tenant or any other person or party to comply with the requirements of Chapter 82 or this Section B. If Developer or Vertical Developer, as applicable, fails to fulfill its obligations under this Section B, the applicable provisions of Chapter 82 shall apply, though the Port and Developer, as applicable, shall have the right to invoke the process set forth in Article 10 of the DDA.

9. This Section B complies with the requirements of Chapter 82, including Sections 82.5 and 82.7 and the requirements of Chapter 83 related to construction work.

**C. Workforce Job Readiness and Training Funds.**

Vertical Developers, on behalf of the Project, shall contribute to OEWD \$1,000,000 (One Million Dollars) to support workforce job readiness and training ("Workforce Job Readiness and Training Funds") for allocation to OEWD's CityBuild and First Source Hiring programs and qualified local community based organizations. Such funds shall be paid to OEWD, and used as provided below, over the course of the Project on a Development Parcel by Development Parcel basis in eleven equal installments. Each equal installment shall be paid by a Vertical Developer at issuance of site permit for the development of Vertical Improvements upon a Development Parcel, except for the development of the parking garage parcel, pursuant to a Vertical DDA.

Priority for OEWD's use and allocation of Workforce Job Readiness and Training Funds shall be to organizations that have backgrounds in workforce readiness and training, an established program with a demonstrated history of performing workforce readiness and training and an existing track record of working in economically disadvantaged communities within San Francisco, including, but not limited to the Bayview/Hunters Point, Chinatown, Mission, South of Market, Tenderloin, Visitacion Valley and Western Addition neighborhoods.

1. **Community Based Organizations:** \$500,000 (Five Hundred Thousand Dollars) of the Workforce Job Readiness and Training Funds shall be dedicated to funding community-based organizations that provide services which seek to: reduce barriers to employment for individuals within at-risk populations (the "**Barrier Removal Funds**"); and/or provide job readiness and training ("**Job Readiness Training Funds**") (together, the "**CBO Funds**"). OEWD shall allocate the CBO Funds to qualified local community based organizations based on a competitive process, and distribute the CBO Funds during the construction and operation of the Project until exhausted. The funds will be primarily targeted to support Bayview/Hunters Point, Chinatown, Mission, South of Market, Tenderloin, Visitacion Valley and Western Addition neighborhood residents and residents of surrounding areas. OEWD shall prioritize allocating funds to organizations that have a background in workforce readiness and training, an established program with a demonstrated history of performing workforce readiness and training and an

existing track record of working in economically disadvantaged communities. OEWD shall use good faith efforts to promptly initiate and complete the competitive process and begin distribution of the Barrier Removal Funds within one hundred and eighty (180) days after OEWD's initial receipt of such funds, but in a manner that ensures the resulting programs and services will correspond directly to preparing participants for the jobs created by the project.

i. **CBO Funds.** OEWD shall allocate a portion of the CBO Funds to support the delivery of services to assist individuals within at-risk populations, including low-income youth and adults with histories of incarceration, homelessness, substance abuse or other factors that may create barriers to employment, with reducing barriers to employment and/or providing job readiness and training. The CBO Funds shall fund programs that provide case management, supportive services (i.e. union dues, tools, uniform/boots), life skills training, basic education, barrier removal (including assistance with attaining a GED or driver's license, if applicable), wrap-around social services, job training, job placement or retention services with a goal of allowing participants to become CityBuild or First Source Hire-ready.

2. **OEWD: \$500,000 (Five Hundred Thousand Dollars)** of the Workforce Job Readiness and Training Funds shall be dedicated to OEWD's programs that train economically disadvantaged adults, workers and local residents in the fields of construction, end use operations and hospitality (the "**OEWD Funds**"). OEWD shall identify and partner with local community-based organizations to promote the programs and identify and recruit program participants. OEWD shall allocate the funds throughout the construction and operation of the Project until exhausted. The resources shall be primarily targeted to support and prepare individuals in the Bayview/Hunters Point, Chinatown, Mission, South of Market, Tenderloin, Visitacion Valley and Western Addition and surrounding areas for construction and operation jobs at the Project. OEWD shall partner with organizations that have a background in workforce readiness and training, an established program with a demonstrated history of performing workforce readiness and training and an existing track record of working in economically disadvantaged communities. OEWD shall use good faith efforts to promptly begin distribution of the OEWD Funds within one hundred eighty (180) days after OEWD's initial receipt of such funds, but in a manner that ensures the resulting programs and services will correspond directly to preparing participants for the jobs created by the project.

i. **Operations Training Resources.** OEWD, in its discretion, shall dedicate a portion of the OEWD Funds to support programs that provide end use operations job training programs for economically disadvantaged adults, including individuals designated as a targeted population by the San Francisco Workforce Development Board, as an individual who is, or is at risk of, relying upon, or returning to, public assistance, including unemployment benefits, formerly incarcerated, homeless, veterans, out-of-school youth, pregnant or parenting teens, youth in the juvenile justice or foster care systems, people with disabilities, limited English populations, dislocated workers, or residents of public housing (the "**Operations Training Resources Funds**"). OEWD shall allocate Operations Training Resources Funds to programs performing vocational training in the retail, food service, janitorial, landscaping, facilities/open space operations and maintenance employment sectors. The intended use of the Operations Training Resources Funds is to provide additional training tailored towards future employment opportunities at the Project. The programs may also include working with potential

employers regarding any necessary accommodations or additional training, and ongoing support following job placement.

ii. Construction Training Resources. OEWD, in its discretion, shall dedicate a portion of the OEWD Funds to support programs that train disadvantaged workers and local residents in the field of construction work (the “**Construction Training Resources**”). OEWD shall allocate the Construction Training Resources Funds to programs such as 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.

iii. Pile Driving Training Program. OEWD, in its discretion, shall dedicate a portion of the OEWD Funds to support the development and implementation of a pile driving training program for disadvantaged workers and local residents, including individuals that have formerly been incarcerated or are experiencing homelessness (the “**Pile Driver Training Funds**”). The Pile Driving Training Funds shall be managed and implemented by OEWD in conjunction with local unions and community-based organizations. The programs may also include working with potential employers regarding any necessary accommodations or training, and ongoing support following job placement. The Pile Driving Training Program will address the shortage of skilled pile drivers in San Francisco and will augment the pipeline of skilled workers by providing specific training in a high-demand trade. By providing training in a high-demand trade, the program will help to ensure that more local residents are equipped with the education and skills necessary to be successful in the construction industry, thereby supporting local economic empowerment and upward mobility.

3. Accounting. Developer shall 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 Exhibit b<sup>^</sup>-A. The Workforce 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.

4. In the event individuals trained by the programs supported by the Workforce Job Readiness and Training Funds are hired to perform work at the Project, Developer may receive credit toward First Source and Local Hire obligations under San Francisco Administrative Code Chapters 82 and 83, as mutually determined with OEWD.

5. Board Authorization. Any interest earned on the Workforce Job Readiness and Training Funds shall remain in designated accounts for use by OEWD for workforce readiness and training consistent with this Exhibit B6-A and shall not be transferred to the City's general fund.



# City and County of San Francisco First Source Hiring Program



*London N. Breed, Mayor*

Office of Economic and  
Workforce  
Development  
Workforce  
Development Division

## Attachment A: First Source Hiring Agreement

### For Operations and Preconstruction Services

This First Source Hiring Agreement (this "FSHA Agreement"), is made as of \_\_\_\_\_, by and between [(the "Lessee"/ "Service Provider"/ "Professional Service Provider")], and the Office of Economic and Workforce Development, ("OEWD"), collectively the "Parties":

### RECITALS

[Use for Lessee - WHEREAS, [Lessee has plans to occupy a portion of the Vertical Improvement at [Address] (the "Premises") which requires a First Source Hiring Agreement with OEWD 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; and

WHEREAS, as a material part of the consideration given by Lessee under such contract, Lessee has agreed to execute this FSHA Agreement and participate in the First Source Hiring Program managed by OEWD as established by the City and County of San Francisco pursuant to Chapter 83 of the San Francisco Administrative Code ("Chapter 83"), as modified herein;]

[Use for Service Providers contracts - WHEREAS, [Service Provider has plans to provide [ ] services to the [Horizontal Improvement/ Vertical Improvement] at [Address] (the "Premises") which requires a First Source Hiring Agreement with OEWD 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 janitorial, security, landscape, or operations and maintenance contracts that provide services to the Premises; and

WHEREAS, as a material part of the consideration given by Service Provider under such contract, Service Provider has agreed to execute this FSHA Agreement and participate in the First Source Hiring Program managed by OEWD as established by the City and County of San Francisco pursuant to Chapter 83 of the San Francisco Administrative Code ("Chapter 83");]

**[Use for Professional Service Providers contracts -** WHEREAS, [Professional Service Provider has plans to provide [ ] services to the [Horizontal Improvement/ Vertical Improvement] at [Address] (the “Premises”) which requires a First Source Hiring Agreement with OEWD 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 architectural or engineering contracts that provide services to the Premises; and

WHEREAS, as a material part of the consideration given by Professional Service Providers under such contract, Professional Service Providers has agreed to execute this FSHA Agreement and participate in the First Source Hiring Program managed by OEWD as established by the City and County of San Francisco pursuant to Chapter 83 of the San Francisco Administrative Code (“Chapter 83”);]

**[Use for [Developer/Vertical Developer] operations of Vertical Improvement -** WHEREAS, Lessee has plans to operate the building at [Address] (the “Premises”) which required a First Source Hiring Agreement between Lessee and FSHA because the Premises is subject to a property contract between Lessee and the City acting through the San Francisco Port Commission; and

WHEREAS, as a material part of the consideration given by Lessee under the property contract, Lessee has agreed to execute this FSHA Agreement and participate in the Workforce System managed by 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 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. “Contract” shall mean: (a) any commercial lease or other commercial occupancy agreement with respect to the Vertical Improvement; and (b) any contract for janitorial, security, landscape, or operations and maintenance services performed at the Horizontal Improvement or Vertical Improvement.
- c. “DA” means that certain Development Agreement between Developer and the City and County of San Francisco, acting by and through the San Francisco Port Commission with respect to the Project Site.

- d. “DDA” means that certain Disposition and Development Agreement between Developer and the City and County of San Francisco, acting by and through the San Francisco Port Commission with respect to the Project Site.
- e. “Developer” has the meaning set forth in the DDA, including any successor during the term of this FSHA Agreement.
- f. “Horizontal Improvement” has the meaning set forth in the DDA.
- g. “Lessee” includes every commercial tenant, subtenant, or any other entity occupying a Vertical 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, provided, however, that in no event shall the meaning of Lessee include a commercial tenant, subtenant, or any other entity occupying less than 5,000 square feet in floor area within the Vertical Improvement.
- h. “OEWD Resume Database” shall mean the web portal administered by OEWD that connects Lessees, Service Providers and Professional Service Providers with qualified job seekers. The web portal is a free recruiting service to all Lessees, Service Providers and Professional Service Providers and is to be used by the Lessees, Service Providers and Professional Service Providers as part of their FSHA Agreement.
- i. “Professional Service Contract” shall mean any contract for architectural or engineering services performed with respect to a Horizontal Improvement or Vertical Improvement, except for contracts for architectural or engineering services related to the construction of any tenant improvements within a leased premises comprised of less than 15,000 square feet in floor area within a Vertical Improvement.
- j. “Professional Service Provider” shall mean any person(s), firm, partnership, corporation, government agency, nonprofit or combination thereof, who owns or operates a commercial business that enters into a Contract to perform architectural or engineering services with respect the Horizontal Improvement or Vertical Improvement, provided, however, that no professional services firm performing work through a contract valued at less than \$500,000 shall have an obligation to enter into this First Source Hiring Agreement.
- k. “Project Site” shall mean the area consisting of an approximately 16-acre parcel located south of Mission Creek/China Basin Channel, bordered by Third Street on the west, Mission Rock Street on the south, and Terry Francois Boulevard on the east, as reconfigured in accordance with AB 2797.
- l. “Service Provider” shall mean any person(s), firm, partnership, corporation, government agency, nonprofit or combination thereof, who owns or operates a commercial business that enters into a Contract to perform janitorial, security,

landscape, or operations and maintenance with respect the Horizontal Improvement or Vertical Improvement.

- m. “Referral” shall mean a qualified job seeker identified by OEWD as having the appropriate training, background and skill sets for a [Lessee/ Service Provider] specified Entry Level Position.
- n. “Vertical Developer” shall mean *[insert name of applicable Vertical Developer]*, including any successor during the term of a FSHA Operations Agreement.
- o. “Vertical Improvement” has the meaning set forth in the DDA.

## 2. LESSEE AND SERVICE PROVIDER OEWD WORKFORCE PARTICIPATION

- a. Lessee or Service Provider, as applicable, shall contact OEWD’s Business Services team to provide headcount projections for Entry Level Positions and register with the OEWD Resume Database upon execution of its Contract.
- b. Lessee or Service Provider, as applicable, shall notify OEWD’s Business Team of every available Entry Level Position by posting job openings for Entry Level Positions on the OEWD Resume Database. Lessee or Service Provider, as applicable, shall provide OEWD a period of time to recruit and refer qualified candidates prior to advertising such position to the general public, starting on the date that the Lessee or Service Provider, as applicable, posts the job opening on the OEWD Resume Database, and ending on the earlier of: (i) 10 business days; or (ii) the date upon which such Lessee or Provider has received OEWD’s list of Referrals and has considered such Referrals for the available Entry Level Position in good faith, subject to Section 5 below. OEWD shall develop a pipeline of potential candidates and shall develop a staffing and implementation plan that is generally designed to allow OEWD to provide Lessee or Service Provider, as applicable, with its list of Referrals within 3 business days after such Lessee or Service Provider has posted a job opening. In the event the OEWD Resume Database is inaccessible, Lessee or Service Provider, as applicable, shall contact OEWD directly regarding their FSHA obligations by emailing [Business.Services@sfgov.org](mailto:Business.Services@sfgov.org), or other email address as may be mutually agreed upon by Professional Service Provider’s single point of contact and OEWD, and submitting Attachment A-1.
- c. Lessee or Service Provider, as applicable, shall consider and screen all Referrals that meet the minimum qualifications of a Lessee’s or Service Provider’s, as applicable, job opening and shall use the OEWD Resume Database to provide feedback regarding Referrals that were screened, interviewed and hired. Hiring decisions shall be entirely at the discretion of Lessee or Service Provider, as applicable.

**3. LESSEE AND SERVICE PROVIDER GOOD FAITH EFFORT TO COMPLY WITH ITS OBLIGATIONS HEREUNDER**

Lessee or Service Provider, as applicable, will make good faith efforts to comply with its obligations under this FSHA Agreement. Determination of good faith efforts shall be based on all of the following:

- a. Lessee or Service Provider, as applicable, shall execute this FSHA Agreement and Attachment A-1 upon entering into Contracts. Lessee or Service Provider will also accurately complete and submit Attachment A-1 annually to reflect employment conditions.
- b. Lessee or Service Provider, as applicable, shall register with the OEWD Resume Database. Lessee or Service Provider, as applicable, using a resume database not associated with OEWD will not be considered towards the requirements of the FSHA Agreement.
- c. Lessee or Service Provider, as applicable, shall provide OEWD a period of time to recruit and refer qualified candidates prior to advertising such position to the general public, starting on the date that the Lessee or Service Provider, as applicable, posts the job opening on the OEWD Resume Database, and ending on the earlier of: (i) 10 business days; or (ii) the date upon which such Lessee or Provider has received OEWD's list of Referrals and has considered such Referrals for the available Entry Level Position in good faith, subject to Section 5 below. Lessee or Service Provider, as applicable, 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. Lessee or Service Provider, as applicable, shall use the OEWD Resume Database to provide feedback regarding Referrals that were screened, interviewed and hired.

**4. PROFESSIONAL SERVICES - ARCHITECTURAL AND ENGINEERING SERVICE PROVIDERS**

- a. This section incorporates additional requirements for Professional Service Providers performing architectural or engineering services. Professional Service Providers obligations relate only to preconstruction work and shall terminate upon the completion of the Professional Service Provider's Professional Service Contract.
- b. Participation.
  - i. Professional Service Provider shall contact OEWD's Business Services team to provide headcount projections for Entry Level Positions and register with the OEWD Resume Database upon execution of its Professional Services Contract.
  - ii. Professional Service Provider shall notify OEWD's Business Team of every available Entry Level Position by posting job openings for Entry Level Positions on the OEWD Resume Database. Professional Service Provider shall provide OEWD a period of time

to recruit and refer qualified candidates prior to advertising such position to the general public, starting on the date that the Lessee or Service Provider, as applicable, posts the job opening on the OEWD Resume Database, and ending on the earlier of: (i) 10 business days; or (ii) the date upon which such Lessee or Provider has received OEWD's list of Referrals and has considered such Referrals for the available Entry Level Position in good faith, subject to Section 5 below. In the event the OEWD Resume Database is inaccessible, Professional Service Provider shall contact OEWD directly regarding their FSHA obligations and submit Attachment A-1.

iii. Professional Service Provider shall consider and screen all Referrals that meet the minimum qualifications of a Professional Service Provider's, as applicable, job opening and shall use the OEWD Resume Database to provide feedback regarding Referrals that were screened, interviewed and hired. Hiring decisions shall be entirely at the discretion of Professional Service Provider.

iv. Within 30 days of executing a Professional Services Contract, Professional Service Provider will email OEWD and schedule to meet with staff from the First Source Hiring Program. At the meeting, the Professional Service Provider will provide information on new and available Entry Level Positions, anticipated job opening projections, start dates and rate of pay.

c. Good Faith Compliance.

Compliance with the requirements of subsections i through iv below shall demonstrate Professional Service Provider's good faith compliance with its obligations under this FSHA Agreement.

i. Over the life of the Contract, Professional Service Provider shall make good faith efforts to hire Referrals from the First Source Hiring Program to fulfill new and available Entry Level Positions. Professional Service Provider may decline to hire a Referral if the Contractor considers the Referral in good faith and deems the Referral is not qualified. The final decision to hire a Referral shall be made by the Professional Service Provider.

ii. Professional Service Provider, as applicable, shall execute this FSHA Agreement and Attachment A-1 upon entering into Professional Service Contracts. Professional Service Provider will also accurately complete and submit Attachment A-1 annually to reflect employment conditions.

iii. Professional Service Provider shall register with the OEWD Resume Database. Professional Service Provider using a resume database not associated with OEWD will not be considered towards the requirements of the FSHA Agreement.

iv. Professional Service Provider shall notify OEWD's Business Services Team of all available Entry Level Positions by posting job openings for Entry Level Positions on the OEWD Resume Database. Professional Service Provider shall provide OEWD a period of time to recruit and refer qualified candidates prior to advertising such position to the general public, starting on the date that the Lessee or Service Provider, as applicable, posts the job opening on the OEWD Resume Database, and ending on the earlier of: (i) 10 business days; or (ii) the date upon which such Lessee or Provider has received OEWD's list of Referrals and

has considered such Referrals for the available Entry Level Position in good faith, subject to Section 5 below. OEWD shall develop a pipeline of potential candidates and shall develop a staffing and implementation plan that is generally designed to allow OEWD to provide Lessee or Service Provider, as applicable, with its list of Referrals within 3 business days after such Lessee or Service Provider has posted a job opening. Professional Service Provider 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. Professional Service Provider shall use the OEWD Resume Database to provide feedback regarding Referrals that were screened, interviewed and hired. In the event the OEWD Resume Database is inaccessible, Professional Service Provider shall contact OEWD directly regarding their FSHA obligations by emailing Business.Services@sfgov.org, or other email address as may be mutually agreed upon by Professional Service Provider's single point of contact and OEWD, and submitting Attachment A-1.

- d. OEWD Requirements. OEWD's Referrals to such Professional Service Provider s shall be economically disadvantaged workers identified by OEWD that either: (a) graduated from OEWD's Entry Level Professional Services Training Program; or (b) have the appropriate training, employment background and skill set for any new and available Entry Level Position specified by the Professional Service Provider.

## 5. COMPLIANCE AND ENFORCEMENT

- a. Compliance with the operational goals of Chapter 83 shall be determined on an individual Contract basis and compliance with the voluntary professional service goals within this FSHA Agreement shall be determined on an individual Professional Service Contract basis.
- b. Lessee's, Service Provider's or Professional Service Provider's failure to meet the criteria set forth in Section 3 or 4 above, as applicable, does not impute "bad faith", but shall trigger a review of the Referral process and compliance with this FSHA Agreement. Failure and noncompliance with this FSHA Agreement may result in penalties as defined in Chapter 83, provided, however, that Lessee, Service Provider or Professional Service Provider shall be provided notice and a reasonable opportunity to cure such noncompliance prior to the assessment of any penalties. Lessee or Service Provider, as applicable, agrees to review SF Chapter 83, and execution of the FSHA Agreement denotes that Lessee or Service Provider agrees to its terms and conditions. OEWD agrees and acknowledges that Professional Service Provider's obligations hereunder are opted into voluntarily and such obligations are not based on the requirements of Chapter 83.
- c. Notwithstanding anything to the contrary herein, nothing in this FSHA Agreement precludes Lessees, Service Providers or Professional Service Providers 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 Agreement to make good faith efforts to fill such vacancies permanently with Referrals remains in effect. For these

purposes, “essential functions” means those functions necessary to remain open for business. If Lessee, Service Provider or Professional Service Provider has an immediate need to fill an Entry Level Position that perform essential functions, Lessee, Service Provider or Professional Service Provider 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.

- d. Nothing in this FSHA Agreement shall be interpreted to prohibit the continuation of existing collective bargaining agreements or existing employment policies, including, but not limited to, advertising job openings to existing employees. In the event of a conflict between this FSHA Agreement and an existing collective bargaining agreement, the terms of the existing agreement shall supersede this FSHA Agreement.

## 6. FSHA AGREEMENT DURATION

- a. Lessees and Service Providers: This FSHA Agreement shall be in full force and effect up to 10 years from the date of the temporary certificate of occupancy of the Vertical Improvement or the earlier termination of Lessee’s Contract with regard to Lessee and 10 years from the date of substantial completion of the Horizontal Improvement or the earlier termination of Service Provider’s Contract with regard to Services Provider. Upon termination of this FSHA Agreement, the Project will be subject to Existing City Laws, as defined in the DA, including the applicable requirements of Chapter 83.
- b. Professional Service Providers: This FSHA Agreement shall be in full force and effect up to the completion of a Professional Service Contract or the earlier termination of such Professional Service Contract.

## 7. NOTICE

All notices to be given under this FSHA Agreement shall be in writing and sent via mail or email as follows:

If to OEWD:

ATTN:

If to Lessee:

ATTN:

If to Service Provider:

ATTN:



If to Professional Service Provider:

ATTN:

If to Port

ATTN:

If to Developer:

ATTN:

If to Vertical Developer:

ATTN:

8. ENTIRE AGREEMENT

This FSHA 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 Agreement shall be held invalid or unenforceable, the remainder of this FSHA Agreement shall not be affected. If this FSHA 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 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 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.

IN WITNESS WHEREOF, the following have executed this FSHA Agreement as of the date set forth above.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Name of Authorized Signer: \_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

## Attachment A-1 Employer Services Form

The First Source Hiring Program is administered by the Office of Economic and Workforce Development (*OEWD*) and provides recruiting services at no cost to the employer. To find out how we can support your hiring needs, please visit our website at [www.oewd.org/workforce](http://www.oewd.org/workforce).

**Instructions:** Please complete this form and email to [Business.Services@sfgov.org](mailto:Business.Services@sfgov.org)

### **Step 1: Employer Info**

Employer Name: \_\_\_\_\_

Contact Name: \_\_\_\_\_ Phone: \_\_\_\_\_

Job Title: \_\_\_\_\_ Email: \_\_\_\_\_

### **Step 2: Check all that apply to your business**

- |  |   |   |
|--|---|---|
| <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"/> Operations & Maintenance | <input type="checkbox"/> Janitorial                                   |
| <input type="checkbox"/> Landscape           | <input type="checkbox"/> Technology               | <input type="checkbox"/> I don't see my industry<br>(Please Describe) |

### **Step 3: Tell me about your Entry Level Positions**

Job Title	Number of Job Openings	Projected Start Date

**Done! Thank you for taking the time to complete the form.**

**Please email to [Business.Services@sfgov.org](mailto:Business.Services@sfgov.org) and  
a representative will follow up on how we can best support your hiring needs.**

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  
Email : [Business.Services@sfgov.org](mailto:Business.Services@sfgov.org) Website: [www.oewd.org/workforce](http://www.oewd.org/workforce)

## Attachment B: Local Hiring Agreement

This Local Hiring Agreement ("Local Hiring Agreement") is made as of , by and between , the San Francisco Office of Economic and Workforce Development, (the "OEWD"), 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 **[Horizontal Improvements, including [specify improvements]]** OR **[Vertical Improvements, including [specify improvements]]** ("Construction Work") at , Lots in Assessor's Block , San Francisco California ("Site"), and a copy of this Local Hiring 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 Local Hiring Agreement and comply with the local hiring requirements established by the City and County of San Francisco, pursuant to Chapter 82 of the San Francisco Administrative Code ("Chapter 82"), as further modified herein;

WHEREAS, the provisions of the San Francisco Local Hiring Policy for Construction (the "Policy") as set forth in Chapter 82, as modified herein, are hereby incorporated as a material term of the Contract. Where used in this Attachment B, "Policy" shall include the modifications herein.

WHEREAS, Contractor agrees that (i) Contractor shall comply with all applicable requirements of the Policy; (ii) the provisions of this Local Hiring Agreement 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 Policy.

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:

#### 1.1 SUMMARY

- A. This Local Hiring Agreement incorporates applicable requirements consistent with the Policy as set forth in Chapter 82. The provisions of the Policy are hereby incorporated as a material term of the DDA. Contractor agrees that (i) Contractor shall comply with all applicable requirements of the Policy; (ii) the provisions of 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 Policy.
- B. OEWD is responsible for administering the Policy and will be administering the applicable requirements for the Contract. For more information on the Policy and its implementation, please visit the OEWD website at:  
[www.workforcedevelopmentsf.org](http://www.workforcedevelopmentsf.org).

- C. Capitalized terms not defined herein shall have the meanings ascribed to them in the DDA.

## 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: (i) in the case of Horizontal Improvements, the construction of all Horizontal Improvements required or permitted to be made to the Project Site during a Phase and to be carried out by Developer under the DDA; or (ii) in the case of Vertical Improvements, the construction of a Vertical Improvement to be carried out by a Vertical Developer on a Development Parcel pursuant to an applicable Vertical DDA and Parcel Lease and all tenant improvements therein, except for the construction of any tenant improvements within a leased premises comprised of less than 15,000 square feet in floor area.
- D. “Construction Work Hours” means the total onsite work hours worked on a construction contract for a Construction Work by all apprentices and journey-level workers, whether those workers are employed by the Contractor or any Subcontractor.
- E. “Contractor” means a prime contractor, general contractor, or construction manager contracted by Developer or a Vertical Developer who performs Construction Work on the Project.
- F. “DDA” means that certain Disposition and Development Agreement between Developer and the City and County of San Francisco, acting by and through the San Francisco Port Commission.
- G. “Disadvantaged Worker” means a local resident, who (i) resides in a census tract within the City with a rate of unemployment in excess of 150% of the City unemployment rate; or (ii) at the time of commencing work on a covered project has a household income of less than 80% of the AMI, or (iii) faces or has overcome at least one of the following barriers to employment: being homeless; being a custodial single parent; receiving public assistance; lacking a GED or high school diploma; participating in a vocational English as a second language program; or having a criminal record or other involvement with the criminal justice system.
- H. “Developer” has the meaning set forth in the DDA, including any successor during the term of this Local Hiring Agreement.

- I. “Development Parcel” has the meaning set forth in the DDA.
- J. “Excess Credit Hours” shall mean the number of Construction Work Hours performed within a trade by Local Residents or Apprentices, as applicable, on a Construction Work that exceed the obligations set forth in Section 1.3.
- K. “Horizontal Improvement” has the meaning set forth in the DDA.
- L. “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.
- M. “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 a portion of the Project.
- N. “Non-Covered Construction Work” means any construction work not covered by the San Francisco Local Hiring Policy and the construction of any tenant improvements within a leased premises comprised of less than 15,000 square feet in floor area.
- O. “Parcel Lease” has the meaning set forth in the DDA.
- P. “Phase” has the meaning set forth in the DDA.
- Q. “Project Site” has the meaning set forth in the DDA.
- R. “Specialized Trades” means a list of trades designated as “Specialized Trades” published by OEWD for which the local hiring requirements of the Policy will not apply.
- S. “Targeted Worker” means any Local Resident or Disadvantaged Worker.
- T. “Vertical DDA” has the meaning set forth in the DDA.
- U. “Vertical Developer” has the meaning set forth in the DDA.
- V. “Vertical Improvement” has the meaning set forth in the DDA.

### 1.3 LOCAL HIRING PARTICIPATION

- A. The Contractor will work with OEWD’s CityBuild Program to achieve the following employment participation levels for all Construction Work:
  - 1. Total Construction Work Hours By Trade. For all contracts for Construction Work, the mandatory participation level in terms of Construction Work Hours within each trade to be performed by Local Residents is 30%, with a goal, which is not mandatory under this

agreement, of no less than 15% of Construction Work Hours within each trade to be performed by Disadvantaged Workers.

2. Apprentices. For all Construction Work, at least 30% of the Construction Work Hours performed by apprentices within each trade is required to be performed by local residents. OEWD has a goal of 50%, which is not mandatory under this agreement, and OEWD will work with contractors to look for feasible opportunities by trade to achieve the 50% goal. Where the candidate pool at a given time includes both apprentices referred by CityBuild and other apprentices, Contractors, shall undertake reasonable efforts to interview the apprentices referred by CityBuild first. This Local Hiring Agreement also establishes a goal, which is not mandatory under this agreement, of no less than 15% of Construction Work Hours performed by apprentices within each trade to be performed by Disadvantaged Workers.
  3. Out-of-State Workers. For all Construction Works, Construction Work Hours performed by residents of states other than California will not be considered in calculation of the number of Construction Work Hours to which the local hiring requirements apply. Contractors and Subcontractors shall report to OEWD the number of Construction Work Hours performed by residents of states other than California.
- B. Pre-construction or other Local Hire Meeting. Prior to commencement of construction on Construction Works, Contractor and its Subcontractors whom have been engaged by contract and, identified in the forms required under Section 1.6 below as contributing toward the mandatory local hiring requirement, shall attend a preconstruction or other Local Hire meeting convened by OEWD staff. Representatives from Contractor and the Subcontractor(s) who attend such pre-construction or other Local Hire meeting will have hiring authority. OEWD shall approve applicable Construction Work-specific Specialized Trade exemptions, in addition to the list of trades designated by OEWD as Specialized Trades in accordance with the Section 82.5 of the Policy, during such meeting. Contractor and its Subcontractors who are engaged after the commencement of construction shall attend a future preconstruction meeting or meetings as mutually agreed by Contractor and OEWD staff.
- C. The Policy does not limit Contractor's or its Subcontractors' ability to assess qualifications of prospective workers, and to make final hiring and retention decisions. In no event shall hiring preferences required hereunder prevent Contractor's or its Subcontractors' ability to comply with applicable labor agreements or union dispatch procedures. No provision of the Policy 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.
- D. Tenant Improvements. All future tenant improvements performed within a Construction Work subsequent to any initial tenant improvements within such

Construction Work ("Subsequent Tenant Improvements") shall not be subject to the mandatory participation levels set forth in subsection A above. With respect to Subsequent Tenant Improvements, Contractor or Subcontractor, as applicable, are required only to make good faith efforts to hire Local Residents and Disadvantaged Workers to perform construction work for Subsequent Tenant Improvements. Good faith efforts shall include Contractor's or Subcontractor's, as applicable, attendance at a pre-construction or other Local Hire meeting, requesting to connect with potential workers through Citybuild, considering Targeted Workers provided by CityBuild and submitting Local Hiring Forms 1 and 2.

1.4 COMPLIANCE WITH PARTICIPATION OBLIGATIONS CITYBUILD  
WORKFORCE DEVELOPMENT PROGRAM: EMPLOYMENT NETWORKING  
SERVICES

- A. OEWD administers the CityBuild Program. CityBuild shall be the primary resource for Contractor and Subcontractors to use to meet Contractor's local hiring requirements under the Policy. CityBuild has two main goals:
  - 1. Assist with local hiring requirements under the Policy 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 Contractor's or its Subcontractors' preferred or preexisting hiring or staffing procedures or labor agreements for a Construction Work do not enable Contractor to satisfy the local hiring requirements of the Policy, 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 the Policy. Neither Contractor nor its Subcontractors are required to make an independent determination of whether any worker is "disadvantaged" as defined in the Policy.
- C. **Basis of Compliance:**



1. With regard to Horizontal Improvements, OEWD shall determine compliance with this Agreement for each trade on a Phase by Phase basis. OEWD shall measure compliance by dividing the number of Construction Work Hours performed by Local Residents or Apprentices, as applicable, within a trade by the total number of Construction Work Hours performed within the same trade on the Horizontal Improvements within a Phase. In lieu of a Phase by Phase basis, Developer may determine that it can best achieve compliance with this Local Hire Agreement on a Project-wide basis, and may elect to comply on a Project-wide basis by delivering notice to OEWD and the Port of such election during the submission of the penultimate Phase Submittal. After such election, compliance shall be established upon the completion of the Project. In each case, once compliance is established, any Excess Credit Hours shall be confirmed by OEWD and shall be available for Developer, provided developer remains a Giants Affiliate, as defined in the DDA, to use to offset shortfalls in the same trade elsewhere on the Project Site, provided, however that Excess Credits may only be transferred to Horizontal Improvements that complied with the procedures set forth in Sections 1.3B, 1.4B and 1.6 and at completion are still short of attaining the participation levels set forth in Section 1.3A.
2. With regard to Vertical Improvements, OEWD shall determine compliance with this Agreement for each trade on an individual Vertical Improvement basis. OEWD shall measure compliance by dividing the number of Construction Work Hours performed by Local Residents or Apprentices, as applicable, within a trade by the total number of Construction Work Hours performed within the same on the Vertical Improvement. In lieu of an individual Vertical Improvement basis, Developer may determine that it can best achieve compliance with this Local Hire Agreement on a Phase by Phase basis, and may elect to comply on a Phase by Phase basis by delivering notice to OEWD and the Port of such election during the submission of a Phase Submittal. After such election, compliance shall be established upon the completion of the Phase; as applicable. In each case, once compliance is established, any Excess Credit Hours shall be confirmed by OEWD and shall be available to the Vertical Developer of the Vertical Improvement that generated such Excess Credit Hours, to transfer to another Vertical Developer, provided that such Vertical Developer is a Giants Affiliate, as defined in the DDA, to offset shortfalls in the same trade on a Vertical Improvements elsewhere on the Project Site, provided, however that Excess Credits may only be transferred to Vertical Improvements that complied with the procedures set forth in Sections 1.3B, 1.4B and 1.6 and at completion are still short of attaining the participation levels set forth in Section 1.3A.

#### 1.5 WAIVER FROM LOCAL HIRING REQUIREMENTS

- A. Contractor or the Subcontractor may request waivers as follows: (1) Requests for waivers based on Specialized Trades or other non-availability of workers (subsection 1); and (2) other requests for waivers, which may may be considered as conditional waivers by OEWD in its discretion, or based on credit for Non-Covered Construction Work or other construction work specified in subsection 3, and/or participation in the programs described in subsections 4 and 5 below or alternative programs identified by OEWD (subsection 2).

1. Specialized Trades and Other Non-Availability Waivers. Specialized Trades are exempt from local hiring requirements and established in accordance with Section 1.3(B). OEWD shall grant waivers based on a Specialized Trades exemption, provided that (a) the Specialized Trade appears on OEWD's approved list or has been approved as a Construction Work-specific Specialized Trade exemption, and (b) notwithstanding the exemption, Contractor and its Subcontractors have reported to OEWD for its records any Construction Work Hours utilized in each designated Specialized Trade and in each OEWD-approved Construction Work-specific Specialized Trade. As of the date of this Agreement, Specialized Trades include any marine diving, underwater, or marine-related pile-driving work, helicopter pilot, crane operators and oilers, boat, barge, dredge, and/or floating equipment operators, deck engineers, oilers, tunnel/underground work performed by operating engineers and laborers, lineman/cable splicer, stainless steel welders, ironworker connectors and millwrights.

In addition to Specialized Trades, Contractor or Subcontractor may from time to time seek a waiver based on non-availability of workers in one or more other trades ("Non-availability Waiver"). OEWD may apply any Excess Credit Hours (on a 1:1 basis of Excess Credit Hours to shortfall hours) to address any shortfalls identified with respect to a completed Construction Work that would otherwise be entitled to request a Non-availability Waiver under this subsection. At OEWD's discretion, Excess Credit Hours may be allocated anywhere within the Project Site, and to either the same or a different trade. Once Excess Credit Hours are allocated by OEWD such Excess Credit Hours shall no longer be available to Developer elsewhere on the Project Site. OEWD shall grant a Non-Availability Waiver pursuant to this subsection regardless of whether Excess Credit Hours are available to address any shortfall in a trade's Construction Work Hours with respect to a Construction Work, provided that Contractor or Subcontractor has submitted evidence of compliance with the procedures set forth in Sections 1.3B, 1.4B and 1.6.

2. Other Non-Compliance and Corrective Action Plan. In the event Contractor or Subcontractor fails to meet the requirements of Section 1.3 on a basis other than as set forth in subsection 1, OEWD may, in its discretion, negotiate a Corrective Action Plan with the Contractor or Subcontractor. The Corrective Action Plan may include a conditional

waiver that allows the Contractor or Subcontractor to avoid financial penalties. In determining whether to approve the waiver, OEWD may establish alternative means to achieve the participation levels set forth in Section 1.3, including, but not limited to, credit accumulated pursuant to subsection 3 or participation in the programs specified in subsections 4 and 5.

3. Credit for Hiring on Non-Covered Construction Work. Contractor and its Subcontractors may accumulate credit hours for hiring Targeted Workers on Non-Covered Construction Work or on other construction work for which for which the Contractor has exceeded project goals in the nine-county San Francisco Bay Area and apply those credit hours to contracts for Construction Work to meet the mandatory local hiring requirement. For hours performed by Targeted Workers on Non-Covered Construction Work, the hours shall be credited toward the local hiring requirement for the Contract provided that:
  - a. the Targeted Workers are paid the prevailing wages or union scale for work on the Non-Covered Construction Work; 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 Construction Work. 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.
4. Sponsoring Apprentices. Contractor or a Subcontractor may agree to sponsor new apprentices in trades in which noncompliance is likely and retain those apprentices for the period of Contractor's or a Subcontractor's work on the Construction Work, provided that OEWD verifies 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.
5. 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 the Policy by Contractor or Subcontractor 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, such as Helmets to

Hardhats, to hire and retain Targeted Workers. Such exception from assessments of penalties is subject to review and approval by OEWD.

## 1.6 LOCAL HIRING FORMS

- A. The Contractor shall provide CityBuild with information about the Contractor's employment needs under the Contract for each Construction Work by utilizing the City's online Project Reporting System ("PRS"). Contractor shall submit the following forms, as applicable, to OEWD:
1. Form 1: Local Hiring Workforce Projection. This Form 1 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 Construction Works 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 Construction Work using OEWD Form 2. Form 2 shall be initially submitted prior to the start of construction and updated quarterly by the Contractor until all subcontracting is completed. Upon commencement of work, Contractor and its Subcontractors may submit Job Notifications to CityBuild to connect with local trades workers.
  3. Form 3: Intentionally Omitted.
  4. Form 4: Waivers. To be completed by Contractor in the event that Contractor or a Subcontractor believes the local hiring requirements cannot be met. Refer to Articles 1.4 and 1.5 for more information regarding such waivers.

## 1.7 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 Local Hiring Agreement. All Subcontractors performing construction work on the Construction Work shall be responsible for complying with the recordkeeping and reporting requirements set forth in this Local Hiring Agreement.
- B. 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 the 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 the Construction Work.
1. Such records shall include the name, address and social security number of each worker who worked on the Construction Work, 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 Construction Work (e.g., core workforce, name call, union hiring hall, CityBuild referral source, or recruitment or hiring method).

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.
- C. Reporting. Contractor shall submit certified payrolls to the City electronically using the Project Reporting System. OEWD will monitor compliance with the Policy electronically.
- D. Monitoring. From time to time and in its sole discretion, OEWD may monitor and investigate compliance of Contractor and Subcontractors working on a Construction Work with requirements of this Local Hiring Agreement and the Policy. Contractor shall allow representatives of OEWD, in the performance of its duties, to engage in random inspections of a Construction Work. Contractor and all Subcontractors shall also allow representatives of OEWD to have access to employees of Contractor and Subcontractors and the records required to be maintained under this Local Hiring Agreement.
- E. Noncompliance and Penalties. Failure of Contractor and/or its Subcontractors to comply with the requirements of this Local Hiring Agreement and the obligations set forth in the Local Hiring Plan may subject Contractor to the consequences of noncompliance, including but not limited to the assessment of penalties if a waiver is not granted. The assessment of penalties for noncompliance shall not preclude the City from exercising any other rights or remedies to which it is entitled.
- a. **Penalties Amount.** Any Contractor or Subcontractor who fails to satisfy Local Hiring Requirements of this agreement applicable to Construction Work Hours performed by Local Residents and who does not receive a waiver shall forfeit to the City, and, in the case of any Subcontractor so failing, the Contractor 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 Construction Work 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 under this agreement.

- b. **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, OEWD shall provide Contractor or Subcontractor, as applicable, notice of such failure and provide such entity a reasonable opportunity to cure its failure. If such entity does not cure such failure, OEWD 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 Construction Work 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 agreement.
- c. **Recourse Procedure.** If the Contractor or Subcontractor disagrees with the assessment of penalties, then the following procedure applies:
  - i. 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.
  - ii. 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.
  - iii. 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.

- iv. 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.
- v. 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 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 Local Hiring Agreement and a Collective Bargaining Agreement, the terms of the Collective Bargaining Agreement shall supersede this Local Hiring Agreement.

## 1.9 DURATION OF THIS AGREEMENT

This Local Hiring Agreement shall be in full force and effect throughout the term of the Contract. Upon expiration of the Contract, or its earlier termination, this Local Hiring Agreement shall terminate and it shall be of no further force and effect on the parties hereto.

## 1.10 NOTICE

All notices to be given under this Local Hiring 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 OEWD:            OEWD  
                                 1 South Van Ness 5th Fl. San Francisco, CA 94103  
                                 Attn: Ken Nim, Compliance Manager,  
                                 ken.nim@sfgov.org

If to CityBuild:        CityBuild Compliance Manager  
                                 OEWD, 1 South Van Ness 5th Fl.  
                                 San Francisco, CA 94103  
                                 Attn: Ken Nim, Compliance Manager,  
                                 ken.nim@sfgov.org

If to Port:

Attn:

If to Developer:

Attn:

If to Vertical Developer:

Attn:

If to Contractor:

Attn:

If to Subcontractor:

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.

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 OEWD 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.

#### 1.11 ENTIRE AGREEMENT

This Local Hiring Agreement and the Transaction Documents contain the entire agreement between the parties to this Local Hiring 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. This Local Hiring 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 Contractor, their obligations shall be joint and several.

#### 1.12 SEVERABILITY

If any term or provision of this Local Hiring Agreement shall, to any extent, be held invalid or unenforceable, the remainder of this Local Hiring Agreement shall not be affected.

#### 1.13 COUNTERPARTS

This Local Hiring 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.

#### 1.14 HEADINGS



Section titles and captions contained in this Local Hiring Agreement are inserted as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Local Hiring Agreement or the intent of any of its provisions

#### 1.15 GOVERNING LAW

This Local Hiring Agreement shall be governed and construed by the laws of the State of California, and interpreted consistent with the requirements of Chapter 82.

IN WITNESS WHEREOF, the following have executed this Local Hiring 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



LOCAL HIRING PROGRAM  
OEWD FORM 1  
CONSTRUCTION CONTRACTS

## FORM 1: LOCAL HIRING WORKFORCE PROJECTION

**Contractor:** \_\_\_\_\_ **Project Name:** \_\_\_\_\_

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: Laborer</i>	<i>Contractor X</i>	<i>Journey</i>	800	250	31%
		<i>Apprentice</i>	200	100	50%
<i>Example: Laborer</i>	<i>Contractor Y</i>	<i>Journey</i>	500	100	20%
		<i>Apprentice</i>	0	0	0
<i>Example:</i>	<b>TOTAL LABORER</b>	<i>Journey</i>	1300	350	27%
		<i>Apprentice</i>	200	100	50%
<i>Example:</i>	<b>TOTAL</b>		1500	450	30%
		<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 Construction Work Hours, the Trade Craft is exempt from the Mandatory Requirement. Subsequently, if the Trade Craft exceeds 5% of the Total Construction 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



**SAN FRANCISCO**  
Office of Economic and Workforce Development

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:** \_\_\_\_\_

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 Construction 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.*

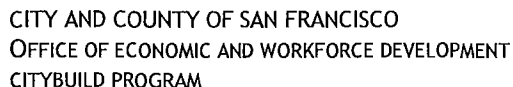
Trade Craft	Total Work Hours	Total Local Work Hours	Local Work Hours%	Total Apprentice Work Hours	Total Local Apprentice Work Hours	Local Apprentice Work Hours %
<i>Example: Laborer</i>	1500	450	30%	200	100	50%

*List all contractors contributing to the Construction 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: _____	



LOCAL HIRING PROGRAM  
OEWD FORM 4  
*CONSTRUCTION CONTRACTS*

## FORM 4: WAIVERS

Contractor: \_\_\_\_\_ Project Name: \_\_\_\_\_

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.

TRADE WAIVER INFORMATION: 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 Waivers and complete the appropriate boxes for approval:***

☐ 1. SPECIALIZED TRADES    ☐ 2. SPONSORING APPRENTICES    ☐ 3. CREDIT FOR NON-COVERED PROJECTS

<b>1. SPECIALIZED TRADES:</b> Will your firm be requesting 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?						<input type="checkbox"/> Yes		<input type="checkbox"/> No	
<p align="center"><i>Please CHECK off the following Specialized Trades you are claiming for Condition Waiver:</i></p> <div style="display: flex; justify-content: space-between;"> <span><input type="checkbox"/> MARINE PILE DRIVER    <input type="checkbox"/> HELICOPTER, CRANE, OR DERRICK BARGE OPERATOR    <input type="checkbox"/> IRONWORKER CONNECTOR</span> </div> <div style="display: flex; justify-content: space-between;"> <span><input type="checkbox"/> STAINLESS STEEL WELDER    <input type="checkbox"/> TUNNEL OPERATING ENGINEER    <input type="checkbox"/> ELECTRICAL UTILITY LINEMAN    <input type="checkbox"/> MILLWRIGHT</span> </div> <div style="display: flex; justify-content: space-between;"> <span><input type="checkbox"/> TRADE CRAFT IS LESS THAN 5% OF TOTAL WORK HOURS. LIST:</span> </div>									
<b>a. List OEWD-approved project-specific Specialized Trades approved during the bid period:</b>									
				<b>OEWD APPROVAL:</b>		<input type="checkbox"/> Yes		<input type="checkbox"/> No	
				<b>OEWD Signature:</b>					

<b>2. <u>SPONSORING APPRENTICES:</u></b> 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?							<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>PLEASE PROVIDE DETAILS:</b>		<b>Est. # of Sponsor Positions</b>	<b>Union (Yes / No)</b>	<b>If Yes, Local #</b>	<b>Est. Start Date</b>	<b>Est Duration of Working Days</b>	<b>Est Total Work Hours Performed</b>	
Construction Trade			Y <input type="checkbox"/> N <input type="checkbox"/>					
			Y <input type="checkbox"/> N <input type="checkbox"/>					
			Y <input type="checkbox"/> N <input type="checkbox"/>					
		<b>OEWD APPROVAL:</b> <input type="checkbox"/> Yes <input type="checkbox"/> No		<b>OEWD Signature:</b>				

<b>3. CREDIT for HIRING on NON-COVERED PROJECTS:</b> If your firm cannot meet the mandatory local hiring requirement, will you be requesting credit for hiring Targeted Workers on Non-covered Projects?					<input type="checkbox"/> Yes	<input type="checkbox"/> 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:

**DDA EXHIBIT B6-B**

**LOCAL BUSINESS ENTERPRISE UTILIZATION PROGRAM**

**DDA Exhibit B6 - B**

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**Local Business Enterprise (LBE) Utilization Program.**

The development plan for Mission Rock under the Transaction Documents provides for the development of a new mixed-use neighborhood composed of commercial/office, retail, garage, market rate and affordable residential uses and major new and expanded parks. This Workforce Development Plan sets forth the activities Developer and Vertical Developer shall undertake, and require their Contractors, Consultants, Subcontractors, Subconsultants, and Commercial Tenants, as applicable, to undertake, to support local business enterprises in both the construction and operations phases of the Project, as set forth in this Exhibit B6-B.<sup>1</sup>

The Port and Developer shall enter into the DDA which will provide for the development of the 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 Project. Developer will enter into contracts with Contractors and Consultants to construct all Horizontal Improvements allowed under the Master Lease.

Developer will submit Phase Submittals to the Port pursuant to the Transaction Documents. Following each Phase Approval, the Port will authorize the Chief Harbor Engineer to issue Port permits necessary for Developer to begin to construct Horizontal Improvements in accordance with the DDA and the Master Lease. Upon exercise of an Option in accordance with the DDA, the Port will convey each Development Parcel through Parcel Leases to a Vertical Developer. A Vertical Developer will enter into contracts with Contractors and Consultants to construct the Vertical Improvements, including residential and commercial improvements, in accordance with the Parcel Lease and Vertical DDA. 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.

The foregoing summary is provided for convenience and for informational purposes only. In case of any conflict, the provisions of the DDA and each Vertical DDA shall control.

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<sup>1</sup> Any capitalized term used in this Exhibit B6-B, including its Attachments, that is not defined herein, or in such Attachments, or in the referenced Administrative Code Sections, shall have the meaning given to such term in the DDA.



### **LBE Utilization Plan.**

Developer, with respect to Horizontal Improvements, shall, and the Vertical Developer, with respect to each Vertical Improvement, shall comply and require their respective Contractors and Consultants to comply with the Local Business Enterprise Utilization Plan (the "LBE Utilization Plan") set forth in Attachment A hereto. The Port shall cause (i) Developer, pursuant to the DDA and Master Lease, to comply with the Plan by including such requirements as a material term in the DDA and Master Lease applicable to all phases of Horizontal Improvements and (ii) each Vertical Developer to comply with the Plan by including such requirements as a material term in the VDDA and Parcel Lease applicable to each Vertical Improvement. The Port and Developer will seek to, whenever practicable, engage contracting teams to reflect the diversity of the City and include participation of both businesses and residents from the City's most disadvantaged communities including, but not limited to the Bayview/Hunters Point, Chinatown, Mission, South of Market, Tenderloin, Visitacion Valley and Western Addition neighborhoods.

Compliance with the construction requirements of the LBE Utilization Plan for Horizontal Improvements shall be determined on a Phase by Phase basis. Compliance will be measured by dividing the cost of all Contracts for a Phase of Horizontal Improvement awarded to LBE Prime Contractors, Subcontractors, Prime Consultants or Subconsultants divided by the total cost of all Contracts awarded to Prime Contractors, Subcontractors, Prime Consultants or Subconsultants for such Phase of Horizontal Improvement. If Developer exceeds the goals set forth in the LBE Utilization Plan with respect to an individual Horizontal Improvement, Developer may, at its option, allocate such excess, subject to terms outlined below, towards the compliance of another Horizontal Improvement within the Project Site, subject to the requirements of Attachment A. Notwithstanding anything to the contrary, Developer may, at its election, require that compliance be determined on a Project-wide basis by giving notice to CMD and the Port of such election during the submission of the penultimate Phase Submittal.

Compliance with the construction requirements of the LBE Utilization Plan for Vertical Improvements shall be determined on an individual Vertical Improvement basis. Compliance will be measured by dividing the cost of all Contracts for a Vertical Improvement awarded to LBE Prime Contractors, Subcontractors, Prime Consultants or Subconsultants divided by the total cost of all Contracts awarded to Prime Contractors, Subcontractors, Prime Consultants or Subconsultants for such Vertical Improvement. If a Vertical Improvement exceeds goals set forth in the LBE Utilization Plan, the Vertical Developer of such Construction Work may, at its option, allocate such excess towards the compliance of another Vertical Improvement within the Project Site or transfer such excess to another Vertical Developer within the Project Site, subject to the requirements of Attachment A. Notwithstanding anything to the contrary, Developer may, at its election, require that compliance be determined on a Phase-wide basis by giving notice to CMD and the Port of such election, pursuant to Attachment A, during the submission of a Phase Submittal.

The Developer, Vertical Developer(s) and CMD seek to reduce barriers to LBE participation, cost, and time. As such, the Developer and Vertical Developer(s) shall work in

good faith with CMD to design and implement for each Horizontal and Vertical Improvement insurance programs which provides to LBE participating subcontractors access to the required coverage through either the owner, Owner-Controlled Insurance Policy (OCIP), general contractor, Contractor-Controlled Insurance Policy (CCIP), or such other insurance program as may become reasonably commercially available.

CMD shall notify Contractors, Consultants, Subcontractors and Subconsultants, as applicable, in writing, with a copy to the Port and Developer or Vertical Developer, as applicable, of any alleged breach on the part of that entity of its obligations under San Francisco Administrative Code Chapter 14B ("Chapter 14B") or its LBE Utilization Plan, as applicable, and provide such entity an opportunity to cure its failure before seeking an assessment of liquidated damages. CMD's sole remedies against a Contractor, Consultant, Subcontractor and Subconsultant shall be as set forth in the applicable LBE Utilization Plan, including the enforcement process. Upon CMD's request, Port, Developer or Vertical Developer, as applicable, shall reasonably cooperate with CMD in any such enforcement action against any Contractors, Consultants, Subcontractors and Subconsultants, provided that in no event shall Port, Developer or Vertical Developer, as applicable, be liable for any breach by a Contractor, Consultant, Subcontractor or Subconsultant.

If the Port, Developer or Vertical Developer, as applicable, fulfills its obligations as set forth in this Exhibit B2, it shall not be held responsible for the failure of a Contractor, Consultant, Subcontractor and Subconsultant or any other person or party to comply with the requirements of San Francisco Administrative Code Chapter 14B ("Chapter 14B") or this Exhibit B2. If Developer or Vertical Developer, as applicable, fails to fulfill its obligations under this Exhibit B6-B, the applicable provisions of Chapter 82 shall apply, though the Port and Developer, as applicable, shall have the right to invoke the process set forth in Article 10 of the DDA.

This Exhibit B6-B complies with the requirements of Chapter 14B, including Sections 14B.20.

## Attachment A

### **Local Business Enterprise Utilization Plan**

1. **Purpose and Scope.** This Local Business Enterprise Utilization Plan (this "LBE Utilization Plan") governs the Local Business Enterprise obligations of the Workforce Improvement or the Construction Work pursuant to San Francisco Administrative Code Section 14B.20 and satisfies the obligations of Developer, Vertical Developer and their Contractors and Consultants for a LBE Utilization Plan as set forth herein. In the event of any conflict between San Francisco Administrative Code Chapter 14B ("Chapter 14B") and this attachment, this LBE Utilization Plan shall govern.
2. **Roles of Parties.** In connection with the design and construction phases of each Construction Work (as defined below) and the operations of each Workforce Improvement, 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 Vertical shall participate in a local business enterprise program, and the City's Contract Monitoring Division ("CMD") 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 Developer, Vertical Developer, Contractor or professional services firm retained to work on a Construction Work or Workforce Improvement, as the case may be (each, a "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 Developer or Vertical Developer or a Contractor or professional services firm. When Developer or Vertical Developer or a Contractor or professional services firm requires and seeks products from an LBE supplier or distributor, no more than sixty percent of the cost of the product shall be credited towards LBE participation goals. If the listed supplier or distributor does not regularly stock or is a specially manufactured item(s), the required product, no more than five percent of the cost of the product shall be credited towards LBE participation goals.
  - c. "Consultant" shall mean a person or company that has entered into a professional services contract for monetary consideration with Developer or Vertical Developer to provide advice or services to Developer directly related to the architectural or landscape design, physical planning, and/or civil, structural or

~~environmental engineering of a Construction Work or Workforce Improvement.~~

- d. "Construction Work" shall mean: (i) in the case of Horizontal Improvements, construction of all Horizontal Improvements required or permitted to be made to the Project Site during a Phase and to be carried out by Developer under the DDA subject to Chapter 14B; or (ii) in the case of Vertical Improvements, a Vertical Improvement and all tenant improvements therein, except for the construction of any tenant improvements within a leased premises comprised of less than 15,000 square feet in floor area, to be constructed by a Vertical Developer on a Development Parcel pursuant to an applicable Vertical DDA and Parcel Lease.
- e. "Contract(s)" shall mean an agreement, whether a direct contract or subcontract, for Consultant or Contractor services for all or a portion of a Construction Work or Workforce Improvement.
- f. "Contractor" shall mean a person or entity that enters into a direct Contract with Developer or Vertical Developer to build or construct all or a portion of a Construction Work or operate a Workforce Improvement.
- g. "DDA" means the Disposition and Development Agreement between Developer and the City and County of San Francisco, acting by and through the San Francisco Port Commission.
- h. "Developer" has the meaning set forth in the DDA, including any successor during the term of this LBE Utilization Plan.
- i. "Development Parcel" has the meaning set forth in the DDA.
- j. "Excess Credit" shall mean the total cost of all Contracts for a Construction Work awarded to LBE Prime Contractors, Subcontractors, Prime Consultants or Subconsultants that are Small and Micro-LBEs that exceeds the goals set forth in Section 4.
- k. "Horizontal Improvement" has the meaning set forth in the DDA.
- l. "Good Faith Efforts" shall mean procedural steps taken by Developer, Vertical Developer, Contractor or Consultant with respect to the attainment of the LBE participation goals, as set forth in Section 6 below.
- m. "Local Business Enterprise" or "LBE" means a business that is certified as an LBE under Chapter 14B.3.
- n. "LBE Liaison" shall mean Developer's and Vertical Developer'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.

- o. "Parcel Lease" has the meaning set forth in the DDA.
- p. "Phase" has the meaning set forth in the DDA.
- q. "Port" has the meaning set forth in the DDA.
- r. "Project" has the meaning set forth in the DDA.
- s. "Project Site" has the meaning set forth in the DDA.
- t. "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 a Construction Work or Workforce Improvement.
- u. "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 a Construction Work or Workforce Improvement.
- v. "Vertical DDA" has the meaning set forth in the DDA.
- w. "Vertical Developer" has the meaning set forth in the DDA.
- x. "Workforce Improvement" shall mean all completed Vertical Improvements, but excluding within: (a) any commercial premises occupying less than 15,000 square feet in floor area, and (b) any residential units therein, subject to Chapter 14B.

4. **LBE Participation Goal.** Developer and Vertical Developer agree to participate in this LBE Utilization Plan and CMD agrees to work with Developer and Vertical Developer in this effort, as set forth in this LBE Utilization Plan. As long as this LBE Utilization Plan remains in full force and effect, Developer, with respect to the construction of Horizontal Improvements, and Vertical Developer, with respect to the construction of Vertical Improvements, shall make good faith efforts as defined below to achieve an overall LBE participation goal of 20% of the total cost of all Contracts for a Construction Work awarded to LBE Prime Contractors, Subcontractors, Prime Consultants or Subconsultants that are Small and Micro-LBEs, as set forth in Administrative Code Section 14B.8(A) and a participation goal of 10% during the pre-construction phase of the Project.

5. **Developer/Vertical Developer Obligations.** Developer, with respect to the construction of Horizontal Improvements, and Vertical Developer, with respect to the construction of Vertical Improvements, shall comply with the requirements of this Attachment A as follows: Upon entering into a Contract with a Contractor or Consultant, Developer or Vertical Developer, as applicable, will include each such Contract a provision requiring the Contractor or Consultant to comply with the terms of this Attachment A, and setting forth the applicable percentage goal for such Contract, and provide a signed copy thereof to CMD and the Port within 10 business days of execution. Such Contract shall specify the notice information for the

Contractor or Consultant to receive notice pursuant to Section 16. Developer and each Vertical Developer shall identify a "LBE Liaison" as its main point of contact for outreach/compliance concerns and shall be available to meet with CMD staff on a regular basis or as necessary regarding the implementation of this Attachment A. If Developer, with respect to Horizontal Improvements, or a Vertical Developer, with respect to construction of the Vertical Improvements, fulfills its obligations as set forth in this Section 5 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 Developer or Vertical Developer, as applicable, 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 A.

6. Good Faith Efforts. City acknowledges and agrees that Developer, Vertical Developer, 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 in Section 5, it will nonetheless be deemed to satisfy the good faith effort obligation of this Section 6 and thereby satisfy the requirements and obligations of this Attachment A if the Contractor, Consultants and their Subcontractors and Subconsultants, as applicable, perform the good faith efforts set forth in this Section 6 as follows:

- a. Advance Notice. Notify CMD and the Port in writing of all upcoming solicitations of proposals for work under a Contract at 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, Developer, Vertical Developer, Contractor, Consultant, Subcontractor or Subconsultant will 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. Developer, Vertical Developer, Contractor, Consultant, Subcontractor or Subconsultant will advertise for at least 30 days prior to the opening of bids or proposals, 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 Developer or Vertical Developer or their respective Prime Contractor or Consultant, as applicable. As practicable, convene pre-bid or pre-solicitation meetings no less than 15 days prior to the opening of bids and proposals to all for LBEs to ask questions about the selection process and technical specifications/requirements. Developer or Vertical Developer may request CMD's permission to award a contract without advertising if the work consists of specialty services or otherwise does not provide

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opportunities for LBE participation.

- 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.** Developer or Vertical Developer or their respective 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.** Developer or Vertical Developer or their respective 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) shall be or work with a LBE Consultant with experience in and responsibility for making recommendations on how to maximize engagement of local small businesses from disadvantaged communities including, but not limited to the Bayview/Hunters Point, Chinatown, Mission, South of Market, Tenderloin, Visitacion Valley and Western Addition neighborhoods, and 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.** Developer or Vertical Developer shall include in its 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 overall LBE participation goal and any LBE percentage that may be required under such Contract.
- 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. **Insurance and Bonding.** Recognizing that lines of credit, insurance and bonding are problems common to local businesses, 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. Contractor, Subcontractor, Consultant and Subconsultant will work with the Developer, Vertical Developer and CMD in good faith to design and implement for each Horizontal and Vertical Improvement insurance programs which provides to LBE participating subcontractors access to the required coverage through either the owner, Owner-Controlled Insurance Policy (OCIP), general contractor, Contractor-Controlled Insurance Policy (CCIP), or such other insurance program as may become reasonably commercially available.
- l. **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 9 below to identify a strategy to meet the LBE goal;
- m. **Quarterly Reports.** During design and construction, the LBE Liaison(s) shall prepare a quarterly report of LBE participation goal attainment and submit to CMD as required by Section 9 herein; and
- n. **Meet and Confer.** Attend the meet and confer process described in Section 9.

7. **Good Faith Outreach.** Good faith efforts shall be deemed satisfied solely by compliance with Section 6. 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 6.b, and following CMD's notice under Section 8.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.

8. **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 6.b, CMD will work with Developer or its prime 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 Developer or Vertical Developer or their Contractors, Subcontractors, Consultants and Subconsultants in meeting LBE participation goals and/or satisfying good faith efforts requirements.

9. Meet and Confer Process. Commencing with the first Contract that is executed for a Construction Work, and every six (6) months thereafter, or more frequently if requested by either CMD, Developer or a Contractor or Consultant each Contractor and 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 A. When deficiencies are noted, meet and confer with CMD to ascertain and execute plans to increase LBE participation.

10. Prohibition on Discrimination. Developer and Vertical Developer 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 6 and 9 above.

11. Collective Bargaining Agreements. Nothing in this Attachment A 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 A and a Collective Bargaining Agreement, the terms of the Collective Bargaining Agreement shall supersede this Attachment A.

12. 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 6. Developer and Vertical Developer 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 prime 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.

13. Basis of Compliance:

- a. With regard to Horizontal Improvements, CMD shall determine compliance with this Agreement on a Phase-wide basis and measure compliance by dividing the cost of all Contracts for a Construction Work awarded to LBE Prime Contractors, Subcontractors, Prime Consultants or Subconsultants divided by the total cost of all Contracts awarded to Prime Contractors, Subcontractors, Prime Consultants or Subconsultants for such Construction Work. Notwithstanding anything to the contrary, Developer may, at its election, require that compliance be determined on a Project-wide basis by giving notice to CMD and the Port of such election not later than the submission of the penultimate Phase Submittal. After such election, compliance shall be measured upon the completion of the Project. In each case, once compliance is established, any Excess Credit shall be confirmed by CMD and shall be available for Developer, provided Developer remains a Giants Affiliate, as defined in the DDA, to offset shortfalls elsewhere on the Project Site, provided, however that Excess Credits may only be transferred to Horizontal Improvements that complied with the procedures set forth in Section 6 and at completion are short of attaining the participation levels set forth in Section 4.
- b. With regard to Vertical Improvements, CMD shall determine compliance with this Agreement on an individual Vertical Improvement basis and measure compliance by dividing the cost of all Contracts for a Construction Work awarded to LBE Prime Contractors, Subcontractors, Prime Consultants or Subconsultants divided by the total cost of all Contracts awarded to Prime Contractors, Subcontractors, Prime Consultants or Subconsultants for such Vertical Improvement. Notwithstanding anything to the contrary, Developer may, at its election, require that compliance be determined on a Phase-wide basis, as Developer plans to develop each Vertical Improvement in such Phase, by giving notice to CMD and the Port of such election during the submission of a Phase Submittal. After such election, compliance shall be measured upon the completion of the Phase, as applicable. In each case, once compliance is established, any Excess Credits shall be confirmed by CMD and shall be available to the Vertical Developer of the Vertical Improvement that generated such Excess Credits to transfer to another Vertical Developer, provided that such Vertical Developer is a Giants Affiliate, as defined in the DDA, to offset shortfalls in the same trade on Vertical Improvements elsewhere on the Project Site, provided, however that Excess Credits may only be transferred to Vertical Improvements that complied with the procedures set forth in Section 6 and at completion are still short of attaining the participation levels set forth in Section 4.

14. Workforce Improvement Operations. Each Vertical Developer will use good faith efforts to hire LBEs for ongoing service contracts within Workforce Improvements 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.

15. Monitoring and Enforcement. CMD shall both monitor and enforce the standards and requirements, including the good faith efforts, of this Program. CMD Compliance Officers shall schedule meetings with the LBE Liaison(s) through the term of this Program to promote consistent communication and practice.

16. 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 Developer, Vertical Developer, Contractor, Subcontractor, Consultant or Subconsultant, then CMD shall provide written notice to Developer or Vertical Developer, as applicable, each affected prime Contractor or Consultant and, if applicable, also to its Subcontractor or Subconsultant. The prime 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 A. When deficiencies are noted CMD staff will work with the appropriate LBE Liaison(s) to remedy such deficiencies.

17. Remedies. Notwithstanding anything to the contrary in the DDA, the following process and remedies shall apply with respect to any alleged violation of this Attachment A:

Mediation and conciliation shall be the administrative procedure of first resort for any and all compliance disputes arising under this Attachment A. 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 Developer, 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 Developer, Contractor, Consultant, Subcontractor or Subconsultant to file a request for judicial relief.

If a Developer, Vertical Developer, Contractor, Consultant, Subcontractor or Subconsultant is found to be in willful breach of the obligations set forth in this Attachment A, assess against the noncompliant Developer, Vertical Developer, 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 Developer, Vertical Developer, 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 A, the sole remedy for violation shall be specific performance.

18. Duration of this Agreement. This Attachment A shall terminate (i) at the expiration of the Development Agreement, as defined in the DDA, and; (ii) for any Construction Work that has commenced before the termination of the Development Agreement, but is not yet complete upon the termination of the Development Agreement, upon the completion of such Construction Work. Upon such termination, this Attachment A shall be of no further force and effect.

19. Notice. All notices to be given under this Attachment A 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 the Port:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

If to Developer:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

If to Vertical Developer:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

If to Contractor:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

If to Consultant:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

EXHIBIT N

Development Agreement Section 5.8(f) (Electricity)

## EXHIBIT N

### DEVELOPMENT AGREEMENT SECTION §5.8(F) (ELECTRICITY)

#### 5.8 Future City Approvals

##### (f) SFPUC Power.

(i) In accordance with Administrative Code chapter 99, the SFPUC has performed a feasibility study and has determined that it will be able to provide electric power to the Project. SFPUC agrees that applicable SFPUC service will be reasonably available to meet the Project's needs and Developer's schedule, and that the projected price for applicable SFPUC service and related Utility Infrastructure cost allocations are comparable to rates in San Francisco for comparable service. SFPUC will work with Developer to provide applicable SFPUC service for temporary construction and permanent use pursuant to SFPUC *Rules and Regulations for Electric Service*.

(ii) Developer understands and agrees that all applicable SFPUC service for the Project Site will be provided by SFPUC Power under the terms of an ESA to be completed between SFPUC Power and Developer. Among other things, the ESA, in addition to the ESA's standard terms and conditions, will address some or all of the following:

- (1) development schedules and milestones for applicable SFPUC service;
- (2) termination rights and costs;
- (3) offsite Utility Infrastructure requirements, development, costs, and any cost allocation;
- (4) onsite Utility Infrastructure requirements, development, costs, and cost allocations; and
- (5) Developer-provided space for SFPUC electric facilities.

(iii) The Parties agree to act in good faith to finalize the ESA within 180 days after the Reference Date. If the Parties' good faith efforts do not result in a final ESA within 180 days, the Parties will agree to a reasonable extension of time to complete the ESA. If the Parties' diligent good faith negotiations to enter into an ESA as set forth above are unsuccessful, Developer may elect to pursue alternative service arrangements.

EXHIBIT O

Form of Assignment and Assumption Agreement

RECORDING REQUESTED BY:  
AND WHEN RECORDED MAIL TO:

FOR RECORDER'S USE ONLY

APN: Lot [ ], Block [ ]

**PARCEL LEASE EXHIBIT O**  
**ASSIGNMENT AND ASSUMPTION AGREEMENT AND RELEASE**  
(Parcel Lease [and DA])

This ASSIGNMENT AND ASSUMPTION AGREEMENT (this "**Agreement**"), effective as of [ ], (the "**Effective Date**"), is entered into by and between [ ], a [ ] ("**Transferor**"), and [ ], a [ ] ("**Transferee**").

**RECITALS**

**A.** Seawall Lot 337 Associates, LLC, a Delaware limited liability company ("**Horizontal Developer**") and the City entered into that certain Development Agreement (the "**Development Agreement**") dated as of [ ], 2018 for reference purposes, with respect to certain real property owned by Assignor, as such property is more particularly described in the Development Agreement ("**Mission Rock**"). The Development Agreement was recorded in the Official Records on [ ], 2018 as Instrument No. [ ].

**B.** The Development Agreement was assigned by Horizontal Developer to Transferor by that certain Development Agreement Assignment and Assumption Agreement dated as of [ ], 20[xx] and recorded in the Official Records on [ ], 20[xx] as Instrument No. [ ]. [Note: add if applicable any intervening amendment and/or assignments]

**C.** Port and Transferor entered into that certain Lease No. L-XXXX dated as of [ ], 20XX (the "**Lease**"), a memorandum of which was recorded in the Official Records on [ ], 20XX as Instrument No. [ ].

**D.** The Property is located within the mixed-use development commonly known as Mission Rock. The Lease, and [Note: add other agreements if applicable] any other agreements or documents entered into by and between Port and Transferor pursuant to the Lease are referred to herein collectively, as the "**Property Agreements**."

**E.** Transferor and Transferee have entered into an agreement (the "**Purchase Agreement**") pursuant to which Transferor has agreed to assign all of its right, title and interest in and to the Property Agreements [and certain right title and interest in the Development Agreement] to Transferee, and Transferee has agreed to assume all of Transferor's right title and interest in and to the Property Agreements [and certain right title and interest in the Development Agreement] from Transferor.



F. In order to consummate the transactions contemplated by the Purchase Agreement, Transferor desires to assign and Transferee desires to assume the Property Agreements [and the Development Agreement] on the terms and conditions set forth in this Agreement.

## **AGREEMENT**

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Transferor and Transferee agree as follows:

1. **Assignment by Transferor.** Transferor hereby assigns to Transferee as of the Effective Date each and all of the right, title, interest and obligations of Transferor under the Property Agreements [and certain right title and interest in the Development Agreement and any other agreements or documents entered into by and between City and Transferor pursuant to the Development Agreement] to the extent first arising after the Effective Date.

2. **Assumption by Transferee.**

2.1. **Assumption by Transferee.** Transferee hereby assumes from Transferor as of the Effective Date each and all of the right, title, interest and obligations of Transferor under the Property Agreements [and certain right title and interest in the Development Agreement and any other agreements or documents entered into by and between City and Transferor pursuant to the Development Agreement] to the extent first arising after the Effective Date. Transferee hereby acknowledges that Transferee has reviewed the Property Agreements [and the Development Agreement and any other agreements or documents entered into by and between City and Transferor pursuant to the Development Agreement] and agrees to be bound by all such agreements and all conditions and restrictions to which Transferor is subject under such agreements[ and to which Horizontal Developer (or the Transferor, as applicable) is subject under the Development Agreement to the extent applicable to the Property].

2.2. **[Note: add if applicable to residential rental projects] [To be confirmed-subject to further modification]** Costa-Hawkins Waiver. Without limiting the foregoing assumption of rights and obligations by Transferee, Transferee specifically acknowledges that the Development Agreement and the DDA, which includes the Affordable Housing Plan attached thereto as Exhibit [XX], [provide regulatory concessions and significant public investment to Mission Rock that directly reduce development costs at Mission Rock]. The regulatory concessions and public investment include a direct financial contribution of net tax increment and other forms of public assistance specified in California Government Code section 65915. These public contributions result in identifiable, financially sufficient, and actual cost reductions for the benefit of Horizontal Developer and Transferors under California Government Code section 65915. In consideration of the City's direct financial contribution and other forms of public assistance, the parties understand and agree that the Costa-Hawkins Act does not apply to any BMR Unit or Inclusionary Units developed under the AHP for Mission Rock.

3. **Representations and Warranties of Transferor.** Transferor hereby makes the following representations and warranties to Transferee, Port, and the City as of the Effective Date:

3.1. Transferor is a [ ] duly organized and validly existing under the laws of the State of [ ]. Transferor has the requisite power and authority to own its property and conduct its business as presently conducted. Transferor is in good standing in the State of California and is authorized to do business in the State of California and is in good standing therein.

3.2. Transferor has the requisite power and authority to execute and deliver this Agreement and the Transfer Agreement (collectively, the "Transaction Documents") and the agreements contemplated hereby and to carry out and perform all of the terms and covenants of the Transaction Documents and the agreements contemplated hereby to be performed by Transferor.

3.3. Neither Transferor's [articles of organization or operating agreement], nor any applicable Law, prohibits Transferor's entry into the Transaction Documents or its performance

thereunder. 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 the Transaction Documents by Transferor and Transferor's performance thereunder, 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 Transferor, and Transferor has not received notice of the filing of any pending suit or proceedings against Transferor before any court, governmental agency, or arbitrator, which might materially adversely affect the enforceability of the Transaction Documents or the business, operations, assets or condition of Transferor.

**3.4.** The execution and delivery of the Transaction Documents and the performance by Transferor thereunder have been duly and validly authorized. When executed and delivered, the Transaction Documents will be legal, valid and binding obligations of Transferor.

**3.5.** The execution, delivery and performance of the Transaction Documents (i) do not and will not violate or result in a violation of, contravene or conflict with, or constitute a default by Transferor under (A) any agreement, document or instrument to which Transferor is a party or by which Transferor is bound, (B) any law, statute, ordinance, or regulation applicable to Transferor or its business, or (C) the articles of organization or the operating agreement of Transferor, and (ii) do not result in the creation or imposition of any lien or other encumbrance upon the assets of Transferor (other than the lien of a Mortgage in accordance with the Parcel Lease).

**3.6.** Except to the extent disclosed to Port in writing, (i) Transferor is not in default under, and has not received notice asserting that it is in default under, any agreement for borrowed money, (ii) Transferor 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 Transferor's ability to meet its obligations under the Transaction Documents, and (iv) to Transferor's knowledge, no involuntary petition naming Transferor as debtor has been filed under any chapter of the U.S. Bankruptcy Code.

**4. Representations and Warranties of Transferee.** Transferee hereby makes the following representations and warranties to Transferor, Port, and the City as of the Effective Date:

**4.1.** Transferee is a [ ] duly organized and validly existing under the laws of the State of [ ]. Transferee has the requisite power and authority to own its property and conduct its business as presently conducted. Transferee is in good standing in the State of California and is authorized to do business in the State of California and is in good standing therein.

**4.2.** Transferee has the requisite power and authority to execute and deliver the Transaction Documents and the agreements contemplated hereby and to carry out and perform all of the terms and covenants of the Transaction Documents and the agreements contemplated hereby to be performed by Transferee.

**4.3.** Neither Transferee's [articles of organization or operating agreement], nor any applicable Law, prohibits Transferee's entry into the Transaction Documents or its performance thereunder. 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 the Transaction Documents by Transferee and Transferee's performance thereunder, 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 Transferee, and Transferee has not received notice of the filing of any pending suit or proceedings against Transferee before any court, governmental agency, or arbitrator, which might materially adversely affect the enforceability of the Transaction Documents or the business, operations, assets or condition of Transferee.

**4.4.** The execution and delivery of the Transaction Documents and the performance by Transferee thereunder have been duly and validly authorized. When executed and delivered, the Transaction Documents will be legal, valid and binding obligations of Transferee.

**4.5.** The execution, delivery and performance of the Transaction Documents (i) do not and will not violate or result in a violation of, contravene or conflict with, or constitute a default by Transferee under (A) any agreement, document or instrument to which Transferee is a party or by which Transferee is bound, (B) any law, statute, ordinance, or regulation applicable to Transferee or its business, or (C) the articles of organization or the operating agreement of Transferee, and (ii) do not result in the creation or imposition of any lien or other encumbrance upon the assets of Transferee (other than the lien of a Mortgage in accordance with the Parcel Lease).

**4.6.** Except to the extent disclosed to Port in writing, (i) Transferee is not in default under, and has not received notice asserting that it is in default under, any agreement for borrowed money, (ii) Transferee 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 Transferee's ability to meet its obligations under the Transaction Documents, and (iv) to Transferee's knowledge, no involuntary petition naming Transferee as debtor has been filed under any chapter of the U.S. Bankruptcy Code.

**5. Qualified Transferee.** Transferee is a Qualified Transferee. "Qualified Transferee" means any transferee that satisfies each of the following criterion: (1) has, or has engaged a property manager with at least ten (10) years' experience operating [use for commercial development parcels: major commercial projects] [use for residential development parcels: residential projects]; (2) satisfies the Net Worth Requirement; and (3) is subject to jurisdiction of the courts of California.

**6. Investigation of Property; No Port or City Representations.** Transferee has conducted a thorough investigation and due diligence of the Property, including all Material Systems, the roof and the structural integrity of the Improvements [Add only if transfer occurs after 20th Anniversary of the Commencement Date: and has received and reviewed the Facilities Condition Report dated \_\_\_\_\_ prepared by or on behalf of Transferor]. Transferee has reviewed and is familiar with the terms and conditions of the Property Agreements [and the Facilities Condition Report]. Transferee recognizes and acknowledges that Port makes no representation or warranty hereby, express or implied, regarding the Property, the Improvements, [the Facilities Condition Report] or the amount, nature, or extent of any representations or warranties with respect to the obligation, liability, or duty under any of the Property Agreements.

**7. Release of Indemnified Parties and the State Lands Indemnified Parties.** Transferee, on behalf of itself and its successors and assigns, waives or will be deemed to waive, any right to recover from, and forever releases, acquits, and discharges Indemnified Parties and the State Lands Indemnified Parties under the Property Agreements of all Losses against the Indemnified Parties and the State Lands Indemnified Parties for the condition of the Improvements or the real property or any claims assignor may have against the Indemnified Parties arising prior to the Effective Date 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.

Transferee understands and expressly accepts and assumes the risk that any facts concerning the Losses released, waived, and discharged in this Agreement includes known and unknown claims, disclosed and undisclosed, and anticipated and unanticipated claims pertaining to the subject matter of the releases, waivers, and discharges, and might be found later to be other than or different from the facts now believed to be true, and agrees that the releases, waivers, and discharges in this Agreement will remain effective. Accordingly, with respect to the claims released, waived, and discharged in this Agreement, Transferee expressly waives the benefits of Section 1542 of the California Civil Code, which provides as follows:

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

By placing its initials below, Transferee specifically acknowledges and confirms the validity of the releases, waivers, and discharges made above and the fact that Transferee was represented by counsel who explained, at the time this agreement was made, the consequences of the above releases, waivers and discharges.

TRANSFEEEE INITIALS: \_\_\_\_\_

**8. Release of Transferor.**

From and after the Effective Date, Transferor will be released from all obligations and liability under Parcel Lease to the extent first arising after the Effective Date as long as Transferee has assumed all such obligations and liabilities. In no event will Transferor be liable for a new default under Parcel Lease first arising after the Effective Date so long as Transferee has assumed all obligations and liabilities under Parcel Lease arising as of the Effective Date. The effectiveness of any Transfer hereunder is not in any way to be construed to relieve Transferor of any liability arising out of or with regard to the performance of any covenants or obligations to be performed by Transferor under Parcel Lease before the Effective Date.

**9. General Provisions.**

**9.1. Attorneys' Fees.** If either Party hereto fails to perform any of its respective obligations under this Agreement or if any dispute arises between the parties hereto concerning the meaning or interpretation of any provision of this Agreement, then the defaulting Party or the Party not prevailing in such dispute, as the case may be, will pay any and all costs and expenses incurred by the other party on account of such default or in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees and disbursements.

**9.2. Notices.** The provisions of Section 38 of the Parcel Lease [and Section 14.1 of the Development Agreement] are incorporated by reference with the same effect as if set forth herein; provided, however, the address for Transferee is as follows:

[\_\_\_\_\_]
[\_\_\_\_\_]
[\_\_\_\_\_]
Attn: [\_\_\_\_\_]

With a copy to:

[\_\_\_\_\_]
[\_\_\_\_\_]
[\_\_\_\_\_]
Attn: [\_\_\_\_\_]

**9.3. Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their respective executors, administrators, successors, and assigns.

**9.4. Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which shall constitute one instrument.

**9.5. Captions.** Any captions to, or headings of, the Articles, Paragraphs, or subparagraphs of this Agreement are solely for the convenience of the parties hereto, are not a

part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.

**9.6. Amendment to Agreement.** The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the parties hereto.

**9.7. Exhibits.** The Exhibits attached hereto are hereby incorporated herein by this reference for all purposes.

**9.8. Waiver.** The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

**9.9. Applicable Law.** This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of California.

**9.10. Fees and Other Expenses.** Except as otherwise provided herein, each of the parties shall pay its own fees and expenses in connection with this Agreement.

**9.11. Partial Invalidity.** If any portion of this Agreement as applied to any party or to any circumstances shall be adjudged by a court to be void or unenforceable, such portion shall be deemed severed from this Agreement and shall in no way affect the validity or enforceability of the remaining portions of this Agreement.

**9.12. Independent Counsel.** Each party hereto acknowledges that: (a) it has been represented by independent counsel in connection with this Agreement; (b) it has executed this Agreement with the advice of such counsel; and (c) this Agreement is the result of negotiations between the parties hereto and the advice and assistance of their respective counsel.

**9.13. Defined Terms.** All capitalized terms not defined herein are set forth in the Parcel Lease.

*[The remainder of this page has been intentionally left blank]*

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the Effective Date.

**TRANSFEROR:**

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

**TRANSFeree:**

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

The CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, operating by and through the SAN FRANCISCO PORT COMMISSION, hereby executes this Agreement with respect only to Article 8 (Release of Transferor) of this Agreement.

**PORT:**

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

By: \_\_\_\_\_  
[NAME]  
Executive Director

**APPROVED AS TO FORM:**

DENNIS J. HERRERA, City Attorney

By: \_\_\_\_\_  
[NAME OF DEPUTY]  
Deputy City Attorney

**[Note: Applicable only if DA is assigned and assumed]**

**DEVELOPMENT AGREEMENT RELEASE**

In accordance with Section 11.1 of the Development Agreement, the City hereby releases and discharges [insert Transferor ("**Transferor**")]] from all obligations that are transferred to, and assumed by, [insert transferee ("**Transferee**")]] under the foregoing Assignment and Assumption Agreement between Transferor and Transferee, dated as of [\_\_\_\_], 20XX (the "**Assignment and Assumption Agreement**"), to which this Release is attached. All capitalized terms not defined in this Release are as defined in the Assignment and Assumption Agreement.

**CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation

By: \_\_\_\_\_  
\_\_\_\_\_  
Director of Planning

Date: \_\_\_\_\_

APPROVED AS TO FORM:  
DENNIS J. HERRERA, City Attorney

By: \_\_\_\_\_  
Name: [Name of Deputy]  
Deputy City Attorney

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)  
Signature of Notary Public



**EXHIBIT A**

**LEGAL DESCRIPTION OF PROPERTY**

*[INSERT LEGAL DESCRIPTION FROM PARCEL LEASE]*

EXHIBIT P

Significant Change Certificate

PARCEL LEASE EXHIBIT P

FORM OF SIGNIFICANT CHANGE CERTIFICATE

Port of San Francisco  
Pier 1  
San Francisco, CA 94111  
Attn: Executive Director  
Re: Mission Rock -- Lease No. L-[\_\_\_\_\_]

Re: Significant Change Certificate for Parcel [XX]

This Significant Change Certificate (this "**Certificate**") is delivered to Port, pursuant to [Use before Certificate of Completion is issued: Section 18.1(b)(ii)] [Use after Certificate of Completion is issued: Section 18.1(g)] of that certain Lease No. L-[\_\_\_\_\_] , between the CITY AND COUNTY OF SAN FRANCISCO, operating by and through the SAN FRANCISCO PORT COMMISSION ("**Port**") and \_\_\_\_\_ ("**Tenant**"), and dated \_\_\_\_\_, \_\_\_\_ (as may be amended, the "**Parcel Lease**").

[Use before Certificate of Completion issued: Section 18.1(b)(ii)] [Use after Certificate of Completion issued: Section 18.1(g)] of the Parcel Lease, an officer of Tenant hereby certifies to Port the following information regarding the proposed Significant Change

List (each) Purchaser: \_\_\_\_\_

List Ownership Interest of (each) Purchaser: \_\_\_\_\_% \_\_\_\_\_%

Purchase price for (each) Purchaser: \_\_\_\_\_

Net Sale Proceeds  
(as defined in the Parcel Lease)  
owed to Port (if applicable): \_\_\_\_\_

[Use after Certificate of Completion issued: Section 18.1(g)] All other members/partners of Tenant and their respective ownership interest: \_\_\_\_\_% \_\_\_\_\_%

Furthermore, Tenant hereby reaffirms that it will continue to be obligated under all the terms and conditions of the Parcel Lease and Tenant will be, if not already, a Qualified Transferee immediately following the Significant Change. As the [insert title of person signing] of Tenant, the undersigned certifies that this Certificate is true, accurate and complete. All capitalized terms not defined in this Certificate are defined in the Parcel Lease.

This Certificate is made as of \_\_\_\_\_, 20[ ] and is for the benefit and protection of Port, with the understanding that the Port has the right to rely upon this Certificate.

**[NAME OF TENANT]**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT Q

Form of Tenant Estoppel Certificate

**PARCEL LEASE EXHIBIT Q**  
**FORM OF TENANT ESTOPPEL CERTIFICATE**

[\_\_\_\_\_] a [\_\_\_\_\_] ("Tenant"), is the tenant of the real property having an address at [\_\_\_\_\_] [\_\_\_\_\_] within the mixed-use development commonly known as "Mission Rock" 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" or "Landlord") [and to \_\_\_\_\_] the following as of [\_\_\_\_\_] 20XX:

1. That there is presently in full force and effect that certain Lease [\_\_\_\_\_] dated as of [\_\_\_\_\_] 20[XXX], (as 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, attached hereto as **Exhibit A** is, to the best of Tenant's knowledge, true, correct and complete and has not been modified, assigned, supplemented or amended except as follows: \_\_\_\_\_.

3. **[Note: Use only in connection with request for NDA:]** That the attached Sublease and summary of basic terms attached hereto as **Exhibit B** are true, correct and complete in all material respects and that there have been no changes in the executed Sublease and summary from the electronic copies previously delivered to Port on [\_\_\_\_\_] 20XX].

4. That the Lease [and the following documents: [\_\_\_\_\_] ] represents the entire agreement between Landlord and Tenant with respect to the Premises.

5. That the commencement date under the Lease was [\_\_\_\_\_] 20[XXX], and the expiration date of the Lease is [\_\_\_\_\_] 20[XXX].

6. That the present monthly Base Rent (as defined in the Lease) under the Lease is \$ \_\_\_\_\_.

7. That the Percentage Rent (as defined in the Lease) paid by Tenant for the most recent calendar quarter prior to the date set forth above was \$ \_\_\_\_\_.] **[Insert "Not Applicable" if no percentage rent due under the Lease.]**

8. That the security deposits held by Landlord under the terms of the Lease are as follows: \$ \_\_\_\_\_.

9. That Tenant has accepted possession of the Premises and that, to the best of Tenant's actual knowledge after diligent inquiry, all conditions of the Lease to be satisfied by Landlord have been completed or satisfied to the satisfaction of Tenant.

10. That, to the best of Tenant's actual knowledge after diligent inquiry, Tenant, as of the date set forth above, has no right or claim of deduction, charge, lien or offset against Landlord 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 \_\_\_\_\_.

11. That, to Tenant's actual knowledge, Landlord is not in default or breach of the Lease, nor has Landlord 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 Landlord.

12. That, to the best of Tenant's actual knowledge after diligent inquiry, 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.

13. Except for the following: \_\_\_\_\_, (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, and (iv) to Tenant's knowledge, no involuntary petition naming Tenant as debtor has been filed under any chapter of the U.S. Bankruptcy Code.

14. [Note: Delete if Initial Improvements are complete] The Initial Improvements [have not been completed but approximately XX% has been completed to date] [have not yet commenced].

This Certificate is binding upon Tenant and will inure to the benefit of Port, [ ] and their respective successors and assigns.

[\_\_\_\_\_] ,  
a [\_\_\_\_\_]

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT R

Form of Subtenant Estoppel Certificate



**PARCEL LEASE EXHIBIT R**  
**FORM OF SUBTENANT ESTOPPEL CERTIFICATE**

[\_\_\_\_\_] , a [\_\_\_\_\_] ("**Subtenant**"), is the subtenant of the real property having an address at [\_\_\_\_\_] [\_\_\_\_\_] within the mixed-use development commonly known as "**Mission Rock**" 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 [\_\_\_\_\_] , 20XX:

1. That there is presently in full force and effect that certain Sublease [\_\_\_\_\_] dated as of [\_\_\_\_\_] , 20[XXX], (as modified, assigned, supplemented and/or amended as set forth in **paragraph 3 below**, the "**Sublease**"), between Subtenant, as tenant, and [\_\_\_\_\_] , as landlord ("**Landlord**"), covering the Property and other improvements, as further described in the Sublease (the "**Subleased Premises**").
2. The Sublease is subject to that certain Lease No. L-[XXX] dated as of [\_\_\_\_\_] , 20[XXX], as amended from time to time, between Landlord, as tenant, and Port, as landlord.
3. **[Note: Use only if Subtenant has an NDA:]** That to the best of Subtenant's knowledge, the Sublease, attached hereto as **Exhibit A** is true, correct and complete and has not been modified, assigned, supplemented or amended except as follows: \_\_\_\_\_ . **[Note: add if Sublease has been amended:** The dates of Port approval for such amendments are as follows: [\_\_\_\_\_] .]
4. That Subtenant has not sub-subleased any portion of the Subleased Premises other than to [\_\_\_\_\_] pursuant to that certain [insert description of the sub-subleases].
5. That the Sublease [and the following documents: [\_\_\_\_\_] ] represents the entire agreement between Landlord and Subtenant with respect to the Subleased Premises.
6. That the commencement date under the Sublease was [\_\_\_\_\_] , 20[XXX], and the expiration date of the Sublease is [\_\_\_\_\_] , 20[XXX].
7. That the present minimum monthly base rent which Subtenant is paying under the Sublease is \$ \_\_\_\_\_ .
8. That the percentage rent paid by Subtenant for the most recent full calendar month prior to the date set forth above was \$ \_\_\_\_\_ .] **[Insert "Not Applicable" if no percentage rent due under the Sublease.]**
9. That the security deposits held by Landlord under the terms of the Sublease are as follows: \$ \_\_\_\_\_ .
10. That Subtenant has accepted possession of the Subleased Premises and that, to the best of Subtenant's actual knowledge after diligent inquiry, all conditions of the Sublease to be satisfied by Landlord have been completed or satisfied to the satisfaction of Subtenant.
11. That, to the best of Subtenant's actual knowledge after diligent inquiry, Subtenant, as of the date set forth above, has no right or claim of deduction, charge, lien or offset against Landlord 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 \_\_\_\_\_ .

12. That, to Subtenant's actual knowledge after diligent inquiry, Landlord is not in default or breach of the Sublease, nor has Landlord 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 Landlord.

13. That, to the best of Subtenant's actual knowledge after diligent inquiry, 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.

14. Except for the following: \_\_\_\_\_, (i) Subtenant is not in default under, and has not received notice asserting that it is in default under, any agreement for borrowed money, (ii) Subtenant 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 Subtenant's ability to meet its Sublease obligations hereunder, and (iv) to Subtenant's knowledge, no involuntary petition naming Subtenant as debtor has been filed under any chapter of the U.S. Bankruptcy Code.

This Certificate is binding upon Subtenant and will inure to the benefit of Port, [ ] and their respective successors and assigns.

[ \_\_\_\_\_ ],  
a [ \_\_\_\_\_ ]

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT S

Form of Non-Disturbance Agreement

## PARCEL LEASE EXHIBIT S

### FORM OF NON-DISTURBANCE AND ATTORNMENT AGREEMENT

This NON-DISTURBANCE AND ATTORNMENT AGREEMENT (this "Agreement") is made as of [\_\_\_\_\_, 20XXX] (the "Effective Date"), by and among the CITY AND COUNTY OF SAN FRANCISCO ("City"), operating by and through the SAN FRANCISCO PORT COMMISSION ("Port"), [\_\_\_\_\_] a [\_\_\_\_\_] ("Tenant" or "Sublandlord"), and [\_\_\_\_\_] a [\_\_\_\_\_] ("Subtenant"). The exhibits and the recitals and this Agreement are construed as a single instrument and are referred herein as this "Agreement."

### RECITALS

A. Port and Sublandlord entered into that certain Lease No. L-XXXX as may be amended from time to time dated [\_\_\_\_\_, 20XX], ("Parcel Lease") pursuant to which Port leased to Sublandlord that certain premises having an address at [\_\_\_\_\_] (the "Premises"), located in the City and County of San Francisco, California.

B. Subtenant desires to sublease from Sublandlord [insert description of premises, i.e. suite or floor numbers] within the Premises (the "Subleased Premises") pursuant to the terms of the Sublease Agreement between Sublandlord and Subtenant, dated as of [\_\_\_\_\_] (the "Sublease"). A summary of the basic terms of the Sublease certified by an authorized representative of Sublandlord as true, correct, and complete, is attached hereto as *Exhibit A* ("Sublease Summary"). A true, correct, and complete copy of the Sublease is attached hereto as *Exhibit B*.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, Port, Sublandlord and Subtenant agree as follows:

#### 1. SUBLEASE SUBJECT TO PARCEL LEASE.

The Sublease is subordinate at all times to the Parcel Lease and subject to all of its applicable provisions, covenants and conditions thereof.

#### 2. PRE-CONDITIONS TO RECOGNITION.

Port has no obligation to recognize Subtenant's rights under the Sublease or otherwise comply with *Section 4*: (a) if the Parcel Lease is terminated as a result of Sublandlord exercising its termination option due to (i) change in Laws in accordance with [Section 7.3 of the Parcel Lease], (ii) casualty or condemnation in accordance with [Articles 14 and 15 of the Parcel Lease], or (iii) certain Remediation obligations during the last ten (10) years of the Parcel Lease term, as further described in [Section 21.4(d) of the Parcel Lease], or (b) unless all of the following conditions are satisfied as of the effective date the Parcel Lease terminates ("Parcel Lease Termination Date"):

(i) there is no uncured Subtenant event of default, giving effect to any notice and cure period provided therein;

(ii) Subtenant delivers to Port, promptly following Port's notice to Subtenant that the Parcel Lease has terminated, an executed estoppel certificate, substantially in the form attached hereto as *Exhibit C* certifying as of the Parcel Lease Termination Date, among other things:

(1) that the attached Sublease and Sublease Summary are true, correct, and complete copies, and that the Sublease is in full force and effect, or if such Sublease is not in full force and effect, so stating,

(2) which amendments, if any, to the Sublease have been previously approved by Port in writing, including the dates of approval;

(3) the dates, if any, to which any rent and other sums payable thereunder have been paid,

(4) that Sublandlord is not in default, nor is it aware of any events which, with the passage of time or notice or both, would result in a default, except as to those specified in said certificate, and

(5) that Subtenant is not in default, nor is it aware of any events which, with the passage of time or notice or both, would result in a default, except as to those specified in said certificate.

(iii) Without limiting *Section 1*, from and after the Parcel Lease Termination Date, Subtenant hereby agrees that the provisions of [*Article 45* (Other City Requirements)] of the Parcel Lease (collectively, the “Special Provisions”) are deemed to be incorporated by reference and made a part of the Sublease as if set forth in full in the Sublease, except that the term “Tenant” in such sections will mean the Subtenant; and

(iv) [Note: Insert if Parcel Lease includes section related to Port’s reservation of rights.] As described in [Section 1.1(l) of the Parcel Lease], Subtenant hereby agrees that Port will have the continuing rights described in such section (without being in default under the Sublease) and in the event of any conflict with the Sublease, the terms of such section of the Parcel Lease will control.

### 3. NO OBLIGATION TO RECOGNIZE CERTAIN SUBLEASE PROVISIONS.

Notwithstanding *Section 4*, Subtenant agrees and acknowledges that Port’s recognition of the Sublease from and after the Parcel Lease Termination Date, does not include, and in no event will Port be subject to, liable for, or bound by, any term or condition in the Sublease for any of the following:

(a) Any security deposit, prepaid rent or other charges previously paid by Subtenant to Sublandlord, unless such deposits, prepaid rents, or other charges are transferred to Port;

(b) Any sublandlord indemnity obligation or sublandlord waiver or release of claims under the Sublease for the benefit of Subtenant or any other party;

(c) Any requirement or obligation of the Sublandlord to pay (i) any liquidated damages, or (ii) any unpaid or unreimbursed tenant improvement allowance (provided, however, if Subtenant incurs costs after the Parcel Lease Termination Date that are reimbursable from any remaining and unpaid tenant allowance (“Reimbursable Subtenant Costs”), then so long as Subtenant is not in default under the Sublease and Subtenant provides Port with all the information required in the Sublease for Sublandlord to confirm or validate the amount of the tenant improvement allowance payable to Subtenant, and Port has validated such costs, then Subtenant may receive a rent credit of up to fifty percent (50%) of the monthly base rent then payable until the Reimbursable Subtenant Costs are fully reimbursed or the Sublease terminates, whichever is earlier.

(d) Any requirement or obligation of the Sublandlord to perform tenant improvement work; provided, however, if any such tenant improvement work has not been completed by the Parcel Lease Termination Date (the “Incomplete TI Work”), then so long as Subtenant is not in default under the Sublease, Subtenant will have the right to perform the Incomplete TI Work and will receive a rent credit of up to fifty percent (50%) of the monthly base rent then payable until Subtenant has received a rent credit equal to the Remaining TI Cost. “Remaining TI Cost” means the lesser of (i) the original estimated cost of the tenant improvement work which was to be performed by Sublandlord, as set forth in the attached Sublease Summary, or (ii) the actual cost of completing the Incomplete TI Work. [Note: If Sublease requires the sublandlord to perform tenant improvement work, then the summary of basic terms must include the original estimated cost of the TI work.]

(e) Without limiting *Sections 3(c)* and *3(d)*, any offsets, defenses or claims that Subtenant may be able to assert against Tenant as its sublandlord; provided however, the foregoing (other than any matters relating to *Sections 3(c)* and *3(d)*) will not limit Port's obligations to correct any conditions that existed as of the date of attornment that violate Port's obligations as the sub landlord under the Sublease;

(f) Any Subtenant right of first offer to purchase, first negotiation to purchase or first refusal to purchase Sublandlord's interest in the Subleased Premises;

(g) Any Sublease term, including options to renew, that extend beyond the scheduled expiration date of the Parcel Lease;

(h) Any sublandlord obligation to pay or be liable for any indirect, consequential, incidental, punitive or special damages;

(i) Any limitation on Subtenant's obligation to indemnify any sublandlord parties based on Subtenant's insurance coverage;

(j) Any limitation on sublandlord's ability to transfer its interest in the Sublease (including any requirement to deliver prior notice to Subtenant or obtain Subtenant's prior approval);

(k) Any confidentiality obligations set forth in the Sublease, whether as the landlord under the Parcel Lease or the Sublease, to the extent that such obligations conflict with Port's obligations under the Public Records Act or the City's Sunshine Ordinance;

(l) Subject to the provisions of *Section 18.5* of the Parcel Lease, Any modification or amendment of the Sublease made without Port's written consent that increase Sublandlord's obligations under the Sublease or decrease the Subtenant's obligations under the Sublease unless such amendment or modification has previously been approved by Port in writing; and

(m) Any sublease provision that conflicts with *Section 18.3(a)* (Qualifying Subleases) of the Parcel Lease.

#### **4. RECOGNITION OF SUBTENANT RIGHTS.**

Provided all the conditions set forth in *Section 2* are fully satisfied, and further subject to the limitations set forth in *Sections 3* and *5*, if the Parcel Lease terminates for any reason other than Sublandlord terminating the Parcel Lease due to change in laws, casualty or condemnation, or certain Remediation obligations, all as further described in *Section 2*, Port agrees that from and after the Parcel Lease Termination Date: Port will (i) not disturb Subtenant's tenancy under the Sublease, (ii) perform the obligations of sublandlord under the Sublease arising after the Parcel Lease Termination Date until such obligations are assumed by another sublandlord or other transferee of Port's interest in the Sublease, and (iii) recognize Subtenant's rights under the Sublease with respect to the Subleased Premises.

#### **5. ATTORNMENT.**

Following the Parcel Lease Termination Date, Subtenant will attorn to Port and continue to perform all of Subtenant's obligations under the Sublease for the benefit of Port or any future sublandlord or other assignee of Port's rights under the Sublease. For such purposes, as between Port and Subtenant, notwithstanding the termination of the Parcel Lease as between Port and Sublandlord, the provisions of the Parcel Lease will be deemed to continue to apply to, and will continue to be incorporated by reference into, the Sublease, and Subtenant will continue to comply with such provisions, to the same extent that such provisions were incorporated into and Subtenant was required to comply with such provisions pursuant to the terms of the Sublease prior to the Parcel Lease Termination Date; provided, however, if there is any conflict between Subtenant's obligation to comply with such provisions in the Sublease and the Special Provisions, the Special Provisions will control.

**6. SELF-OPERATIVE PROVISIONS.**

The provisions contained in *Sections 2(iii)*, [Note: insert as applicable: *2(iv)*], *3, 4, 5* are to be effective and self-operative without the necessity of the execution or delivery of any other documents on the part of either Port or Subtenant.

**7. NOTICE AND OPPORTUNITY TO CURE UNDER SUBLEASE.**

Port will be entitled to notice and the opportunity to cure any default by Sublandlord under the Sublease as follows:

(a) Subtenant will give Port a copy of any and all notices of an event of default (*i.e.*, following the expiration of any notice and cure period) from time to time given to Sublandlord as sublandlord under the Sublease, by Subtenant at the same time as and whenever any such notice will thereafter be given by Subtenant to Sublandlord. Such notice will be addressed to Port in the manner for delivery of notices provided in the Parcel Lease.

(b) In the case of any notice of default given by Subtenant to Sublandlord and Port in accordance with *Section 7(a)*, Port will have the same right (and time period) to cure Sublandlord's default as given to any mortgagee under the Sublease, and Subtenant will accept such performance by or at the instance of Port as if the same had been made by Sublandlord.

**8. BROKERAGE FEES.**

Sublandlord and Subtenant each acknowledge that Port's execution hereof does not operate to impose on Port any liability or obligation whatsoever in connection with the payment of any brokerage or finder's fees or commissions in connection with or relating to the Sublease. In the event any broker, agent or finder makes a claim against Port for payment of any such fees or commission, Sublandlord will indemnify, defend, and hold harmless Port from any losses arising out of such claim.

**9. NO ASSUMPTION OF SUBLEASE.**

Except to the extent specifically provided under *Section 4*, Port will have no liability or obligation to Subtenant relating to Subtenant's occupation of the Subleased Premises under the Sublease, and Port does not assume any of the obligations of Sublandlord set forth therein.

**10. REPRESENTATIONS AND WARRANTIES.**

**10.1. Summary of Basic Terms.** Sublandlord and Subtenant each represent and warrant to Port that the Sublease Summary is true and correct in all material respects, and includes all of the basic terms of the Sublease..

**10.2. Copy of Sublease.** Sublandlord and Subtenant each represent and warrant to Port that attached as *Exhibit B* is a true, correct, and complete copy of the Sublease and that the Sublease complies with *Sections 18.3* (Subletting by Tenant) and *18.4(b)* (Conditions for Issuance of Non-Disturbance Agreements) of the Parcel Lease.

**10.3. Sublandlord Representations and Warranties.** Sublandlord represents and warrants to Port that as of the Effective Date:

(a) Sublandlord has accepted possession of the Premises and that, to the best of Sublandlord's actual knowledge after diligent inquiry, all conditions of the Parcel Lease to be satisfied by Port have been completed or satisfied to the satisfaction of Sublandlord;

(b) To the best of Sublandlord's actual knowledge after diligent inquiry, Sublandlord, as of the date set forth above, has no right or claim of deduction, charge, lien or offset against Port under the Parcel Lease or otherwise against the rents or other charges due or to become due pursuant to the terms of the Parcel Lease other than \_\_\_\_\_;

(c) To Sublandlord's actual knowledge, Port is not in default or breach of the Parcel 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 Parcel Lease by Port;

(d) To the best of Sublandlord's actual knowledge after diligent inquiry, Sublandlord is not in default or in breach of the Parcel Lease, nor 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 Parcel Lease by Sublandlord;

(e) Except for the following: \_\_\_\_\_,  
(i) Sublandlord is not in default under, and has not received notice asserting that it is in default under, any agreement for borrowed money, (ii) Sublandlord 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 Sublandlord's ability to meet its Parcel Lease obligations thereunder, and (iv) to Sublandlord's knowledge, no involuntary petition naming Sublandlord as debtor has been filed under any chapter of the U.S. Bankruptcy Code.

#### 11. EXCULPATION.

Sublandlord and Subtenant each covenant and agree that Port and City will not be responsible for or liable for, and, to the fullest extent allowed by law, each waives all rights against City, Port and their agents and release City, Port and their agents from any and all losses or liabilities relating to any disputes that may exist between Sublandlord and Subtenant relating to the Sublease or the Subleased Premises.

#### 12. GENERAL.

**12.1. Successors and Assigns.** This Agreement will be binding upon, and inure to the benefit of, the parties hereto and their respective successors, heirs, administrators and assigns.

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

**12.3. Amendment.** Neither this Agreement nor any of its terms may be terminated, amended, or modified except by a written instrument executed by the parties.

**12.4. Governing Law; Selection of Forum; Notices.** This Agreement will be governed by, and interpreted in accordance with, the laws of the State of California and the City Charter. As part of the consideration for Port's entering into this Agreement, Sublandlord and Subtenant agree that all actions or proceedings arising directly or indirectly under this Agreement may, at the sole option of Port, be litigated in courts within the State of California, and Sublandlord and Subtenant consents to the jurisdiction of any such state or federal court, and consents that any service of process in such action or proceeding may be made by personal service upon Sublandlord or Subtenant wherever Sublandlord or Subtenant, as applicable, may then be located, or by certified or registered mail directed to Sublandlord at the address set forth in the Parcel Lease for the delivery of notices and Subtenant at the address set forth below (or at such other address as may from time to time be specified by written notice to all parties to this Agreement):

To Subtenant:	
With a copy to:	



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**12.5. Attorneys' Fees.** If any party brings an action or proceeding (including any cross-complaint or counterclaim) against any other party by reason of a default, or otherwise arising out of this Agreement, the prevailing party in such action or proceeding will be entitled to recover from the other party its costs and expenses of suit, including but not limited to reasonable attorneys' fees, which will be payable whether or not such action is prosecuted to judgment. "**Prevailing party**" will include a party who substantially obtains or defeats, as the case may be, the relief sought in the action, whether by compromise, settlement, judgment or the abandonment by the other party of its claim or defense. Attorneys' fees under this **Section 12.5** will include reasonable attorneys' fees and all other reasonable costs and expenses incurred in connection with any appeal. For purposes of this Agreement, reasonable fees of attorneys of the 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.

*[Remainder of this page left intentionally blank.]*

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first above written.

*Port:*

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

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

*Sublandlord:*

**[INSERT SUBLANDLORD SIGNATURE BLOCK]**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

*Subtenant:*

**[INSERT SUBTENANT SIGNATURE BLOCK]**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A  
SUBLEASE SUMMARY**

**EXHIBIT B  
COPY OF SUBLEASE**

**EXHIBIT C  
SUBTENANT ESTOPPEL CERTIFICATE**

EXHIBIT T

Insurance Requirements

**EXHIBIT T**  
**INSURANCE REQUIREMENTS**

**20. Insurance.** Tenant will maintain or caused to be maintained throughout the Term, and cause Subtenants, contractors, subcontractors or others in connection with their use or occupancy of, or their activities in, on, under, around, or about the Premises, to maintain throughout the Term, the insurance described in this *Article 20*.

**20.1 Required Insurance Coverage.** Tenant, at no cost to Port, shall maintain, or cause to be maintained, the types and amounts of insurance detailed below; provided, however, that Tenant reserves the right, at its sole discretion, to utilize an owner controlled insurance program (OCIP) or contractor controlled insurance program (CCIP) to satisfy these insurance requirements. Such insurance shall remain in place from the Commencement Date to the later of (i) the last day of the Term, or (ii) the last day Tenant (A) is in possession of the Premises or (B) has the right of possession of the Premises (except as otherwise specified in this *Article 20*).

(a) **General Liability Insurance.** Commercial general liability insurance, with limits not less than Fifteen Million Dollars (\$15,000,000.00) each occurrence and annual aggregate for bodily injury and property damage, including coverages for contractual liability, independent contractors, broad form property damage, personal injury and products and completed operations, as well as damage to premises rented to you with limits not less than Two Hundred Fifty Thousand Dollars (\$250,000.00). Tenant's CGL policy shall contain no exclusion for explosion, collapse and underground liability during any period in which Tenant is conducting any such activity on or Subsequent Construction or Improvement to the Premises with risk of explosion, collapse or underground hazards. This policy or the Automobile Liability Policy described below must also cover non-owned and for-hire vehicles and all mobile equipment or unlicensed vehicles, such as forklifts. A policy written on an Insurance Services Office (ISO) form GC 00 01 as in effect on the Effective Date, or a form at least as broad as such form, meets the requirement of this paragraph.

(b) **Automobile Liability Insurance.** Automobile liability insurance with limits not less than Five Million Dollars (\$5,000,000.00) combined single limit each accident 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.

(c) **Worker's Compensation; Employer's Liability; Jones Act; U.S. Longshore and Harborworker's Act Insurance.** If applicable, 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, if applicable, 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) **Business Personal Property Insurance.** If Tenant uses business personal property in, on, or about the Premises, Tenant, at its sole cost and expense, shall procure or cause to be maintained on all of its business personal property, in, on, or about the Premises, property insurance on an all risk form, excluding earthquake and flood, to the extent of full replacement value.

(e) **Construction Activities.** Insurance required in connection with construction of Initial Improvements and Subsequent Construction, as applicable, is as set forth below:

(i) **Contractor Requirements.** Tenant must require its general contractor(s) and its(their) subcontractors to maintain the following coverages, if applicable:

(1) An Insurance Services Office (or equivalent) Commercial general liability insurance with limits of not less than Five Million (\$5,000,000) each occurrence and annual aggregate for general contractors, and One Million (\$1,000,000) each occurrence and annual aggregate for subcontractors;

(2) An Insurance Services Office (or equivalent) Automobile liability insurance with a policy combined single limit of not less than \$5 million each occurrence for general contractors.

(3) Worker's compensation insurance with statutory limits and employer's liability insurance with limits of not less than One Million (\$1,000,000) each accident, injury, or illness;

(4) Marine liability insurance (only if the scope of work of the particular contractor involves operating watercraft) including protection and indemnity insurance with limits not less than \$6 million each occurrence, or with Port approval, lesser limits and deductible as are readily available in the insurance market at a commercially reasonable cost, including wreck removal, and damages "In Rem" (the vessel), provided on a P&I, Marine General Liability, Marine Bumbershoot and/or other form reasonably acceptable to Port;

(5) Vessel pollution liability insurance (only if the scope of the work of the particular contractor involves operating watercraft with engines or fuel usage) with limits not less than Five Million Dollars (\$5,000,000) per occurrence and Five Million Dollars (\$5,000,000) in the aggregate with a deductible not to exceed \$50,000 without Port approval, which approval shall not be unreasonably withheld if such deductibles as are readily available in the insurance market at a commercially reasonable cost;

(6) Contractor's pollution liability insurance with limits of not less than Five Million Dollars (\$5,000,000) per claim and in the annual aggregate for general contractors; and.

(7) Property insurance on an all risk form, excluding earthquake and flood, on all of its business personal property whether owned, leased or rented, including any of their respective tools and equipment, in, on, or about the Premises.

(ii) **Builder's Risk Requirements.** In addition, if any of the following exposures are not covered by the insurance already required elsewhere Tenant or General Contractor must carry Builder's Risk Insurance: Contractor shall provide "Special Form" (All Risk) including Earthquake, Builder's Risk Insurance on a replacement cost basis as follows:

(1) Amount of Coverage: The amount of coverage shall be equal to the full replacement cost on a completed value basis, including periodic increases or decreases in values through change orders. The policy shall provide for no deduction for depreciation. The Builder's Risk Insurance shall also include the full replacement cost of all City-furnished equipment, if any.

(2) Parties Covered: The Builder's Risk policy shall identify the City and County of San Francisco as loss payee as its interest may appear. The policy shall include as additional named insureds the City and County of San Francisco, Tenant, the Contractor and its subcontractors of every tier. Each insured shall waive all rights of subrogation against each of the other insureds to the extent that the loss is covered by the Builder's Risk Insurance.

(3) Included Coverage: The Builder's Risk Insurance shall include, but shall not be limited to, 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 Project site, to construction plant and temporary structures.

b. The perils of fire, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, smoke damage, damage by aircraft or vehicles, vandalism and malicious mischief, theft, collapse, and water damage.

c. The costs of debris removal, including demolition as may be made reasonably necessary by such covered perils, resulting damage, and any applicable law, ordinance, or regulation with a sub-limit of not less than the lesser of (i) Fifty Million Dollars, or (ii) 25% of the value of the construction contract.

d. Start up and testing and machinery breakdown including electrical arcing.

e. Soft costs and loss of business income for any delayed completion period as caused by any of the perils or hazards set forth in and required to be insured pursuant to **Section 20.1(a)(i)**, for a delay period of not less than two (2) years with a limit of not less than One Million Dollars (\$1,000,000); provided however that Tenant may request approval from the Port, which shall not be unreasonably withheld, of a lesser delay period or limit.

f. If available at commercially reasonable rates, such builders risk insurance will also extend to cover the peril of terrorism.

g. Damages due to earthquake and tidal wave as described below.

(4) Deductibles: The Builder's Risk Insurance may have a deductible clause not to exceed the amounts below. Contractor shall be responsible for paying any and all deductible costs. The deductible for coverage of All Perils shall not exceed \$100,000. Deductibles for earthquake and tidal wave coverage will be subject to the reasonable approval of the Port.

(iii) **Professional Services Requirements.** Tenant will maintain or require to be maintained, project-specific professional liability (errors and omissions) insurance, with limits not less than Five Million Dollars (\$5,000,000) each claim and annual aggregate, with respect to architectural, engineering, geotechnical, and environmental professional services, reasonably necessary or incidental to the construction of the Initial Improvements, with any deductible/self-insured retention not to exceed One Hundred Thousand Dollars (\$100,000). Notwithstanding the foregoing, Tenant may elect, instead of obtaining the foregoing coverages in this paragraph, to require that any architects, contractors and sub-contractors performing professional services in connection with the Initial Improvements carry professional liability insurance (errors and omissions) in an amount not less than Two Million Dollars (\$2,000,000) each claim and annual aggregate with a deductible/self-insured retention not to exceed One Hundred Thousand Dollars (\$100,000). Coverage provided architects, contractors and sub-contractors performing professional services may be provided with a lower limit if either (i) the Tenant maintains an owners' protective professional indemnity (OPPI) policy for the difference or (ii) upon the prior written approval of Port, if requested by Tenant to accommodate the needs and limitations of LBE contractors used by Tenant. Such insurance will provide coverage during the period when such professional services are performed and for a period of three (3) years after Completion of the Initial Improvements. With respect to Subsequent Construction, Tenant will require that any architect, contractor or subcontractor performing professional services in connection with such Subsequent Construction, carry professional liability insurance (errors and omissions) in an amount not less than One Million Dollars (\$1,000,000) each claim and annual aggregate with a deductible/self-insured retention not to exceed One Hundred Thousand Dollars (\$100,000).

(iv) **Contractor's Pollution Legal Liability Insurance.** Tenant will cause to be maintained during the period of construction of the Initial Improvements and during any periods of Subsequent Construction that could reasonably be anticipated to involve a Release of Hazardous Materials on or about the Premises, Contractor's Pollution Legal Liability Insurance for Losses caused by pollution conditions, that are sudden, accidental or gradual, resulting from the Contractor's operations, or for which Contractor is legally liable, in connection with the construction of the Initial Improvements or Subsequent Construction, if applicable, whether such operations be by the Contractor or subcontractors, consultants or suppliers of the Contractor. The foregoing policy will contain minimum liability limits of Five Million Dollars (\$5,000,000) per occurrence and Five Million Dollars (\$5,000,000) in the aggregate with a deductible not to exceed One Hundred Thousand Dollars (\$100,000). The foregoing policy will at a minimum contain coverage for or be specifically endorsed to include coverage for pollution conditions resulting in, arising from or in connection with: (i) bodily injury (including death), property damage and environmental cleanup costs (on-site and off-site) resulting from construction of the Initial Improvements or Subsequent Construction, if applicable; (ii) the use or operation of motor vehicles (whether owned, non-owned or leased) in connection with construction of the Initial Improvements or Subsequent Construction, if applicable, including transportation of any Hazardous Materials to or from the project site, including any interim or temporary storage or transfer sites (such transportation coverage will also include loading/unloading of materials); (iii) claims by third parties (other than a disposal site owner) for bodily injury or property damage arising from any disposal location or facility, both final and temporary, to which any waste that is generated in connection with the construction of the Improvements under the Vertical DDA (if in effect) or any Subsequent Construction for which such coverage is required or in connection with any remediation obligation of Tenant pursuant to *Section 21* is delivered; all such disposal locations/facilities, both final and (where commercially available) temporary, will be scheduled to the foregoing policy as Non-Owned Disposal Sites for coverage under such policy. The foregoing policy will be written on an occurrence form and be in effect during the construction periods described above, or, if not available on an occurrence form, then on a claims-made form. If the foregoing policy is written on a claims made form, then the foregoing policy will be maintained for, or contain an extended reporting period of, at least five (5) years. The foregoing policy definition of "Covered Operations" or any other such designation of services or operations performed by the Contractor must include all work or services performed by such Contractor and its subcontractors, consultants, or suppliers as part of the construction of the Initial Improvements or Subsequent Construction, if applicable.

(f) **Property Insurance; Earthquake and Flood Insurance.**

(i) **Property Insurance.** Upon Substantial Completion of the Initial Improvements, and upon completion of Subsequent Construction of any additional Improvements, Tenant will maintain, or require to be maintained, property insurance policies with coverage at least as broad as Insurance Services Office form CP 10 30 06 95 ("Causes of Loss Special Form" (or its replacement)), in an amount not less than 100% of the then-current full replacement cost of the Improvements including any foundations, pilings, excavations and footings, including increased cost of construction and demolition of damaged and undamaged structures due to the enforcement of Laws, (with a deductible not to exceed One Hundred Thousand Dollars, except as to earthquake and flood insurance). If available at commercially reasonable rates, such insurance will extend to cover the peril of terrorism. In addition to the foregoing, Tenant may insure its Personal Property in such amounts as Tenant deems appropriate; and Port will have no interest in the proceeds of such Personal Property insurance.

(ii) **Earthquake Insurance.**

(1) During Construction, and prior to Substantial Completion, of the Initial Improvements, earthquake insurance will be in an amount equal to at least the lesser of (i) the Probable Maximum Loss to the Initial Improvements or, (ii) the maximum amount that



is available at commercially reasonable rates from recognized insurance carriers (with a deductible of up to but not to exceed ten percent (10%)) of the then-current, full replacement cost of the Initial Improvements without sub-limits for excavations and footings; provided that earthquake coverage is available at commercially reasonable rates), except that a greater deductible will be permitted to the extent that such coverage is not available from recognized insurance carriers or at commercially reasonable rates). "Probable Maximum Loss" means the scenario upper loss (SUL) estimate of damage that may occur to the structures with a ninety percent (90%) confidence of non-exceedance as a result of an earthquake with a return period of 224 years as determined prior to Completion of the Initial Improvements and thereafter not less frequently than every ten (10) years by a consultant chosen and paid for by Tenant who is reasonably satisfactory to Port;

(2) From and after Substantial Completion of the Initial Improvements, earthquake insurance will be in an amount equal to at least the lesser of (i) the Probable Maximum Loss to the Improvements, or (ii) the amount that is available at commercially reasonable rates from recognized insurance carriers, in each case, with a deductible of up to but not to exceed ten percent (10%) of the then-current, full replacement cost of the Initial Improvements, except that a greater deductible will be permitted to the extent that such coverage is not available from recognized insurance carriers or at commercially reasonable rates; and

(3) If Tenant determines that earthquake insurance should not be carried on the Improvements because it is not (or no longer) available at commercially reasonable rates or, in Tenant's reasonable business judgment, is imprudent, then Tenant will request in writing Port's consent to the absence or deletion thereof.

**(iii) Flood Insurance.**

(1) If the Premises is in a designated flood zone as depicted on current Flood Insurance Rate Maps ("FIRMs") issued by the U.S. Department of Homeland Security's Federal Emergency Management Agency ("FEMA") or its successor, then Tenant will, during construction, and prior to Substantial Completion of the Initial Improvements, obtain flood insurance from recognized insurance carriers (or through the National Flood Insurance Program ("NFIP")) equal to at least the lesser of (i) the maximum amount that is available at commercially reasonable rates from recognized insurance carriers or NFIP, or (ii) the then-current, full replacement cost of the Initial Improvements, as applicable, (including building code upgrade coverage and without any deduction being made for depreciation), with a deductible of up to but not to exceed ten percent (10%) of the then-current, full replacement cost of the Improvements, except that a greater deductible will be permitted to the extent that such coverage is not available from recognized insurance carriers or at commercially reasonable rates.

(2) If the Premises is not in a designated flood zone as depicted on current FIRMs issued by the FEMA or its successor, Tenant will, during construction of the Initial Improvements, obtain flood insurance, to the extent available at commercially reasonable rates from recognized insurance carriers (or through the NFIP), in an amount equal to the maximum amount of the then-current, full replacement cost of the Initial Improvements (including building code upgrade coverage and without any deduction being made for depreciation), with a deductible of up to but 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 insurance carriers (or through the NFIP) at commercially reasonable rates;

(3) From and after Substantial Completion of the Initial Improvements, flood insurance will be in an amount equal to at least the amount available at commercially reasonable rates from recognized insurance carriers or through the NFIP, with a deductible of up to but not to exceed ten percent (10%) of the then-current, full replacement cost of the Improvements, except that a greater deductible will be permitted to the extent that such

coverage is not available from recognized insurance carriers or at commercially reasonable rates; and

(4) If Tenant determines that flood insurance should not be carried on the Improvements because it is not (or no longer) available at commercially reasonable rates (or through the NFIP) or, in Tenant's reasonable business judgment, is imprudent, then Tenant will request in writing Port's consent to the absence or deletion thereof.

(g) **Boiler and Machinery Insurance.** If any of the following exposures are not covered by the insurance required by *Section 20.1(a)(ii)(1)*, Tenant will maintain, or require to be maintained, boiler and machinery insurance covering damage to or loss or destruction of machinery and equipment located in, on, under, around, or about the Premises that is used by Tenant for heating, ventilating, air-conditioning, power generation and similar purposes, in an amount not less than one hundred percent (100%) of the actual replacement value of such machinery and equipment.

(h) **Business Income Insurance.** If any of the following exposures are not covered by the insurance required by *Section 20.1(a)(ii)(1)*, from and after Completion of the Initial Improvements, Tenant will maintain business income insurance, including loss of rents and extra expense caused by any of the perils or hazards set forth in and required to be insured pursuant to *Section 20.1(a)(ii)* covering an interruption period of not less than two (2) years, with a limit of not less than twenty-four (24) months' of Gross Income.

(i) **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 carriers 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.

(j) **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* 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 *Section 20.1(c)*, as determined by Port.

## **20.2 General Requirements.**

(a) Insurance provided pursuant to this Section

(i) As to all insurance required hereunder, such insurance 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 will name the Tenant as the first named insured, and will name the Port as a loss payee as its interest may appear. As to general liability, automobile liability, and umbrella or excess liability insurance (including blanket policies), such insurance will name as additional insureds by written

endorsement: "THE CITY AND COUNTY OF SAN FRANCISCO AND THE SAN FRANCISCO PORT COMMISSION AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS" and if applicable, Tenant as additional insureds for claims arising in connection with the Insured's operations.

(iii) As to all insurance required hereunder, such insurance will be evaluated by Port and Tenant for adequacy every five (5) years from the Commencement Date. Following consultation with Tenant, Port may require, upon not less than ninety (90) days prior written notice, that Tenant increase the insurance limits for all or any of its general liability policies if in the reasonable judgment of the City's Risk Manager it is the general commercial practice in San Francisco to carry insurance for facilities or development projects of comparable size and use to the Premises in amounts substantially greater than the amounts being carried by Tenant with respect to risks comparable to those associated with the uses of the Premises. As part of such evaluation, Tenant may request that insurance limits for all or any of its general liability policies be decreased and, if the City's Risk Manager reasonably determines that the insurance limits required under *Section 20.1* may be decreased in light of such commercial practice and the risks associated with the uses of the Premises, Port will notify Tenant of such determination, and Tenant will have the right to decrease the insurance coverage required under this Lease accordingly. In such event, Tenant will promptly deliver to Port a certificate evidencing such new insurance amounts and additional insured endorsements in form reasonably satisfactory to Port, as applicable. If Tenant determines that such other insurance or coverage amount should not be required because it is not available from recognized carriers at commercially reasonable rates, then Tenant will provide to Port evidence supporting Tenant's determination of commercial unreasonableness as to the applicable coverage and any cost to maintain such additional insurance, if required by Port, shall be borne by Port and not by Tenant. 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.

(iv) Thirty (30) days' advance written notice shall be provided to the Port of cancellation, intended non-renewal, or material reduction in coverages, except for non-payment for which no less than ten (10) days' notice shall be provided to Port. Notices shall be sent to the Port address set forth in *Section 38.1* entitled "Notices".

(v) As to commercial general liability and automobile liability insurance, such insurance will provide that it constitutes primary insurance with respect to claims arising in connection with Tenant's completed and ongoing operations, and shall provide cross liability coverage (separation of insureds or severability of interests provision);

(vi) As to liability, automobile, worker's compensation and property insurance required hereunder, such insurance 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 of the type covered under the policies required by *Section 20.1(a)*; and

(vii) All insurance will be subject to the approval of Port, which approval will be limited to whether or not such insurance meets the terms of this Lease, such approval not to be unreasonably withheld. As to any minimum deductible specified hereunder, Tenant may request approval from the Port, which shall not be unreasonably withheld, of a higher deductible.

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

Tenant will furnish Port certificates and additional insured endorsements in form reasonably satisfactory to Port with respect to the policies required under this Section within thirty (30) days, (i) on or prior to the Commencement Date (to the extent such policy is required to be carried as of the Commencement Date), (ii) for such policies required to be carried after the Commencement Date, on or prior to the date such policies are required, and (iii) with respect to

renewal policies, the policy renewal date of each such policy. Within thirty (30) days after Port's request, Tenant also will provide Port with copies of each such policy, or will otherwise make such policy available to Port for its review. If Tenant has determined that obtaining earthquake or flood insurance prior to commencement of construction of the Initial Improvements pursuant to **Section 20.1(a)(ii)(4)** is not commercially reasonable, then Tenant will provide Port with such documents evidencing such determination. If at any time Tenant fails to maintain the insurance required pursuant to this **Section 20.1**, or fails to deliver certificates and/or endorsements as required pursuant to this **Section 20.1(c)** 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 will 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 (other than employers' liability and professional liability) to be maintained by Subtenants, contractors, subcontractors or others in connection with their use or occupancy of, or their activities in, on, under, around, or about the Premises, Tenant will require that such policies be endorsed to include the CITY AND COUNTY OF SAN FRANCISCO AND THE SAN FRANCISCO PORT COMMISSION AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS as well as Tenant as additional insureds for claims arising in connection with the named insured's operations. Notwithstanding the foregoing, Tenant will require all contractors and sub-contractors performing work in, on, under, around, or about the Premises and all operators and Subtenants of any portion of the Premises to carry the following coverages, if applicable: (i) commercial general liability with limits of no less than One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) annual general aggregate, (ii) workers' compensation in amounts required by law, (iii) employer's liability coverage in an amount not less than One Million Dollars (\$1,000,000) per accident, per employee and policy limit for injury by disease, covering all employees employed at the Premises, (iv) automobile insurance in an amount not less than \$1,000,000 combined single limit covering use of owned, non-owned or hired vehicles utilized in the performance of work in, on, under, around, or about the Premises.

(d) **Primary/Excess Limits.** All total limit requirements may be satisfied by any combination of primary, 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)** to the extent that such loss is reimbursed by an insurer.

**20.4 No Limitation.** The Indemnification requirements under this Lease will not be limited by the insurance requirements of this Lease.

EXHIBIT U

Pre-Existing Hazardous Materials

**EXHIBIT U**  
**PRE-EXISTING HAZARDOUS MATERIALS**

Hazardous Substances Reference List

October 16, 2019

- Baseline Environmental Consulting. 2014. Site History Report, Seawall Lot 337/Pier 48, Mixed-Use Project, San Francisco, California. April.
- California Environmental Protection Agency, Department of Toxic Substances Control, Region 2. 1992. RCRA Facility Assessment, for H&H Ship Service Co., Inc, Berkeley, California. October.
- Camp Dresser & McKee Inc. 1996. Closure Report, Underground Storage Tank, for H&H Ship Service Company. December.
- ENVIRON Corporation. 1999. Risk Management Plan, Mission Bay Area, San Francisco, California, Emeryville, California. May 11.
- Geomatrix. 1999. Results of Article 20 Sampling Program and Health Risk Assessment. Imperial Weitz Parking Lots for the Giants Pacific Bell Ball Park, Area E – Port of San Francisco Property, South of China Basin Channel, San Francisco, California. June.
- Geomatrix. 1999. Site Use History and Proposed Article 20 Sampling Program, Proposed Imperial Weitz Parking Lots, South of China Basin Channel, San Francisco, California. March.
- Geomatrix Consultants, Inc. 1999. Soil Management Plan, Imperial Weitz Parking Lots, for the Giants Pacific Bell Ball Park, Area E – Port of San Francisco Property, San Francisco, California. June.
- Harding Lawson Associates. 1995. Preliminary Screening Evaluation, H&H Ship Service Company, San Francisco, California. September 14.
- Harding Lawson Associates. 1999. RCRA Closure Certification Report, Former H&H Ship Service Facility, San Francisco, California. February 4.
- Harding Law Associates. 1999. RCRA Closure Certification Report – Appendix D, Analytical Laboratory Reports and Chain of Custody Forms, San Francisco, California. February 4.
- Harding Lawson Associates. 1999. Response to Comments, RCRA Closure Certification, Former H&H Ship Service Facility, San Francisco, California. November 2.
- Langan Engineering and Environmental Services, Inc. 2016. Maher Application Transmittal, San Francisco, California. November 14.
- Langan Engineering and Environmental Services, Inc. 2016. Memorandum, Environmental Activities for the Mission Rock Development, Seawall Lot 337, San Francisco, California. December 15.

Langan Engineering and Environmental Services, Inc. 2018. Phase I Environmental Site Assessment, Mission Rock Development, San Francisco, California. April 17.

Langan Engineering and Environmental Services, Inc. 2018. Memorandum, Summary of Analytical Results from Previous Environmental Investigations and Preliminary Risk Assessment, Mission Rock Development, Seawall Lot 337, San Francisco, California. January 18.

Ramboll US Corporation. 2019. Updated Human Health Risk Assessment, Mission Rock Development, San Francisco, California. June 21.

Ramboll US Corporation. 2019. Soil Management Plan & Dust Control Plan, Mission Rock Development, San Francisco, California. September 19.

San Francisco Planning Department. 2017. Draft Environmental Impact Report – Volume 1, Seawall Lot 337 and Pier 48, San Francisco, California. April 26.

San Francisco Planning Department. 2017. Draft Environmental Impact Report – Volume 2, Seawall Lot 337 and Pier 48, San Francisco, California. April 26.

EXHIBIT V

Form of Port Estoppel Certificate



PARCEL LEASE EXHIBIT V

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 [bound by \_\_\_\_\_] [having an address at \_\_\_\_\_], within the mixed-use development commonly known as "**Mission Rock**" in San Francisco, California (the "**Property**"). Port hereby certifies to \_\_\_\_\_, a \_\_\_\_\_ ("Tenant") [and to \_\_\_\_\_] the following as of \_\_\_\_\_, 20XX:

1. That there is presently in full force and effect Lease No. L-[\_\_\_\_\_] dated as of \_\_\_\_\_, 20[XXX] (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 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 commencement date under the Lease was \_\_\_\_\_, 20\_\_, and the expiration date of the Lease is \_\_\_\_\_, 20\_\_.
4. That the present monthly minimum rent under the Lease is \$\_\_\_\_\_ and has been paid through \_\_\_\_\_, 20\_\_.
5. 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 above was \$\_\_\_\_\_ (mark N/A if not applicable).
6. That the security deposits held by Port under the terms of the Lease are as follows: \$\_\_\_\_\_.
7. That, to the actual knowledge of Port **[Note: Delete if estoppel is to Mezzanine Lender or prospective Mezzanine Lender]** [after diligent inquiry], 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: \_\_\_\_\_.
8. That, to the actual knowledge of Port **[Note: Delete if estoppel is to Mezzanine Lender or prospective Mezzanine Lender]** [after diligent inquiry], 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: \_\_\_\_\_.
9. That, to the actual knowledge of Port **[Note: Delete if estoppel is to Mezzanine Lender or prospective Mezzanine Lender]** [after diligent inquiry], Tenant, as of the date set forth above, 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 Port has not assigned, conveyed, transferred, or mortgaged its interest in the Lease or the Premises except as follows: \_\_\_\_\_.
11. 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.
12. The undersigned hereby certifies that he or she is duly authorized to sign and deliver this Certificate on behalf of Port.

**[Note: Use for Mezzanine Lender or prospective Mezzanine Lender]** For purposes of this Estoppel Certificate, the term "actual knowledge" shall mean the actual knowledge of [\_\_\_\_], Port's property manager for the Premises without diligent inquiry.

This Certificate shall be binding upon Port and inure to the benefit of Tenant, [\_\_\_\_] 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: \_\_\_\_\_

EXHIBIT W

Other City Requirements

## **EXHIBIT W**

### **Other City Requirements**

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 “**Other City Requirements**”). Tenant is charged with full knowledge of and compliance with each applicable ordinance and policy and any related implementing regulations as amended, subject to **DA § 5.3** (*New City Laws*).

In Ordinance No. 33-18, a copy of which is attached as **Exhibit A**, the Board of Supervisors waived the application to the Mission Rock Project of the following provisions of the Administrative Code (collectively, the “**DA Waivers**”):

1. Chapter 6 (Public Works Contracting Policies and Procedures) other than the payment of prevailing wages as required in Chapter 6;
2. to the extent inconsistent with Tenant’s approved LBE Utilization Program, Chapter 14B (Local Business Enterprise Utilization and Non-Discrimination in Contracting);
3. Competitive Bidding Procedures and Additional Appraisal Review as defined in Section 23.3 (Chapter Definitions) and required by Section 23.3 (Conveyance and Acquisition of Real Property);
4. Section 23.31 (Year-to-Year and Shorter Leases);
5. Section 23.30 (Lease of Real Property);
6. Section 23.33 (Competitive Bidding Procedures);
7. Section 23A. 7 (Transfer of Jurisdiction Over Surplus Properties to the Mayor’s Office of Housing and Community Development);
8. Subsection (c)(2) of Section 61.5 (Listing of Unacceptable Non-Maritime Land Uses); and
9. contract termination, liquidated damages, and debarment remedies under Section 4.9-1(c) (Nutritional Standards and Guidelines), Section 12Q.5(f) (Health Care Accountability), and Section 2T (Criminal History in Hiring and Employment).

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 Other City Requirements will give rise to the specific remedies described in the applicable Other City Requirements (which may include penalties) 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 Tenant in the Other City Requirements will apply to Tenant, its successors under the Lease, and its successors under the DA.

All statutory references in this Exhibit are to the Municipal Code as in effect on the DA Ordinance Effective Date (as defined in the DDA) unless specified otherwise. Initially capitalized or highlighted terms used in this Exhibit and not defined in the Lease have the meanings ascribed to them in the cited ordinance.

## **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 Premises, Tenant 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 Tenant, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in the business, social, or other establishment or organization operated by Tenant.

(c) **Requirement to Include.** Tenant 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 contracts, subcontracts, and subleases and require all contractors, subcontractors, and subtenants to comply with those provisions.

(d) **Nondiscrimination in Benefits.** Tenant 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. Tenant’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 covered contract.

(e) **Form.** On or before the commencement of construction, Tenant 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.** Tenant understands that under Administrative Code section 12B.2(h), the City may assess against Tenant or deduct from any payments due Tenant a penalty for each person for each calendar day during which Tenant or its subcontractor, property contractor, or other contractor discriminated against a protected person in violation of this Section.

### **2. Health Care Accountability Ordinance.**

(Admin. Code ch. 12Q)

(a) Tenant 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, Tenant 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 Tenant 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 Tenant enters into for public works, public improvements, or for services that the City will pay directly or reimburse Tenant for 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. Tenant agrees to notify the Contracting Department promptly of any Subcontractors performing services covered by Chapter 12Q and certify to the Contracting Department that Tenant has notified the Subcontractors of their HCAO obligations under this Chapter.

(e) Noncompliance. Tenant will be responsible for monitoring compliance with the HCAO by each Subcontractor, Subtenant, and Contractor performing services on the Premises as applicable. But the City agrees that Tenant will not be liable for the noncompliance of its Subcontractors, Subtenants, or Contractors. The City's remedies for Tenant's noncompliance with the HCAO are subject to the DA Waivers.

(f) Retaliation Prohibited. Tenant 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. Tenant 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, Tenant 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, Tenant 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. Tenant 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 Premises 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. Tenant must comply with the prevailing wage requirements in §12.4(f) (*Prevailing Wages*) of the Lease.

(c) Penalties. The Port has designated OLSE as the agency responsible for ensuring that prevailing wages are paid and other payroll requirements are met, subject to the DA Waivers.

**4. Other Prevailing Wage Rate Requirements.**

(Admin. Code §§ 21C.3, 21C.4)

(a) Under Administrative Code section 21C.4, individuals engaged in theatrical or technical services related to the presentation of a Show at the Premises, including rigging, sound, projection, theatrical lighting, videos, computers, draping, carpentry, special effects, and motion picture services, are entitled to be paid not less than the Prevailing Rate of Wages (including fringe benefits or matching equivalents) fixed by the Board of Supervisors, unless the Show is free and open to the public or meets any of the other exemptions in Administrative Code section 21C.4(b)(1).

(b) Individuals employed in the following activities at the Premises are also entitled to the Prevailing Rate of Wages: (i) a Public Off-Street Parking Lot, Garage or Automobile Storage Facility under Administrative Code section 21C.3; (ii) a Special Event under Administrative Code section 21C.8; and (iii) Broadcast Services under Administrative Code section 21C.9.

(c) Agreement. Tenant agrees to comply to the extent applicable 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 to the extent applicable. In addition, if Tenant or its tenant, contractor, or any subcontractor fails to comply with these obligations, the City will have all available remedies against Tenant to secure compliance and seek redress for workers who provided the services as described in section 21C.7, together with the remedies set forth in the Lease.

(d) Payroll Records. Tenant will: (i) comply with Administrative Code section 21C.7(c)(4) as to any Covered Contract on the Premises as defined in Administrative Code section 21C.7(b); and (ii) provide to the City for inspection, after receipt of a Violation Notice (as defined in section 21C.7(c)(4)), payroll records and other documentary evidence necessary to establish that the noticed violation has been cured.

(e) 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 §§ 83.1 et seq.)

Tenant's obligations to comply with the First Source Hiring Program are set forth in **Lease Exh M** (*Workforce Development Program*).

**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, Tenant will comply with and be bound by Chapter 12T, including the remedies and implementing regulations, with respect to applicants to and employees of Tenant who would be or are performing work at the Premises under the Lease.

(b) Breach. Tenant 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. Tenant will be responsible for monitoring compliance by its Subcontractors, Contractors, and subtenants, but the City agrees that Tenant will not be liable for their noncompliance.

(c) Prohibited Activities. Tenant 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. Tenant 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. Tenant 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 Tenant or its Subcontractors, Contractors, and subtenants at the Premises that the Lease 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. Tenant 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 Premises 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 Lease 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 Premises or other workplace at which it is posted.

(g) Penalties. Tenant 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 Tenant 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.**  
(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. Tenant 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. Local Business Enterprises.**  
(Admin. Code ch. 14B)

Tenant agrees to comply with the LBE Utilization Program contained in **Lease Exh M.**

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

(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).

#### **10. 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, Tenant must not use or apply during the Lease term, and must not contract with any party to provide pest abatement or control services to the Premises, except in compliance with the Port’s integrated pest management plan (“**IPM Plan**”).

(b) Application. Although not a City Department, Tenant agrees to comply, and must require all of Tenant’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 Tenant 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 Tenant to keep certain records and to report to the City all pesticide use by Tenant’s staff or contractors.

(c) Prior Review. Before Tenant or Tenant’s contractor applies pesticides to outdoor areas, Tenant 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>.

**11. Resource-Efficient Facilities and Green Building Requirements.**

(Env. Code ch. 7)

Tenant agrees to comply with all applicable provisions of the Environment Code relating to resource-efficiency and green building design requirements.

**12. 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). Tenant agrees that, except as permitted by the application of Environment Code sections 802(b) and 803(b), Tenant 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 Lease that are tropical hardwoods, tropical hardwood wood products, virgin redwood, or virgin redwood wood products. If Tenant fails to comply in good faith with any of Environment Code chapter 8, Tenant 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.

**13. 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, Tenant must minimize exhaust emissions from operating equipment and trucks during construction. Tenant's compliance with MMRP Mitigation Measure M-AQ-1a will satisfy this requirement.

**14. Arsenic-Treated Wood.**

(Env. Code ch. 13)

Tenant must not purchase preservative-treated wood products containing arsenic on behalf of the City in the performance of the Lease without obtaining an exemption under Environment Code section 1304 from the Department of Environment. Tenant 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 Tenant 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.

**15. Food Service and Packaging Waste Reduction Ordinance.**

(Env. Code ch. 16)

Tenant 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 Lease, Tenant 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 Commencement 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 Tenant's noncompliance.

**16. Bottled Drinking Water.**

(Env. Code ch. 24; Port Reso. No. 12-11)

Tenant 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, except as otherwise set forth in Environmental Code Chapter 24, during the Lease Term. Also, Tenant must comply with the Port's *Zero Waste Policy for Events and Activities* (Port Reso. No. 12-11) for applicable Events at the Premises during the Lease Term.

**17. Graffiti Removal and Abatement.**

(Pub. Works Code Sec. 23)

(a) Requirement. Tenant agrees to remove all graffiti from the Premises, including from the exterior of any structures within the Premises, 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 Tenant 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 Tenant 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 Tenant 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 Lease 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.

**18. 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 Tenant. Tenant 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.

**19. 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). Tenant must incorporate the Nutritional Standards Requirements into any contract for the installation of a vending machine on the Premises or for the supply of food and beverages to that vending machine.

(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. Tenant’s failure to comply with the Nutritional Standards Requirements in section 4.9-1(c) will be considered an Event of Default under the Lease 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 Premises that is not permitted or that violates the Nutritional Standards Requirements. Tenant will be responsible for monitoring compliance with the Nutritional Standards Requirements by each subcontractor, subtenant, and contractor performing services or occupying premises on the Premises. But the City agrees that Tenant will not be liable for the noncompliance of its subcontractors, subtenants, or contractors.

**20. All-Gender Toilet Facilities.**

(Admin. Code § 4.1-3)

Tenant 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, Tenant 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.

**21. Indoor Air Quality.**  
(Env. Code § 711(g))

Tenant 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.

**Other Public Policies**

**22. Conflicts of Interest.**  
(Calif. Gov. Code §§ 87100 *et seq.* & §§ 1090 *et seq.*; Charter § 15.103; Campaign and Govt'l Conduct Code art. III, ch. 2)

Through its execution of the Lease, Tenant 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 Tenant becomes aware of any such fact during the Lease Term.

**23. Sunshine.**  
(Calif. Gov. Code §§ 6250 *et seq.*; Admin. Code ch. 67)

Tenant 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 Lease and all records, information, and materials that Tenant submits to the City may be public records subject to public disclosure upon request. Tenant may mark materials it submits to the City that Tenant 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. Tenant 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 Tenant.

**24. Contribution Limits-Contractors Doing Business with the City.**  
(Campaign and Govt'l 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 Lease, Tenant acknowledges the following.

(i) Tenant 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) Tenant; (2) each member of Tenant's board of directors; (3) Tenant's chairperson, chief executive officer, chief financial officer, and chief operating officer; (4) any person with an ownership interest of more than 20% in Tenant; (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 Tenant.

**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.

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Exhibit A  
to  
Parcel Lease Exhibit W

Exhibit A to Parcel Lease Exhibit W



[Development Agreement - Seawall Lot 337 Associates, LLC - Seawall Lot 337 - Mission Rock Project]

**Ordinance approving a Development Agreement between the City and County of San Francisco and Seawall Lot 337 Associates, LLC, for 28 acres of real property known as Seawall Lot 337, located east of Third Street between China Basin Channel and Mission Rock Street, China Basin Park and the portion of Terry A. Francois Boulevard abutting the park, Pier 48, the marginal wharf between Pier 48 and Pier 50, and Parcel P20; for the proposed Mission Rock Mixed-Use Project; 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).**

NOTE: **Unchanged Code text and uncoded text** are in plain Arial font.  
**Additions to Codes** are in single-underline italics Times New Roman font.  
**Deletions to Codes** are in ~~strikethrough italics Times New Roman font~~.  
**Board amendment additions** are in double-underlined Arial font.  
**Board amendment deletions** are in ~~strikethrough Arial font~~.  
**Asterisks (\* \* \* \*)** indicate the omission of unchanged Code subsections or parts of tables.

Be it ordained by the People of the City and County of San Francisco:

Section 1. Background and Findings.

(a) California Government Code Sections 65864 et seq. ("Development Agreement Law") authorize any city, county, or city and county to enter into an agreement for the development of real property within its jurisdiction.

(b) Chapter 56 of the Administrative Code sets forth certain procedures for processing and approving development agreements in the City and County of San Francisco (the "City").

1 (c) In May 2010, the Port Commission (the "Port") selected SWL 337 Associates,  
2 LLC, a Delaware limited liability company ("Developer"), through a competitive process to  
3 negotiate exclusively for the mixed-use development (the "Project") of Seawall Lot 337,  
4 bounded by Third Street on the west, Parcel P20 and Mission Rock Street on the south,  
5 Pier 48 to the east, and China Basin Park on the north, and Pier 48. The Port Commission  
6 later added China Basin Park, the marginal wharf between Pier 48 and Pier 50, and  
7 Parcel P20 to the development site (collectively, the "Site"), subject to approvals necessary to  
8 remove Parcel P20 from the Mission Bay South Redevelopment Project Area. Developer, an  
9 affiliate of the San Francisco Giants, will act as the master developer for the Project.

10 (d) In conjunction with this ordinance, this Board has taken or intends to take a  
11 number of other actions in furtherance of the Project, including approval of: (1) a disposition  
12 and development agreement ("DDA") between Developer and the Port; (2) amendments to  
13 the Planning Code that create the Mission Rock Special Use District (the "SUD amendments")  
14 and incorporate the more detailed Mission Rock Design Controls; (3) amendments to the  
15 Zoning Maps; (4) a memorandum of understanding for interagency cooperation between the  
16 Port and other City agencies (the "ICA") with respect to the subdivision of the Site and  
17 construction of public infrastructure and other public facilities; (5) formation proceedings for  
18 financing districts covering the Site and a memorandum of understanding between the Port  
19 and the Treasurer and Tax Collector and the Controller regarding the assessment, collection,  
20 and allocation of ad valorem and special taxes to the financing districts; and (6) a number of  
21 related documents and entitlements to govern the Project.

22 (e) At full build-out, the Project will include: (1) 1.1 million to 1.6 million gross square  
23 feet ("gsf") of new residential uses (an estimated 1,000 to 1,950 new residential units), at least  
24 40% of which will be on-site housing affordable to a range of low- to moderate-income  
25 households as described in the Housing Plan in the DDA; (2) 972,000 to 1.4 million gsf of new

1 commercial and office space; (3) 241,000 to 244,800 gsf of active retail and production uses  
2 on 11 proposed development blocks on SWL 337 in buildings that would range in height from  
3 90 to 240 feet, consistent with Section 5 of the Mission Rock Affordable Housing, Parks, Jobs  
4 and Historic Preservation Initiative (Proposition D, November 2015); (4) rehabilitation and  
5 reuse of Pier 48, a significant contributing resource to the Port of San Francisco Embarcadero  
6 Historic District; (5) approximately 1.1 million gsf of above- and below-grade parking in one or  
7 two garages; (6) transportation demand management on-site and payment of impact fees that  
8 the Municipal Transportation Agency will use to improve transportation service in the area;  
9 (7) approximately 5.4 acres of net new open space for a total of approximately 8 acres of new  
10 and expanded open space, including an expansion of China Basin Park, a new central  
11 Mission Rock Square, and waterfront access along the shoreline; (8) public access areas,  
12 assembly areas, and an internal grid of public streets, shared streets, and utilities  
13 infrastructure; and (9) on-site strategies to protect against sea level rise.

14 (f) While the DDA binds the Port and Developer, other City agencies retain a role in  
15 reviewing and issuing certain later approvals for the Project. Later approvals include approval  
16 of subdivision maps and plans for public infrastructure and public facilities, design review and  
17 approval of new buildings under the SUD amendments, and acceptance of Developer's  
18 dedications of public infrastructure and public facilities for maintenance and liability under the  
19 Subdivision Code. Accordingly, the City and Developer negotiated a development agreement  
20 for the Project (the "Development Agreement"), a copy of which is in Board File No. 171313  
21 and incorporated in this ordinance by reference. The DDA, the Development Agreement, the  
22 ICA, the Tax MOU, and all vertical disposition and development agreements and leases that  
23 the Port enters into in accordance with the DDA are referred to collectively as the "Transaction  
24 Documents."  
25

1 (g) Development of the Site in accordance with the DDA and the Development  
2 Agreement will help realize and further the City's goals to restore and revitalize Seawall  
3 Lot 337 and Pier 48, increase public access to the waterfront, increase public open space and  
4 community facilities within the neighborhood, add to the City's affordable and market-rate  
5 housing stock, and create a significant number of construction and permanent jobs in and  
6 near the Site. In addition, the Project will provide additional benefits to the public that could  
7 not be obtained through application of existing City ordinances, regulations, and policies.

8 Section 2. Environmental Findings.

9 (a) The Planning Commission has determined that the actions contemplated in this  
10 ordinance comply with the California Environmental Quality Act (Cal. Pub. Res. Code  
11 §§ 21000 et seq.) ("CEQA"). A copy of this determination is in Board File No. 171313 and  
12 incorporated in this ordinance by reference.

13 (b) The Board of Supervisors has adopted Resolution No. 36-18, a copy of which is  
14 in Board File No. 171286, making CEQA findings for the Project. The Board of Supervisors  
15 adopts and incorporates in this ordinance by reference the Planning Commission's findings  
16 under CEQA.

17 Section 3. Consistency Findings.

18 The Planning Commission recommended that the Board of Supervisors approve the  
19 Development Agreement and amendments to the Planning Code and the Zoning Maps at a  
20 public hearing on October 5, 2017, by Motion No. 20019 and Resolution No. 20020, copies of  
21 which are in Board File No. 171313. This Board adopts and incorporates by reference in this  
22 ordinance the Planning Commission's findings of consistency with the General Plan and the  
23 eight priority policies of Planning Code Section 101.1(b).

24 Section 4. Public Trust Findings.  
25

1 At a public hearing on January 30, 2018, the Port Commission consented to the  
2 Development Agreement and approved the DDA, subject to the Board of Supervisors'  
3 approval, finding that the Project would be consistent with and further the purposes of the  
4 common law public trust and statutory trust under the Burton Act (Stats. 1968, ch. 1333), as  
5 amended by Senate Bill 815 (Stats. 2007, ch. 660) and Assembly Bill 2797 (Stats. 2016,  
6 ch. 529), by Resolution Nos. 18-03 and 18-06, copies of which are in Board File No. 171313.  
7 The Board of Supervisors adopts and incorporates in this ordinance by reference the Port  
8 Commission's public trust findings.

9 Section 5. Approval of Development Agreement.

10 The Board of Supervisors:

11 (a) approves all of the terms and conditions of the Development Agreement in  
12 substantially the form in Board File No. 171313;

13 (b) finds that the Development Agreement substantially complies with the  
14 requirements of Administrative Code Chapter 56 (Development Agreements);

15 (c) finds that the Project is a large multi-phase and/or mixed-use development as  
16 defined in Administrative Code Section 56.3(g); and

17 (d) approves the Workforce Development Plan attached to the DDA in lieu of  
18 requirements under Administrative Code Chapter 14B (Local Business Enterprise Utilization  
19 and Non-Discrimination in Contracting Ordinance), Article VII of Chapter 23 (Prevailing Wage,  
20 Apprenticeship, and Local Hire Requirements in City Real Property Sales Contracts and  
21 Leases), Section 56.7(c) (Nondiscrimination/Affirmative Action Requirements), and  
22 Chapter 83 (First Source Hiring Program) to the extent that they apply to construction work  
23 that is subject to the Local Hiring Requirements of the Workforce Development Plan.  
24  
25

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 the following  
14 additional provisions of the Administrative Code:

15           (a)    Chapter 6 (Public Works Contracting Policies and Procedures) other than the  
16 payment of prevailing wages when required;

17           (b)    remedies and penalties for noncompliance with Chapter 12Q (Health Care  
18 Accountability), Chapter 12T (City Contractor/Subcontractor Consideration of Criminal History  
19 in Hiring and Employment Decisions), or Section 4.9-1 (Nutritional Standards for Vending  
20 Machines; Nutritional Guidelines for Food Served at City Meetings and Events;  
21 Recommended Nutritional Guidelines for Restaurants on City Property) that could result in the  
22 termination of any Transaction Document, loss or impairment of Developer's rights under the  
23 Transaction Documents or a vertical developer's rights under a property contract for any part  
24 of the Site, or debarment of Developer or any vertical developer from future contract  
25 opportunities with the City;

1 (c) Chapter 14B (Local Business Enterprise Utilization and Non-Discrimination in  
2 Contracting Ordinance);

3 (d) Competitive Bidding Procedures and Appraisal Review as defined in  
4 Section 23.2 (Chapter Definitions) and required by Section 23.3 (Conveyance and Acquisition  
5 of Real Property) or Section 23.33 (Competitive Bidding Procedures);

6 (e) Section 23.31 (Year-to-Year or Shorter Leases), which limits the Director of  
7 Property's authority to enter into leases on behalf of the City as landlord for periods longer  
8 than one year;

9 (f) Chapter 23A.7 (Surplus Public Lands Ordinance);

10 (g) Paragraph (2) of Section 61.5(c) (Listing of Unacceptable Non-Maritime Land  
11 Uses); and

12 (h) solely to the extent inconsistent with Developer's approved Workforce  
13 Development Program, Chapter 82 (Local Hiring Policy for Construction) and Chapter 83  
14 (First Source Hiring Program).

15 Section 8. Subdivision Code Waivers.

16 (a) The Board of Supervisors waives the application to the Project of time limits  
17 under Subdivision Code Section 1346(e) (Improvement Plans) and Section 1355 (Time Limit  
18 for Submittal) to the extent that they conflict with the ICA or the Development Agreement.

19 (b) The Board of Supervisors also waives the application to the Project of  
20 Subdivision Code Section 1348 (Failure To Complete Improvements Within Agreed Time),  
21 and the following terms shall apply in lieu thereof: The Public Improvement Agreement, as  
22 defined in the ICA, shall include provisions consistent with the Transaction Documents and  
23 the applicable requirements of the Municipal Code and the Subdivision Regulations regarding  
24 extensions of time and remedies that apply when improvements are not completed within the  
25 agreed time.

1           Section 9. Authorization.

2           (a)    The Board of Supervisors affirms that the waivers in this ordinance do not waive  
3 requirements under the Development Agreement Law and authorizes the City to execute,  
4 deliver, and perform the Development Agreement as follows:

5                   (1)    the Director of Planning, the City Administrator, and the Director of Public  
6 Works are authorized to execute and deliver the Development Agreement with signed  
7 consents of the Port Commission, the Municipal Transportation Agency, and the San  
8 Francisco Public Utilities Commission; and

9                   (2)    the Director of Planning and other appropriate City officials are authorized  
10 to take all actions reasonably necessary or prudent to perform the City's obligations under the  
11 Development Agreement in accordance with its terms.

12           (b)    The Director of Planning is authorized to exercise discretion, in consultation with  
13 the City Attorney, to enter into any additions, amendments, or other modifications to the  
14 Development Agreement that the Director of Planning determines are in the best interests of  
15 the City and that do not materially increase the obligations or liabilities of the City or materially  
16 decrease the benefits to the City as provided in the Development Agreement. Final versions  
17 of any additions, amendments, or other modifications to the Development Agreement shall be  
18 provided to the Clerk of the Board of Supervisors for inclusion in Board File No. 171313  
19 within 30 days after execution by all parties.

20           Section 10. Ratification of Past Actions; Authorization of Future Actions.

21           All actions taken by City officials in preparing and submitting the Development  
22 Agreement to the Board of Supervisors for review and consideration are hereby ratified and  
23 confirmed, and the Board of Supervisors hereby authorizes all subsequent action to be taken  
24 by City officials consistent with this ordinance.  
25



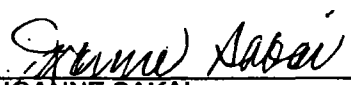
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Section 11. Effective and Operative Dates.

(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: 171313

Date Passed: February 27, 2018

Ordinance approving a Development Agreement between the City and County of San Francisco and Seawall Lot 337 Associates, LLC, for 28 acres of real property known as Seawall Lot 337, located east of Third Street between China Basin Channel and Mission Rock Street, China Basin Park and the portion of Terry A. Francois Boulevard abutting the park, Pier 48, the marginal wharf between Pier 48 and Pier 50, and Parcel P20; for the proposed Mission Rock Mixed-Use Project; 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).

February 07, 2018 Government Audit and Oversight Committee - RECOMMENDED

February 13, 2018 Board of Supervisors - PASSED ON FIRST READING

Ayes: 9 - Breed, Fewer, Kim, Peskin, Ronen, Sheehy, Stefani, Tang and Yee

Excused: 2 - Cohen and Safai


February 27, 2018 Board of Supervisors - FINALLY PASSED

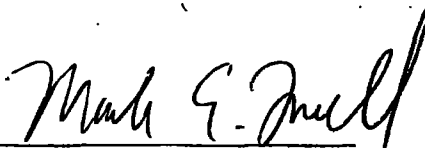
Ayes: 10 - Breed, Cohen, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Stefani and Yee

Excused: 1 - Tang

File No. 171313

I hereby certify that the foregoing  
Ordinance was FINALLY PASSED on  
2/27/2018 by the Board of Supervisors of  
the City and County of San Francisco.

  
Angela Calvillo  
Clerk of the Board

  
Mark E. Farrell  
Mayor

3/6/18  
Date Approved

EXHIBIT X

Form of Memorandum of Lease

**PARCEL LEASE  
EXHIBIT X**

<p>This document is exempt from payment of a recording fee pursuant to California Government Code Section 27383</p> <p>RECORDING REQUESTED BY, AND WHEN RECORDED, MAIL TO:</p>	<p>FOR RECORDER'S USE ONLY</p>
--	--------------------------------

Lot \_\_\_\_, Block \_\_\_\_

The Undersigned Declare(s):  
DOCUMENTARY TRANSFER TAX: \_\_\_\_\_;  
[ ] computed on the consideration or full value of  
property conveyed, OR  
[ ] computed on the consideration or full value less  
value and/or encumbrances remaining at time of sale,  
[ ] unincorporated area;  
[ ] City of San Francisco

**MEMORANDUM OF LEASE  
(PARCEL LEASE)**

This Memorandum of Lease ("**Memorandum**"), dated for reference purposes only as of \_\_\_\_\_, 20XX, is by and between the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation ("**City**"), operating by and through the **SAN FRANCISCO PORT COMMISSION** ("**Landlord**" or "**Port**") and [\_\_\_\_\_] ("**Tenant**").

**RECITALS**

A. Concurrently herewith, Landlord and Tenant have entered into that certain Lease No. L-[\_\_\_\_\_] (the "**Lease**"), dated as of \_\_\_\_\_, \_\_\_\_\_, pursuant to which Landlord leased to Tenant and Tenant leased from Landlord certain real property (the "**Premises**") more particularly described in the attached **EXHIBIT A**, which is incorporated by this reference.

B. Port and Tenant have also entered into that certain Vertical Disposition and Development Agreement, dated \_\_\_\_\_, \_\_\_\_\_ (the "**VDDA**"), with respect to the development of the Premises.

C. Landlord and Tenant desire to execute this Memorandum to provide constructive notice of Tenant's rights under the Lease to all third parties.

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. Term. Landlord leases (i) the Premises to Tenant for a term commencing on [\_\_\_\_\_, \_\_\_\_] (the "**Commencement Date**"). The Term of the Lease will expire on the date that is [\_\_\_\_\_] years] after the Commencement Date, unless earlier terminated in accordance with the terms of the Lease.

2. Lease Terms. The lease of the Premises to Tenant is pursuant to the Lease, which is incorporated in this Memorandum by reference. In the event of any conflict or inconsistency between this Memorandum and the Lease, the terms and conditions of the Lease will be controlling in all respects. Except as otherwise defined in this Memorandum, capitalized terms will have the meanings given them in the Lease.

3. Successors and Assigns. This Memorandum and the Lease will bind and inure to the benefit of the parties and their respective heirs, successors, and assigns, subject, however, to the provisions of the Lease on assignment.

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

*[The remainder of this page intentionally left blank]*

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

**TENANT:**

[\_\_\_\_\_] ,  
a [\_\_\_\_\_]

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**LANDLORD:**

**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:**

DENNIS J. HERRERA, City Attorney

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

Name: \_\_\_\_\_

Deputy City Attorney

Port Resolution No. 18—03, adopted on January 30, 2018

Board of Supervisors Resolution No. 36—18, adopted on February 13, 2018

## 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)

**EXHIBIT A**



EXHIBIT Y

Transportation Demand Management Plan

**DDA EXHIBIT B7**

**TRANSPORTATION EXHIBIT**

**to**

**DISPOSITION AND DEVELOPMENT AGREEMENT**

**Mission Rock Project**



## DDA EXHIBIT B7

### TRANSPORTATION EXHIBIT

#### I. Transportation Fee.

A. **Payment by Vertical Developers.** Each Vertical DDA will require that the Vertical Developer shall pay to SFMTA a “**Transportation Fee**” that SFMTA will use and allocate in accordance with Section I.B below. The Transportation Fee must meet all requirements of and will be payable on all vertical development on the Mission Rock Project Site in accordance with Planning Code sections 411A.1-411A.8., except as provided in this Exhibit. All references to the Planning Code in this Transportation Exhibit refer to the Planning Code as in effect on the DA Ordinance Effective Date. Under the Development Agreement (DA) and this Transportation Program:

- The Transportation Fee will be payable on any Development Parcel on the Mission Rock Project Site, except Affordable Housing Projects pursuant to Planning Code section 406(b).
- The Transportation Fee will be calculated at 100% of the applicable TSF rate without a discount under Section 411A.3(d). The Project shall be subject to 100% of the applicable TSF rate as if it were a Project submitted under Section 411A.3(d)(3).
- The amount of the Transportation Fee will equal the Transportation Sustainability Fee in effect on the DA Ordinance Effective Date for the same land use category with annual escalation in accordance with the methodology provided in Section 409 to the date that the Port issues the first construction permit for each Vertical Improvement. For example, the Transportation Sustainability Fee on the DA Ordinance Effective Date for residential buildings with up to 99 units is \$8.60/gsf, and \$9.71/gsf of residential use in all dwelling units at and above the 100<sup>th</sup> unit in the building.

B. **Accounting and Use of Transportation Fee by SFMTA.** Section 411A.7 will apply except as follows. The Treasurer-Tax Collector will account for all Transportation Fees paid for each development project on the Mission Rock Project Site (the “**Total Fee Amount**”). SFMTA will use an amount equal to or greater than the Total Fee Amount to pay for uses permitted by the TSF Fund under Planning Code section 411A.7, including SFMTA’s and other agencies’ costs to design, permit, construct, and install a series of transportation improvements in the area surrounding or serving the Mission Rock SUD Area. SFMTA and other implementing agencies will be responsible for all costs associated with the design, permitting, construction, installation, maintenance, and operation of these improvements above the Total Fee Amount. SFMTA will report to the Planning Director on any use of the Total Fee Amount in any reporting period for the Annual Review under the DA. Examples of projects that SFMTA may fund with the Total Fee Amount include:

- Water Transit. Construction of a new ferry terminal at 16<sup>th</sup> Street in Mission Bay and support of other water transit, including a network of water taxi/small water ferry docks along the Central Waterfront.
- T-Third Enhancements. Reliability and capacity enhancements, including flashing “Train Coming” signs, in-ground detectors at to-be-identified intersections, and additional light rail vehicles (LRV) as needed to serve the growing population along the line.
- Existing and future MUNI lines that serve Project neighborhood. Capital improvements, including buses, associated with newly proposed MUNI routes, and re-routing of existing MUNI lines to better serve transit riders in the Dogpatch, Mission Bay, and Potrero Hill neighborhoods. Operation plans for all MUNI service is contingent on the SFMTA Board of Directors adoption of an operating budget.
- Muni Metro East. Capital costs associated with an expanded facility for on-site rebuilds, capacity for expanded bus and LRV fleet, and tracks for storage.

- Mission Bay E-W Bike Connector. Implementation of a connection across tracks, likely between 17th Street and Owens Street, to connect the 4th Street bikeway on east side and the 17th Street bikeway on west side.
- Terry A. Francois Boulevard Cycletrack. Implementation of bicycle access on Terry A. Francois Boulevard, including multi-use (peds/bikes) access on the 3rd Street Bridge and associated signal modifications.
- North-south bike connection on Indiana Street. Implementation of bicycle connection along Indiana Street from Cesar Chavez Boulevard to Mariposa Street.
- Upgraded bicycle access on Cesar Chavez Boulevard. Implementation of a lane along Cesar Chavez Boulevard from US 1-280/Pennsylvania to Illinois Street, including elements such as bulbs, islands, and restriping.
- Pedestrian improvements. Implement improved sidewalks and crosswalks as needed at various gap locations throughout the adjacent neighborhood, as identified in partnership with community and City partners.

Nothing in this Transportation Exhibit will prevent or limit the City's absolute discretion to: (i) conduct environmental review in connection with any future proposal for improvements; (ii) make any modifications or select feasible alternatives to future proposals that the City deems necessary to conform to any applicable laws, including CEQA; (iii) balance benefits against unavoidable significant impacts before taking final action; (iv) determine not to proceed with such future proposals; or (v) obtain any required approvals for the improvements.

## II. TDM Plan.

Developer shall implement the Transportation Demand Management ("TDM") Plan attached as **DDA Exhibit B7 Schedule 2** and otherwise comply with EIR Mitigation Measure M-AQ-2.3, as set forth in the MMRP, **DDA Exhibit A5**. The TDM Plan shall remain a component of the Project to be implemented for the duration of the Project. Monitoring, and submittal of monitoring reports and plan adjustments, shall be required as described in Mitigation Measure M-AQ-2.3. The City and Developer agree that the option for the offset fee discussed in the last paragraph of Mitigation Measure M-AQ-2.3 is not applicable, unless the Planning Department determines in its discretion that further TDM Plan adjustments will not achieve the reduction goal.

Developer's TDM Plan has a goal of reducing estimated aggregate daily one way vehicle trips by 20 percent compared to the aggregate daily one-way vehicle trips identified in the project's travel demand memo, prepared by Adavant Consulting, dated June 30, 2015. The project sponsors shall be responsible for monitoring implementation of the TDM Plan and proposing adjustments to the TDM Plan if its goal is not being achieved as described in Mitigation Measure M-AQ-2.3.

Developer's TDM Plan shall have been approved by the Planning Department prior to site permit application for the first building and the TDM Plan shall be implemented as to each new building upon the issuance of the certificate of occupancy for that building.

Notwithstanding any other provision of the DDA or DA, Planning Code Section 169.4 shall apply and, under Planning Code Section 169.4(e), the Zoning Administrator shall approve and order the recordation of the TDM Plan against the Project Site, and it shall be enforceable through the Notice of Violation procedures in the Planning Code, or any other applicable provision of law. The Zoning Administrator shall retain the discretion to determine what constitutes a separate violation in this context. The Planning Code procedures shall apply, except that the Zoning Administrator shall have discretion to impose a penalty of up to \$250 per violation. If the submittal of monitoring reports is no longer required in accordance with Mitigation Measure M-AQ-2.3, the provisions of Planning Code Section 169.5(b) shall apply.

### III. SFMTA Contact

SFMTA commits to designating a staff person to follow up on the transportation related components of the Project, including this Exhibit and associated Schedules, the DA, and the FEIR. This staff person will be a point person for Developer and the community.

### IV. Event Management Plan

*DDA § 3.2(j) (Event Management Plan)* requires inclusion of an Event Management Plan with each Phase Submittal. The scope of the Event Management Plan is outlined in Chapter 5 of the Mission Rock Transportation Plan (**DDA Exhibit B7 Schedule 1**). Any Parcel Lease for a Garage Parcel shall include provisions with respect to the Event Management Plan as described below.

Prior to entering into any agreement between the Garage operator and a third-party entity for use of the Garage by patrons of events not on-site or at AT&T Park (an “Event Parking Agreement”), the Garage operator will submit to the Port for its approval an updated Event Management Plan to address use of the Garage by patrons of such events.

The Garage operator will pay for, or cause to be paid by third parties (e.g., off-site third-party event operators), all direct and indirect expenses incurred by SFMTA associated with incremental enforcement on the Project Site required under the Event Management Plan beyond the SFMTA current enforcement levels described below. SFMTA will deploy such enforcement to the extent that enforcement resources are available.

SFMTA’s current enforcement levels refers to the following deployment of SFMTA Parking Control Officers (PCOs) on the Project Site for events at AT&T Park:

	Total PCO hours	Total PCO Supervisor hours
Weekday Daytime Event	178	16
Weekend Daytime Event	168	16
Weekday Evening Event	168	16
Weekend Evening Event	168	16

### V. Dedicated Storage Space

Developer will provide a 10’ by 10’ street-level secure storage space at no cost to SFMTA for the purpose of storage of SFMTA event management-related equipment. This space will be provided in interim phases as well as at final build-out.

### VI. Garage Consultation

Developer and the City will follow the provisions of *DDA § 2.5(c) (Garage Recommendations)* related to consultation regarding Garage sizing and operations.

### VII. Transportation Plan

Developer and the City will follow the Mission Rock Transportation Plan (**DDA Exhibit B7 Schedule 1**) for the Project Site.



**DDA EXHIBIT B7 - TP SCHEDULE 1**

**"Mission Rock Transportation Plan"**

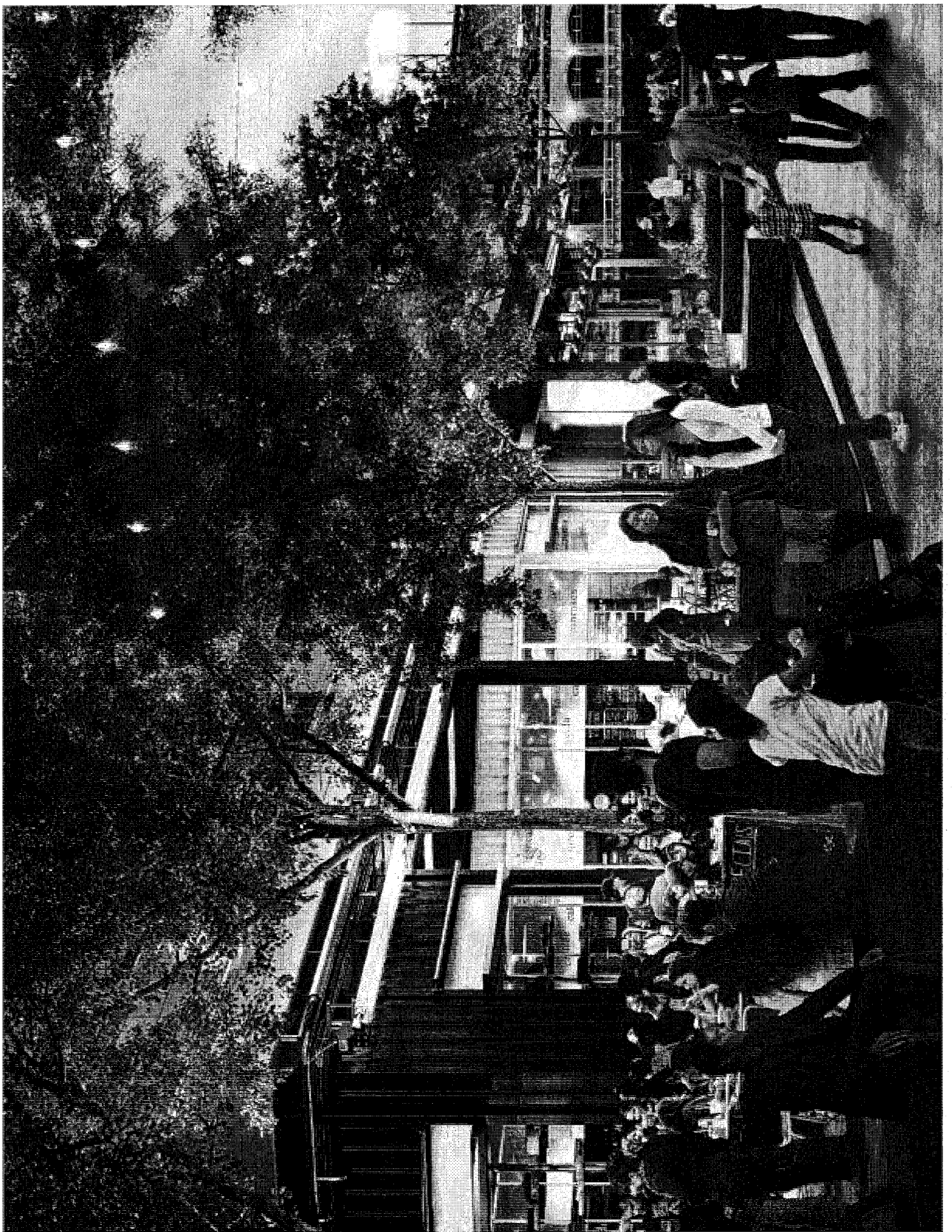


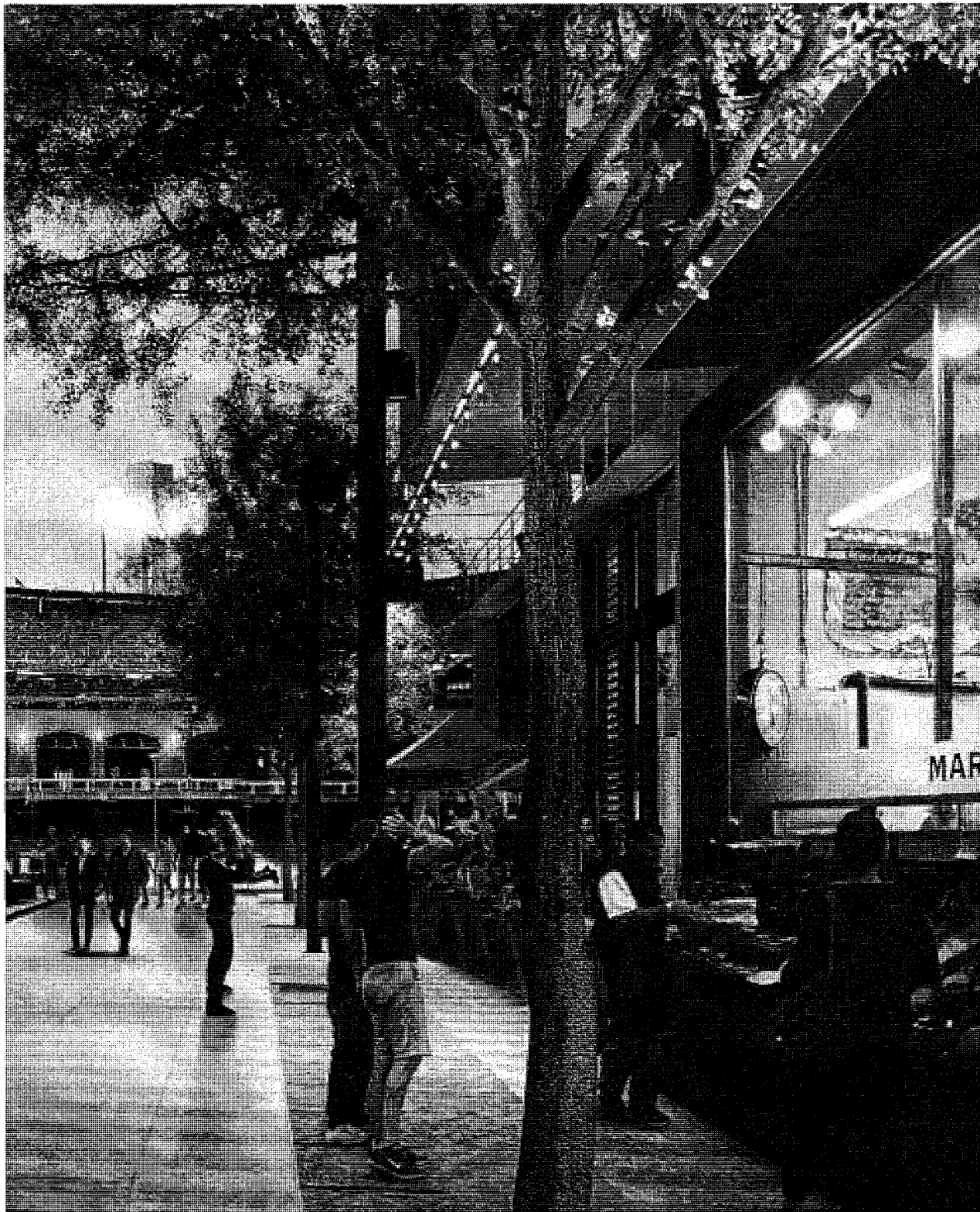




# MISSION ROCK

TRANSPORTATION  
PLAN





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# MISSION ROCK

## TRANSPORTATION PLAN

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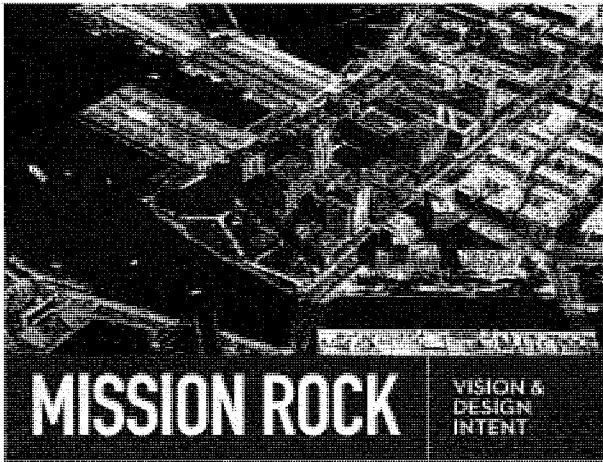
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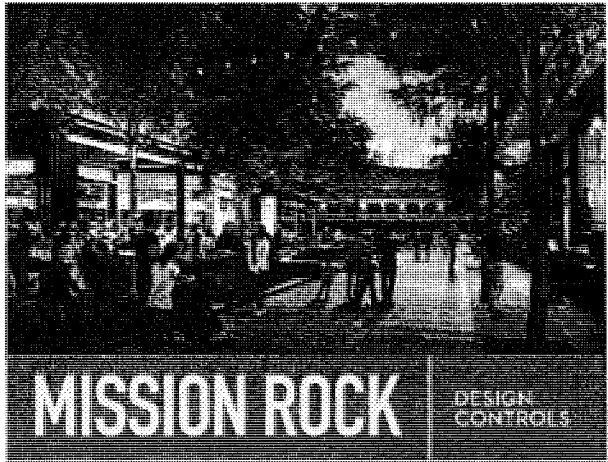
# MISSION ROCK DESIGN DOCUMENTS

The Transportation Plan comprises the fifth in a set of five documents which together describe the requirements for the development of Mission Rock.



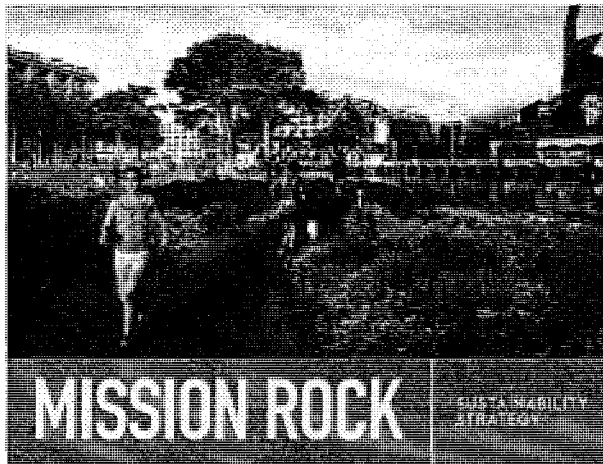
## MISSION ROCK VISION & DESIGN INTENT

This document contains the big picture thinking and aspirations that will guide the process for the design and implementation of Mission Rock.



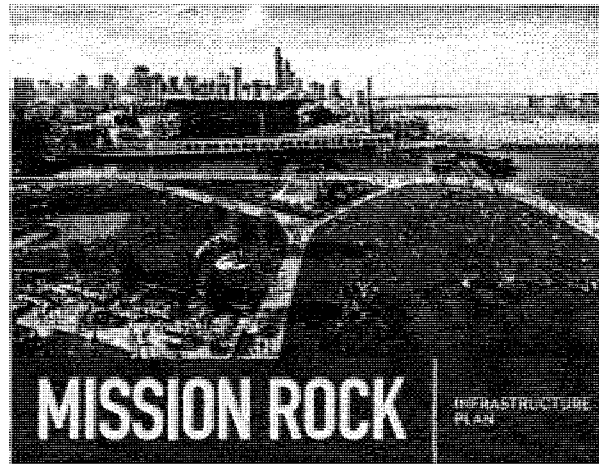
## MISSION ROCK DESIGN CONTROLS (DC)

This document guides the development of the open spaces, streets, and buildings at Mission Rock. The DC ensures that the site will be developed in a way that is consistent with the vision as defined in the Mission Rock Vision and Design Intent document.



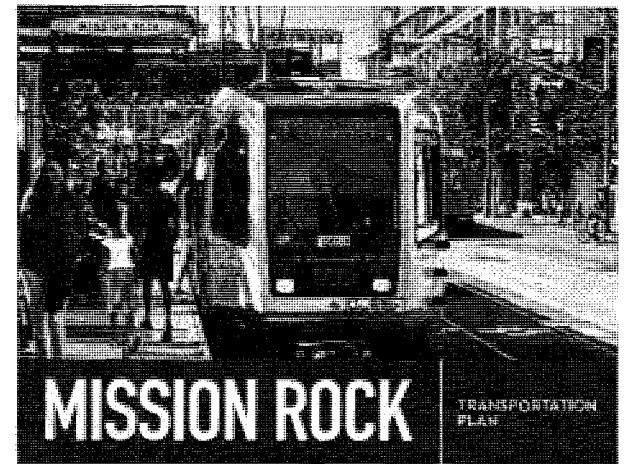
#### MISSION ROCK SUSTAINABILITY STRATEGY

This document identifies the high level sustainability goals for Mission Rock, details the requirements for the horizontal and vertical development and summarizes the anticipated reduction in greenhouse gas (GHG) emissions resulting from the district's approach to sustainable design.



#### MISSION ROCK INFRASTRUCTURE PLAN

The design of the landscape, buildings, and sustainability strategies will be closely coordinated with the infrastructure planning at Mission Rock. This plan regulates the complex coordination of streets, utilities, and services.



#### MISSION ROCK TRANSPORTATION PLAN

This plan describes the ways in which the site will be designed to support the mobility choices of all users, with a special emphasis on safe and comfortable conditions for pedestrians and cyclists.



Located just steps from the center of the Bay Area's transportation system and along one of the premiere bicycle and pedestrian routes in the region, Mission Rock is poised to be a model for sustainable transportation. With a multitude of mobility choices built directly into the site's DNA, it will be one of the first true 21st Century developments in San Francisco.

Small, walkable blocks, wide sidewalks, and a diverse mix of uses will make it easy for those who live or work at Mission Rock to avoid traveling far to eat or shop for everyday necessities. A range of cycling facilities will ensure that cyclists of all ages and skill levels are comfortable navigating the site on two wheels. The opening of the Central Subway will mean frequent, rapid service to Market Street and downtown is just

steps away via the T-Third Muni Metro line, and access to the Peninsula and South Bay is just a few minutes further at Caltrain's 4th and King Street terminal. Supplemented by a suite of services and incentives that will make it easy to choose any mode, this wide range of mobility options mean the site will truly be a good fit for any modern lifestyle.

# 01

## INTRODUCTION



## 1.1 OVERVIEW

This document details how Mission Rock will achieve this vision. It starts by laying out the elements of the project's context that make it an ideal fit for a moment in which San Franciscans are choosing to accomplish more and more each year by a range of modes (Chapter 2). It walks through plans for the design of the site's internal streets, describing how bikes, pedestrians, and vehicles will circulate through the site and connect to its surroundings (Chapter 3). Mission Rock is committed to a robust set of infrastructure investments and ongoing programs that will make it easy to choose modes like walking, biking, and taking transit, and Chapter 4 details the planned package of transportation demand management (TDM) programs. With AT&T Park just steps away from the site, event-related travel will have an important impact on circulation patterns. Chapter 5 walks through how circulation will be managed around events to help reduce impacts on residents and employees, both on the site and in the surrounding neighborhood.

Note that this document focuses on the site's transportation programs at full build-out. The Infrastructure Plan discusses how the project will be phased and implications for the site's physical infrastructure, including transportation.

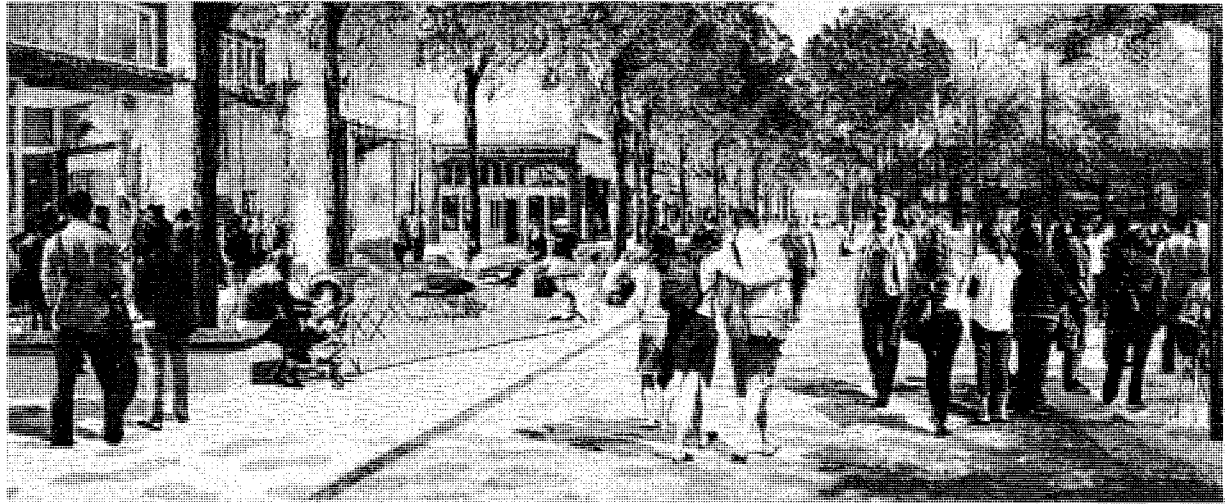


The proposed project, aerial view simulation from the northwest

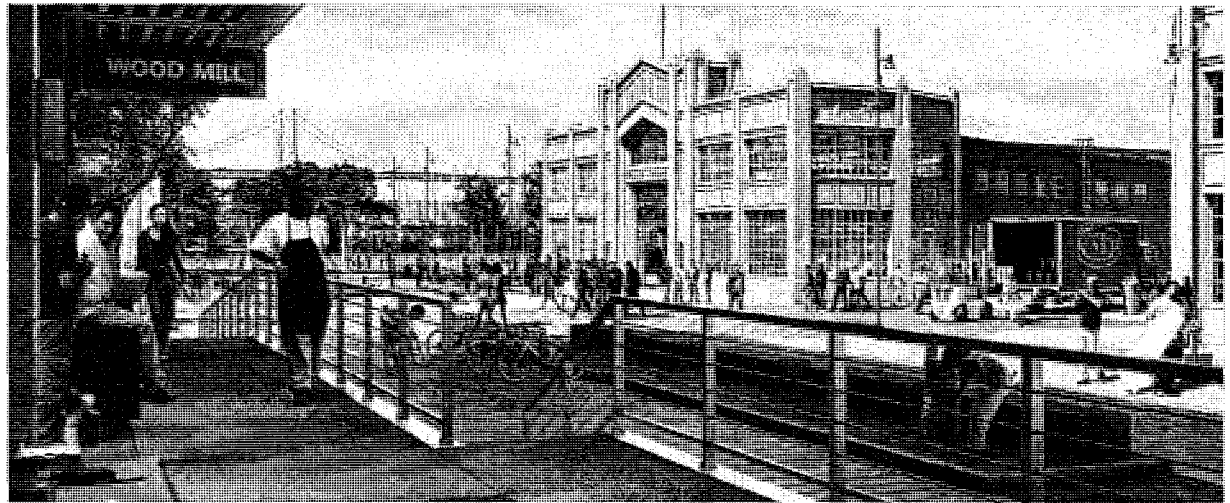
## 1.2 GOALS

Mission Rock aims to do the following through its transportation program:

1. Facilitate lifestyles low in vehicle miles traveled (VMT) by providing a robust set of sustainable choices for movement to and from the site
2. Create a vibrant, pedestrian-oriented, and visually interesting public realm within the site
3. Connect seamlessly to the site's broader context, including the City's growing bike network, the Mission Bay neighborhood's developing network of streets and sidewalks, and the city and region's transit systems
4. Ensure that the site is adaptable to new transportation technologies and changing travel habits over time
5. Play a productive role in the City's efforts to manage event-related travel



Shared Public Way, the shared street that will serve as the primary north-south pedestrian route through the site

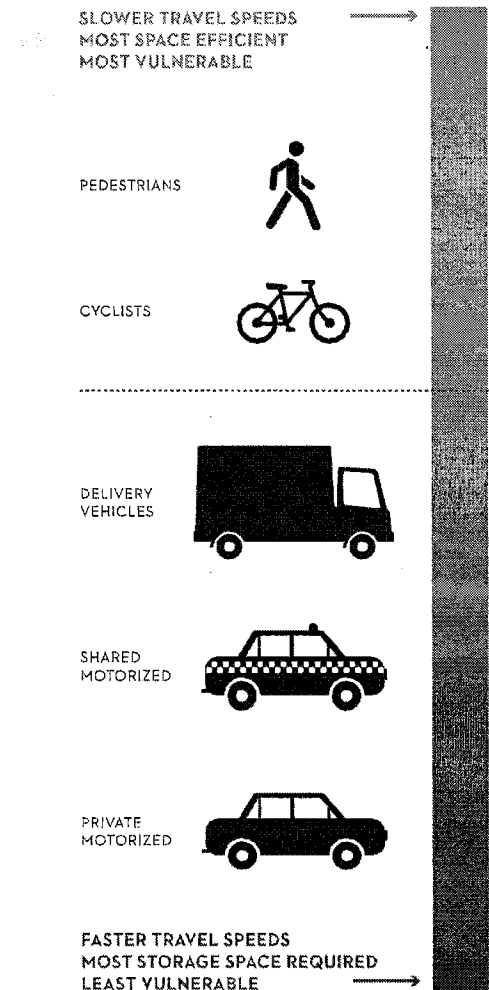


Terry A. Francois Boulevard, another shared street, will have a more maritime-industrial character

## 1.3 STRATEGIES






The project will accomplish those goals through the following primary strategies:

- ▶ Prioritize movement on-site using a modal hierarchy that puts the focus on the most space-efficient and environmentally sustainable modes
- ▶ Encourage walking, biking, and taking transit through convenience and meaningful incentives
- ▶ Design a highly connective street grid with generous and active pedestrian areas
- ▶ Allow for a diverse mix of uses that enables residents and employees to avoid long trips for daily necessities
- ▶ Design for safety through smart deployment of traffic calming strategies on internal streets
- ▶ Facilitate bike connectivity by adding an important link to City and regional bike networks through the site and providing safe and comfortable routing options for people of all cycling skill levels
- ▶ Create generous curb-side loading areas to:
  - ▶ Facilitate site access for people with mobility limitations and for families with small children
  - ▶ Facilitate the use of taxis and ride hail services, which can help obviate the need to bring a personal automobile to the site
  - ▶ Help site users avoid vehicle trips by facilitating convenient delivery of goods
- ▶ Actively manage parking to ensure it is used efficiently as part of the larger multimodal network
- ▶ Work in concert with neighborhood groups to help in responsibly managing event-related travel

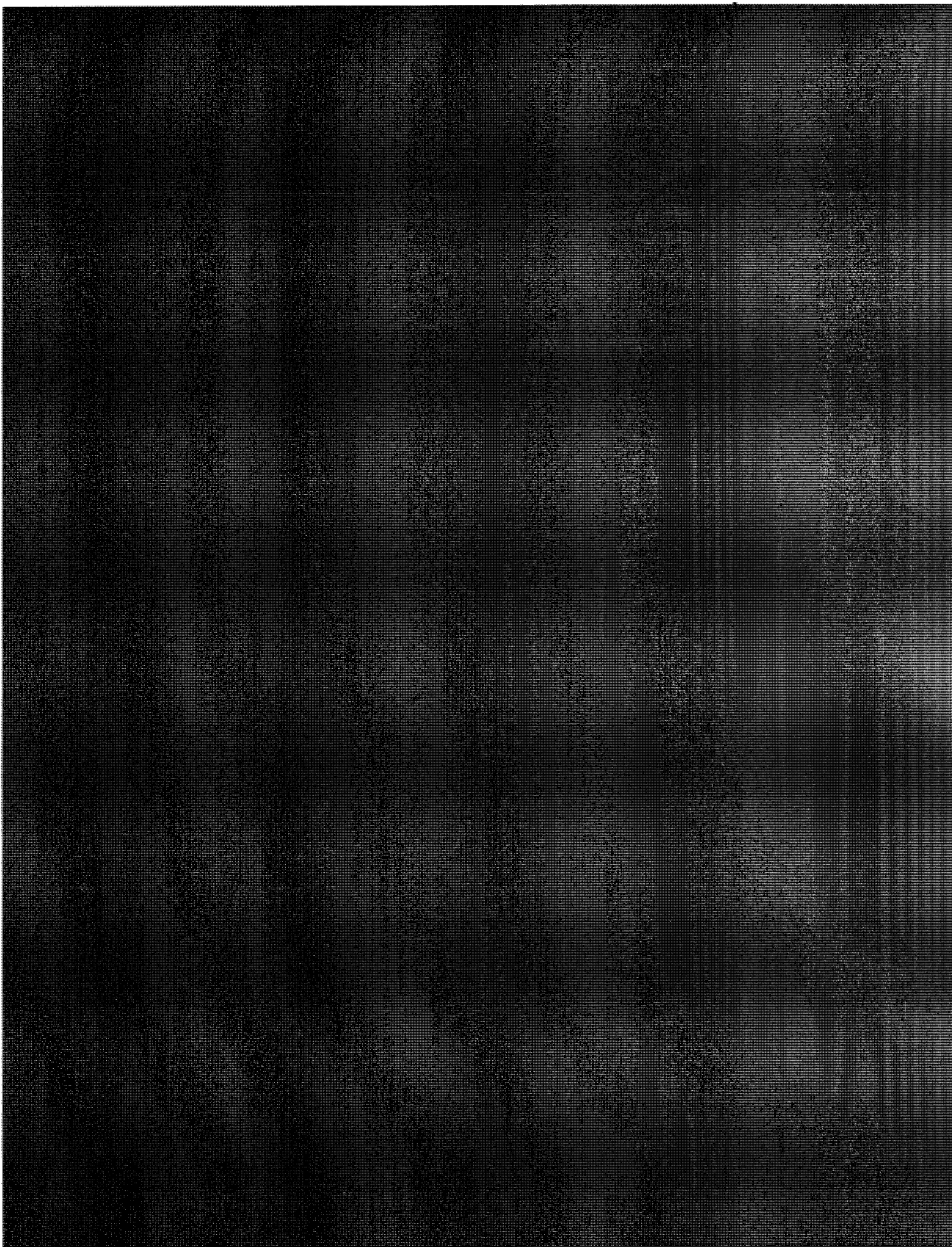


A modal hierarchy for travel through Mission Rock

The figure on this page shows the site's urban street grid and mixed land-use plan. The site plan and approach to circulation are two key ingredients in making the transportation vision come to life.

-  Residential
-  Commercial
-  Flex
-  Working Waterfront
-  Structured Parking







# 02

## PROJECT CONTEXT

Mission Rock's location, mix of uses, density, and design approach are all consistent with regional trends in land use and transportation and supportive of Bay Area planning agencies' efforts to direct new housing toward urban infill locations near transit stations.

The site's mix of uses, including residential, commercial, and retail, will make it easy for residents and employees to take care of most needs within a short walk, and the project's location will naturally facilitate the use of transit and other shared modes for longer-distance trips.

## 2.1 TRENDS IN POLICY AND TRAVEL BEHAVIOR

Mission Rock fits into a larger context of city, regional, and state policy encouraging transit-oriented mixed-use development, as well as the emergence of new transportation options that are changing the way Bay Area residents travel to work and play. The project is poised to both take advantage of the new mobility options and further encourage these shifts.

### 2.1.1 STATE, REGIONAL, AND CITY POLICIES

Starting in 2006, the State of California began laying out a constellation of policies aimed at reducing the state's carbon footprint. Assembly Bill (AB) 32, signed into law in 2006, required that the state reduce greenhouse gas emissions to 1990 levels by 2020, a 15 percent reduction relative to expected trends. Senate Bill (SB) 375 was the first major policy aimed at implementing AB 32. It required that each major region in the state create a "sustainable communities strategy" that would use a combination of land use and transportation planning to create more sustainable development patterns. Furthermore, the City of San Francisco's Climate Action Strategy specifically calls for shifting 80% of all trips to non-automobile trips by 2030.

Plan Bay Area is this Bay Area's sustainable communities strategy, and concentrating growth around the existing transit system is a key pillar of the plan. The plan identified Priority Development Areas with strong transit access and higher existing densities, and Mission Rock sits along a major axis of priority development areas along the eastern edge of San Francisco.

Infill and transit-oriented development are the two most important strategies for developing in a more sustainable fashion. When projects are located in areas that are already developed, they generally allow their inhabitants to travel shorter distances to reach jobs,

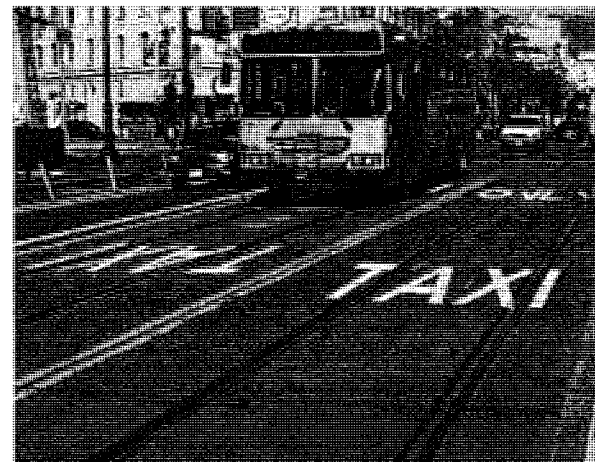
grocery stores, and other daily destinations. When located near existing transit networks, they make transit the default mobility option.

Infill development has long been a priority for the City of San Francisco, and the City has an array of policies aimed at aligning the transportation system to denser development patterns. Policies include the city's long-standing "transit first" policy, a 20% bicycle mode share goal, and a collection of recent policy changes - known as the Transportation Sustainability Program - that aim to further invest in transit, bike, and pedestrian network improvements, align the environmental review process for development with other city policies, and shift travel behavior toward non-motorized or shared modes while ensuring access and mobility. Mission Rock's transportation program is consistent with this approach.

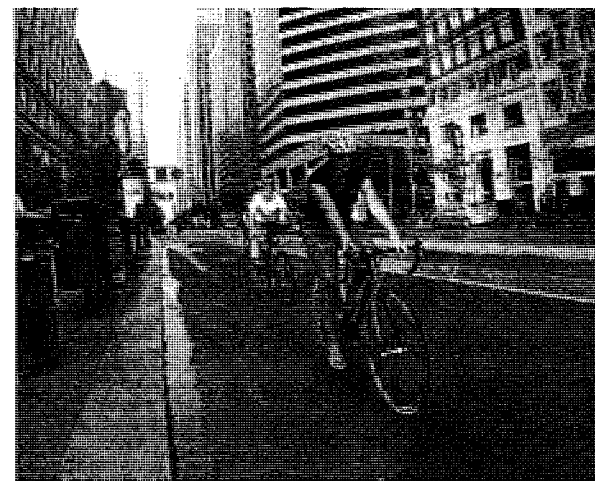
With these policies in the background, travel behavior in San Francisco seems to be steadily shifting toward transit and non-motorized modes, and the market for developments that enable transit-, bicycle-, and pedestrian-oriented lifestyles has strengthened. The last few years have seen increases in transit ridership (including record ridership levels on BART and Caltrain in recent years) and major increases in cycling, particularly for commutes.

### 2.1.2 THE IMPACT OF TECHNOLOGY

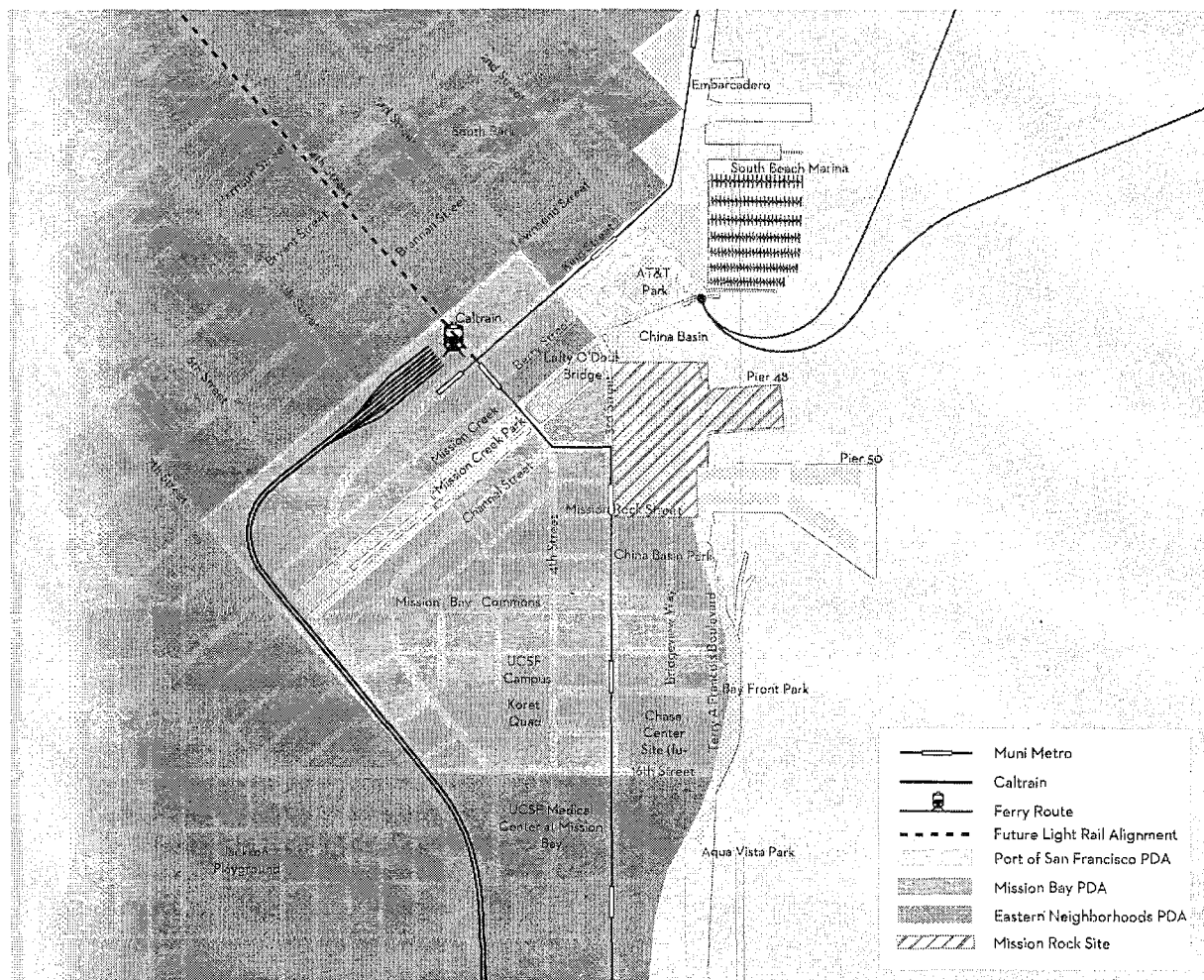
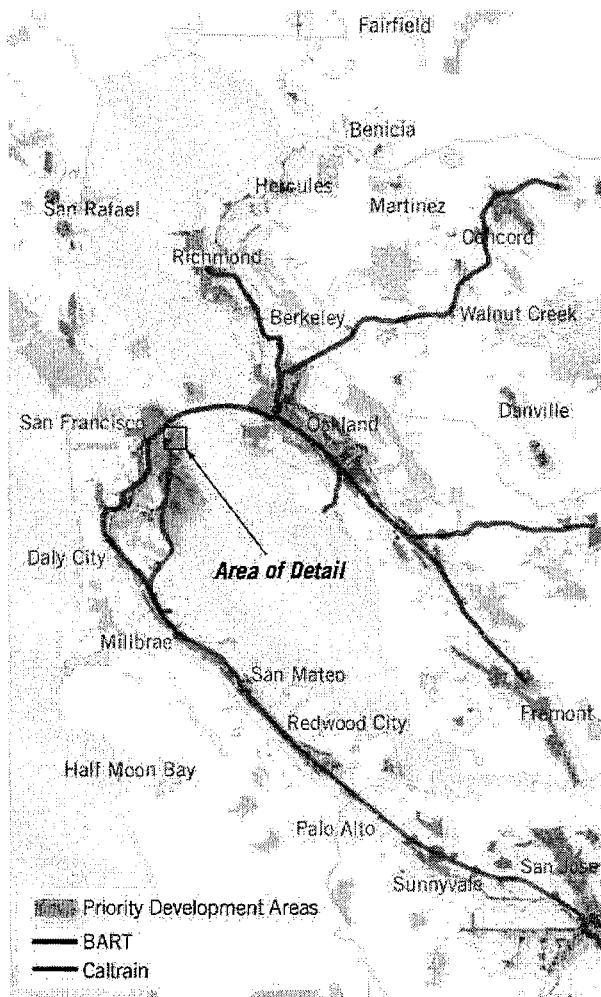
New technology-enabled travel options have also emerged, making it easier to routinely travel longer distances or make trips that do not align well to the transit network without owning a car. Car share companies like Zipcar and City Car Share have made it easy to rent vehicles, stored conveniently in small pods across the city, for short periods. This allows people who



SFMTA has installed "red carpet" transit-only treatments around the city in recent years (SFMTA)



Cycling rates have increased dramatically in recent years (FLICKR USER RICHARD MASONER)



### Plan Bay Area's Priority Development Areas (PDAs) and regional transit connections



do not own a car to conveniently accomplish errands that require hauling more than one can carry on transit or a bicycle. Transportation network companies (TNCs) like Uber and Lyft and taxi hailing apps like Flywheel have made it far easier and more convenient to hail rides for trips the transit system is less well set up to handle – across town or late at night.

These trends and the new suite of travel options seem to be affecting people's behavior. A recent study showed that newcomers to the city began taking advantage of them as they emerged, with nine in 10 net new households in the city since 2000 not owning an automobile, according to data from the U.S. Census Bureau. Additional evidence from the Shared Use Mobility Center (TCRP Report 188) shows that individuals who use car sharing frequently tend to own vehicles at lower rates.

### 2.1.3 THE FUTURE OF TRANSPORTATION

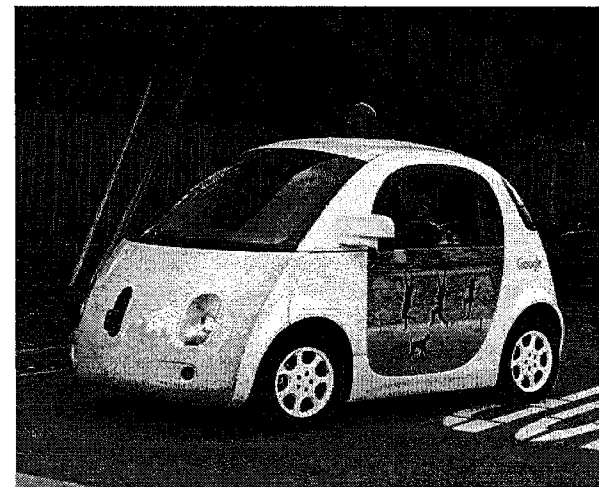
More dramatic changes could be in the offing. In the middle of 2016, several companies announced the first limited public use of autonomous vehicles, in Pittsburgh (Uber) and Singapore (nuTonomy). Google has been developing its own autonomous vehicles and testing them around its Mountain View headquarters for several years, and several other major Bay Area companies are also working hard – sometimes in partnership with more traditional auto companies – to develop their own models. When autonomous vehicles emerge in large numbers, the Bay Area is likely to be an area that adopts them quickly.

The precise effects self-driving cars will have on urban environments is unclear, given that the technology

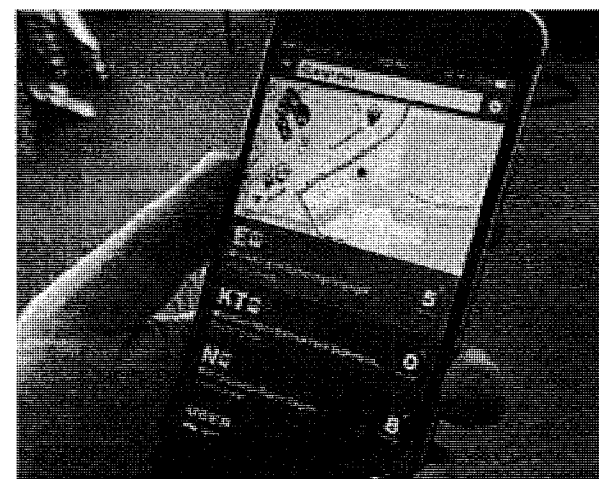
is still in the early stages of development. What is clear, though, is that they have the potential to dramatically change the way we get around, as the advent of motorized mobility did 100 years ago. Indeed, the emergence of automobiles in the early 1900s reshaped the economics and urban space needs of the transportation system.

If autonomous vehicles are used mainly as shared mobility resources, rather than privately held ones in the pattern of the vast majority of small vehicles today, they could lead to shifts like a major drop in parking demand and a major increase in the need for passenger loading space. Even if they emerge as privately owned mobility resources, though, the urban parking footprint is likely to go down. For example, if autonomous vehicles are able to communicate with each other while parking, they could theoretically squeeze together more efficiently, in much the same way as cars parked by valet can be lined up and parked in more narrow columns than can self-parked cars.

Mission Rock is set up to weather these changes well. As Chapter 3 describes, the site's curbs prioritize loading and delivery activities, which have already taken on increasing importance with growth in online shopping and, more recently, the earliest releases of new mobility technologies. The ways in which the site's transportation program has been shaped by its location will also help its design stay current in a world of changing mobility patterns. As detailed in the following sections, Mission Rock is located at the heart of the region's bicycle, pedestrian, transit, and roadway networks, giving future residents, employees, and visitors a wide range of natural options for getting around, even in the absence of new technologies.



Google's autonomous vehicle prototype (WIKIMEDIA COMMONS, USER GREENBELLEMAN)



Smartphones have revolutionized access to transportation information (WIKIMEDIA COMMONS, USER GREENBELLEMAN)

## 2.2 NEARBY NETWORKS

### 2.2.1 NON-MOTORIZED NETWORKS

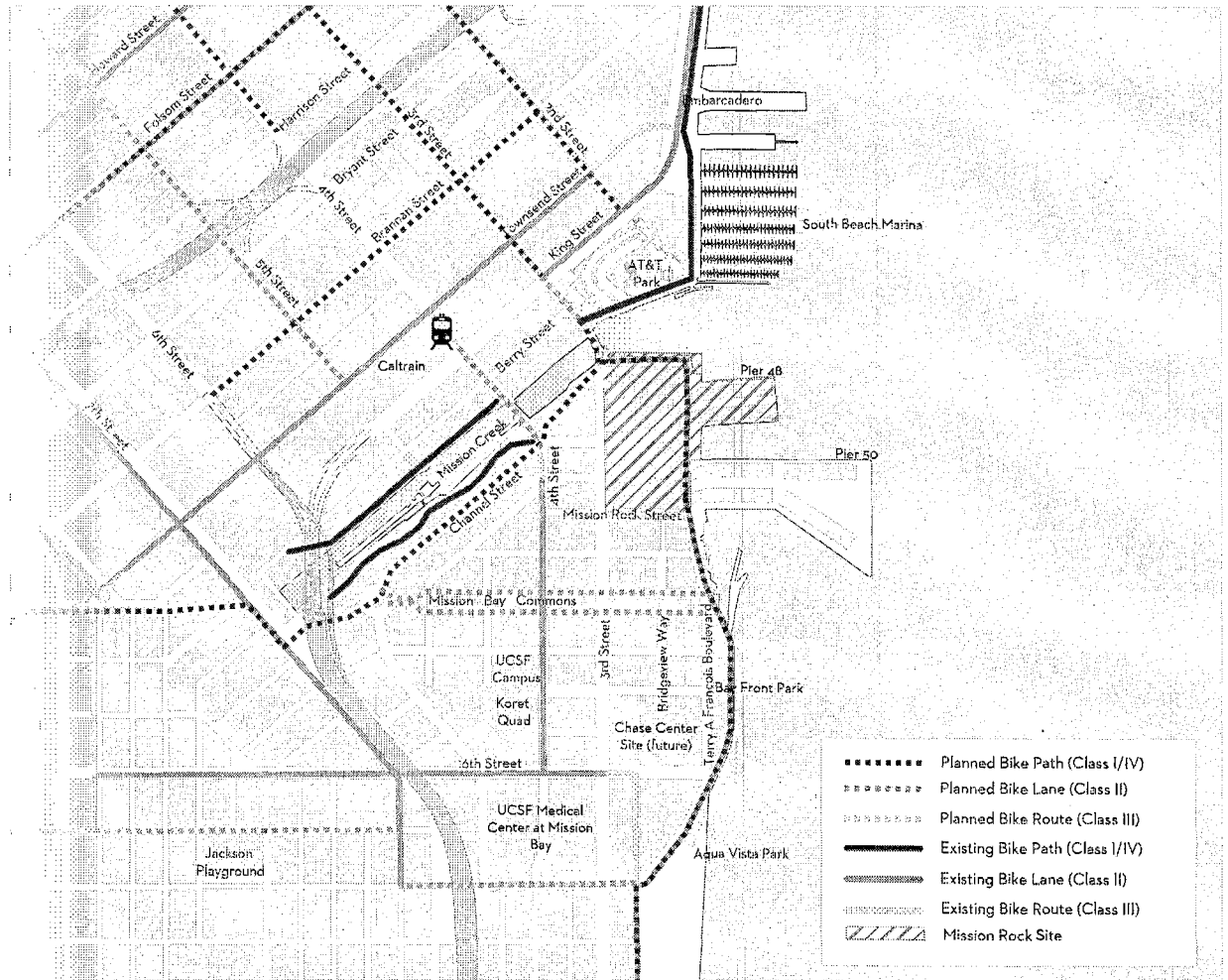
#### Pedestrian

Most trips begin or end on foot, so safe and robust pedestrian space is the backbone of any high quality transportation system.

The Embarcadero, 3rd Street, and Fourth Street are the major pedestrian routes between Mission Rock and the jobs and transit connections in SoMa and Downtown San Francisco. Pedestrian facilities on the Embarcadero are wide and spacious, while sidewalks through SoMa are typically more narrow and less well maintained. The City's Central Corridor Plan aims to steadily improve pedestrian conditions as the area grows and changes in the coming years. Mission Bay's street network is also in the process of being built out. Once the area's development is complete, all streets in the area will have sidewalks on both sides that are six feet wide, and in many places 10 or 12 feet.

#### Bicycle

San Francisco continues to build bicycle lanes of various class distinctions throughout San Francisco as part of its implementation of the 2009 San Francisco Bicycle Plan. In Mission Bay, dedicated bicycle lanes exist on Terry A. Francois Boulevard, Fourth Street, and 16th Street. The facilities on Terry A. Francois Boulevard will soon be improved to a full two-way cycle track as part of the larger San Francisco Bay Trail, which will ultimately be a high quality bicycle and pedestrian route along the entire bay-front. New or improved bicycle facilities are slated for multiple streets running north to Market Street, including 2nd, 3rd, and 5th streets.



Mission Rock's connections to the broader bicycle network and planned routes

## 2.2.2 TRANSIT NETWORKS

Mission Rock is served by several local and regional transit networks within a half-mile walk, including bus, light rail, and commuter rail. More regional connections are available a bit further to the north, along Market Street, the Embarcadero and in eastern SoMa, where there are additional regional rail, bus, and ferry options.

### Local Transit – Muni

Muni provides local transit service throughout San Francisco. The following Muni routes have stops within a quarter-mile of Mission Rock:

- ▶ **Light Rail** – N-Judah, T-Third, and E-Embarcadero
- ▶ **Bus** – 10-Townsend, 30-Stockton, 45-Union-Stockton, 47-Van Ness, 55-16th Street, 81X-Caltrain Express, 83X-Mid-Market Express

Notable investments and plans underway by SFMTA include:

The Central Subway project will place the T-Third line in a subway along Fourth Street north of Bryant Street and along Stockton Street, extending it 1.7 miles north through the SoMa, Union Square, and Chinatown neighborhoods. This will provide a more direct connection between the Mission Bay neighborhood and BART at Powell Station, as well as transit-, job-, and destination-rich neighborhoods near and north of Market Street. The project is due to open to the public in 2019.

Muni Forward is a comprehensive update to Muni routes and service plans. A subset of lines called the Rapid Network is receiving particular attention through the project, including increases in service frequency and other improvements. Service along 16th Street, through

the Mission and into Mission Bay, will see notable improvements through the project, including transit-only lanes, stop consolidation, transit signal priority, and additional transit bulbs and islands. An early Muni Forward improvement that directly affected Mission Bay was the implementation of the 55-16th Street bus, creating a direct connection between the BART station at 16th and Mission streets and the center of Mission Bay, at 3rd and Mission Bay Boulevard North. In several years, that route will be replaced by a re-routed 22-Fillmore, a trolley bus that provides crosstown connections along 16th Street through the Mission and north along Church and Fillmore streets to the Lower Height, Fillmore, Pacific Heights, and the Marina. Other routes in the vicinity of the project that will see updates include the 10-Townsend and the 12-Folsom/Pacific (the latter will be replaced by the 11-Downtown Connector).

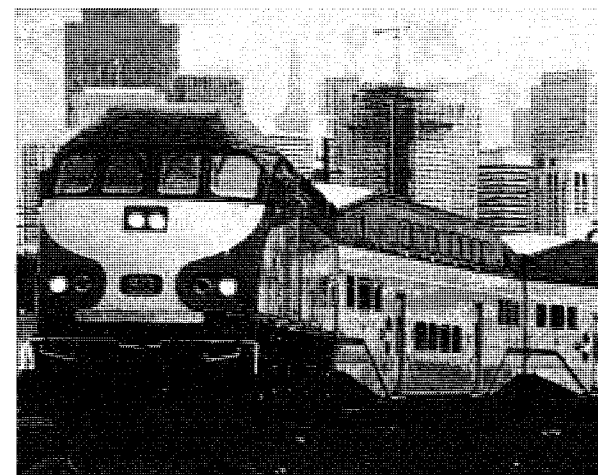
### Regional Transit

#### Caltrain

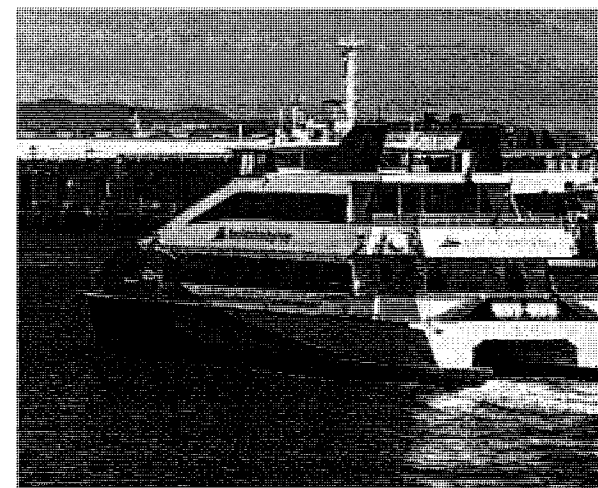
Caltrain provides commuter rail service between San Francisco and the South Bay, with stops along the Peninsula, into San Jose and, during peak periods, south to Gilroy. Caltrain offers local, limited stop and “baby bullet” express routes which all serve San Francisco. Caltrain’s northernmost station is located about a quarter mile from the Mission Rock site at the intersection of 4th and King streets in San Francisco and is the busiest in the Caltrain system.

Notable planned Caltrain investments include:

- ▶ **Caltrain electrification** will replace the existing diesel service with electrified service between San Francisco and San Jose by 2020, allowing for increased speeds and service levels along the



Caltrain (CALTRAIN)



SF Bay Ferry (FLEET USER PHOTOGRAPH)

Peninsula corridor. The electrification project will also accommodate shared use of the corridor by Caltrain and planned high-speed rail service.

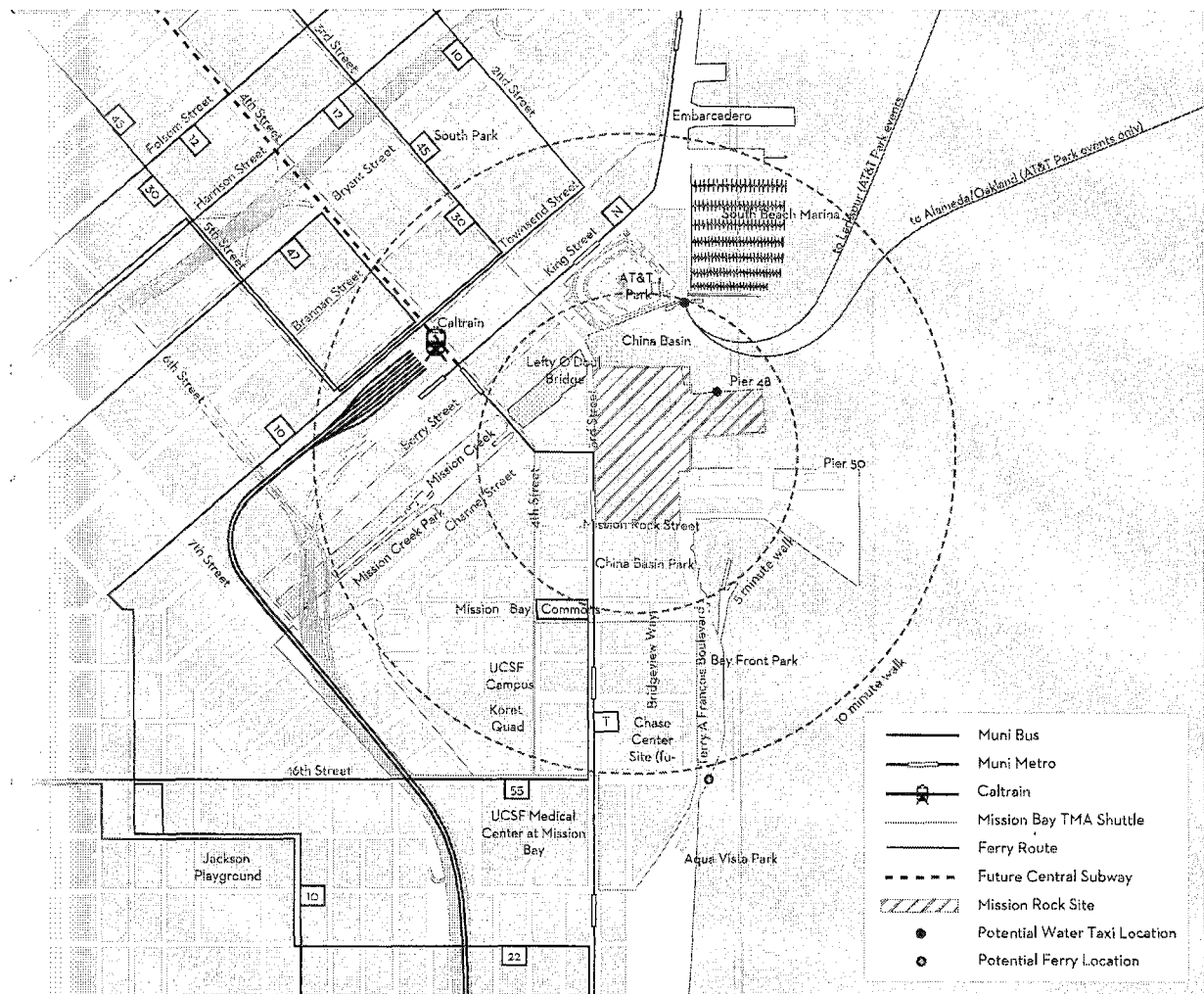
- ▶ Caltrain's **Downtown Extension** would connect Caltrain to the new Transbay Transit Center. The alignment of the extension is still being determined and is among the items being advanced in the Planning Department's Railyard Alternatives and I-280 Boulevard Feasibility Study.

### **BART (Bay Area Rapid Transit)**

BART provides regional transit service to the East Bay, Peninsula, and other parts of San Francisco. The closest stations to Mission Rock – Embarcadero and Montgomery – are a little more than one mile from the neighborhood. When it opens, the Central Subway will provide a rapid light rail connection between the site and Powell Station. BART is the region's rail spine, and it operates every 5 to 15 minutes on lines serving downtown San Francisco during the afternoon peak and every 20 minutes during non-peak times, including weekends.

### **Ferries**

SF Bay Ferry (operated by the Water Emergency Transportation Authority, or WETA) and Golden Gate Ferry provide daily ferry service between the San Francisco Ferry Building and the North and East Bay. Aside from services at the San Francisco Ferry Building, the nearest terminal is currently just beyond AT&T Park's center field gate, where ferries provide service to and from home baseball games. WETA and the City are exploring the potential for a new terminal in Mission Bay near 16th Street, though planning is in the very initial stages.



Local transit connections as of 2017

### Transbay Transit Center: Regional Bus and High Speed Rail

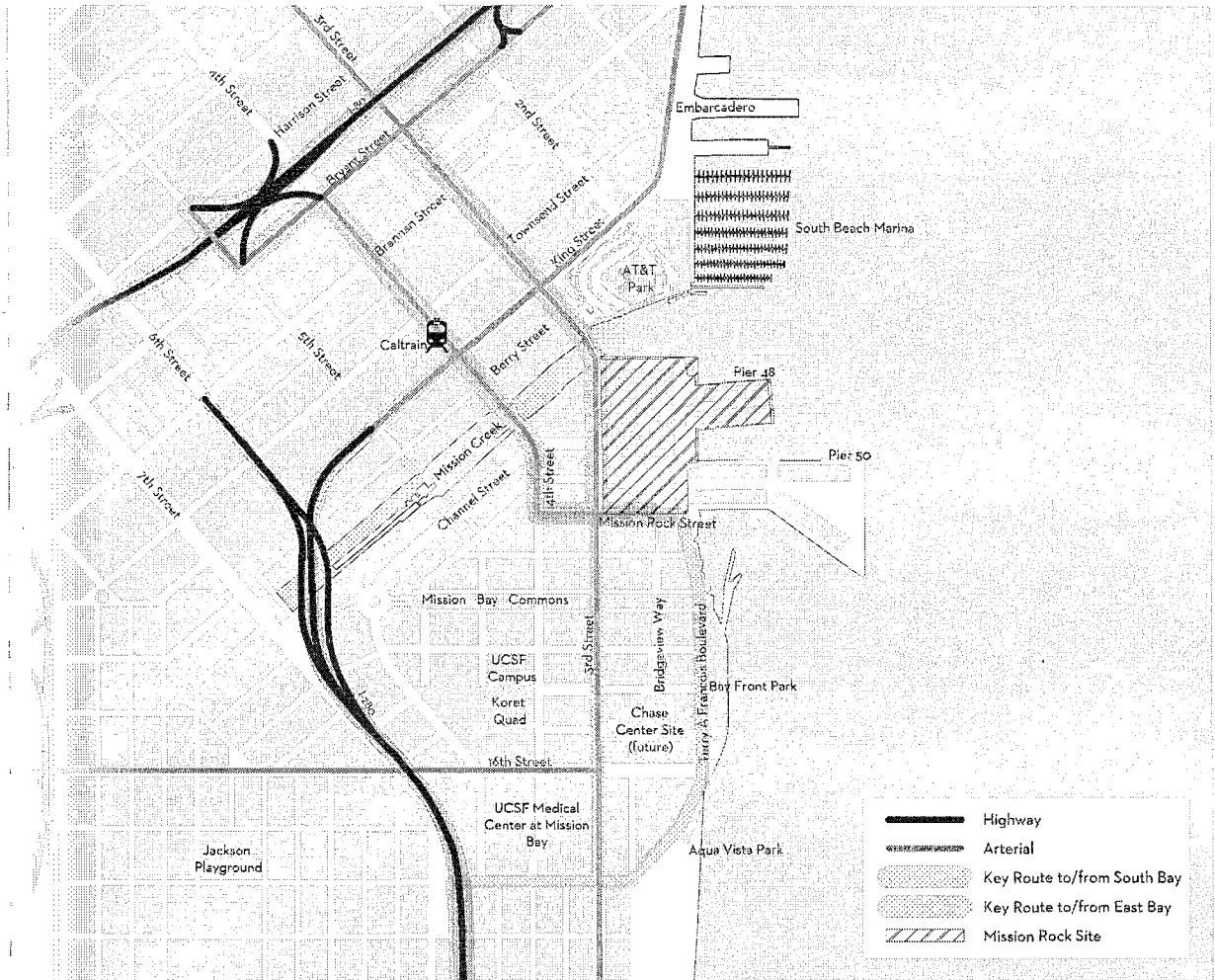
The under-construction Transbay Transit Center is located approximately one mile northeast of Mission Rock and will be open by the time the development is built out. The Transit Center will provide bus connections to regional destinations, as well as access to Greyhound and Amtrak Thruway Connection buses. Once the Downtown Extension is complete, the center will also be the terminal for California High-Speed Rail and Caltrain. Upon completion, the terminal will be served by 11 transit systems: AC Transit, BART, Caltrain, Golden Gate Transit, Greyhound, Muni, SamTrans, WestCAT Lynx, Amtrak, Paratransit, and High Speed Rail.

#### 2.2.3 VEHICULAR CIRCULATION AND PARKING

Mission Rock is located near the center of the Bay Area's auto network, providing easy access to the region's freeway system but also exposing drivers in the area to congestion resulting from the large number of daily trips to, from, and through northeast San Francisco.

#### Local Streets

Third, 4th, and 16th streets are the key arterials providing vehicular access to and from Mission Rock and the broader Mission Bay neighborhood. Lefty O'Doul Bridge is also a drawbridge that is used several times per day, causing traffic congestion at one of the key access/egress points for the site on 3rd Street. The bridge is a historic landmark for which major structural modification is not an option, though the city is planning to realign lanes traveling across the bridge in the



Local street network

coming years to make space along its the eastern edge for bicycle and pedestrian facilities as part of the San Francisco Bay Trail.

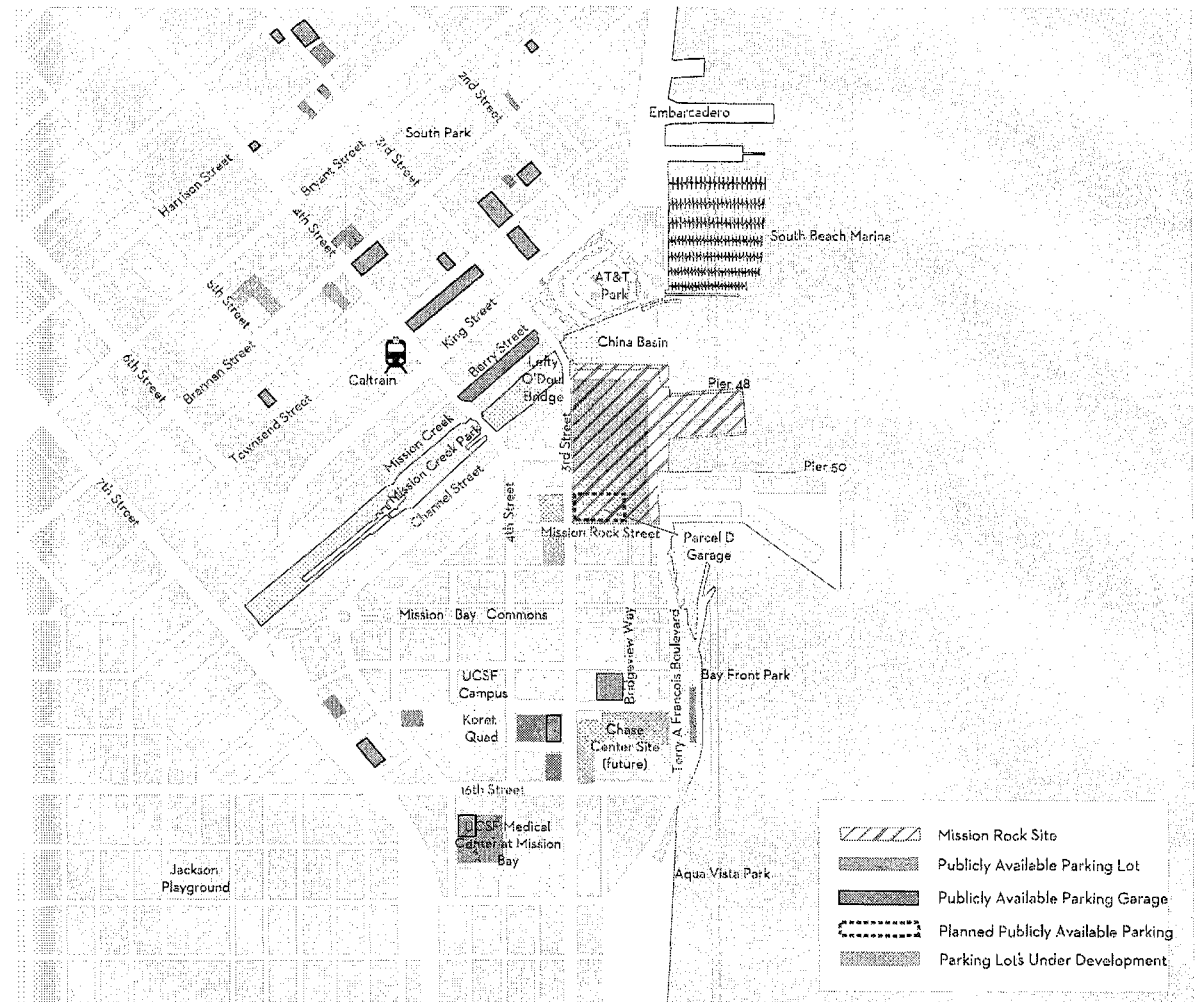
### Regional Connections

For connections to the region, ramps to Interstate-80 and access to the East Bay are located approximately a half mile north of the site, via 4th and 5th streets. Interstate 280 provides the main connection to the South Bay, and ramps are located less than a half mile of the site to the west, via King Street, or slightly further to the southwest, at Mariposa Street.

### Parking

As of SFMTA's most recent parking inventory in 2011, the Mission Bay and the Central Waterfront area (bound by the Bay to the east, Mission Creek Channel to the north, 7th Street and Iowa Street to the west, and Pier 80 to the south) had approximately 7,000 off-street parking spaces, and SoMa (bound by the Bay, Market Street, 7th Street, and the Channel) had an additional 26,000 spaces. Many of the spaces in Mission Bay are reserved for the users of specific sites like University of California, San Francisco's hospital and medical campus, but a sizable share of the spaces in SoMa are in paid publicly accessible lots and garages. Parking supplies in that area have shrunk somewhat in recent years, as surface parking lots have been redeveloped.

Many streets in SoMa and Mission Bay also have on-street parking. A large share of the on-street parking in both neighborhoods is currently metered per SFpark pricing policies to manage demand during nearby special events.



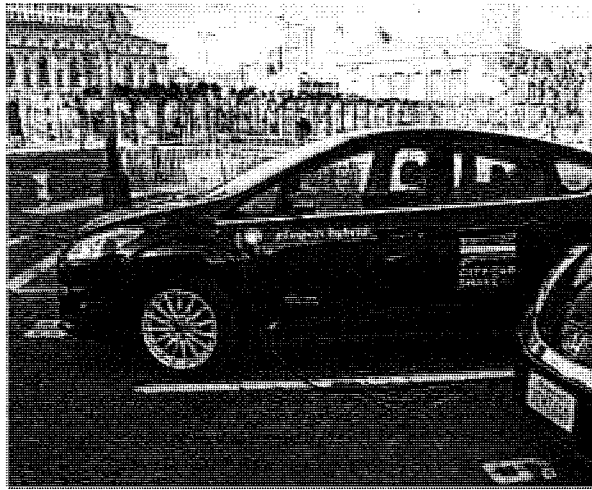
Parking facilities near Mission Rock (2015)

## 2.3 TECHNOLOGY-BASED TRANSPORTATION

As noted earlier, technology-based transportation companies offering car share, bike share, and app-based ride hailing (e.g. Lyft and Uber) are changing the way people travel. Although it has yet to be determined how ride hailing trips affect the number of overall driving trips, these innovative services have enjoyed early and growing adoption by Bay Area residents, particularly San Franciscans, and they are widely available in the areas around the project.

**Car-share** has emerged as a strong mobility option for households without cars. Efforts to quantify the impacts of car sharing have found that car share members drive 40% fewer miles than the average driver and take 46% more public transit trips, 10% more bicycle trips, and 26% more walking trips. The average household reduces its vehicle ownership by 50% after joining a car-share service.

**Bike share** provides another short-term mobility option, offering hourly rental of bicycles. Unlike car share programs offered in San Francisco, bike share allows for one-way rentals. Bay Area Bike Share is poised to expand dramatically throughout San Francisco by the



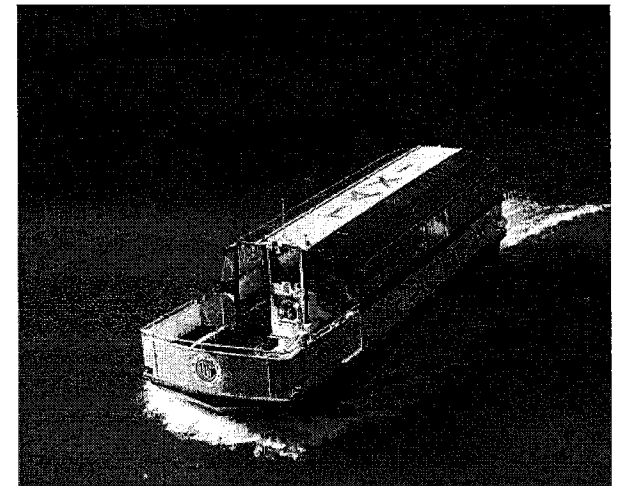
City Car Share (WIKIMEDIA COMMONS, USER MARIOROD)



Bay Area Bike Share (WIKIMEDIA COMMONS, USER MARIOROD)



Scoot (FLICKR, USER MARTIN WUCHART)



Water taxi service in Chicago (FLICKR, USER LIAM BORDO)

time Mission Rock opens, with a plan to expand to 7,000 bicycles by 2018.

**Scooter sharing** is another service that has emerged in San Francisco in recent years. Scoot offers \$3 one-way rentals of its fleet of more than 400 small two- and four-wheeled vehicles. The two-wheelers travel as fast as 30 miles per hour, and the four-wheeled “mini-cars” travel 25 miles per hour. Users of the service find nearby vehicles and unlock them using the company’s smartphone app.

TNCs like Lyft and Uber provide on-demand booking of one-way car trips via smart phone app, and have recently expanded to facilitate shared vehicle trips (through Lyft Line and UberPool).

The rest of the private transit market is an evolving landscape, consisting of long-distance employer shuttles, short-distance institutional and transportation management association (TMA) shuttles, on-demand commuter shuttles, and other services.

**Long-distance employer-sponsored shuttles** currently make trips to many office campuses outside of San Francisco (e.g. technology companies in the South Bay). An SFMTA program that designated certain Muni bus stop and other designated curb locations is ongoing.

There are a number of **short-distance shuttles** in operation in the project area. Currently, the Mission Bay TMA operates five routes from Mission Bay to Market Street and points throughout SoMa. Most of the routes operate only during peak periods Monday through Friday. Numerous companies and institutions also offer shuttle service within San Francisco. For example, Levi’s operates a shuttle between Caltrain and BART stations and the company’s headquarters in Levi’s Plaza.

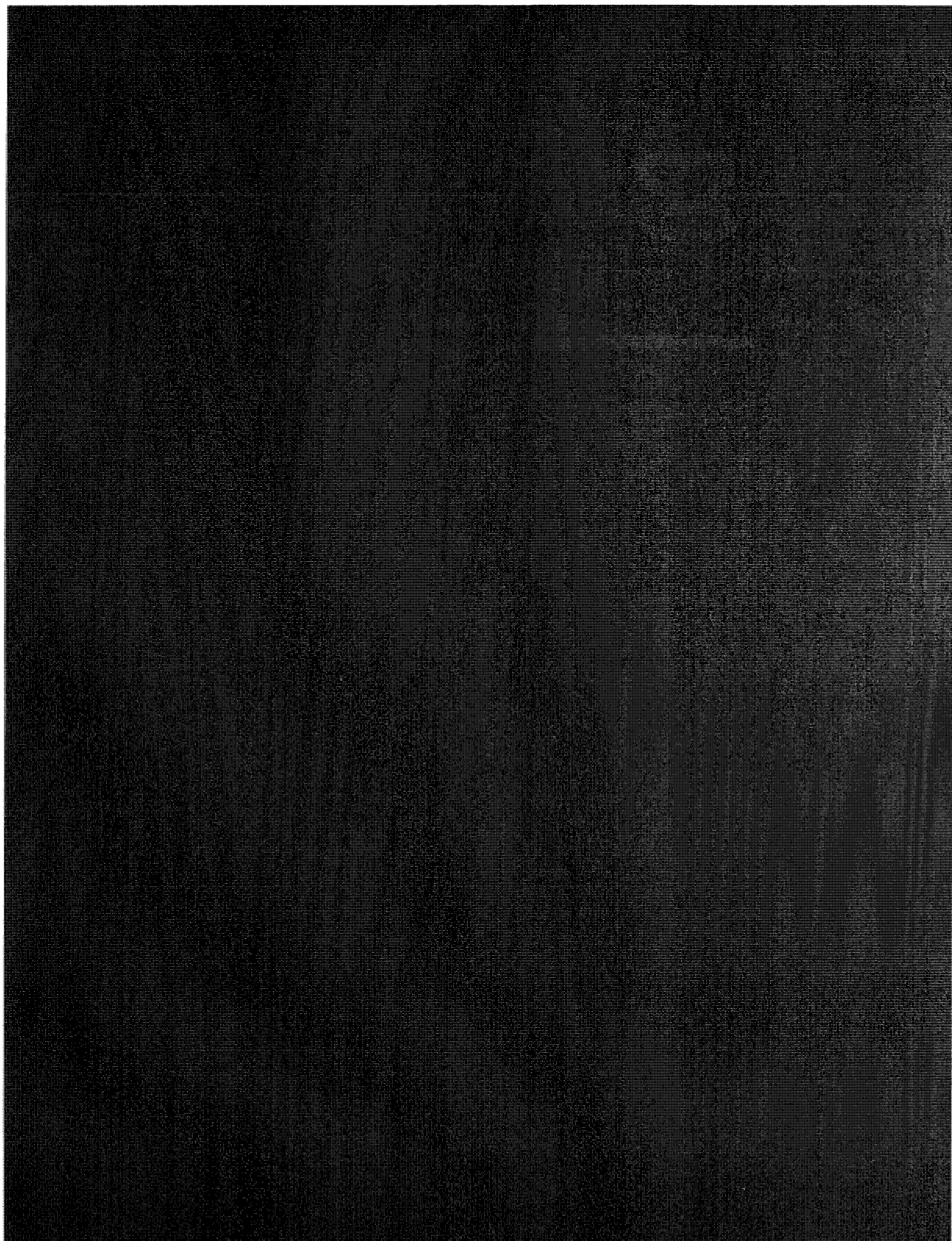
Chariot, which offers a **demand-responsive microtransit service** using 14-passenger vans, operated nine public routes during the morning and evening commute periods as of August 2017. The service typically utilizes white curb loading zones for passenger drop-off and pick-up. Chariot recently expanded many of its routes

and now serves points in the South Bay and East Bay, in addition to intra-San Francisco routes.

Two **water taxi** companies currently run limited service between points along the Bay, including the San Francisco Ferry Building. Over time, water taxi operations may expand with growing demand, and there is potential for a landing at Pier 48 and, with the exception of winter, at AT&T Park’s ferry dock.

These evolving transportation services provide people in San Francisco with new options to move around the city and the region, further supporting a multimodal lifestyle not dependent upon ownership or use of a private vehicle.





Mission Rock will be designed to give all users high quality choices for how they move about the site and how they get to and from it.

# 03

## GETTING AROUND AT MISSION ROCK

The site will feature generous and active pedestrian areas throughout, and the bicycle network will give cyclists of different ages and skill levels high quality options. Wide sidewalks and wayfinding will help people find the variety of nearby transit options, and Mission Rock's entire street grid will provide comfortable access

to the waterfront and, at Pier 48, a variety of water transportation options as well.

This chapter expands on these ideas, laying out the vision for how people will get around Mission Rock. Note that the project's Design Controls go into more detail on dimensions and materials.

## 3.1 NON-MOTORIZED CIRCULATION

Mission Rock's streets will be designed with the site's modal hierarchy in mind, prioritizing the safe and comfortable movement of pedestrians. Streets will include a variety of features that will help ensure that pedestrians feel safe and comfortable moving throughout the site by keeping vehicle speeds slow and ensuring that those on foot or on bicycles are highly visible to motorists.

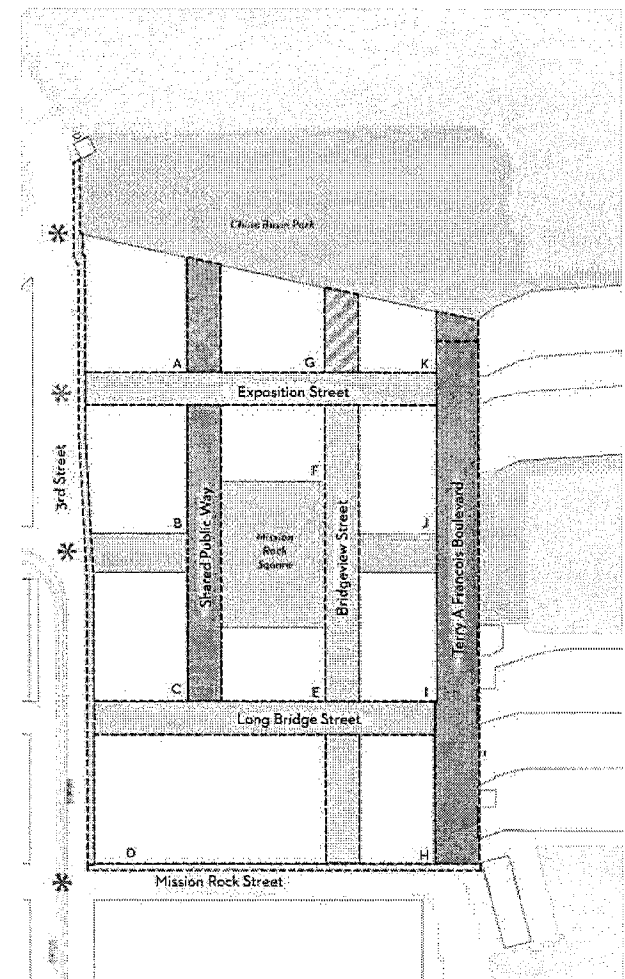
As specified in the Design Controls, all crossings will be marked using high visibility paint and other treatments, and all curbs will include ramps to facilitate accessible paths of travel. Some will be reinforced by bulbouts that bring curbs to the edge of travel lanes, shortening crossing distances and making pedestrians who are readying to cross more visible to drivers. At others, "tabletop" treatments will bring the roadway to sidewalk level and change paving materials through intersections. The changes in grade and visual treatment have been shown to make motorists instinctively slow down through these sensitive zones.

On the site's curbed streets, a combination of street furnishings, lighting treatments, and generous sidewalks will make pedestrian space vibrant, inviting, and comfortable even when pedestrian volumes are higher before and after events. Lighting will be at a pedestrian scale, and furnishings like benches and planters will create variety and a sense of protection from vehicle flows between the curbs. All three north-south streets will transition seamlessly into China Basin Park via vehicle-free zones at their northern ends.

### 3.1.1 SHARED STREETS

Shared streets, in which all modes mix across the entire street cross-section, will form the backbone of north-south pedestrian circulation, strategically placed along key paths of travel. These streets will be curbless, following street design approaches seen in Europe along key walking corridors and high streets. Visual and tactile cues like changes in the color or texture of pavers, bollards, street furniture, light fixtures, plantings, and tactile warning strips will differentiate between areas dedicated to pedestrian movement and areas shared by pedestrians, bicycles, and vehicles. These types of streets are somewhat rare in San Francisco, but the Mission Rock team has worked closely with the City to design the streets in a way that works with local norms and regulations. The Design Controls document describes the design of these streets in more detail.

The Shared Public Way will be a key retail corridor through the site, creating a vibrant connection between AT&T Park to the north and the ballpark's main parking facility at the southern end of Mission Rock. Lined with ground-floor shops and cafes, the street will feature



Street types on the Mission Rock site

patio seating and displays that extend the ground-floor uses into the right-of-way, creating “street rooms” that invite people to stroll and linger. The street will only allow northbound vehicle movement, and entrances to the zone will feature signs and other visual cues to make clear that vehicle access is for drop-off, pick-up, and deliveries only.

Terry A. Francois Boulevard, along the eastern edge of the site, will be a slightly different shared street, mixing the area’s maritime history with a newer identity as a place where people come together for all kinds of activities. The boulevard will feature a slow two-way, plaza-like shared zone for all modes between wide zones reserved for walking, biking, and loading. The San Francisco Bay Trail will extend through the site on the east side of the street, and the west side will allow pedestrian and loading access to ground-floor maker spaces, which will be raised slightly above street level in an ode to traditional industrial and warehouse building vocabulary.

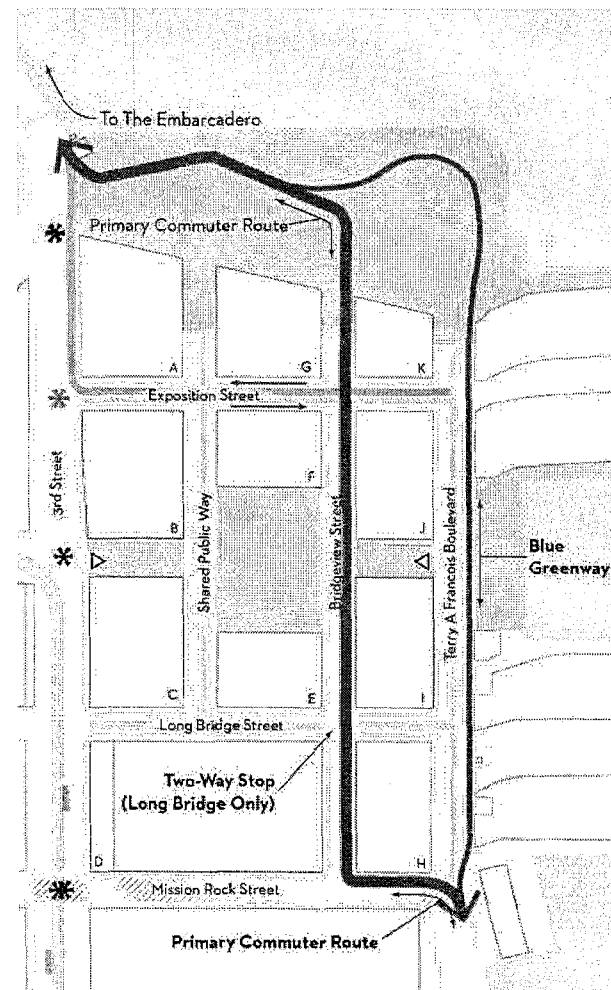
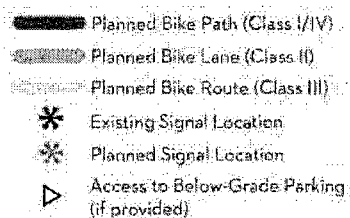
### 3.1.2 BICYCLE FACILITIES AND CIRCULATION

In keeping with the rest of the transportation program, Mission Rock’s approach to bicycle circulation is about providing a multitude of choices, with facilities designed for leisurely riders along the waterfront and higher speed facilities along more direct routes to SoMa, Downtown, and other points north of the site.

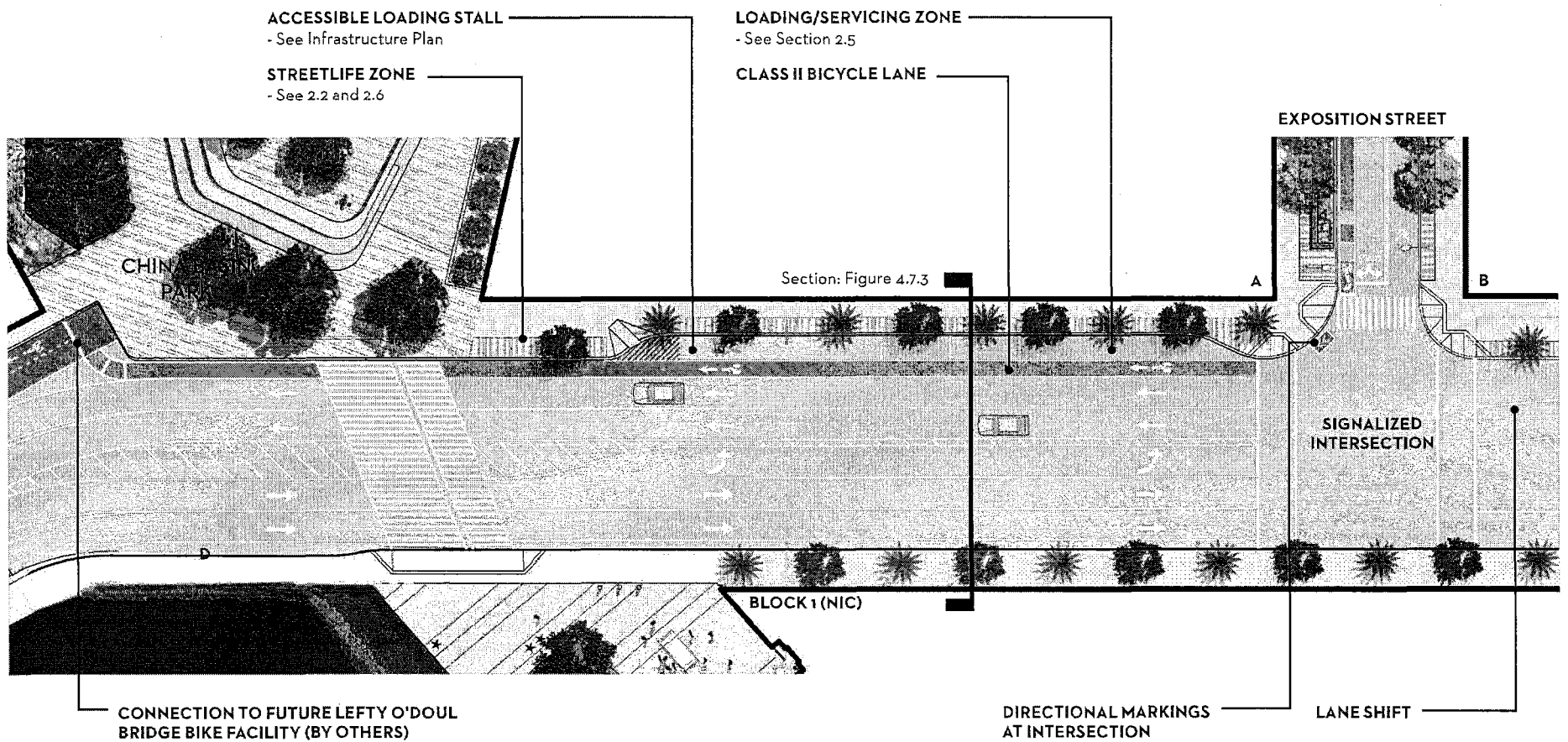
Even in cities with higher rates of bicycle commuting like San Francisco, researchers estimate that a considerable number of additional people might consider cycling if there were a network of slower, more protected facilities that made them feel safe and comfortable while riding. Mission Rock will provide routes to and through the site that speak to this need, and these facilities will connect to a large and growing network of bicycle facilities in the surrounding area.

The San Francisco Bay Trail’s connection through the site will provide a comfortable route for cyclists of all ages. Visual cues at north and south gateways to the multi-use path will encourage slower bicycle speeds, opening space for younger and older cyclists, as well as pedestrians. The figures on the following pages show how the bicycle facility is anticipated to connect into the City’s bicycle network on the north and south ends. For more detail on the proposed design of these intersections or other streets, see Chapter 4 of the Design Controls.

A cycle track route along Bridgeview Street will provide a higher speed connection between the Embarcadero and points south of the site for commuters and more

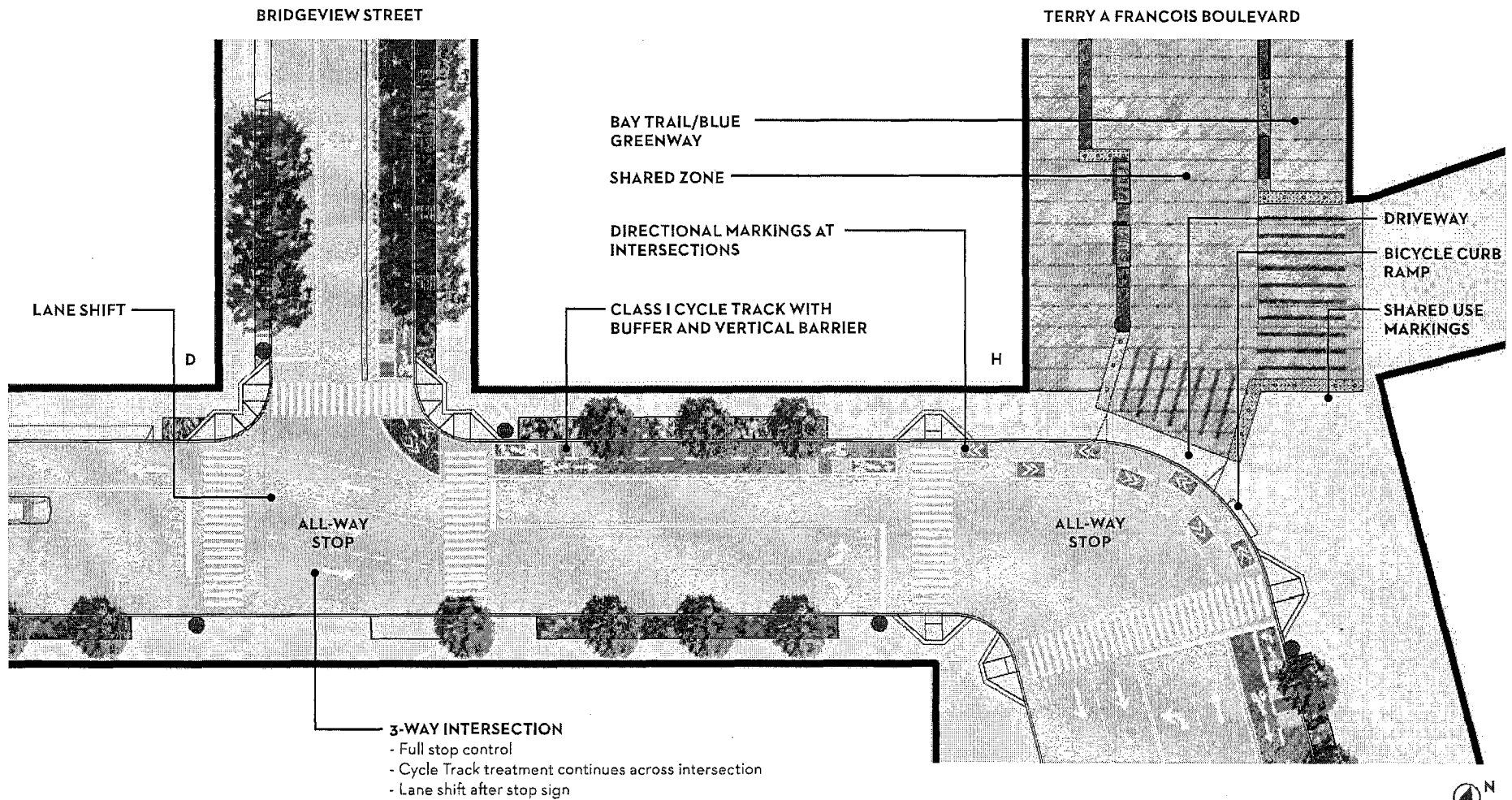


Bicycle circulation concept



A northbound buffered bicycle lane would provide commuters an alternative to traveling through China Basin Park to connect to a planned two-way cycle track across Lefty O'Doul Bridge.





Cyclists on a planned two-way cycle track along Terry A. Francois Boulevard to the south will have two high quality options at the southeastern corner of Mission Rock. Some may choose to continue on Terry A. Francois Boulevard, but those seeking a faster route will be able to connect seamlessly to a two-way cycle track on Bridgeview Street via Mission Rock Street.

experienced cyclists. A raised and green-painted two-way track protected by a painted buffer zone and soft-hit posts or another buffering approach will clearly reserve a piece of the right-of-way for cyclists. A two-way stop will control cross-traffic on Long Bridge Street to enable a faster and smoother ride for north- and south-bound cyclists. The intersection will be raised to the level of the cycle track to slow cars as they approach and move through the intersection. To connect to high quality bicycle facilities planned for Lefty O'Doul Bridge and the Embarcadero, the route will rejoin the San Francisco Bay Trail in China Basin Park. Northbound cyclists will be able to bypass the park via a painted bicycle lane along Exposition and 3rd streets.

The Design Controls document contains more detail on the planned design of these facilities. That document will be updated as the design team works with the City to ensure that bicycle facilities on the site connect seamlessly to improved facilities north and south of the site, to be implemented in the next several years.

For cyclists with destinations in Mission Rock, the site will provide a variety of bicycle storage options, including a network of spaces in public areas and conveniently located secure spaces inside the site's residential and office buildings. The project team anticipates that an existing bike share provider will install at least one bike share pod on the site, connecting to the much expanded bike share network that hit San Francisco streets in 2017.



Bridgeview Street imagined, with a two-way cycle track providing a faster option for commuters.

## 3.2 TRANSIT ACCESS

The Mission Rock site offers close, comfortable connections to several fast, high frequency, and high capacity transit options. By the time Mission Rock opens for occupancy, the T-Third Muni light rail line will have begun providing quick access to Market Street via 4th Street and the Central Subway (Mission Rock Station is located adjacent to the site, at the intersection of 3rd and Mission Rock streets). Caltrain's San Francisco terminal is a 10-minute walk from the site at 4th and King streets, and BART will be a 20-minute walk or quick T-Third ride away. Bay Area Bike Share will also provide a fast and convenient way to get to transit nodes like Market Street's subway stations and the Transbay Terminal.

The project team will implement a multi-pronged signage and wayfinding strategy to ensure that residents, employees, and visitors understand just how convenient it is to access these high quality mobility options. Outdoor static wayfinding will show basic directions and distances to nearby transit stops, and interactive information kiosks in key places on the site will provide access to more specific directions and real-time transit service information. For residents and employees, a Mission Rock website and screens in building lobbies will both show real-time transit information.

Elements of the site's transportation demand management program will also encourage transit use. See Chapter 4 and the Mission Rock TDM Strategy for more information on transit-supportive programs and incentives.



Transit screens set up in an office lobby (TRANSTECHNICAL.COM)



Wayfinding signage in Amsterdam (FLICKR ANDREY KARMAKOV)



Interactive information kiosk (CURE DT)



Directional wayfinding to transit (FLICKR, CHRIS REATLIDGE)



## 3.3 VEHICULAR CIRCULATION

Mission Rock's street network will be dense, highly connective, and strongly tied into its surroundings. The interior street grid will link up with the developing Mission Bay street network at several points, continuing east-west and north-south streets that currently dead-end at the edges of the project site. Bridgeview Way, which today runs between South Street and the southern border of the project site at Mission Rock Street, will continue as Bridgeview Street through the site to China Basin Park. Long Bridge Street, which today links Third and Fourth Streets will extend to the waterfront at Terry A. Francois Boulevard.

Most vehicles will enter the site from 3rd Street, the main north-south vehicular route through Mission Bay. The figures on this page show estimated relative vehicle flows through the site at peak periods, extrapolated from traffic modeling done for the Transportation Impact Study.

The site's approach to providing parking would place a single garage near the southwestern corner of the project site, which would keep most private vehicle traffic at the southern and western edges of the site. The project's entitlement documents also include an alternative parking approach that would distribute the site's parking supply between an above-ground facility at the site's southwest corner and a smaller facility under Mission Rock Square.

Vehicular circulation through the rest of the site should mostly consist of delivery vehicles and cars dropping off

or picking up passengers. Mission Rock will proactively manage commercial delivery activity, discouraging deliveries during commute periods and encouraging them instead in the early morning hours or late at night. The Mission Rock team will put together a detailed loading management plan for each phase of the project. The team will also work with tenants that are likely to regularly receive large-truck deliveries, such as potential tenants in Pier 48, to ensure that individual deliveries are appropriately staffed to maintain safe conditions for other street users.

As specified in the Design Controls, passenger loading spaces on the Shared Public Way, Bridgeview Street, Long Bridge Street, and Terry A. Francois Boulevard each have curb conditions that meet the standards of the Americans with Disabilities Act, for pick-up and drop-off of passengers with mobility limitations. During specified hours, parcel delivery will be concentrated around commercial loading zones on 3rd, Exposition, and Long Bridge streets and Terry A. Francois Boulevard. Outside of those hours, these spaces would open up to use by private cars picking up and dropping off passengers and for-hire passenger vehicles like taxis and TNCs.

The shared streets – Shared Public Way and Terry A. Francois Boulevard – are expected to see very low traffic volumes, consisting mainly of loading for passengers with mobility limitations. "Traffic calming" treatments like changes in paving materials and changes in roadway grades will help ensure that volumes and speeds stay low

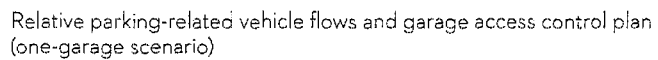
(see the Design Controls for more detail). If all parking is concentrated in a single facility at the southwest corner of the site, Channel Lane and Channel Street will each be closed to vehicle traffic. If the project ultimately includes a parking facility under Mission Rock Square, one or both streets may provide vehicle access to the facility.

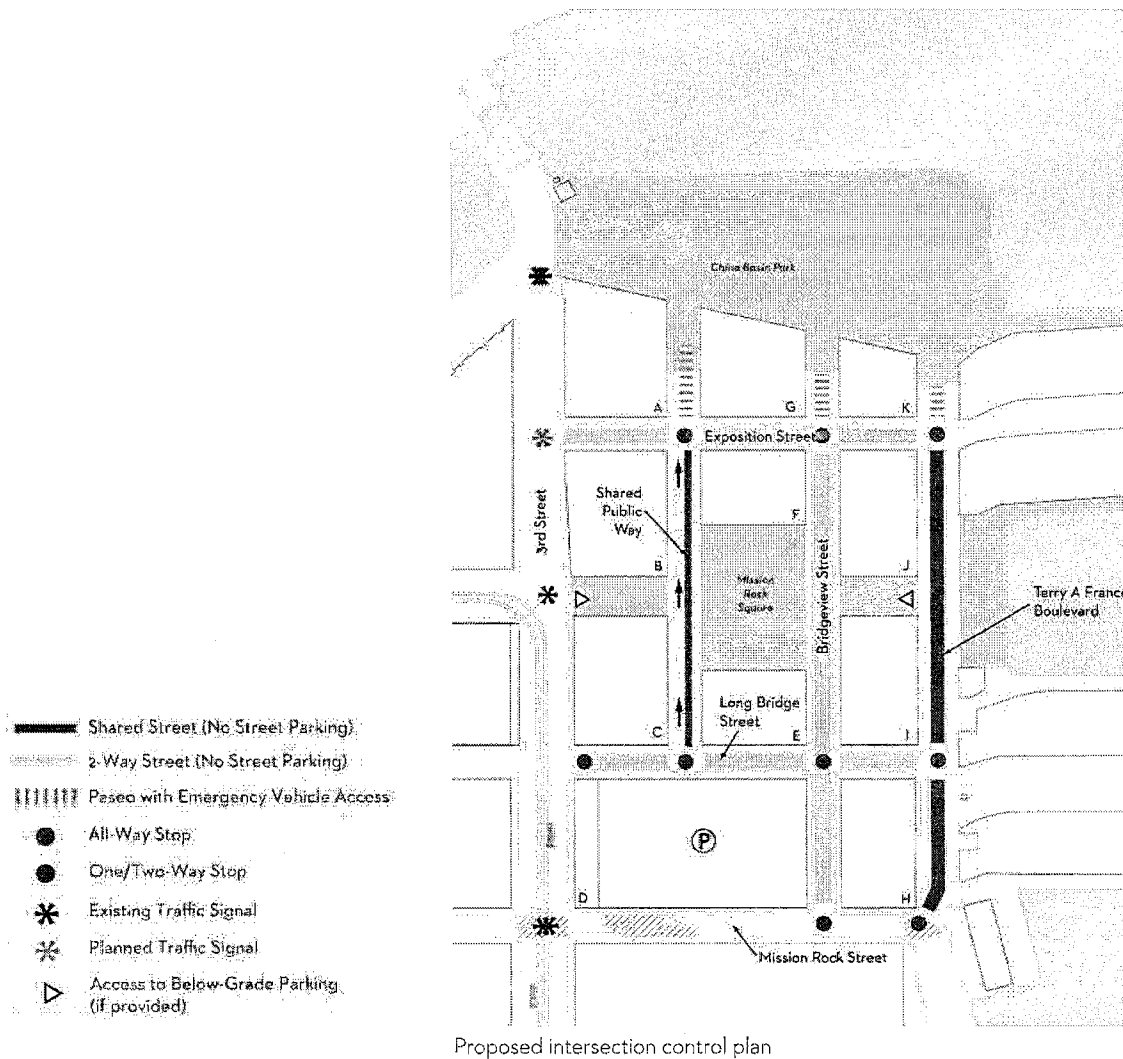
### 3.3.1 INTERSECTION CONTROLS

Most internal intersections will be controlled by all-way stop signs. As noted earlier, one intersection along Bridgeview Street will only stop cross traffic on Long Bridge Street to allow for smooth and efficient cycling along the route.

Third Street's interfaces with Mission Rock and Channel streets will be controlled by traffic signals, as they are today. A signal that currently controls the intersection of 3rd Street and Terry A. Francois Boulevard and halts traffic when Lefty O'Doul Bridge is raised for boat traffic entering Mission Creek is anticipated to remain where it is, allowing for signalized control of what will be an important pedestrian and bicycle connection between China Basin Park and a linear park on the west side of 3rd Street. An additional signal is planned at the intersection of 3rd and Exposition streets. The exact sequence of signals along 3rd Street will be determined by the San Francisco Municipal Transportation Agency and the Department of Public Works.

In keeping with the way major entries and exits from AT&T Park's main parking lot are managed before and after events today, intersections around the site's





parking garage may be controlled by traffic control personnel (also known as parking control officers, or PCOs) before and after events. The number and location of PCOs will be identified in the project's development agreement with the City. See Chapter 5 for more on traffic control before and after major events.

### 3.3.2 PARKING

Strategic parking management is a cornerstone of the Mission Rock transportation program. A parking garage on the site's southwestern parcel will be the site's main parking facility, with 2,300 to 3,000 of the maximum of 3,100 parking spaces allowed on-site, per the development's entitlement documents. The garage will be used to serve the needs of both users of Mission Rock and users of AT&T Park, replacing the surface parking lot that currently covers the entire site. The site's entitlement documents include an alternative parking approach that could reduce the size of the main garage and locate some of the site's parking supply in a smaller facility under Mission Rock Square.

The site's parking supply will be managed around major AT&T Park events in much the same way as the surface lot is today: To ensure that there is adequate space available for event attendees, prices will be raised around event times to clear the garage at the site's southwest corner. When there is not an AT&T Park event on the calendar, available capacity in the facility could serve the needs of some users of Chase Center (the Golden State Warriors' planned arena and event center at 16th and 3rd streets) as well.

Outside of event times, most parking at Mission Rock will be a resource shared flexibly by all of the users of the site. This arrangement is an alternative to the traditional suburban model of requiring that a certain number of spaces be reserved for each individual use (i.e. office, residential, retail, or restaurant), with enough to accommodate each use's estimated peak demand. Sharing allows a more limited number of spaces to go further by taking advantage of the fact that different uses have different peak periods. For example, peak demand for parking related to office uses tends to take place in the late morning or early afternoon, while peak demand for residential uses is typically overnight. One set of parking spaces can serve both needs. The figures at the right illustrate how this approach to parking management typically results in the need for fewer spaces.

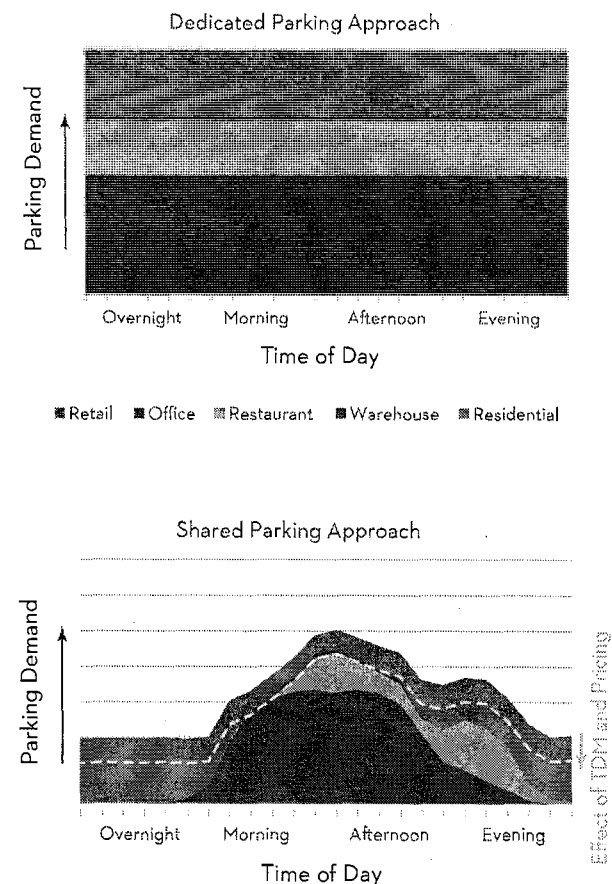
While most spaces will be designed for a typical self-park arrangement, with parking stall widths of eight to nine feet and vehicle circulation lanes, a portion of the spaces for long-term users could be in more

space-efficient vehicle stackers. Approximately 60 of the vehicle spaces will also be reserved for car share and scooter share vehicles (see additional information about vehicle sharing programs in Chapter 4).

### 3.3.2.1 Parking Pricing

The price of parking has been shown to be a highly effective mechanism in changing parking and travel behavior. Parking prices at Mission Rock will be set according to levels of demand: During times with higher levels of typical demand, parking might have a higher price, encouraging the use of other modes. Prices would not change in real time based on current occupancy, but might be adjusted overall a few times a year based on recent occupancy data. Prices might automatically increase by a pre-set amount during peak periods, based on typical demand patterns, or for scheduled events.

Given the project's desire to encourage people to the most sustainable mode that fits their lifestyle, hourly, daily, and monthly parking prices will be set based



*These figures illustrate how the concept of shared parking often results in reduced parking supplies overall. Because different uses see peak demand at different times, the total parking needed at any given time in a shared arrangement can be as much as one third less than what would be needed if each use had to accommodate peak demand separately. Pricing and TDM can reduce demand further.*

on market prices in the surrounding neighborhood. Disseminating pricing and availability information is critical to ensuring that users are able to change behavior in response to changes in price. Real-time parking information will be shared in a variety of ways, including the Mission Rock website and dynamic signs at entrances to the site.

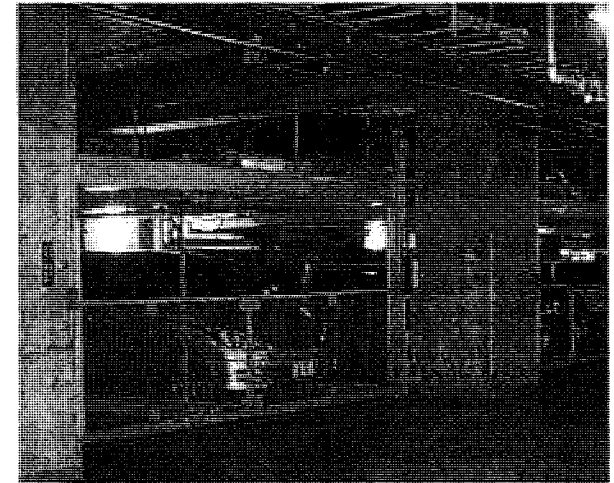
The price of parking at Mission Rock will be unbundled from residential and commercial leases, which means parking will not be included in rental agreements by default – residents and employees will need to purchase a daily or monthly parking permit separately. This approach is in-line with City of San Francisco policy and ensures that site users who do not own a car or do not plan to commute to the site by single-occupancy vehicle are not burdened with the price of parking they do not plan to use.

### 3.3.3 EMERGENCY ACCESS

All of Mission Rock's streets have been designed to provide appropriate clearance for emergency vehicles like large fire trucks. Corners have also been designed to accommodate the turning needs of large vehicles. The site's highly connective street grid will help facilitate emergency access to all of the site's buildings. Streets closed to general vehicle traffic will be made accessible to emergency vehicles as needed. The Infrastructure Plan contains further detail on the streets' technical specifications that allow for the safe circulation of emergency and other larger vehicles.



Dynamic parking information board (NELSONNYDAARD)



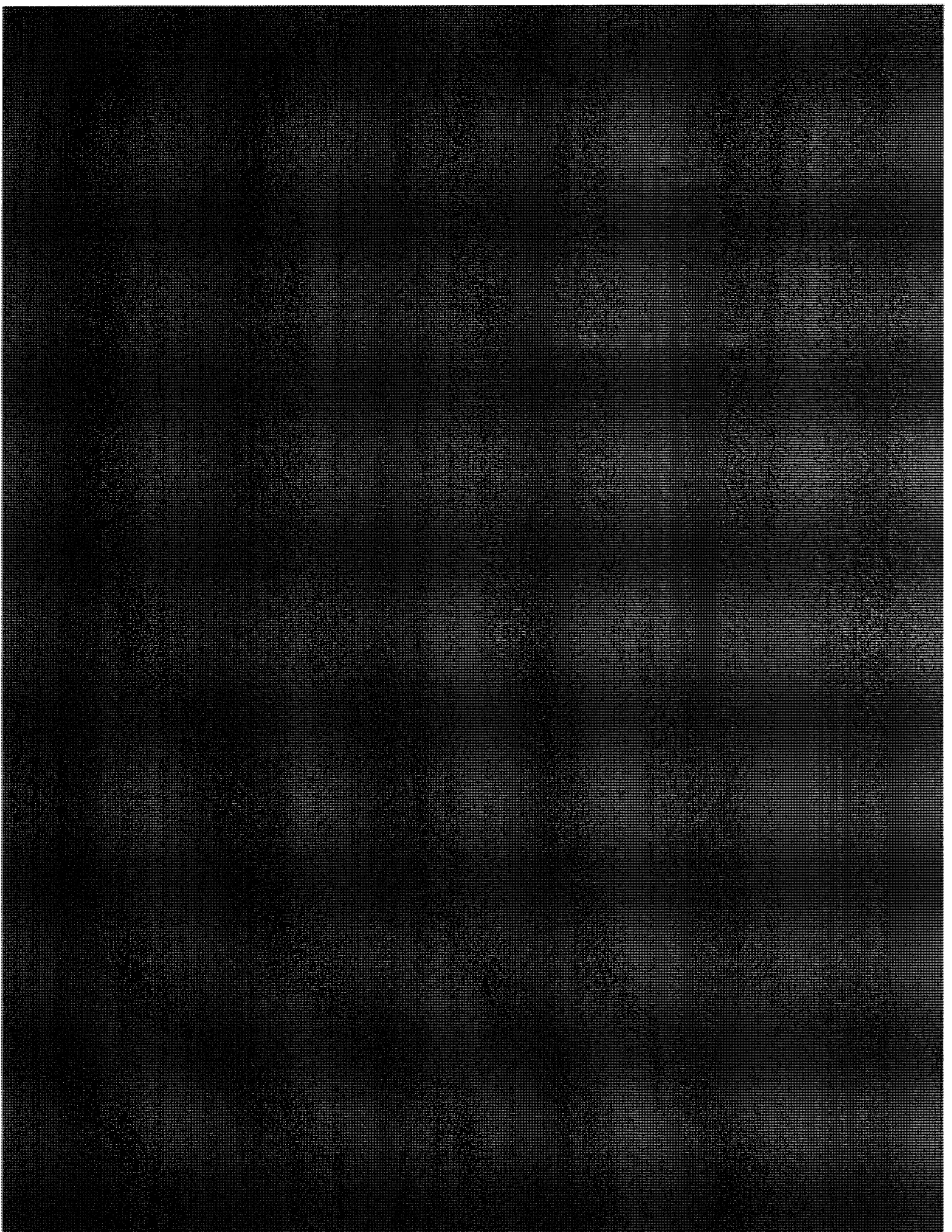
Car stacker (SAEPARKINGSOLUTIONS.COM.AU)

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## 3.4 CONCLUSIONS

Mission Rock's design reflects the future of transportation in San Francisco. More and more, people count on having convenient access to several ways of getting around, and Mission Rock provides comfortable facilities for all kinds of lifestyles. Mission Rock is designed to be safe and comfortable to pedestrians and cyclists, to create easy paths of access to the wealth of nearby public transit options, and to ensure that those who rely on motorized transportation can be dropped off or picked up in convenient locations around the site.

Of course, circulation infrastructure is only part of the program. The next chapter details the strategies and up-front investments that will help further provide incentives for the use of sustainable, space-efficient modes of transportation.





Mission Rock's transit-rich context and its bicycle and pedestrian-oriented approach make the site a prime candidate for robust and effective transportation demand management (TDM).

# 04

## TRANSPORTATION DEMAND MANAGEMENT

This chapter summarizes a comprehensive TDM program. TDM program will reinforce Mission Rock's forward-thinking vision and its aspirations to be an active and vibrant district that is inclusive and safe for all users, demand through a variety of up-front infrastructure investments and ongoing programs. Ultimately, a robust



# 4.1 PLANNED STRATEGIES

Cities and campuses alike have implemented TDM programs to reduce single-occupancy vehicle (SOV) travel and find the optimal balance of transportation modes to accommodate growth. New residents and office tenants increasingly demand convenient access to quality multimodal infrastructure, and in urban areas like San Francisco, they assume that parking will be treated as a limited commodity that will be priced based on occupancy levels and market rates. The Mission Rock TDM Plan is in line with these expectations and exceeds them in important ways to maximize user satisfaction and foster travel choices that are sustainable in all senses of the word.

As summarized in this chapter, the Mission Rock TDM Plan consists of a package of cost-effective strategies that will work together to affect behavioral change. Strategies include incentives, programs, and infrastructure improvements, and they include many that have been successfully implemented in other mixed-use and urban environments. The package of strategies aims to reduce the number of daily SOV trips to the project site (as projected in the site's environmental impact report) by 20%.

The tables on this and the opposite page give an overview of the individual programs that comprise the site's overall TDM Plan. The text that follows provides some information on these programs; complete operational details are included in a separate TDM Plan document. A few of these recommendations have also been directly integrated into the design of Mission Rock, as codified in the Design Controls and other design documents.

Note that TDM programs work together to reduce demand, providing users with a complete package of incentives and infrastructure that can allow them the flexibility to use the mode that makes the most sense for them on a given day. This is in-line with the overall approach to transportation at Mission Rock - providing a variety of high quality mobility choices.

The collection of programs has been thoughtfully crafted into the cohesive strategy outlined in this chapter and further detailed in the TDM Plan document. While some TDM strategies like parking pricing have a more direct effect on travel behavior, others like facilitating delivery services play a more supportive role. Individual strategies would be unlikely to have the same impact in the absence of other strategies.

MEASURE TYPE	INFRASTRUCTURE AND POLICY	OPERATIONAL	
4.1.1 TRANSIT	4.1.1.1 Real-Time Transit Information and Marketing Screens	4.1.1.1 Dynamic Transportation Information	4.1.1.2 Transit Subsidies
4.1.2 BICYCLE	4.1.2.1 On-Site Bike Share 4.1.2.5 Bicycle Parking 4.1.2.6 Showers and Lockers	4.1.2.2 Bike Share Memberships 4.1.2.3 Bicycle Community Programming	4.1.2.4 Bicycle Resource Centers 4.1.2.7 Bicycle Valet
4.1.3 MOTORIZED TRANSPORT	4.1.3.1 On-Site Shared Scooters 4.1.3.3 On-Site Car Share Parking Spaces	4.1.3.2 Scooter Share Memberships	4.1.3.4 Car Share Memberships
4.1.4 PARKING	4.1.4.3 Unbundled Parking	4.1.4.1 Parking Pricing 4.1.4.2 Real-time Parking Pricing and Availability Information	
4.1.5 BUILDINGS	4.1.5.4 Cold and Dry Delivery Storage Space 4.1.5.5 Convenient Zones for Loading and Building Servicing 4.1.5.6 Childcare Facilities 4.1.5.7 Collaborative Work Space 4.1.5.8 Affordable Housing	4.1.5.1 In-Building Concierge Services 4.1.5.2 Coordinated Delivery Services	4.1.5.3 CSA Partnerships 4.1.5.6 Childcare Services
4.1.6 ALL AREAS	4.1.6.1 Signage & Wayfinding Across Modes 4.1.6.4 Improved Walking Conditions	4.1.6.2 Mobile-Friendly Mission Rock Transportation Website 4.1.6.3 Site-wide transportation staff	

## 4.1.1 TRANSIT STRATEGIES

### 4.1.1.1 Real-time Transit Information and Marketing Screens

Dynamic transit information and transportation marketing to residents, employees, and visitors will be displayed on screens in building lobbies, or a similar approach will be used based on state-of-the-practice technology at the time of occupancy. Information will be also displayed in other high traffic areas, such as collaborative work spaces inside residential and office buildings around the site or childcare facility entrances. Making such information readily available can increase residents' awareness of local transit options and facilitate efficient trip planning.

### 4.1.1.2 Transit Subsidies

Clipper Cards pre-loaded with some cash value will be provided to all residents upon move-in, and business tenants will be required to offer employees the same. Clipper is the Bay Area's transit fare payment card and can be used on more than 20 of the region's transit agencies, including BART, Muni, and the ferries. Providing Clipper Cards upon move-in can increase residents' awareness of nearby transit options and increases the ease with which they can start using it. Clipper Cards can also be customized through a bulk purchase through the Metropolitan Transportation Commission, helping site users further associate Mission Rock with transit access.

Providing Clipper Cards could increase the ease of using transit for employees and residents who currently do not have Clipper. For individuals who already have cards, the one-time financial subsidy could help lower

one barrier to increased transit use.

## 4.1.2 BICYCLE STRATEGIES

### 4.1.2.1 On-Site Bike Share

At least one high visibility space will be made available for a Ford GoBike dock on-site, with the possibility of additional docks depending on Ford GoBike's intended Mission Bay expansion. Prominently located bike share docks can increase awareness of bike share as a viable transportation option while also facilitating use. Each bicycle dock would be provided and maintained by the Ford GoBike management company, Motivate, and the project team will work with the company to identify appropriate dock locations on the Mission Rock site.

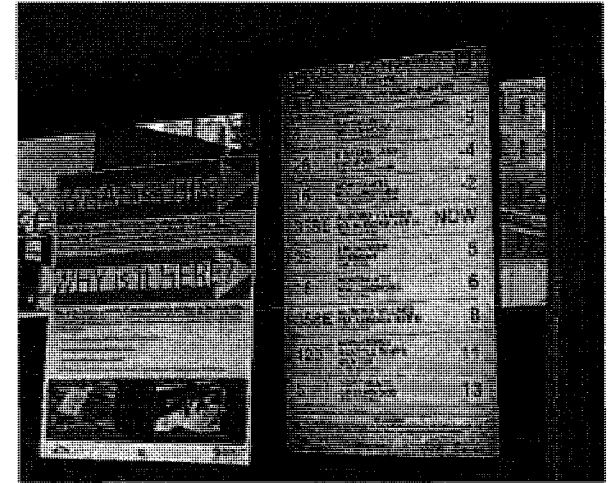
### 4.1.2.2 Bike Share Memberships

Single-year Ford GoBike memberships will be offered to all residents 18 years or older upon move-in. Members of Ford GoBike can take free, unlimited 45-minute one-way bicycle rides between bike share stations.

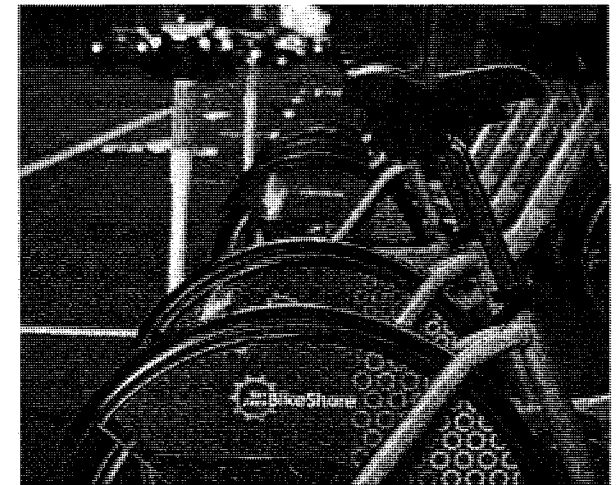
Providing residents with bike share memberships could help tenants with minimal experience cycling in San Francisco a low-cost and low-obligation opportunity to try cycling, and it would provide residents with a quick and easy way to get to the Transbay Transit Center and Market Street, for BART connections and a variety of other transit options and recreational activities.

### 4.1.2.3 Bicycle Community Programming

Through the site transportation staff, regular bicycle parties or happy hours for the bicycling community will be hosted at Mission Rock, potentially paired with gear giveaways. Bicycle-oriented programs and events encourage bicycling by raising public acceptance and



Real-time transit information in Seattle (FLICKR USER DARR VITTHOY)



Bay Area Bike Share (FLICKR USER DAVID GREENBERG)

support for non-motorized transportation and building connections between residents who regularly bicycle, making biking a fun, social activity. Integrating bicycling into the social fabric of the Mission Rock community will raise the profile of bicycling as a viable mode of transportation and encourage people to try biking for a portion of trips.

#### 4.1.2.4 Bicycle Resource Centers

Each building's secure bicycle parking area will be equipped with a bicycle maintenance space, with resources like a bicycle stand, a workbench, tools, and a basic repair kit. These dedicated spaces contribute to social acceptance of bicycling and reduce one key barrier associated with owning a bicycle – concern about complications related to ongoing maintenance – by providing tools and parts through a vending machine at low prices.

This measure will also include working to incorporate a bicycle store in the site retail plan and establishing a resource center containing a vending machine for bicycle parts, a “fix-it” work station with basic tools, and bicycle pumps somewhere else within the site at an easily accessible location.

#### 4.1.2.5 Bicycle Parking

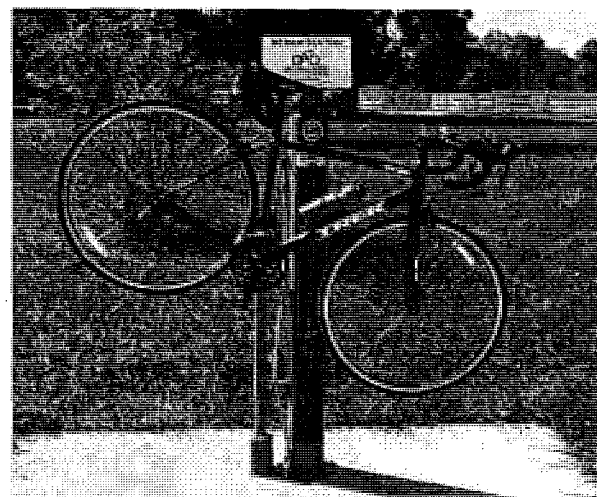
Given the importance of non-motorized transportation to the site's overall design concept, more bicycle parking will be provided than is required by San Francisco City Code. This will include secure Class I parking spaces in residential and office buildings and a network of Class II bicycle parking spaces throughout public areas.

Class I parking consists of secure long-term bicycle parking, including bicycle lockers, bicycle cages, and bicycle rooms. Class II bicycle parking refers to more short-term bicycle parking, including on-street bicycle racks. The site's location in a flat part of San Francisco and the numerous planned bicycle facilities through the site imply a strong potential for very high rates of bicycle usage, and this will be encouraged through easy access to ample, convenient bicycle parking. Bicycle parking facilities will also be available to accommodate various types of bicycles including those with cargo and trailer attachments.

There are several methods of providing secure (Class I) bicycle parking spaces for residents and employees. The site will employ approaches that reflect best practices regarding secure short-term and long-term bicycle parking. For instance, one approach may be to locate bicycle cages at convenient locations within buildings, and bicycle owners who qualify can receive a key or access card to use the cages for a set period of time (e.g. during work hours). The access card can be the same as one used to access an elevator or parking garage. Public bicycle parking is often considered secure when it is situated in well-lit, highly visible areas.

#### 4.1.2.6 Showers and Lockers

The site will meet the San Francisco Code requirement to provide shower and clothes locker facilities for tenants and employees in buildings with certain uses. Offices (including childcare, business services, and light manufacturing) that exceed 10,000 square feet must provide at least one shower and six clothes lockers;



Bicycle fix-it station (FLICKR USER JOE)



Bicycle room (Class I parking) (WELLSBURY/ISAACSON)

for facilities between 20,000 and 50,000 square feet, the building must provide two showers and 12 lockers. Those exceeding 50,000 square feet must provide four showers and 24 lockers. Retail sales and restaurants exceeding 25,000 square feet must also provide one shower and six clothes lockers; those exceeding 50,000 square feet must provide at least two showers and 12 lockers.

#### 4.1.2.7 Bicycle Valet

Free bicycle valet services will be provided for large on-site events (per code requirements). Complementing the bicycle parking available on a daily basis, bicycle valet services during special events can encourage people to travel to and from events by bicycle by eliminating the challenge of finding safe and convenient bicycle parking in an area crowded with event attendees. These services also raise public acceptance and support for non-motorized transportation by building connections with visitors.

### 4.1.3 MOTORIZED VEHICLE STRATEGIES

#### 4.1.3.1 On-Site Shared Scooters

Off-street parking spaces will be reserved for 15 to 20 shared scooters (approximately six car parking spaces in total). These spaces will be made available to scooter share companies at no cost. Electric scooters are highly convenient in a dense urban environment and may have additional marketing value, given the cache scooters carry among certain population segments. Scoot is a current provider of this type of service. One of the benefits of Scoot's network is the ability to travel point-to-point, instead of needing to return scooters

to their point of origin. Scoot already has pods within a short walk of Mission Rock. The parking garage would accommodate space for a scooter dock, which the scooter share vendor would provide and maintain.

#### 4.1.3.2 Electric Scooter Memberships

Pending a partnership with Scoot Networks, a one-year Scoot membership will be offered to all new residents, and Scoot Networks could provide its scooter orientation on-site. Like a bike share membership, a scooter share membership could help establish new travel behavior patterns upon move-in. This measure would entail forming a partnership with Scoot or another electric scooter share vendor to provide free memberships in exchange to reserving space for electric scooter parking on-site.

#### 4.1.3.3 On-Site Car Share Parking Spaces

Designated car share spaces will be provided in the parking garage, with flexibility to increase over time in response to demand. The number of spaces provided will exceed the amount required by the San Francisco Zoning Code. These spaces will be made available to car share companies at no cost.

Research indicates that a single car-share vehicle can remove as many as 20 private cars from the transportation network. Spaces will be located in high-visibility parking spots within the parking garage, which will be publicly accessible. Clear exterior signage will increase these spaces' visibility and emphasize the convenience of car share. Depending on the car share vendor provided, additional partnerships with ChargePoint may be required to provide infrastructure



SF Bicycle Coalition bicycle valet AT&T Park (MELISSA HYLAND)

for electric vehicle charging.

#### 4.1.3.4 Car Share Memberships

Car share memberships will be offered to all households for their first year of residency. Depending on specifics of agreements with car share vendors, membership fees could be reduced or waived and some rental credit could be provided. These memberships could help establish new behavioral patterns upon moving in. Pairing access to car sharing vehicles with car sharing memberships is also shown to be more effective than implementing one or the other on its own.

#### 4.1.4 PARKING STRATEGIES

Priced and actively managed parking is a cornerstone of the Mission Rock transportation program. The following measures will ensure that driving is not the default choice for access to the site.

##### 4.1.4.1 Parking Pricing

The price of parking has been shown to be a highly effective mechanism in changing travel behavior, and as such, parking will be priced strategically at Mission Rock. During times of higher demand, parking might have a higher price, encouraging a higher rate of turnover and the use of other modes. Prices will not change in real time based on current occupancy, but instead might automatically increase by a pre-set amount during peak periods, based on typical demand patterns, or for scheduled events. Prices might be adjusted overall a few times a year based on recent occupancy data.

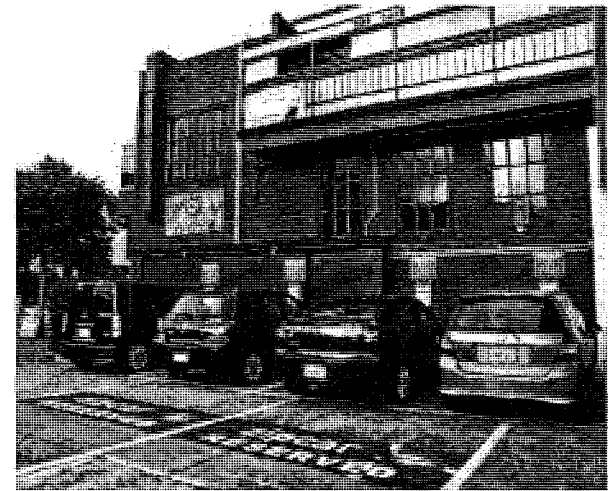
By refining the price of parking periodically, it would be possible to keep parking occupancy rates relatively close to the optimal level, typically around 90% for off-street parking. Researchers have found that parking facilities function efficiently (i.e. without requiring excessive parking-search time) up to roughly this level of occupancy. Demand-responsive pricing has been successfully piloted in San Francisco, Berkeley, Los Angeles, and other cities, and the AT&T Park lot on which Mission Rock will be built currently employs a form of this concept.

##### 4.1.4.2 Real-Time Parking Pricing and Availability Information

Dynamic displays (or another state-of-the-practice price-information sharing strategy) will be installed to show real-time parking price and availability information. This information will also be made available through other channels like a Mission Rock transportation website; this will require installing technology and associated information systems to automatically monitor parking usage. For market-based parking pricing to be truly effective, the dynamic between price and availability must be clearly communicated to drivers. Making such information readily available to potential drivers, particularly at parking garage entrances, decreases the likelihood of drivers' circling for parking or potentially increases the possibility of choosing other modes.

##### 4.1.4.3 Unbundled Parking

Parking costs will be unbundled from all residential, commercial, and retail leases and ensure that the users of parking are the ones who ultimately pay for it. In other words, individuals desiring parking will be required to pay the cost of parking themselves, and the price of parking will not be included in the leases of any residential or commercial tenants. "Unbundling" parking means that the cost for parking is separate from the cost of residential and commercial units. It is an increasingly common practice in urban areas, and it is required in San Francisco. Thirty percent of San Francisco households do not own a vehicle, and unbundled parking makes housing more affordable, particularly for those who do not need a parking space.



Car share spaces (WELSH/STANBARD)



Parking pricing information sign (WELSH/STANBARD)

This approach provides financial savings to households who decide to dispense with one of their cars, and it can help attract households who wish to live in a transit-oriented neighborhood where it is possible to live well with only one car, or even no car, per household. Unbundling parking costs changes parking from a required purchase to an optional amenity, so that households can freely choose how many spaces they wish to lease.

Unbundling parking tends to reduce demand for parking by specifically calling out and making optional the previously hidden cost of “free” parking. This in turn allows developers to provide less parking, which increases the area that can be developed with more lucrative land uses such as additional housing units. For this measure to work optimally for office users, the users of parking – not their employers – must be the ones who ultimately pay daily or monthly costs.

#### 4.1.5 BUILDING STRATEGIES

##### 4.1.5.1 In-Building Concierge Services

Mission Rock will work with the managers of individual buildings to appoint an in-building concierge to provide information about local merchants and coordinate/facilitate delivery services for residents. In-building concierge services and/or multi-purpose front-desk staff can facilitate valet parking, farm-to-table produce delivery, cold and dry storage for grocery or produce delivery, and secure package delivery. Concierge staff could also provide information about the nearest stores and services like dry cleaning and laundry service, as well as pickup/delivery services from local merchants.

Residents would pay for all services.

The site-wide transportation staff would provide centralized transportation support to the in-building concierges. The combination of these services will provide targeted travel information, consolidating or eliminating the need for additional trips.

##### 4.1.5.2 Coordinated Delivery Services

Mission Rock will consider partnering with delivery service companies, in addition to establishing a centralized staging location for parcel delivery and a distribution system that relies on non-motorized transportation to deliver packages to the various buildings within the development. In the absence of an official partnership, ways of making ordering in more appealing instead of making separate trips off the property for daily needs would be facilitated, thus reducing vehicle trips in the process. One potential way to do this would be to offer direct ordering through the Mission Rock website. Each building would manage these services individually as needed.

##### 4.1.5.3 Community-Supported Agriculture Partnerships

Local community-supported agriculture (CSA) deliveries will be coordinated. Fostering the use of local CSA organizations has the potential to reduce greenhouse gas emission and vehicle-trips by providing project residents convenient access to locally sourced food, reducing the number of trips and vehicle miles traveled by both vendors and consumers. This measure could also have marketing benefits and reinforce the site’s overall message about sustainability.



In-building concierge (Flicker User: ALAN LIGHT)



CSA box (Flicker User: MIKE SQUILLACE)

#### 4.1.5.4 Cold and Dry Delivery Storage Space

Mission Rock will work with individual building managers to provide storage space near the concierge and elevators to store packages, perishables, laundry, and other deliveries. Storage should be family friendly, including room to store car seats and strollers and near to car share locations. Providing storage space for groceries, laundry, and other packages can have a direct effect on reducing trips by encouraging and facilitating online ordering. A centralized storage facility within each building can also consolidate delivery trips by enabling delivery vehicles to only make one stop for multiple recipients instead of several.

#### 4.1.5.5 Convenient Zones for Loading and Building Servicing

Passenger loading and building servicing zones are integrated into Mission Rock's overall street design. These zones will reduce the need for personal vehicle trips by facilitating deliveries and also enabling easy pick-up and drop-off of seniors and people with disabilities by locating them near elevators and at corners with curb ramps.

#### 4.1.5.6 Childcare Facilities and Services

Mission Rock will aim to attract a provider of on-site childcare services and facilities to ensure easy access for Mission Rock residents and employees. Ensuring that childcare services are provided on-site at Mission Rock would break down a key barrier for parents to taking non-auto modes to work by bringing such services within walking distance and near the many commute options around the Mission Rock site. The

childcare services could be provided on the ground floor of a northern parcel, near China Basin Park. Other family-friendly amenities will also be established, including storage spaces with room to store car seats, strollers, and other family-related equipment.

#### 4.1.5.7 Collaborative Work Space

Mission Rock will work with the developers of individual parcels to establish a collaborative work space in each residential building. A typical offering in residential buildings today, business services rooms can help encourage and facilitate working from home, which can directly reduce trips to and from the site.

Work spaces could include for-rent work rooms that can be reserved in advance, equipped with video conference equipment, high-speed internet connections, projectors, white boards, basic office supplies, and printing, scanning, and faxing services. For residents interested in using this work space long term, dedicated mailboxes for businesses could be set aside and located nearby. The developers and managers of individual buildings will ultimately be responsible for developing and maintaining these business services rooms and ensuring that they are equipped with appropriate equipment.

#### 4.1.5.8 Affordable Housing

Forty percent of on-site units will be restricted to inclusionary affordable housing, to be provided in a balanced manner throughout the phasing of the development. Affordable units are generally associated with lower rates of auto trip-making, as residents living in affordable housing typically own fewer cars

per household than residents of market-priced units. They are more likely to use transit and are less likely to require parking, reducing overall vehicle trip generation.

### 4.1.6 ALL-REALM STRATEGIES

#### 4.1.6.1 Signage and Wayfinding across Modes

ADA compliant signage and wayfinding will be installed at key points throughout the development. Signs can help indicate points of connection between different modes, as well as estimated travel times and directions by mode, and they can help increase people's understanding of travel options. Clear signage is also important for ensuring safety for all types of users, differentiating spaces for different users within shared public spaces.



Transit-focused wayfinding (© EL SHAMAYE ASSOC)



#### 4.1.6.2 Mobile-Friendly Mission Rock Transportation Website

An ADA compliant site-wide website will be maintained with a dynamic and engaging section dedicated to transportation information and services, with specific portals for each user type (or the state-of-the-practice equivalent to this measure, per changes in technology by the time of first occupancy). A mobile-friendly website oriented toward all residents, employees, and visitors providing online access to concierge services and transportation programs can help raise awareness and visibility of transportation options and facilitates connections among transportation modes. The transportation information on the website will likely include but not be limited to real-time transit information and a transportation tab with all nearby options (e.g. Muni, car share, scooter share, ride-sourcing apps) showing locations and availability.



The informative website of a TMA in Mountain View. The site is mobile-friendly, as the images on the next page show.

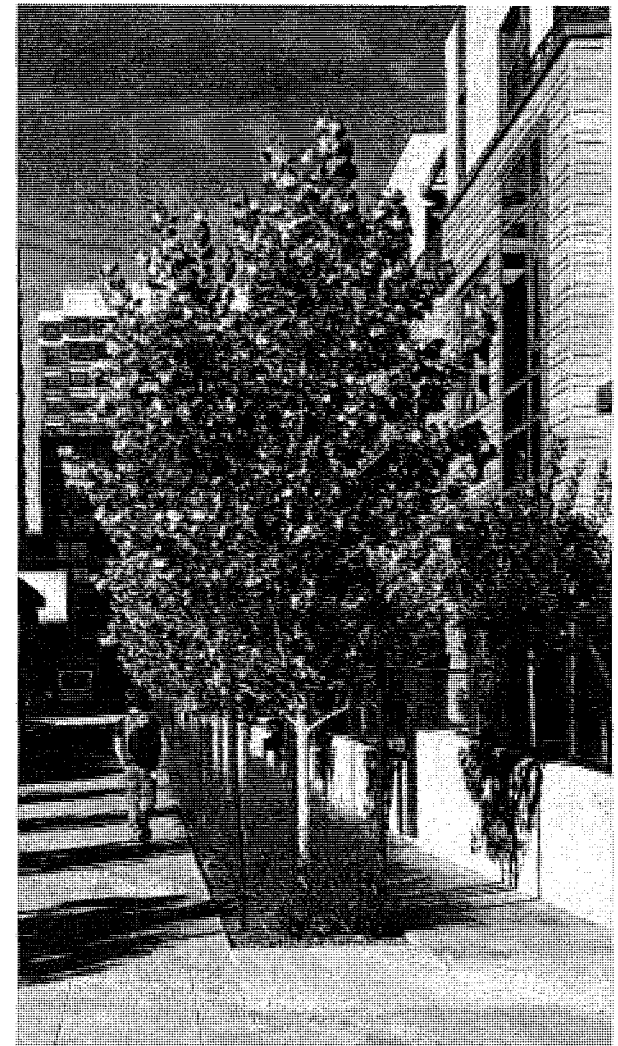
#### 4.1.6.3 On-Site Transportation Staff

A site-wide, dedicated transportation staff will be hired and tasked with providing individualized advice and information on transportation options to residents and employees. This can help raise awareness and understanding of transportation options and ensure that site users can find non-auto transportation options that meet their unique travel needs.

Other staff, such as the in-building concierge or those tasked with organizing bicycle events and maintaining the bicycle resource room, could also provide similar targeted information and facilitate discussions around using different modes. This dedicated transportation staff would act as a centralized transportation resource to the in-building concierges, providing up-to-date transportation information and expert support to front-line staff that are less likely to have the same depth of knowledge of the transportation system. Staff responsibilities may include active campaigns encouraging sustainable trip-making.

#### 4.1.6.4 Improved Walking Conditions

High-quality pedestrian design features (high connectivity, wide sidewalks, highly visible crossings, and others) are directly integrated in the design of Mission Rock. As described in the Mission Rock Design Controls, the development will add over half a mile of complete streets, including new and improved sidewalks and pedestrian crossings. Today, many sidewalks in Mission Bay are narrow or missing in areas. The new streets within Mission Rock will greatly improve the overall walking conditions of the neighborhood and facilitate safer and more convenient pedestrian connections. A pedestrian-oriented urban design is essential for residents, employees, and visitors to fully take advantage of the other TDM strategies, supporting access to all of the available transportation options and programs throughout the site and nearby. These improvements help shape the environment for the other TDM strategies to succeed.



High-quality design for pedestrians (NELSON\NYGAARD)

## 4.2 MARKETING AND COMMUNICATIONS

A strong communication strategy is critical to the success of any TDM program, ensuring that residents, employees, and visitors receive information about relevant resources and incentives at appropriate times and through channels that are easily accessible. Incorporating consistent branding into all communications can help create a sense of place and establish a cohesive identity for the transportation program. Branding can be used to support marketing and communication efforts, particularly on signage and wayfinding, to emphasize that residents, employees, and visitors can travel seamlessly through the area.

The TDM strategies cited in the chapter include three main channels for transportation-related communications: its site-wide transportation staff, a mobile-friendly web portal for site users, and physical signage and other wayfinding mechanisms on site. This section includes examples of communication tactics and channels to illustrate how specific channels can help reach target audiences.

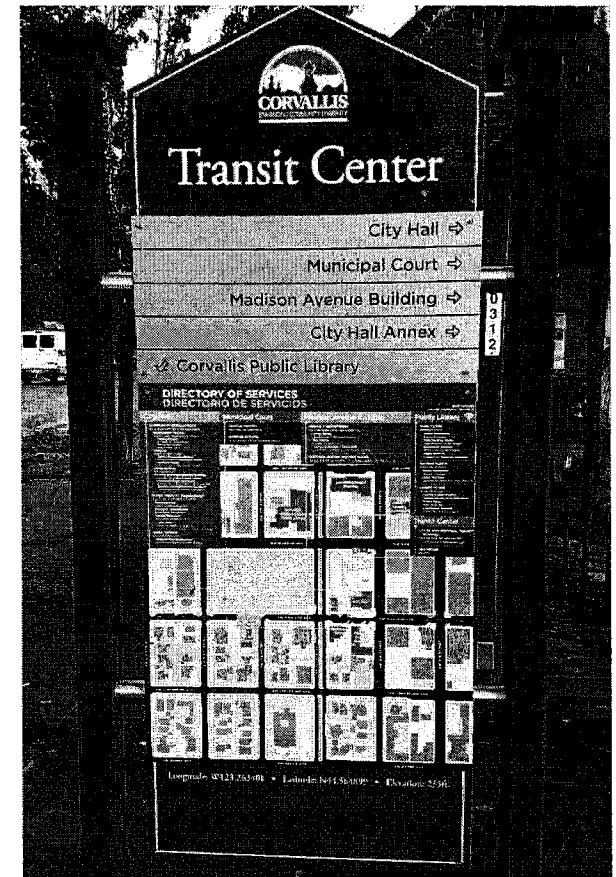
### 4.2.1 SITE-WIDE TRANSPORTATION STAFF

Led by a coordinator, Mission Rock transportation staff would be responsible for maintaining information about TDM programs and acting as a point of contact to assist residents, employees, and visitors with transportation-related questions, concerns, or general assistance. The transportation coordinator would have the authority to implement TDM strategies, oversee the management and marketing of all measures, manage the TDM program budget, and monitor success of the TDM program.

The transportation staff might also be responsible for compiling a print and/or electronic transportation handbook to be distributed to residents on move-in and employees on hiring. This handbook could include information on transportation programs, policies, and service options, in addition to the following information:

- ▶ Transportation staff contact information, including information for the in-building concierges (if relevant)
- ▶ How to access transportation information in other media and locations, such as the website, relevant mobile applications, and real-time screens
- ▶ Commute trip planning information, including links to the regional 511 Rideshare program
- ▶ Clipper Card and vehicle (including car, bicycle, and scooter) share membership subsidies and parking policies
- ▶ Information on accessing other TDM program details and amenities, such as the in-building storage facilities
- ▶ Walking and biking routes within the area, estimated walking and cycling times to key locations, including transit hubs, and a link to the San Francisco bicycle map
- ▶ Local transit options and schedules, including links to Muni, BART, and Caltrain schedules, route maps, and existing trip planner mobile applications

The handbook would be distributed to all prospective residential tenants and all prospective employees who receive an offer to work within the development as part of welcome packets or employee orientation, or posted



Signage that combines directional and map-based wayfinding (HEI/SOMBYGAARD)

in prominent locations for all residents and employees.

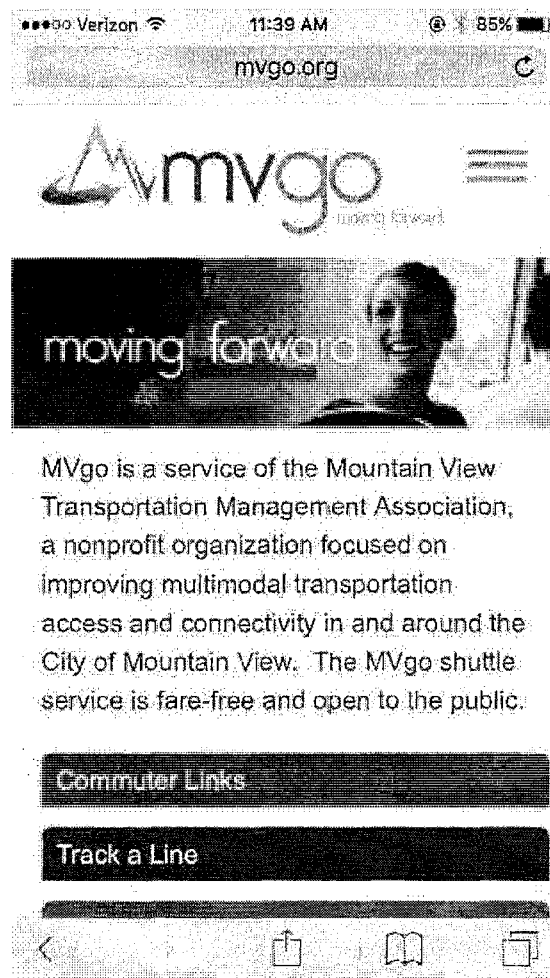
To make sure information stays useful to residents and employees over time, transportation staff will endeavor to keep all information and materials up to

date and relevant. Staff may also consider developing other transportation tools in addition to or instead of a handbook as appropriate, drawing on available best practices.

#### 4.2.2 MOBILE-FRIENDLY WEBSITE

Mobile-friendly websites are a way to create a dynamic and engaging repository for transportation information, point-to-point navigation tools, travel suggestions, user engagement campaigns, and other efforts to raise awareness of alternatives to drive-alone travel options and residents, employees, and visitors to use them. In addition to supporting the information already provided in the resident and employee handbook, this website could include the following:

- ▶ Real-time transit information
- ▶ Real-time parking pricing and availability information
- ▶ Notifications of upcoming transportation-related events, such as bicycle parties and farmers' markets, and alerts
- ▶ Integration with internet delivery services for ordering
- ▶ Registration for car share, bicycle share, and/or scooter share memberships
- ▶ Room reservations for the collaborative workspace
- ▶ On-site childcare services enrollment
- ▶ Specific pages or portals for residents, employees, and visitors so that each of these audiences has access to the appropriate and relevant travel information



The mobile-friendly version of the Mountain View TMA's website. The TMA offers real-time transit information and links to a variety of other resources.



- Functionality which allows for tracking travel behavior and enables gamification for incentives

This website will be ADA/Section 508 compliant to ensure that users of all abilities are able to easily access this information. Establishing specific portals for each audience can allow for the delivery of targeted, individualized TDM information for each of the audience groups. Each of the portals could also provide specific information on costs and multimodal options available for traveling to and from Mission Rock, as well as information on nearby attractions and services and links to citywide or regional information. The images on the previous pages show an example of computer and mobile-friendly versions of landing pages for this type of website.

#### 4.2.3 SIGNAGE AND WAYFINDING

Clear, consistent, and predictable signage and wayfinding can help residents, employees, and visitors navigate the site easily. Signage can also bring awareness to important information such as parking prices and availability, bicycle parking locations, estimates of bicycle and pedestrian travel times, and other information on Mission Rock programs or services. Simply providing information on non-motorized travel prominently can increase the likelihood that people will select biking or walking as their mode of transportation.

The efficacy of signage and wayfinding is dependent on the design and placement of signs. Signage should be clear and provide relevant information at key decision points in people's journeys, in areas that are highly

visible, and in clear lines of sight. For instance, when entering the site, cyclists should be able to clearly understand their route options through the site. This signage will be especially important for safety along the shared public ways, to ensure that users understand the encouraged forms of travel and appropriate behavior on each mode. Temporary signage may be used in areas more highly trafficked by residents or employees, to provide information on specific events or programs, such as CSA pick up locations.

Wayfinding examples throughout the chapter show how it can be used in vibrant, mixed-use areas. Some signs offer clear guidance for the nearby area at several scales while providing clear directional guidance to nearby transportation hubs and popular destinations.

For further information on the design considerations that will be accounted for in designing signage for the Mission Rock site, see section 2.10 of the Design Controls.

##### 4.2.3.1 Transportation Information Kiosks

Transportation information kiosks in the public realm can provide centralized locations for relevant transportation information for trips within Mission Rock and to nearby services and attractions. These kiosks could be placed throughout the site, at strategic decision-making locations where residents, employees, and visitors might need the information, such as the intersection of Terry A. Francois Boulevard and Mission Rock Street, China Basin Park, and Mission Rock Square. The kiosks could include transit schedules and fare information, walking and cycling routes, real-time

transit information, and Bay Area Bike Share dock locations and bicycle availability.

It is recommended that these kiosks be digital, interactive displays (as shown in the accompanying image) to allow information to be updated easily and regularly. These boards would be maintained and updated as needed by the transportation staff.

While the information kiosks can provide detailed information on transportation options to visitors and others new or unfamiliar with Mission Rock and the surrounding area, real-time transit screen technology is designed to offer an opportunity to understand transportation options at a quick glance. This would be particularly useful for employees and residents, those who make recurring trips frequently and don't need detailed guidance.

Each of the communication-based TDM measures are pertinent to residents, employees, and visitors at different times during their life cycle at Mission Rock. As such, it is critical to think strategically about when to share what with each of these key segments to reach certain groups of users.

The mobile-friendly Mission Rock website will be an important avenue for sharing information about programs, policies, and services. It is reasonable to assume that the website will act as a front-line communications vehicle to reach all of those who have or may be interested in having a connection with the site. Signage and wayfinding will be seen on a daily basis and is an important element for users of the development to efficiently navigate Mission Rock.

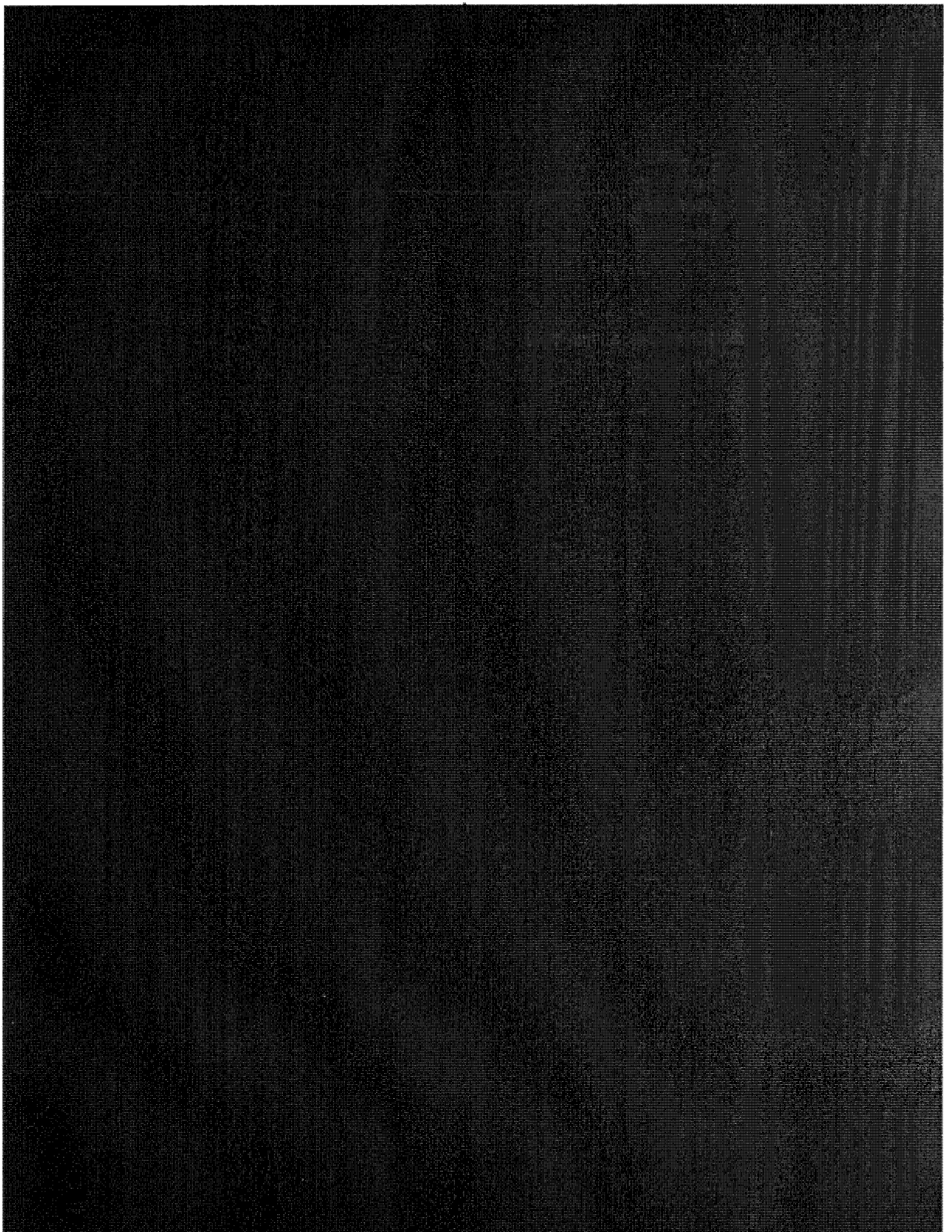
## 4.3 CONCLUSIONS

Establishing a robust TDM program reaffirms Mission Rock's commitment to sustainability and inclusivity. The program will encourage the site's residents, employees, and visitors to use the most environmentally friendly and spatially efficient mode possible for each trip, with an emphasis on cycling, walking, and shared rides.

TDM MEASURE	TARGET AUDIENCE		
	RESIDENT	EMPLOYEE	VISITOR
4.1.1.1 Real-Time Transit Information			
4.1.1.2 Clipper Cards			
4.1.2.2 Bike Share Memberships			
4.1.2.1 On-Site Bike Share			
4.1.2.7 Bicycle Valet			
4.1.2.3 Bicycle Community Programming			
4.1.2.4 Bicycle Resource Centers			
4.1.2.5 Bicycle Parking			
4.1.2.6 Showers and Lockers			
4.1.3.1 On-Site Shared Scooters			
4.1.3.2 Scooter Share Memberships			
4.1.3.4 On-Site Car Share			
4.1.3.4 Car Share Memberships			
4.1.4.1 Parking Pricing			

TDM MEASURE (CONT'D)	TARGET AUDIENCE		
	RESIDENT	EMPLOYEE	VISITOR
4.1.4.2 Real-Time Parking information			
4.1.4.3 Unbundled Parking			
4.1.5.1 In-Building Concierge Services			
4.1.5.2 Coordinated Delivery Services			
4.1.5.3 CSA Partnerships			
4.1.5.4 Cold and Dry Delivery Storage Space			
4.1.5.5 Convenient Zones for Loading			
4.1.5.6 Childcare Services			
4.1.5.7 Collaborative Work Space			
4.1.5.8 Affordable Housing			
4.1.6.2 Mobile-Friendly Website			
4.1.6.3 Site-Wide Transportation Staff			
4.1.6.1 Signage and Wayfinding			
4.1.6.4 Improved Walking Conditions			

Target audience for each TDM program





# 05

## EVENT MANAGEMENT

The energy and excitement generated by people visiting parks and event venues will be part of what makes Mission Rock a fun and interesting place to live, work, and play.

These visitors will bring the area to life throughout the year. Mission Rock will be designed and actively managed to maximize the best aspects of festivities in these spaces while responsibly managing the potential inconveniences that large crowds can cause. This

chapter outlines the basic site's anticipated approach to managing pedestrian activity, vehicle flows, and bicycle parking around them to ensure that residents and employees can enjoy the energy without the hassle.

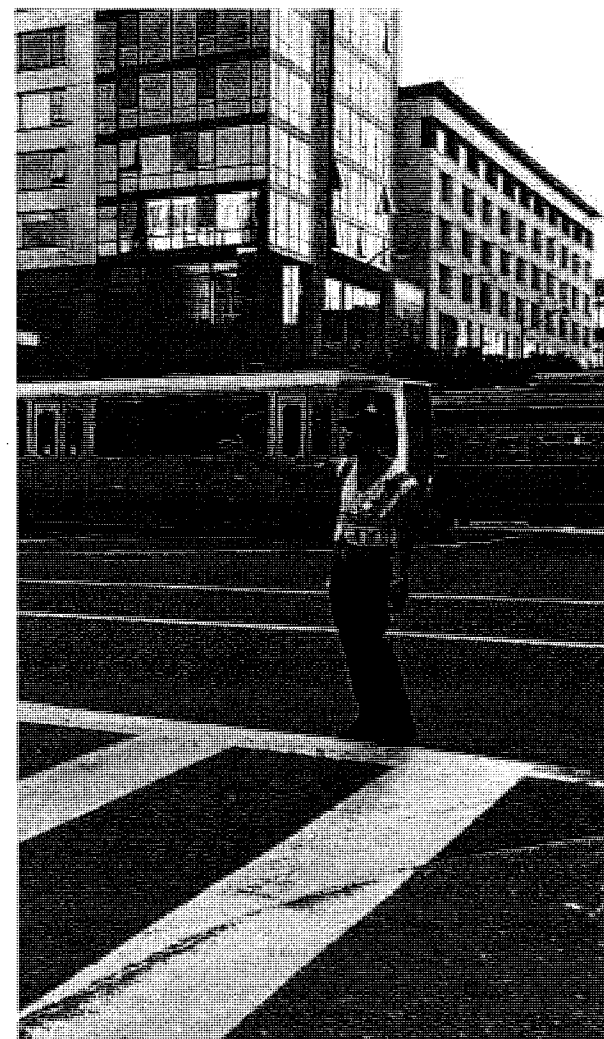


As the team has since it moved to AT&T Park in 2000, the San Francisco Giants will continue to work closely with the City and with citizens advisory committees in the area to manage the effects of event crowds on surrounding neighborhoods, through measures like deploying traffic control officers (known in San Francisco as parking control officers, or PCOs). In addition to such measures, the Mission Rock transportation staff might also be empowered to take additional actions like closing on-site streets or individual lanes to vehicle traffic and encouraging the use of non-auto modes for travel to on-site events.

This chapter describes how these types of strategies might be combined for three scenarios, representing the likely range of common events: A primary event at AT&T Park (35,000+ attendees), a secondary event at AT&T Park (15,000 to 35,000 attendees), and on-site events in China Basin Park, Mission Rock Square, or potential event venues in Pier 48 or Block E (500 to 4,000 attendees). A more detailed Event Management

Plan will be developed in concert with City agencies before construction of the first phase of the project, and it will be updated ahead of each subsequent phase of the site's build-out. The Event Management Plan will include the topics listed in the table of contents referenced below.

Given their storage-space needs, automobiles naturally pose challenges for organizers of any large event. As such, most scenarios include some restrictions on vehicle movement through the site, and the TDM Plan's efforts to reduce reliance on single-occupancy vehicles for travel to and from the site will be particularly crucial during these times. However, some vehicle movement will be accommodated. An up-to 3,000-space parking garage at the southwest corner of the site will serve as AT&T Park's main parking facility, replacing the surface lot on which Mission Rock will be built. During AT&T Park and Mission Rock events, curb space around the site will also provide important capacity for passenger loading.



Parking control officers (PCOs) (NELSON/RYGAARD)

## EVENT MANAGEMENT PLAN TOPICS

An Event Management Plan will be developed for submission and approval as part of the first phase application for the Mission Rock site, then updated and submitted (for informational purposes as part of each subsequent phase application). The plan will cover all events on-site at Mission Rock. Section V will identify the full universe of potential TDM and traffic management strategies. The subsequent TDM strategies that will apply to different events (by size/type or by location) will also be identified in Section V.

### I. Introduction

- Purpose of the Document
- Goals of the Mission Rock Event Management Program

### II. Mission Rock Project Update

- Description of Current Phase Land Use
- Description of Cumulative Project To Date
- Interim Transportation Network (Phases 1-3 only)

### III. Transportation Context

- Transit Network
- Bicycle and Pedestrian Networks
- Key Local and Regional Roadways
- Parking Facilities

### IV. Events at Mission Rock

- On-Site Event Venues
- Characteristics of Potential Event Types (would include location, event format/type, number of attendees, likely days of week, likely times of day, attendee arrival/departure windows and concentrations, estimated attendee trips linked with other nearby events/land use, and likely frequency)
- Project Phasing & Implications for Events

- Phase I
- Phase II
- Phase III
- Phase IV

- Relationship with Other Venues and Potential Events in the Area

- Other Venues and Event Types

- AT&T Park
- Chase Center

- Concurrent Events: Type and Frequency of Overlaps

### V. Managing On-Site Event-Related Travel Demand

- Desired Outcomes

- Ensure Safe Conditions for Pedestrians and Cyclists
- Avoid Transit Delays Related to Garage Queuing Impacts

- Minimize Mission Bay Traffic Impacts During Service Times

- Universe of Event-Specific TDM and Traffic Management Tools

- Transportation Demand Management Strategies (e.g. communications, information distribution, temporary or permanent multimodal wayfinding, incentives/disincentives for using particular modes at particular times, etc.)

- Traffic Control Strategies (e.g. curb management, the use of temporary or permanent signs and/or dynamic signs, POCs, traffic flow, and adjustments other strategies to prevent transit delays on I-580 and support safety of all users, etc.)

- Matrix Event Types & Table Strategies To Be Used & Responsible Parties & Additional Considerations

- Event Specific Nuances (e.g. applicable differences in the location of POCs, differences in the use of dynamic or temporary signage, differences for events on different days/at different times at different phases of build-out, etc.)

- Emergency Vehicle Access/Evacuation On-Site

- Event-Related Loading & Servicing

- Managing Concurrent Event Scenarios: Coordinating with Other Venues through Ballpark Mission Bay Transportation Coordinating Committee (BMBTCC) and/or Other Applicable Body

### VI. Implementation and Refinement

- Mission Rock Transportation Coordinator Responsibilities

- Coordinating with City Agencies

- Port of San Francisco (e.g. manager efforts to involve relevant city agencies, staff review approval with rest of relevant phase application materials)
- San Francisco Municipal Transportation Agency (e.g. involved in development of initial content, involved in approval process)

- Coordinating with Venue Managers and Neighborhood through BMBTCC and/or Other Applicable Body

- Monitoring and Plan Refinement

- Notes that while this plan will focus on events on-site at Mission Rock, there will be separate event management plan updates to manage events associated with AT&T Park.

## 5.1 PRIMARY EVENTS

### **AT&T Park, 35,000 to 40,000+ Attendees**

A primary event at AT&T Park will be the most common scenario, occurring between 80 and 100 times per year, depending on whether the Giants make the playoffs and on how many non-baseball events (like concerts or other sporting events) AT&T Park hosts.

#### **5.1.1 MANAGEMENT STRATEGIES**

##### **Parking Pricing**

As noted in Chapter 4, it is anticipated that the Mission Rock garage will be actively managed around event times to ensure that there is space available for AT&T Park event attendees. To encourage regular users of the garage to find alternative ways to get to the site on event days, parking prices could be raised during a period covering a few hours before and after AT&T Park events. This approach has already been successfully employed to manage parking demand in the existing main AT&T Park lots, Lot A and Pier 48. People arriving at the garage around event times could pay a flat event rate that might amount to a total that is higher than typical hourly rates would be (i.e. if the event period is six hours long, the flat event rate would exceed the total cost of parking for six hours at typical hourly rates).

##### **Vehicle Flows and Curb Space**

Vehicular circulation through Mission Rock could be restricted during primary events in anticipation of high pedestrian volumes through the site. The Shared Public Way is a particularly critical north-south pedestrian route, providing the most direct path of travel between the main garage and the ballpark. As such, it is anticipated that the street would be closed



Giants games at AT&T Park regularly sell out, bringing a festive atmosphere to the neighborhood

to vehicle traffic around major event times. Right turns from Mission Rock Street to 3rd Street could also be prohibited before events, to reduce volumes on Mission Rock Street in front of the Public Safety Building. Left turns into and out of the site at 3rd Street's intersections with Long Bridge will be prohibited at all times. The eastern-most lane on 3rd Street between Exposition and King streets will also likely be closed before and after events, as it is today, to facilitate the movement of large volumes of pedestrians near the ballpark.

Traffic flows will be actively managed through PCOs and strategically placed signs, and garage entrances and exits will be managed to allow for efficient processing of major vehicle flows. To ensure that emergency vehicles have clear access to Public Safety Building driveways on the south side of Mission Rock Street, keep clear zones will be maintained and could be reinforced by one or more PCOs. Traffic flows on Mission Rock Street could also be managed to maintain an open lane for potential emergency vehicle movement. Event vehicles will also be encouraged, via signs and PCOs strategically located at points south of

the site, to enter and exit the area via Terry A. Francois Boulevard. Specific PCO locations will be determined by the SFMTA with the goal of supporting pedestrian safety, limiting impacts on transit, and keeping intersections clear of vehicles.

Most vehicular circulation through the site is expected to be for passenger pick-up and drop-off. Key passenger loading locations will include the north side of Exposition Street and the east side of the block of 3rd Street just north of Exposition Street. Primary loading zones for people with mobility limitations include the east side of 3rd Street north of Exposition Street and an accessible loading zone on Exposition Street between the Shared Public Way and Bridgeview Street.

To manage vehicle movement at points of potential conflict between modes, this plan recommends the use of PCOs in key places along 3rd Street and through the site, including the intersections of Mission Rock and 3rd, Mission Rock and Bridgeview, and Mission Rock and Terry A. Francois Boulevard; and the 3rd Street crossing just south of Lefty O'Doul Bridge.

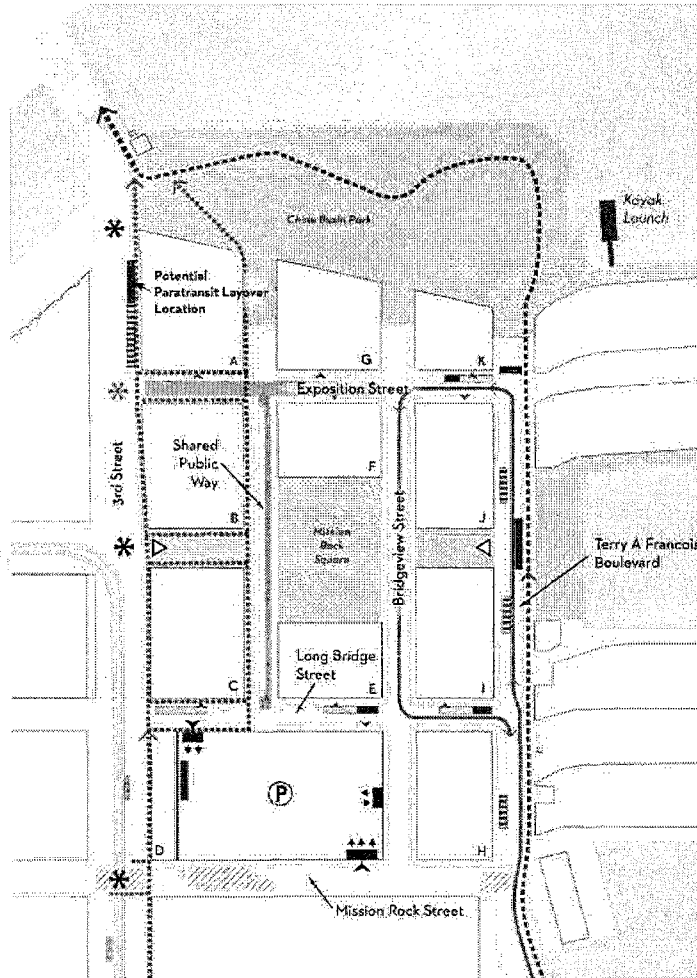
## **Pedestrians**

It is anticipated that all pedestrian paths of travel will be open, but pedestrian activity is likely to concentrate along the Shared Public Way and 3rd Street, the two key north-south routes between Long Bridge Street and the ballpark.

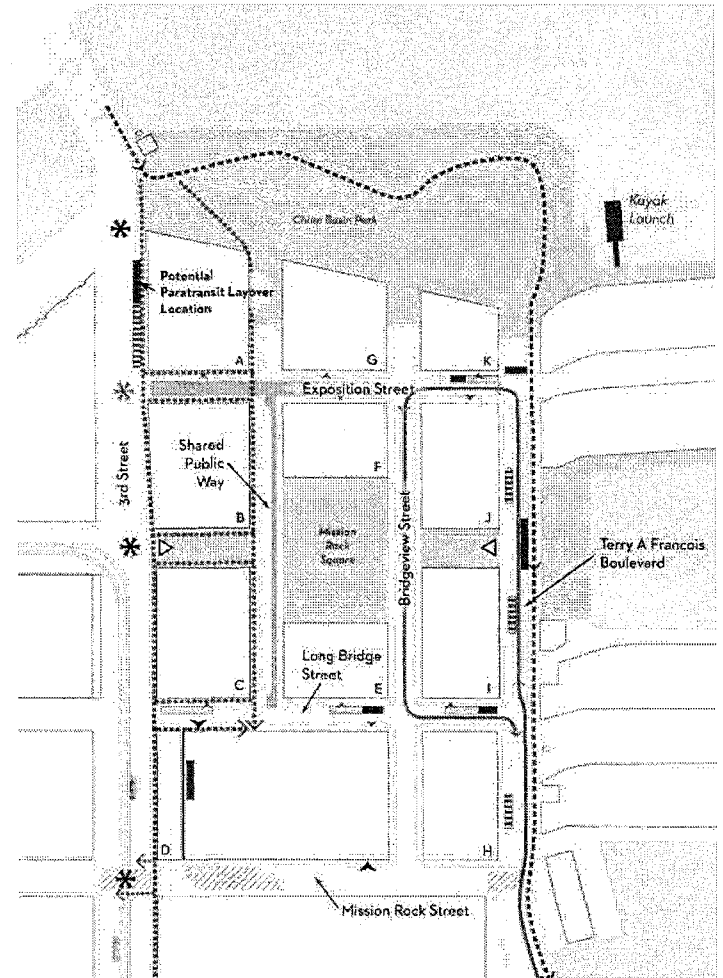
## **Bicycles**

Primary bicycle flows south of China Basin are expected to be along the San Francisco Bay Trail to and from bicycle parking facilities immediately around AT&T Park. Some cyclists may also use Bridgeview Street, but they might be less likely to do so than in normal conditions due to larger numbers of vehicles turning into and out of the garage. Cyclists will be encouraged to dismount at the western end of China Basin Park to reduce conflicts with the heavy pedestrian flows across Lefty O'Doul Bridge. Some event attendees will also likely lock their bicycles on the Mission Rock site, to visit on-site restaurants before or after games or to avoid crowds closer to the venue. An additional ballpark bicycle valet facility could also be located on the Mission Rock site, if usage of the main valet facility warrants it.

- \*\*\*\*\* Key Pedestrian Routes
- \*\*\*\*\* Primary Bicycle Routes
- ← Primary Passenger Loading Flow
- ▬ ADA-Accessible Loading
- ▬ Commercial Deliveries Only
- ▬ Time-Limited Commercial Loading
- ▬ Closed to Vehicular Traffic
- \* Existing Traffic Signal
- \* Planned Traffic Signal
- ☛ Potential Traffic Control Officer Location
- ▬ Garage Lanes
- ▲ Planned Driveway
- ▲ Potential Driveway
- ▬ Keep Clear Zone
- ▷ Access to Below-Grade Parking (if provided)



Pre-event circulation patterns



Post-event circulation patterns



## 5.2 SECONDARY EVENTS

### **AT&T Park, 15,000 to 35,000 Attendees**

Circulation patterns at Mission Rock are anticipated to be similar around smaller events at AT&T Park. The Shared Public Way could be closed, and the relative intensity of different vehicle flows should be consistent with the basic patterns seen for the biggest events at the ballpark, though overall flows should be much smaller. Bicycle and pedestrian circulation patterns are also expected to be consistent with those anticipated for larger events.

Given lower levels of expected parking demand, it is anticipated that the garage at the southwest corner of the site would generally not need to use flat-rate event pricing around secondary events. Event attendees would be able to park in available spaces as long as spaces are available. However, communications related to AT&T Park events would likely still encourage the use of other modes to access the ballpark, in the interest of reducing congestion and parking demand overall.



Concert at AT&T Park (FLICKR USER REBECCA WILLIAMS/SPR)



Stern Grove concert series (WIKISOURCING)

## 5.3 ON-SITE EVENTS

### **Mission Rock, 500 to 4,000 Attendees**

Mission Rock will have two spaces equipped to host large events. The Great Lawn in China Basin Park will have room to host concerts, movie nights, and other large gatherings. Mission Rock Square will likely host a broader range of events, from staged performances to farmers markets or craft fairs, with thousands of people flowing through the space over a several-hour period.












The garage at the southwest corner of the site's parking prices could be converted to event rates for a period covering several hours before and after the biggest events, to discourage use by regular users.

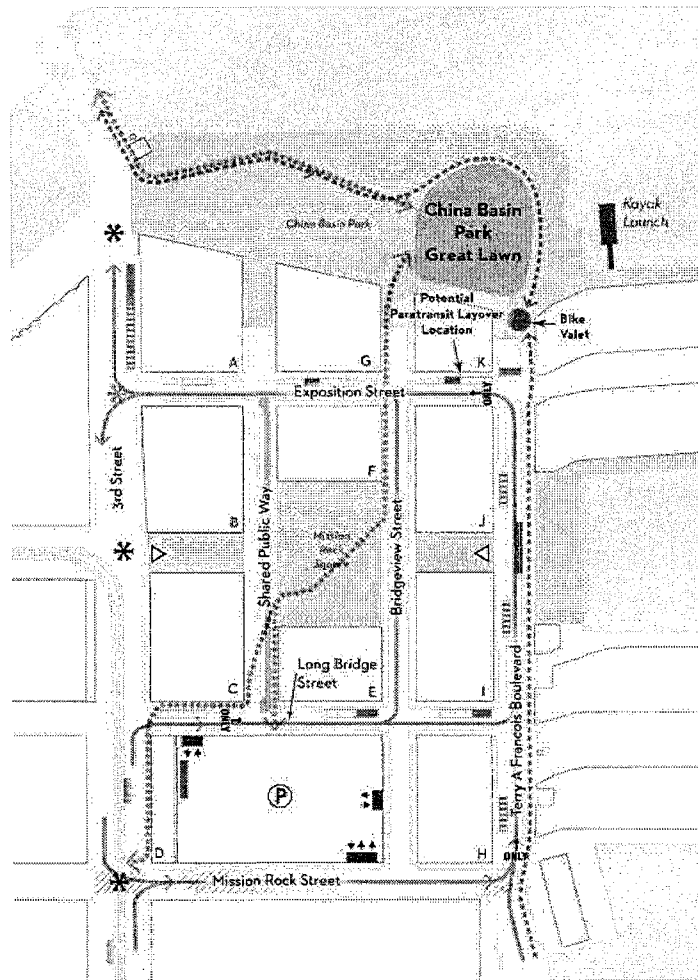
#### **5.3.1 CHINA BASIN PARK EVENT**

##### **5.3.1.1 Vehicle Circulation and Passenger Loading**

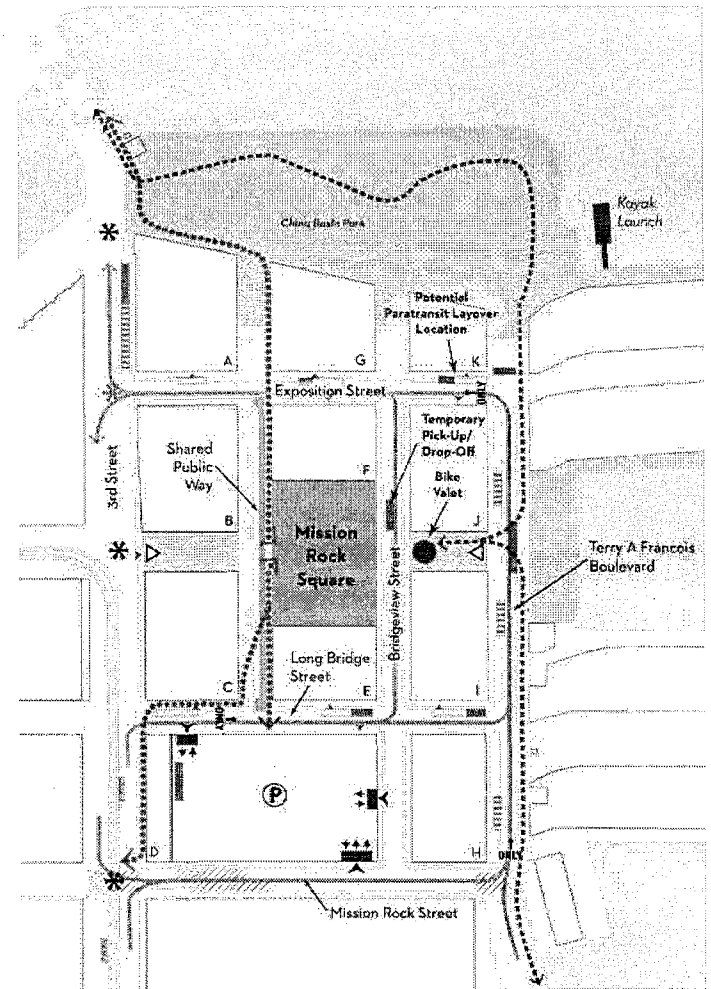
For the biggest China Basin Park events, Terry A. Francois Boulevard and Exposition Street could be closed to through traffic (the project team will apply for street closure permits through the standard City process), with the streets reserved for event-related pick-up and drop-off. To make vehicle flows predictable for pedestrians crossing these key streets, Terry A. Francois Boulevard could be converted to a one-way street northbound, and Exposition Street could be one-way westbound to complete a site-wide circuit.

It is anticipated that the north end of Terry A. Francois Boulevard, at or north of the intersection with Exposition Street, would be the main drop-off and pick-up location for people with mobility limitations. Taxi, TNC, and other vehicular loading could be focused along Exposition Street west of Terry A. Francois Boulevard.

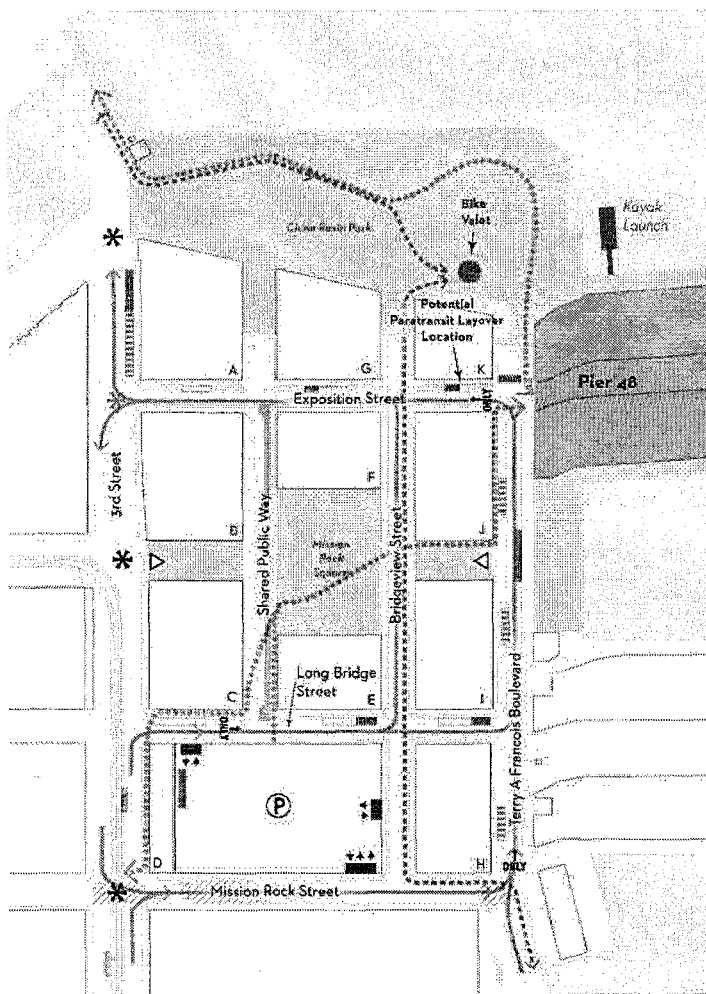
-  Passenger Pickup & Dropoff
-  ADA-Accessible Loading
-  Commercial Deliveries Only
-  Closed to Vehicular Traffic
-  Existing Traffic Signal
-  Potential Traffic Signal
-  Garage Entry Lane Open
-  Garage Exit Lane Open
-  Planned Driveway
-  Potential Driveway
-  Keep Clear Zone
-  Access to Below-Grade Parking (if provided)



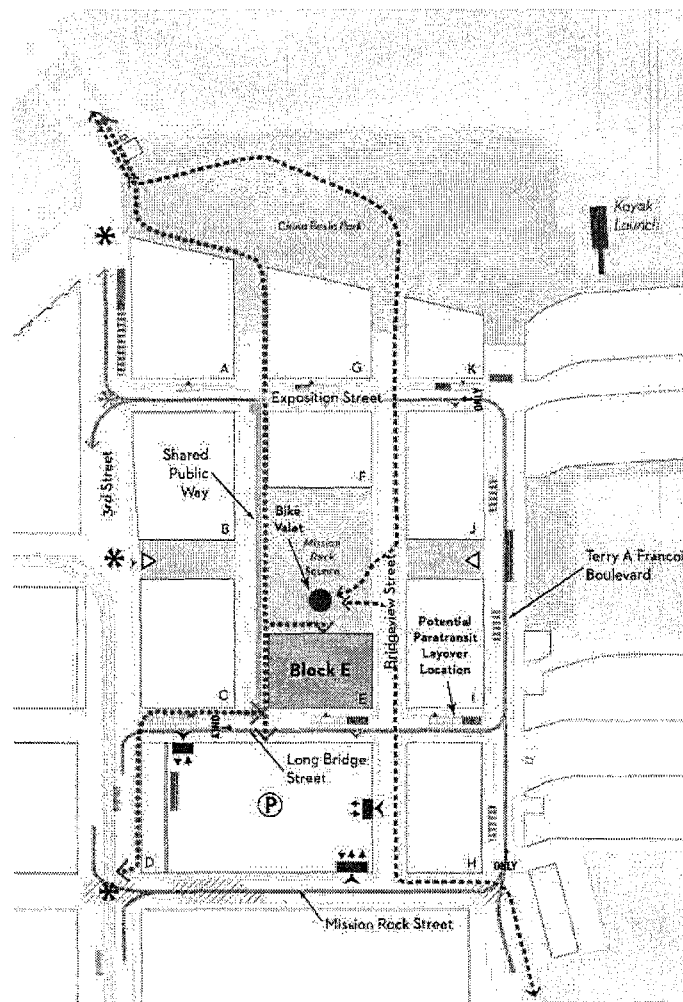
China Basin Park event circulation patterns



Mission Rock Square event circulation patterns



Event circulation patterns for potential event venue at Pier 48



Event circulation patterns for potential event venue at Block E

- ← Passenger Pickup & Dropoff
- ADA-Accessible Loading
- Commercial Deliveries Only
- Closed to Vehicular Traffic
- \* Existing Traffic Signal
- \* Potential Traffic Signal
- Garage Entry Lane Open
- Garage Exit Lane Open
- Planned Driveway
- Potential Driveway
- Keep Clear Zone
- Access to Below-Grade Parking (if provided)



### 5.3.1.2 Pedestrian Circulation

Pedestrian traffic is likely to focus along two major routes: 1) through China Basin Park and up 3rd Street to/from the Caltrain terminal at 4th and King streets and toward BART on Market Street, and 2) through the site to/from the parking garage and the Muni light rail station on 3rd Street south of Channel Lane. Flows through the site can be expected to concentrate on Bridgeview Street north of Mission Rock Square, in the square, and along the Shared Public Way and Long Bridge Street, en-route to the parking facility and the Muni station at the southwestern corner of the site. PCOs may be helpful on Exposition Street at Shared Public Way and Bridgeview Street, to enable vehicles picking up or dropping off passengers to exit the site.

### 5.3.1.3 Bicycle Circulation and Parking

Bicycle valet facilities could be located along the San Francisco Bay Trail, just southeast of the event space, and cyclists will also be able to use the network of public bicycle parking spaces throughout the site.

Cyclists from the north could be encouraged to dismount at the edge of China Basin Park and walk their bicycles around the event space to the bicycle valet facility. Cyclists from the south could be encouraged to dismount as they approach the area for pick-up and drop-off of attendees with mobility limitations.

## 5.3.2 MISSION ROCK SQUARE EVENT

### 5.3.2.1 Vehicle Circulation and Passenger Loading

For the biggest Mission Rock Square events, Shared Public Way could be closed to vehicle traffic (with

appropriate City permits), and Bridgeview Street between Long Bridge and Exposition streets will be closed to all but pick-up and drop-off of people with mobility limitations. As for China Basin Park events, Terry A. Francois Boulevard and Exposition Street could create a one-way loop for taxi, TNC, and other vehicular drop-off, and they could be closed to through traffic.

### 5.3.2.2 Pedestrian Circulation

Major pedestrian flows to transit nodes north and northwest of the site are anticipated to follow the Shared Public Way through China Basin Park to 3rd Street. Flows southwest to the main garage and the T-Third Muni light rail stop would follow Shared Public Way to the south and Long Bridge Street between Shared Public Way and 3rd Street.

### 5.3.2.3 Bicycle Circulation and Parking

Bicycle valet could be located on Channel Lane east of Mission Rock Square. The main flows of cyclists from points south would follow the San Francisco Bay Trail to Channel Lane. Temporary signage at the north end of the site would encourage cyclists to follow the San Francisco Bay Trail to Channel Lane. The cycle track on Bridgeview Street could be closed to bicycle traffic temporarily, to make way for large pedestrian flows and for the primary loading area for event attendees with mobility limitations.

Mission Rock residents, employees, and visitors would also be encouraged to travel to and from the site on foot, bike, or transit on days with events on-site or at AT&T Park. Site transportation staff would keep and

prominently display a calendar of major events as a planning resource for regular users of the site.

## 5.3.3 EVENTS IN POTENTIAL VENUES AT PIER 48 AND BLOCK E

As the figures on page 63 show, circulation patterns related to events at potential Pier 48 and Block E event venues would be similar to those for events at China Basin Park and Mission Rock Square respectively. The following subsections describe slight differences.

### 5.3.3.1 Vehicle Circulation and Passenger Loading

For events at Pier 48, vehicular circulation through the site are anticipated to be the same as for events at China Basin Park. For events at Block E, paratransit loading could be moved to Long Bridge Street. To account for increased flows of cyclists along Bridgeview Street, vehicles could be discouraged from using that street by on-site personnel or temporary signs.

### 5.3.3.2 Pedestrian Circulation

Pedestrian flows are expected to be broadly similar to those for China Basin Park (Pier 48 events) and Mission Rock Square (Block E events).

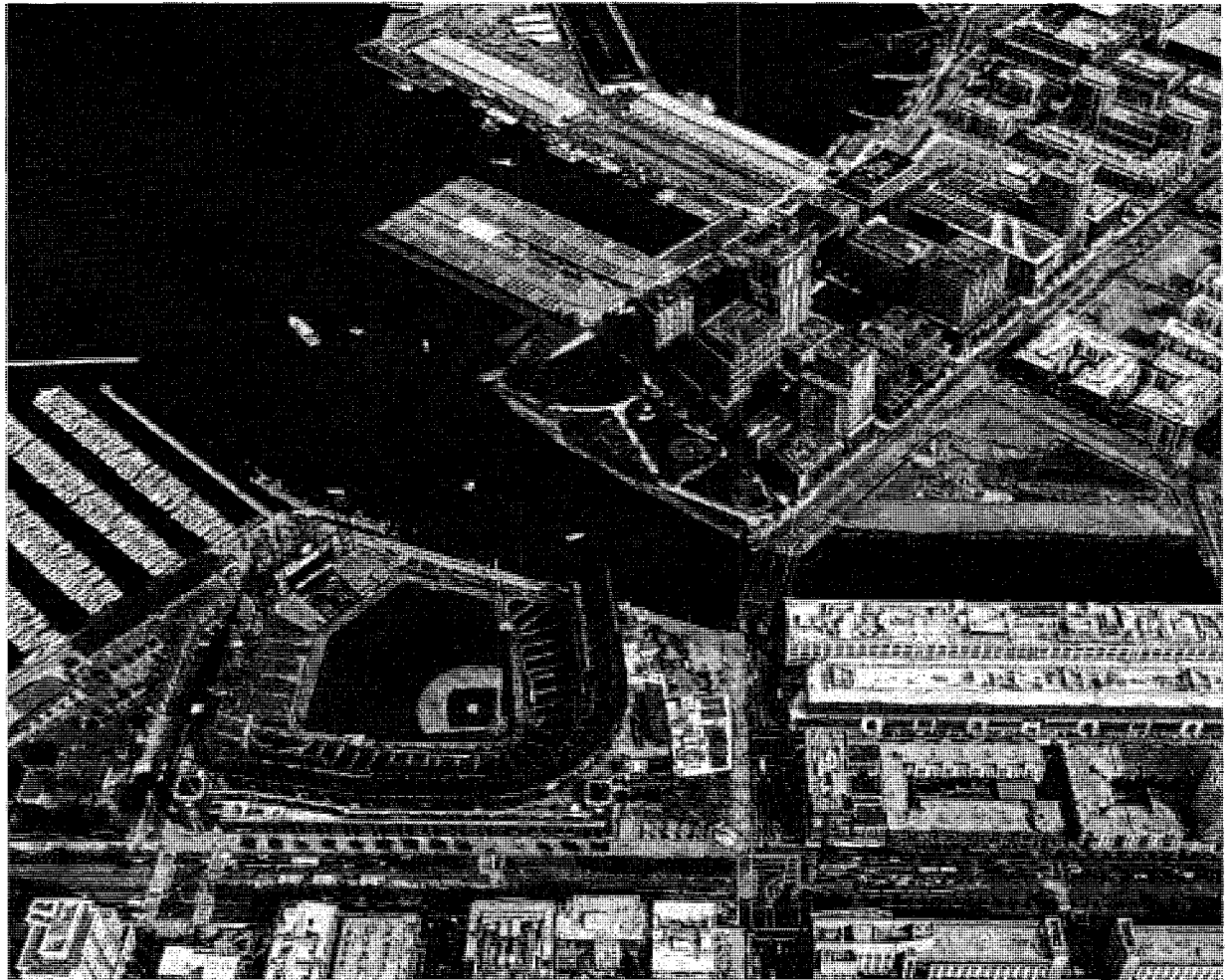
### 5.3.3.3 Bicycle Circulation and Parking

For Pier 48 events, bicycle valet services could be sited on the China Basin Park Great Lawn. Cyclists from the south could be encouraged to use Bridgeview Street, to clear space for pedestrian circulation between Pier 48 and Block K. For Block E events, bicycle valet services could be sited in Mission Rock Square, and cyclists would be expected to gravitate to Bridgeview Street for access from both north and south.

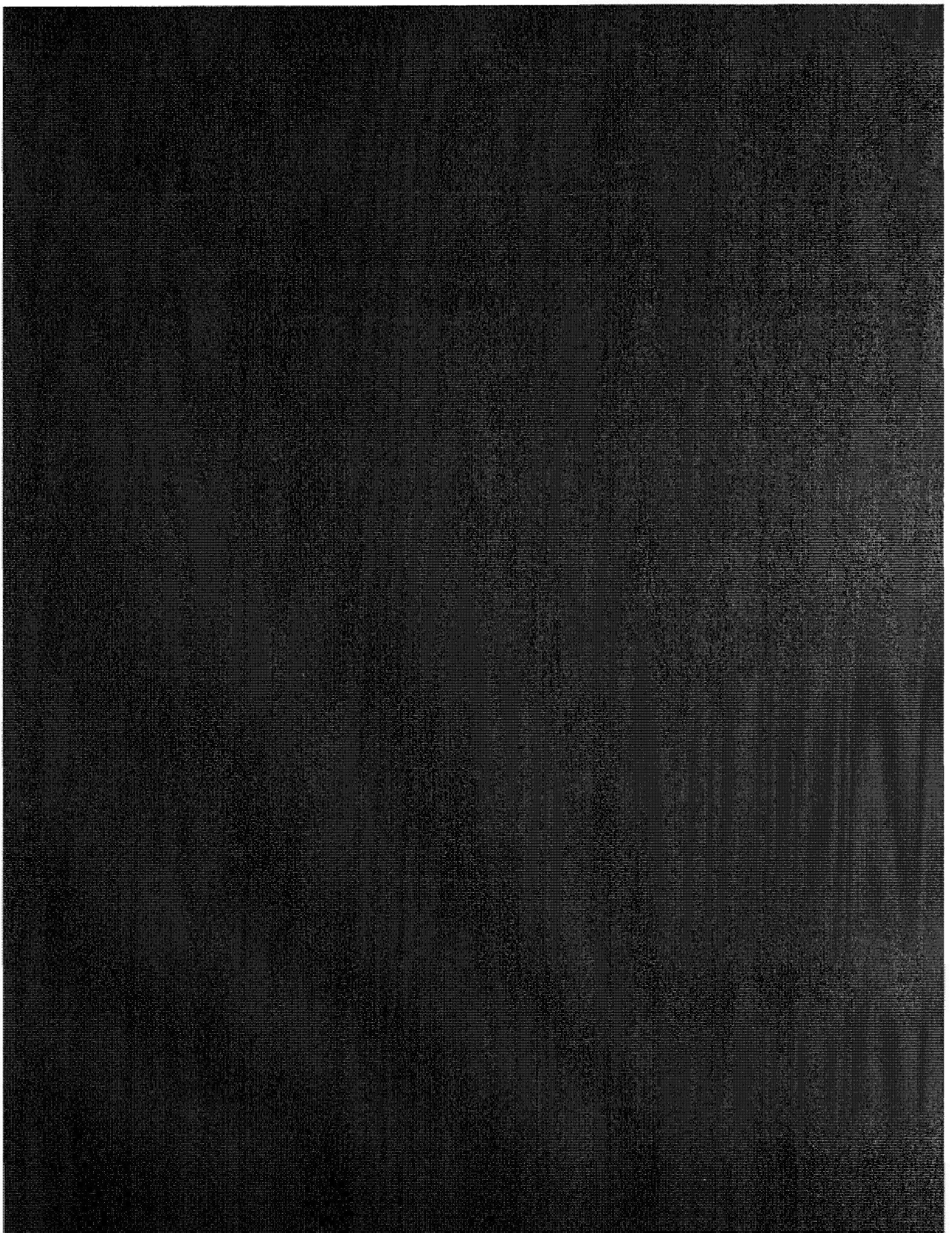
## 5.4 CONCLUSIONS

Those who live and work near AT&T Park enjoy the exciting, festive atmosphere created by such a premiere urban event space, and they also know it takes some extra planning to make trips to and from the area as smooth as possible. The Giants and the transportation staff at Mission Rock will work hard to aid in this planning by providing users of the site ready access to an abundance great information and a range of travel choices.

In the same spirit, the Giants and the Mission Rock team are committed to working with neighborhood organizations to responsibly manage event-related transportation conditions and make sure inconveniences related to events are kept to a minimum.



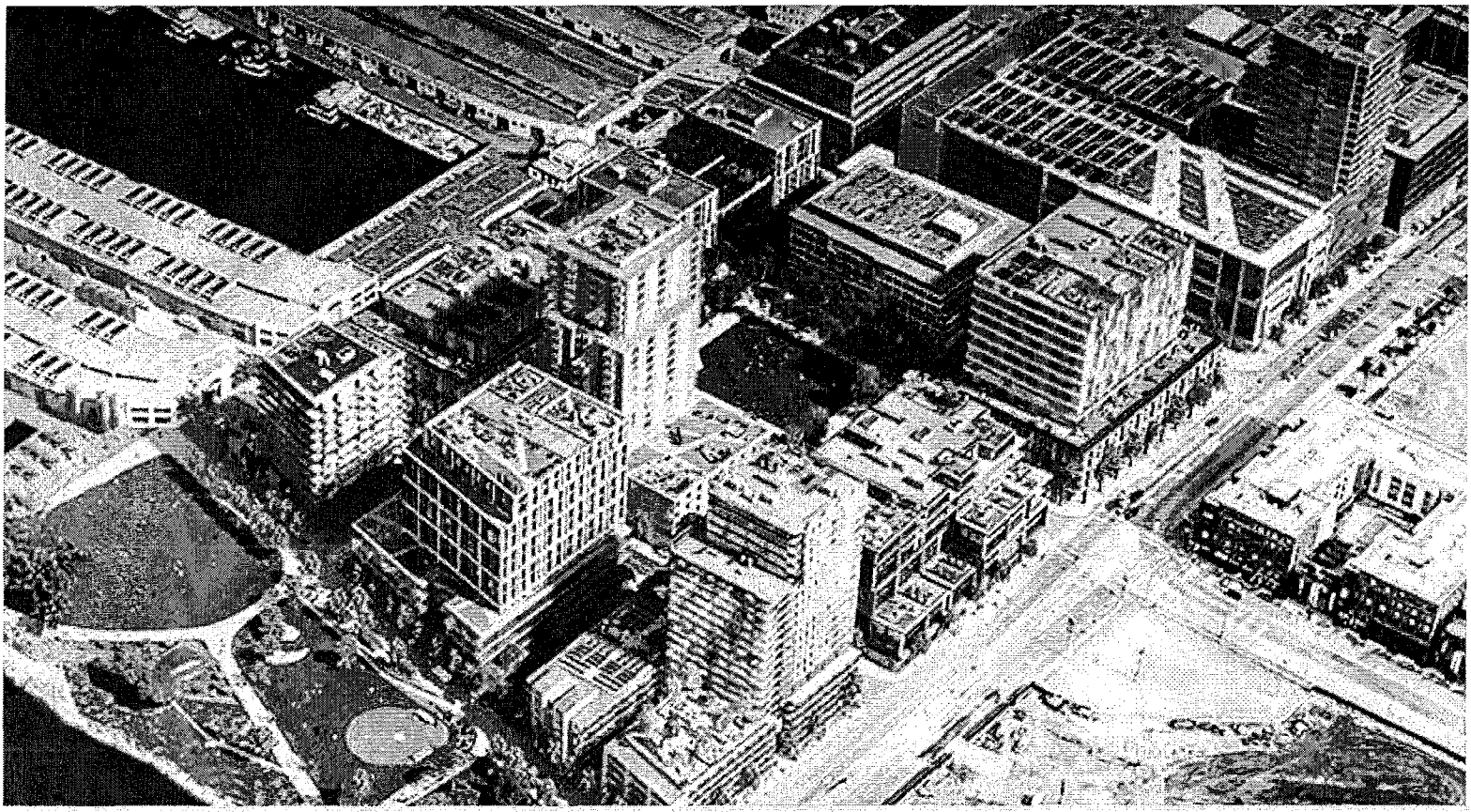
AT&T Park and Mission Rock



**DDA EXHIBIT B7 - TP SCHEDULE 2**

**"TDM Plan"**





# **MISSION ROCK TRANSPORTATION DEMAND MANAGEMENT PLAN**

**December 2017**



**MISSION ROCK TRANSPORTATION DEMAND MANAGEMENT PLAN**  
Seawall Lot 337 Associates, LLC

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# 1 OVERVIEW

The development context and overall design profile of Mission Rock make it a prime candidate for robust and effective transportation demand management (TDM). Travel demand generated by Mission Rock will be affected by locational and land use factors, such as proximity to high quality transit, the presence of transit-supportive land use densities, and mixed land use patterns.

This TDM Plan describes measures that will enable Mission Rock to actively manage travel demand through a variety of up-front infrastructure investments and ongoing programs, including unbundled parking, pedestrian- and bicycle-friendly design, transportation marketing, vehicle share facilities and memberships, and others. Ultimately, implementing a robust TDM program will reinforce the forward-thinking vision and brand of Mission Rock as an active and vibrant district that is inclusive and safe for all users.

## DEVELOPMENT CONTEXT AND DESIGN PROFILE

Establishing new and enhanced links to and along San Francisco's waterfront, Mission Rock's mixed-used, multi-phase development will be a dynamic addition to the Mission Bay neighborhood. Encompassing approximately 27 acres, Mission Rock is slated to include 11 parcels of residential, office, and retail development as well as a refurbished and reactivated Pier 48, an expanded China Basin Park, and a variety of smaller open space areas. Including Pier 48, Mission Rock will include approximately 1,000 to 1,500 dwelling units, 1.4 to 1.8 million square feet of commercial development, and more than five acres of new open space, for a total of approximately 3.9 million gross square feet of development and eight acres of open space. The site plan calls for a tight and highly walkable urban street grid, with more than half a mile of complete streets. In addition, between 2,400 and 3,000 parking spaces could be provided in off-street facilities.

Mission Rock is located near a busy, increasingly congested part of San Francisco and is readily accessible via car, transit, walking, and bicycling. The site is accessible to I-280 and US-101/I-80 through SoMa's urban street grid, with bicycle connections to the north via the Embarcadero bike route as well as to the south via the Blue Greenway. More importantly, the project is well served by transit, both local and regional. Multiple lines of Muni bus and light rail are within a quarter-mile of the site, with moderate to high frequency of service for most of the day and late into the evening.

Although narrow sidewalks, missing crosswalks, long blocks, and the amount of on-going construction in the surrounding area all currently challenges for pedestrians and bicyclists, the Mission Rock development includes multiple street design improvements to create a safe and inviting environment, such as:

- A highly connective grid of internal streets
- Sidewalks that are to be between 12 and 15 feet wide throughout the project site

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- High visibility sidewalks, bulb-outs, and raised pedestrian crossings
- Completion of the portion of the Blue Greenway that runs through the site, with a 16-foot-wide shared bike and pedestrian right-of-way running along Terry Francois Boulevard and the northern edge of China Basin Park
- Designated bicycle lanes or bicycle-friendly low-traffic blocks on all internal roadways
- Bicycle treatments at internal intersections

Mission Rock will also provide important neighborhood amenities – groceries, childcare, personal services – establishing destinations that are easily accessible by all modes of transportation. The existing and future transportation infrastructure in the area (see Figure 1) will further promote the use of all modes of active transportation.

**Figure 1      Mission Rock Context Map**

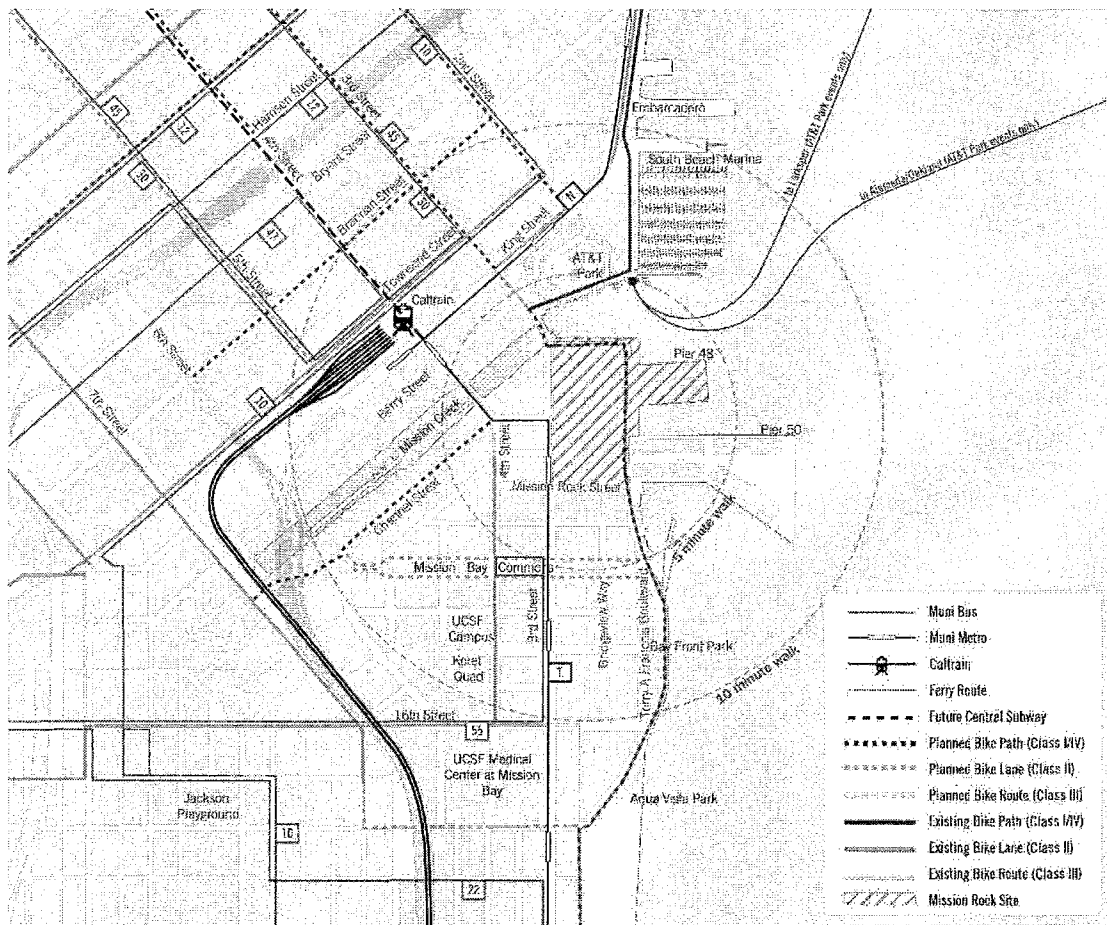


Figure 2 summarizes Mission Rock’s development components, associated vehicle trip estimates, and the anticipated trip reduction goal, per commitments made in the project’s Environmental Impact Report (EIR).

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**Figure 2 Estimated Vehicle Trip Generation and Trip Reduction Goal<sup>1</sup>**

Scenario	Proposed Development Components (approximate)	Aggregate Daily One-Way Vehicle Trips (a)	Number of Trips to be Reduced (b = a * 20%)	Target Threshold (c = a - b)
High Commercial, Low Residential	<ul style="list-style-type: none"> <li>▪ 1,048 dwelling units</li> <li>▪ 1.4 million square feet (sf) office</li> <li>▪ 130,000 sf retail</li> <li>▪ 86,000 sf sit-down restaurant</li> <li>▪ 37,000 sf quick service restaurant</li> <li>▪ 5 acres park</li> <li>▪ 190,000 sf brewery</li> <li>▪ 11,000 sf brewery retail</li> <li>▪ 11,000 sf brewery restaurant</li> </ul>	7,615	1,523	6,092
Low Commercial, High Residential	<ul style="list-style-type: none"> <li>▪ 1,579 dwelling units</li> <li>▪ 980,000 square feet (sf) office</li> <li>▪ 130,000 sf retail</li> <li>▪ 84,000 sf sit-down restaurant</li> <li>▪ 36,000 sf quick service restaurant</li> <li>▪ 5 acres park</li> <li>▪ 190,000 sf brewery</li> <li>▪ 11,000 sf brewery retail</li> <li>▪ 11,000 sf brewery restaurant</li> </ul>	7,242	1,448	5,794

## WHY TRANSPORTATION DEMAND MANAGEMENT

This TDM Plan reaffirms Mission Rock's commitment to sustainability and inclusivity. It encourages the site's residents, employees, and visitors to use the most environmentally friendly and spatially efficient mode possible for each trip, with an emphasis on cycling, walking, and shared rides.

The measures outlined below are designed to work together to affect site users' travel habits. Targeted programs strengthen the benefits of investments in bicycle and pedestrian infrastructure and the site's proximity to major transit nodes by reinforcing awareness of these options, breaking down barriers to incorporating them in travel routines, and incentivizing habitual use.

The site plan and TDM program are consistent with several decades of City of San Francisco climate and sustainability policies that aim to encourage the use of transit and other non-auto modes of transportation. It is also consistent with the City's efforts to manage the transportation impacts of new development. The Plan was developed with San Francisco's new TDM Ordinance in mind, and the Mission Rock team used the Ordinance's framework to scale the site's programs appropriately.

Many campuses have implemented similar TDM programs to reduce single-occupancy vehicle (SOV) travel and find the optimal balance of transportation modes to accommodate growth.

<sup>1</sup> Seawall Lot 337 and Pier 48 Mixed-Use Project Environmental Impact Report, Appendix 4-1 – Transportation Impact Analysis, April 2017. Pg. 486.

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Genentech implemented an aggressive TDM strategy in 2006 that included programs such as shuttle service and parking cash-out accompanied by comprehensive marketing and communications through an online employee portal. Since implementation, drive-alone mode share has decreased by almost 30%, decreasing carbon emissions from 4.5 tons per employee to 1.9. Similarly, Stanford University's extensive TDM program, which has for years included meaningfully priced parking, transit subsidies, and incentive programs, has effected a substantial decrease in SOV commuting, from 72% in 2002 to 46% in 2011. Moreover, these programs serve campuses that grew rapidly during the periods noted, but this growth was not accompanied by substantial increases in parking.

In a similarly urban environment, the City of Cambridge implemented a parking and TDM ordinance in 1998, made permanent in 2006. In the Kendall Square area, which predominantly houses large biotechnology firms and research and academic institutions, such as the Massachusetts Institute of Technology, the ordinance has been particularly effective. Although the neighborhood has added 4.6 million square feet of commercial and institutional development over the past 10 years, automobile traffic has *decreased* on major streets, with vehicle counts decreasing as much as 14 percent.<sup>2</sup> In this way, citywide TDM measures in Cambridge have not deterred the development market while still having a positive impact on quality of life and the environment.

Given these successes, robust TDM programs are becoming expected aspects of new developments, in central cities and suburbs alike. San Francisco is no exception. The City has established a TDM ordinance that would require developers to establish TDM programs scaled to the amount of parking they plan to build on-site. This ordinance reinforces existing multimodal policies, such as the city's Transit First Policy, which was established in 1973 and amended to include pedestrians and bicyclists in 1999. New residents and office tenants increasingly demand convenient access to quality multimodal infrastructure, and in urban areas like San Francisco, they assume that parking will be treated as a limited commodity that will be priced based on occupancy levels and market rates. The Mission Rock TDM Plan reflects the values outlined in City policies by striving to maximize user satisfaction and foster travel choices that are sustainable in all senses of the word.

## **PLAN OVERVIEW**

This Plan is comprised of the following chapters:

- Chapter 2 presents a slate of recommended TDM measures for Mission Rock to reduce SOV trip and parking demand for the development.
- Chapter 3 presents the marketing and communications strategy for Mission Rock's TDM program, discussing the interplay between the primary communication mechanisms, the TDM measures, and the various user groups of Mission Rock.
- Chapter 4 presents Mission Rock's approach to monitoring the TDM Plan's implementation to ensure that it achieves the 20% vehicle-trip reduction target.

This TDM Plan will be incorporated into the Transportation Plan for Mission Rock, which will coordinate daily circulation of people, bicycles, and vehicles to, from, and around the site.

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<sup>2</sup> Moskowitz, Eric. "Car-free commuting push pays off in Kendall Square." *The Boston Globe*. July 25, 2012. <https://www.bostonglobe.com/metro/2012/07/24/kendall-square-car-traffic-falls-even-workforce-soars/C4Fio7iKZnwEMAw7y4cJgN/story.html>

## 2 PLANNED MEASURES

The Mission Rock TDM Plan consists of a package of measures that will work together to effect behavioral change in a way that is both cost effective and highly marketable. Measures include incentives, programs, and infrastructure improvements, and they include many that have been successfully implemented in other mixed-use and urban environments; those case studies are cited as possible below each measure.

The measures balance the desire to provide innovative transportation amenities with the need to maintain a cost-effective program and an acknowledgement that Seawall Lot 337 Associates, LLC will not hold a primary relationship with site tenants over the long term – vertical developers or the management companies that take ownership of individual buildings once they are developed will ultimately play this role, and will be required to be responsible for any relevant ongoing programs. As such, programs that necessitate ongoing operational expenditures are included but deemphasized in favor of one-time, up-front investments that give new tenants and visitors immediate experiences with and exposure to the array of non-auto transportation options available to them. These will form lifelong patterns of choosing sustainable transportation options. Figure 2 gives an overview of the measures included in the Plan, and identifies the likely responsible party for implementing the measure, the target audience for the measure, the communication channels used and associated level of impact. The remaining chapter provides further detail. As in the table's column headings, colors are used to differentiate infrastructural (☞) and operational (✧) measures in the text below. A few of these recommendations have been directly integrated into the design of Mission Rock, as codified in the Design Controls and other design documents.

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**Figure 3 Summary of Planned TDM Measures by Mode**

● = High Impact ○ = Medium Impact ○ = Low Impact      Infrastructural = ❖ Operational = ❖

Mode	Measure Type	TDM Program Measures	Responsible Party	Target Audience for Measure			Communication Channels Used			Page Reference
				Residents	Employees	Visitors	Mobile-Friendly, Site-Wide Website	Signage and Wayfinding	Site-Wide Transportation Staff	
Transit	❖ ❖	Real-time transit information and marketing screens	Vertical Developer	x	x	X	●	○	-	10
Transit	❖	One-time transit subsidies	Vertical Developer	X			●	-	●	11
Bicycle	❖	Bike share memberships	Vertical Developer	X			●	-	○	12
Bicycle	❖	Space for on-site bike share	Horizontal Developer	X	X	X	●	●	-	13
Bicycle	❖	Bicycle valet	Horizontal Developer			X	●	●	-	13
Bicycle	❖	Bike community programming with periodic giveaways	Vertical and Horizontal Developers	X	X		●	●	●	13
Bicycle	❖	Bicycle resource center, including vending machine with parts and tools and fix-it station	Horizontal Developer	X	X		○	●	○	14
Bicycle	❖	Secure bike parking in buildings and along desire lines	Vertical and Horizontal Developers	X	X	X	○	●	-	14
Bicycle	❖	Showers and clothes lockers for employees	Vertical Developer		X		○	●	○	16

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Mode	Measure Type	TDM Program Measures	Responsible Party	Target Audience for Measure			Communication Channels Used			Page Reference
				Residents	Employees	Visitors	Mobile-Friendly, Site-Wide Website	Signage and Wayfinding	Site-Wide Transportation Staff	
Personal Motorized Transport	❖	On-site shared scooters	Horizontal Developer	X	X	X	●	●	○	16
Personal Motorized Transport	❖	Electric scooter share memberships	Vertical and Horizontal Developers	X			○	-	○	17
Personal Motorized Transport	❖	On-site car share parking spaces	Horizontal Developer	X	X	X	●	●	○	18
Personal Motorized Transport	❖	Car share memberships	Vertical Developer	X			⊙	-	●	18
Parking	❖	Market-based off-street parking pricing	Garage Developer	X	X	X	⊙	⊙	⊙	19
Parking	❖	Unbundled parking	Vertical and Horizontal Developers	X	X		○	-	●	19
Parking	❖	Reduced parking supply	Horizontal Developer	X	X	X	⊙	●	-	20
Parking	❖	Real-time information on parking pricing and availability	Vertical and Garage Developers	X	X	X	●	●	-	20
Buildings	❖	In-building concierge services	Vertical Developer	X	X		-	-	⊙	22
Buildings	❖	Delivery coordination for online personal services	Horizontal Developer	X	X		●	-	○	22

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Mode	Measure Type	TDM Program Measures	Responsible Party	Target Audience for Measure			Communication Channels Used			Page Reference
				Residents	Employees	Visitors	Mobile-Friendly, Site-Wide Website	Signage and Wayfinding	Site-Wide Transportation Staff	
Buildings	❖	Partnerships with CSAs	Horizontal Developer	X	X		●	⦿	○	23
Buildings	❖❖	Cold, dry storage space for grocery and package delivery	Vertical Developer	X			-	●	-	23
Buildings	❖❖	Family supportive amenities	Vertical Developer	X			-	●	-	23
Buildings	❖❖	Convenient loading zones	Horizontal Developer	X	X	X	-	●	-	24
Buildings	❖❖❖	Childcare services and facilities	Vertical Developer	X	X		●	○	-	24
Buildings	❖❖	Collaborative work space with business services	Vertical Developer	X			●	○	-	24
Buildings	❖❖❖	Convenient elevator design for bicycles, strollers, wheelchairs, etc.	Vertical Developer	X	X	X	-	○	-	25
Buildings	❖❖❖	On-site affordable housing	Vertical Developer	X			●	-	○	26
All Areas	❖❖	Site-wide transportation staff	Vertical Developer	X	X	X	⦿	-	●	26
All Areas	❖❖	Mobile-friendly Mission Rock transportation website	Horizontal Developer	X	X	X	●	-	-	27



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Mode	Measure Type	TDM Program Measures	Responsible Party	Target Audience for Measure			Communication Channels Used			Page Reference
				Residents	Employees	Visitors	Mobile-Friendly, Site-Wide Website	Signage and Wayfinding	Site-Wide Transportation Staff	
All Areas	❖	Intuitive signage and wayfinding for trip planning across all modes	Horizontal Developer	X	X	X	-	●	-	27
All Areas	❖	Improved walking conditions to, from, and within Mission Rock	Horizontal Developer	X	X	X	-	●	-	27

Some TDM measures like parking pricing have a more direct effect on travel behavior, while others like facilitating delivery services play a more supportive role. For another example, providing car share membership leverages the potential impact of providing easily accessible car share spaces. In other words, the effectiveness of these combined measures is more than the sum of the parts.

The importance of monitoring cannot be overstated; regular monitoring enables management to effectively address and adjust these measures over time in response to changing residential and employee needs.

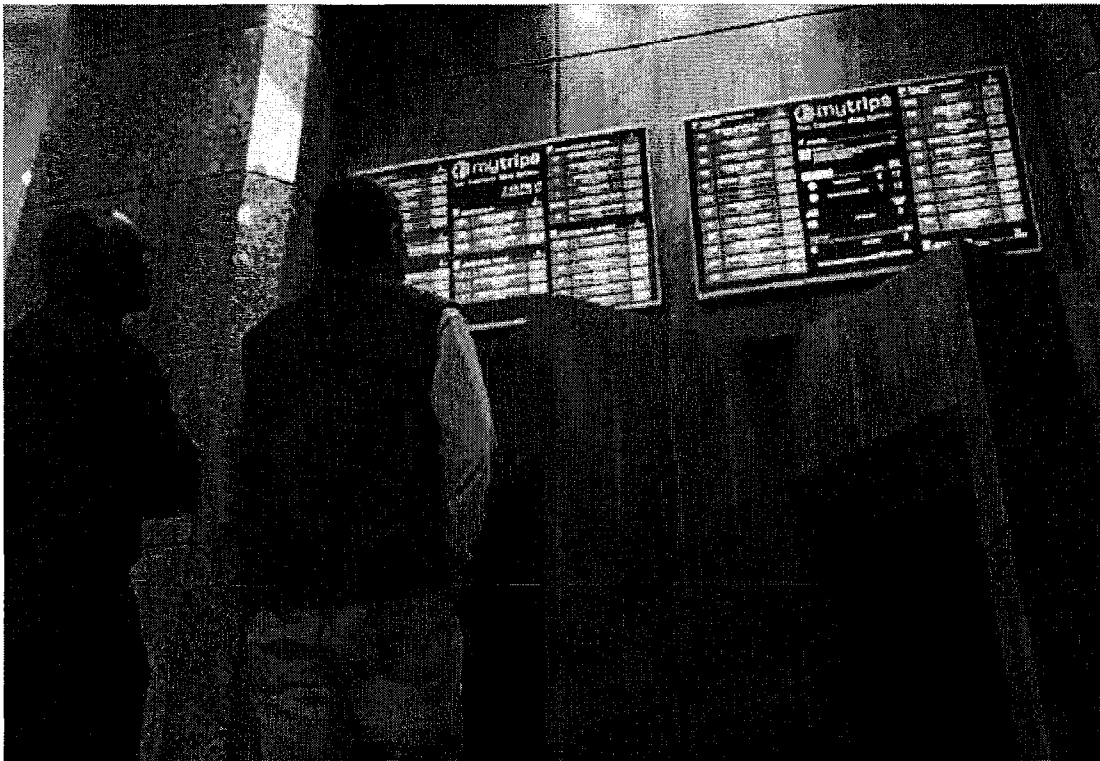
## **TRANSIT MEASURES**

### **❖❖ Real-time Transit Information and Marketing Screens**

This programmatic measure consists of providing real-time transit information to Mission Rock residents, employees, and visitors. Information will be displayed on screens in lobbies (see Figure 3) and other high traffic areas, such as the collaborative work space or the childcare facilities. Making such information readily available increases residents' awareness of local transit options and facilitates efficient trip planning and use of other modes.

**Mission Rock will display dynamic transit information and transportation marketing in building lobbies or use a similar approach based on state-of-the-practice technology at the time of occupancy.**

**Figure 4**      **TransitScreen Display in an Office Lobby**



### **Implementation Examples**

Parkmerced, the largest apartment community in San Francisco, began a partnership in 2014 with TransitScreen, a company that provides this service. TransitScreen is working with the Metropolitan Transportation Commission to modernize transit displays in over 46 locations throughout the San Francisco Bay Area. Another residential development, NEMA, provides real-time transit information on their resident app and website.

### **❖ One-Time Transit Subsidies**

The Clipper card is the Bay Area's transit fare payment card and can be used on more than 20 of the region's transit agencies, including BART, Muni, and the ferries. Providing a one-time transit subsidy in the form of Clipper cards upon move-in can increase residents' awareness of nearby transit options and increases the ease with which they can start using it. Clipper cards through a bulk purchase through the Metropolitan Transportation Commission, the regional public agency that manages Clipper. A custom-designed Clipper card can help tie the Mission Rock brand more closely to lifestyles that incorporate frequent transit use.

Providing Clipper cards increases the ease of using transit for employees and residents who currently do not have Clipper. For individuals who already have cards, the one-time financial subsidy could help lower one barrier to increased transit use.

**Mission Rock will provide a one-time transit subsidy in the form of a Clipper card pre-loaded with \$50 cash value to all residents over the age of 18 upon move-in, and will require that business tenants offer employees the same.**

### **Implementation Examples**

The City TDM Ordinance lists one-time financial incentives paired with outreach to employees and residents as a possible measure. Although other residential developments in the Bay Area have provided free/discounted monthly transit passes to residents, providing a Clipper Card with a set value pre-loaded would be a new measure.

## BICYCLE MEASURES

Figure 5 Ford GoBike Bike Share Dock



### ❖ Bike Share Memberships

Members of Ford GoBike can take free, unlimited 30-minute one-way bike rides between bike share stations. Once the system's expansion is complete (planned for November 2016 through 2018), annual memberships will cost \$149 per year. Providing residents and employees with bike share memberships could help tenants with minimal experience bicycling in San Francisco a low-cost and low-obligation opportunity to try cycling, and it would provide residents with a quick and easy way to get to the Transbay Transit Center and Market Street, for BART connections and a variety of other transit options and recreational activities.

**Mission Rock will offer bike share memberships for all residents 18 years and older for one year upon move-in.**

### **Implementation Examples**

While many property owners partner with bike share services to locate bike share docks nearby, offering a bike share membership to residents would be a new measure. Multiple tech companies in the Bay Area, such as Microsoft and Facebook, partner with Bikes Make Life Better, a company that specializes in bicycle program management, to develop and administer their bike programs.

### **❖ Space for On-Site Bike Share**

This measure would involve partnering with Ford GoBike to locate one or more bike share docks in Mission Rock. The system is primarily concentrated in downtown San Francisco, but has recently expanded to Oakland and Berkeley. In May 2017, they announced their plans to establish 7,000 GoBikes across San Francisco, San Jose, Oakland, Berkeley, and Emeryville by 2018. As bike share placement is most effective every 1,000 feet, Mission Rock should examine where Ford GoBike is already planning to establish bike docks near the development and consider sponsoring at least one dock within the site itself. Currently, there is one bike station planned at Terry Francois Boulevard and 3<sup>rd</sup> Street. Prominently located bike share docks can increase awareness of bike share as a viable transportation option while also facilitating convenient use. Each bicycle dock would be provided and maintained by Ford GoBike, but sponsoring a bicycle dock would allow control over the specific siting and design of the dock, including incorporation of developer-specific branding on the bikes, docks, and other materials.

**Mission Rock will establish a high visibility space for a Ford GoBike (or similar provider) dock, with the possibility of additional docks depending on the bike share provider's intended Mission Bay expansion. If sponsorship is necessary, Mission Rock will take it into consideration.**

### **❖ Bike Valet**

Complementing the bike parking available on a daily basis, bike valet services during special events can encourage people to travel to and from events by bicycle by eliminating the challenge of finding safe and convenient bike parking in an area crowded with event attendees. These services also raise public acceptance and support for non-motorized transportation by building connections with visitors.

**Mission Rock will provide free bike valet services for all on-site events, as required by code.**

### **Implementation Examples**

San Francisco Administrative Code Section 2.76 requires that events that require a street closure and anticipate over 2,000 attendees provide monitored bicycle parking. Currently, the San Francisco Bicycle Coalition provides these services for many events, including those at AT&T Park.

### **❖ Bike Community Programming**

Bike-oriented programs and events encourage bicycling by raising public acceptance and support for non-motorized transportation and building connections between residents who regularly bike, making biking a fun, social activity. These events could include evening bike parties, bike-oriented happy hours, periodic bike gear giveaways, and bicycle campaigns that involve contests

and prizes. Integrating bicycling into the social fabric of the Mission Rock community will raise the profile of bicycling as a viable mode of transportation and encourage people to try biking for a portion of trips.

**Through the site transportation staff, Mission Rock will host regular bike parties or happy hours for the bicycling community, potentially paired with gear giveaways.**

### **Implementation Examples**

Although private and non-profit organizations such as the San Francisco Bike Coalition often host these types of events, bike event programming led by a mixed-use development would be a new measure. Some Bay Area employers, such as LinkedIn and Google, sponsor special events around Bike to Work Day paired with regular giveaways and bike valet.

### **Bicycle Resource Center**

A bicycle resource center can provide a dedicated space for residents and employees to get information about bicycling as well as tools and parts for bike repairs and maintenance. A dedicated space contributes to social acceptance of bicycling and reduces one key barrier associated with owning a bike – concern about complications related to ongoing maintenance – by providing tools and parts through a vending machine at low prices. This measure will also include working to incorporate a bicycle store in the site retail plan and establishing a resource center containing a vending machine for bicycle parts, a “fix-it” work station with basic tools, and bicycle pumps somewhere else within the site at an easily accessible location.

**Mission Rock will establish bicycle maintenance space near a major secure bike parking area within each building with resources like a bike stand, a workbench, tools, and a basic repair kit. This space will be available over the life of the project. The team will work to include a bike store as part of the site retail plan.**

### **Implementation Examples**

In Seattle, Via6 is a 654-unit mixed-use apartment complex that provides a bike wash station for residents, as well as a bike shop on the ground floor that is owned and operated separately from the development. The Velo Room at Solera (Denver) provides tools, bike stands, work benches, air pumps, tubes, and other supplies, as well as gel packs, energy bars, and bike trail maps. Several university campuses, including Ponce Health Science University in Portland and the University of California-Davis, have bicycle repair stations in key facilities.

Figure 6 Bike Center, Millenium Park, Chicago



Source: Flickr, Brian Kusler

## Bike Parking

Following San Francisco Zoning Code Section 155, Table 155.2, the Mission Rock project is required to provide at least 710 secure bike parking spaces (Class I), in addition to at least 371 spaces for bikes in publicly-accessible locations (Class II), under the Maximum Commercial Scenario. Under the Maximum Residential Scenario, the Mission Rock project is required to provide at least 765 Class I spaces, and 388 Class II spaces.

Given the importance of non-motorized transportation to the site's overall design concept, this measure goes above that requirement to provide one Class I space per dwelling unit, one Class I space per 2,500 square feet of commercial development, one Class I space per 3,750 square feet of retail, and one Class I space per 5,000 square feet of open space, in addition to around 700 Class II spaces. Class I parking consists of secure long-term bicycle parking, including bicycle lockers, bike cages, and bike rooms. Class II bike parking refers to more short-term bicycle parking, including on-street bike racks. The site's location on a Class I north-south bicycle facility and in a flat part of San Francisco implies a strong potential for very high rates of bicycle usage, and this should be encouraged through easy access to ample, convenient bicycle parking. Bike parking facilities will also accommodate various types of bicycles including those with cargo and trailer attachments.

There are several methods of providing secure (Class I) bicycle parking spaces for residents and employees. Bike cages can be placed at convenient locations within buildings or on sidewalks in the area, and bike owners who qualify can receive a key or access card to use the cages. This space

will serve as a common, secure bike room, where residents or employees can use a key or access card (often the same card used to access an elevator or parking garage). Moreover, public bike parking is often considered secure when it is situated in well-lit, highly visible areas.

**Exceeding the bike parking required by City code, Mission Rock will construct 1 Class I bike parking space per dwelling unit, an additional 511 (under the High Residential Scenario) or 667 (under the High Commercial Scenario) Class I spaces for commercial development, and 675 (under the High Commercial Scenario) or 692 (under the High Residential Scenario) Class II bike parking spaces and will work with vertical developers to set aside necessary square footage for secure bike parking in the ground floor or another convenient area of each building.**

### **Implementation Examples**

As it is required by San Francisco zoning code, any new construction, including the addition of new units or an increase of off-street vehicle parking capacity, must include bicycle parking spaces. For residential development, one Class I (secure) space per unit is required; for buildings with more than 100 units, 100 spaces plus one space per every four units over 100 are required. The requirements for commercial development vary; retail development must provide one Class I (secure) space for every 7,500 square feet of occupied floor area, and office developments must provide one space for every 5,000 square feet.

### **❖ Showers and Lockers for Employees**

Following San Francisco Zoning Code Section 155.4, specific land uses exceeding a certain square footage threshold are required to provide shower and clothes locker facilities for tenants and employees. Offices (including childcare, business services, and light manufacturing) that exceed 10,000 square feet must provide at least one shower and six clothes lockers; for facilities between 20,000 and 50,000 square feet, the building must provide two shower and 12 lockers. Those exceeding 50,000 square feet must provide four showers and 24 lockers. Retail sales and restaurants exceeding 25,000 square feet must provide one shower and six clothes lockers; those exceeding 50,000 square feet must provide at least two showers and 12 lockers.

**Mission Rock will work with the vertical developers to meet this requirement.**

### **Implementation Examples**

San Francisco first implemented this requirement in 1998, and amended it to include office land uses in 2013.

## **PERSONAL MOTORIZED VEHICLE MEASURES**

### **❖ On-site Shared Scooters**

Electric scooters are highly convenient in a dense urban environment and may have additional marketing value, given the cache scooters carry among certain population segments. The main company providing scooter share services is called Scoot, providing access to both single-rider scooters and quad vehicles, which have four wheels and can carry up to two people. One of the benefits of Scoot's network is the ability to travel point-to-point, instead of needing to return scooters to their point of origin. Scoot already has pods within about a half-mile of Mission Rock.



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Providing scooter share access to residents on-site will magnify the effectiveness of offering Scoot memberships. The parking garage would accommodate space for a scooter dock, which the scooter share vendor would provide and maintain.

**Mission Rock will reserve off-street parking space for 20 scooters (approximately six car parking spaces), and will pursue a potential marketing partnership opportunity with a provider of scooter share (e.g. Scoot) or a similar service.**

### **Implementation Examples**

This would be a new measure.

Figure 7 Scoot Networks



Source: Flickr, Marcin Wichary

### **❖ Electric Scooter Share Memberships**

Like a bike share membership, a scooter share membership for Mission Rock residents can help establish new travel behavior patterns upon move-in. This measure would entail partnering with Scoot or another electric scooter share vendor to provide free memberships in exchange to reserving space for electric scooter parking on-site.

**Mission Rock will offer a one-year membership for Scoot or a similar service to all new residents aged 21 and over who meet the scooter share provider's membership requirements, and will offer on-site scooter orientation (provided by Scoot Networks or a similar provider).**

### **Implementation Examples**

Offering scooter share memberships would be a new measure.

## ❖ On-site Car Share Parking Spaces

According to San Francisco Zoning Code<sup>3</sup>, Mission Rock is required to provide 31 to 38 car share spaces. Research indicates that a single car-share vehicle can remove as many as 20 private cars from the transportation network. Spaces will be located in high-visibility parking spots within the publicly-accessible parking garage, with clear exterior signage to increase visibility and emphasize the convenience of car share. City Car Share offers electric vehicles which appear to be equally popular, though others have found barriers to adoption as people are still becoming comfortable with using the technology; this may not be the case in five years. Depending on the car share vendor provided, additional partnerships with ChargePoint may be required to provide infrastructure for electric vehicle charging.

**Exceeding this code requirement, Mission Rock will negotiate an agreement with one or more local car share vendors to provide 50 designated car share spaces in initial design with flexibility to increase over time in response to demand. Mission Rock will also consider partnering with ChargePoint to provide electrical hookups adjacent to spaces to allow for the potential for electric shared vehicles, with the ability to increase over time in response to demand.**

## Case Studies

Fox Plaza (San Francisco) has 443 units with a 0.77 parking ratio and provides 14 car share vehicles on site, with 12 additional spaces located within 1/4 mile. Madera Apartments (Mountain View) has 203 units with a 1.37 parking ratio and provides two car share vehicles on site, with two additional Zipcar locations within 1/4 mile. The Uptown (Oakland) has 665 units with a 0.80 parking ratio and provides one car share vehicle on site, with an additional four car share locations within a 1/4 mile.

## ❖ Car Share Memberships

New residents will receive a car share membership for their first year of residency to help establish new behavioral patterns upon moving in (opt-out allowed, but default to providing for all). Pairing access to car sharing vehicles with car sharing memberships is also shown to be more effective than implementing one or the other on its own.

**Mission Rock will offer memberships to all households for their first year of residency. Depending on the agreement with the on-site car share vendor, membership fees will likely be reduced or waived and some rental credit may be provided.**

## Implementation Examples

Several Bay Area residential projects cover the full price of car share memberships for residents (New Californian - Berkeley; Madera Apartments - Mountain View; Fruitvale Transit Village - Oakland; Fox Plaza - San Francisco; The Uptown - Oakland). Many of these developments have parking ratios of less than one per unit, and all of them have seen parking utilization rates of well below capacity.

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<sup>3</sup> San Francisco Planning Code Section 166, Table 166.

## PARKING MEASURES

### ❖ Parking Pricing

The price of parking has been shown to be a highly effective mechanism in changing parking and travel behavior. Demand-responsive pricing involves altering the cost of parking according to the level of demand. During times of higher demand, parking has a higher price and thus encourages both a higher rate of turnover and the use of other modes; during times of lower demand, parking has a lower price. Prices generally do not change in real time based on current occupancy, but instead might automatically increase by a pre-set amount during peak periods, based on typical demand patterns, or for scheduled events. Prices might be adjusted overall a few times a year based on recent occupancy data. By refining the price of parking periodically, it is possible to keep parking occupancy rates relatively close to the optimal level, typically around 90% for off-street parking. Researchers have found that parking facilities function efficiently (i.e. without requiring excessive parking-search time) up to roughly this level of occupancy.<sup>4</sup>

**At the time when the site is fully built out, Mission Rock's parking facilities will be priced to keep demand below a threshold occupancy rate and to encourage site users to avoid parking during AT&T Park events. Non-event rates will be comparable to off-street parking prices at other facilities in SoMa and Northern Mission Bay.**

### Implementation Examples

Demand-based parking pricing has been implemented to various degrees in multiple cities. The *SFPark* program in San Francisco regulates parking prices for off-street as well as on-street parking facilities, adjusting hourly parking rates every three months based on the parking demand at each garage during five different time bands throughout the day. When occupancy exceeds 80%, hourly rates for the following three-month period are increased by 50 cents. Unlike approach planned for Mission Rock, *SFPark* also decreases prices when occupancy falls below a low-end threshold of 40%. When it was first implemented, the program also adjusted early bird parker time requirements and added off-peak discounts to discourage commuting at peak hours, reducing congestion around the garages. Since implementation, San Francisco has seen higher garage occupancy at lower prices overall, resulting in a marginal increase in revenue.

### ❖ Unbundled Parking

"Unbundling" parking means that the cost for parking is separate from the cost of residential and commercial units. It is an increasingly common practice in urban areas; the City of San Francisco requires residential developments to unbundle parking. Thirty percent of San Francisco households do not own a vehicle<sup>5</sup> and unbundled parking makes housing more affordable those who do not need a parking space. This approach provides a cost savings to households who decide to dispense with one of their cars, and it can help attract households who wish to live in a transit-

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<sup>4</sup> See: Levy, Nadav, Karel Martens, and Itzhak Benenson. Exploring Cruising Using Agent-Based and Analytical Models of Parking. *Transportmetrica*, DOI: 10.1080/18128602.2012.664575, 2012. AND Millard-Ball, Adam, Rachel Weinberger, and Robert Hampshire. Is the curb 80% full or 20% empty? Assessing the impacts of San Francisco's parking pricing experiment. *Transportation Research Part A: Policy and Practice*, No 63, 2014, pp. 76-92.

<sup>5</sup> U.S. Census, American Community Survey 2013, 5-year estimates

oriented neighborhood where it is possible to live well with only one car, or even no car, per household. Unbundling parking costs changes parking from a required purchase to an optional amenity, so that households can freely choose how many spaces they wish to lease.

Unbundling parking tends to reduce demand for parking by specifically calling out and making optional the previously hidden cost of “free” parking. This in turn allows developers to provide less parking, which increases the developable area for more lucrative land uses such as additional housing units. For this measure to work optimally for office users, the users of parking – not their employers – must be the ones who ultimately pay daily or monthly costs.

**Mission Rock will unbundle parking costs from all residential, commercial, and retail leases and ensure that the users of parking are the ones who ultimately pay for it.**

### ❖ **Reduced Parking Supply**

Overbuilding parking supply leads to increased automobile use, contributing to more vehicle trips, traffic congestion, higher housing costs, and greenhouse gas emissions. Providing parking at a rate below the surrounding neighborhood reduces the parking supply from what would be typically provided for this kind of development, which in turn reduces the number of trips the development may generate. Given the large number of households with no vehicle and the demand for housing in San Francisco, a limited supply of parking could be expected to attract a high proportion of residents without vehicles, which in turn would result in fewer vehicle trips from the development. Mission Rock is within a few blocks of frequent high-quality transit to downtown and is in a neighborhood that is already facing vehicular congestion, which further discourages driving and parking.

**Mission Rock will establish maximum parking ratios that are lower than the neighborhood average; if anticipated needs related to AT&T Park require providing parking at a rate higher than the neighborhood average, Mission Rock will still price parking at or above market rates for northern Mission Bay or SoMa, rather than reducing prices to fill the facility.**

### ❖ **Real-time Parking Pricing and Availability Information**

This programmatic measure consists of providing real-time parking pricing and availability information to Mission Rock residents, employees, and visitors who utilize the off-street parking facilities on-site. Information could be displayed on signs outside of the parking garage, and could also be accessible on the mobile-friendly Mission Rock website. For market-based parking pricing to be truly effective, the dynamic between price and availability must be clearly communicated to drivers. Making such information readily available to potential drivers, particularly at parking garage entrances, decreases the likelihood of drivers’ circling for parking or potentially increases the possibility of choosing other modes.

Real-time availability information for an overall facility can be derived from the access control of the parking garage, calculated based on the number of entries and exits at any given time. To provide garage floor-specific information on where spaces are available, each parking space needs a sensor (typically embedded in the floor) that communicates wirelessly with a central system to sense when the space is occupied.

Mission Rock will install dynamic displays (or use another state-of-the-practice price-information sharing measure) to show real-time parking price and availability information, and will endeavor to make this information available through other channels like a Mission Rock transportation website; this will require installing technology and associated information systems to automatically monitor parking usage.

Figure 8      Dynamic Parking Signage, SoMa



### Implementation Examples

All City-owned garages that participate in the demand-based parking pricing program, *SFpark*, provide real-time pricing and availability information on the *SFpark* website; there are several dynamic message signs at key intersections in SoMa that indicate the number of parking spaces available and general wayfinding to those garages.

## BUILDING MEASURES

### ❖ In-Building Concierge Services

In-building concierge services and/or multi-purpose front-desk staff can facilitate valet parking, farm-to-table produce delivery, cold and dry storage for grocery or produce delivery, and secure package delivery. Concierge staff could also provide information about the nearest stores and services like dry cleaning and laundry service, as well as pickup/delivery services from local merchants. Residents would pay for all services.

This concierge will be supported by the site-wide transportation staff who would provide centralized transportation support to the in-building concierges (see section on the site-wide transportation staff below). The combination of these services will consolidate or eliminate the need for additional trips and could be a resource for residents, providing targeted travel information. In buildings where a concierge service isn't feasible, the site-wide transportation staff will provide this service to the building tenants.

**Mission Rock will encourage vertical developers to appoint an in-building concierge to provide information about local merchants and coordinate/facilitate delivery services for residents.**

#### Implementation Examples

Though many residential buildings provide a concierge, explicitly pairing in-building concierge staff with a transportation specialist would be a new measure for reducing trips and demand for parking. Crafting and marketing the concierge's role as such may increase the program's effectiveness.

### ❖ Coordinated Delivery Services

Mission Rock will aim to partner with online personal service providers (i.e. Instacart, Postmates, Taskrabbit) or facilitate other ways of making ordering in, instead of making separate trips off the property for daily needs, more appealing and reduce vehicle trips in the process. One potential way to do this would be to offer direct ordering through the Mission Rock website. Each building would manage these services individually as needed.

**Mission Rock will aim to establish site-wide partnerships with internet delivery services companies.**

#### Implementation Examples

NEMA on Market Street facilitates local organic produce and wine delivery, which is part of its overall suite of concierge services. This type of amenity could be coupled with an app-based ordering system, such as Instacart or Postmates, or Mission Rock may want to develop one specific to its services.

### ❖ CSA Partnerships

Partnering with local community-supported agriculture (CSA) organizations has the potential to reduce greenhouse gas emission and vehicle-trips by providing project residents convenient access to locally sourced food, reducing the number of trips and vehicle miles traveled by both

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vendors and consumers. This measure could also have marketing benefits and reinforce the site's overall message about sustainability. Initial conversations about bringing a farmers' market to Mission Rock have yielded a cost estimate of approximately \$75,000 to \$100,000 annually for Mission Rock to manage it in-house. Alternatively, hiring a farmers market management company could reduce costs to as low as \$15,000. However, providing a farmers market may result in generating more trips rather than it offsets; as such, a partnership with a local CSA might be more cost-effective.

**Mission Rock will coordinate with local CSAs to provide group deliveries, and continue exploring the possibility of hosting regular farmers' markets on the premises.**

### **Implementation Examples**

This would be a new measure; although there are multiple farmers' markets throughout San Francisco, they are not specific to a certain development or community, nor were they started with a specific development's needs in mind.

### **Cold and Dry Delivery Storage Space**

Providing storage space for groceries, laundry, and other packages can have a direct effect on reducing trips by encouraging and facilitating online ordering. A centralized storage facility within each building can also consolidate delivery trips by enabling delivery vehicles to only make one stop for multiple recipients instead of several. Where this type of measure has been implemented without direct staff monitoring at all times, building residents typically access deliveries through a locker system with unique pick-up codes that include the locker number and access times for the delivery recipient.

**Mission Rock will work with the vertical developers to provide storage space near the concierge and elevators to store packages, perishables, laundry, and other deliveries.**

### **Implementation Examples**

Presidio Landmark has a wine cellar with climate controlled lockers; separate storage lockers are also provided.

### **Family Supportive Amenities**

Providing secure storage space for personal car seats, strollers, athletic or other extracurricular gear, and other large equipment can address challenges families face while traveling. Locating this space near car share parking spaces make it easier for families to travel without feeling a personal vehicle is necessary. If this measure is implemented without direct staff monitoring at all times, building residents can access the space with an access code or key card.

**Mission Rock will provide storage space for family-related equipment near car share parking spaces.**

## ❖ Convenient Loading Zones

While the site does not contain on-street parking, Mission Rock is planning to dedicate a portion of the site's curb space for loading and deliveries of goods and people to reduce the need to make personal vehicle trips. Curb designations will be consistent with City of San Francisco regulations. Under those regulations, taxis, transportation network companies, and private vehicles may drop off along any curb space not designated by a red curb or marked otherwise. Vehicles may not idle in these locations as per San Francisco Transportation Code Section 7.2.86. As noted earlier, the project team will work with the City to develop a loading management plan during a future phase of project development.

Drop-off locations for seniors and people with disabilities will be located near building entrances, elevators, and at corners with curb ramps. The location of loading zones will also take into consideration the moving needs of residents and businesses. See the Mission Rock Transportation Plan and the Design Controls for more detail on the planned location of loading and delivery zones and for more information on Americans with Disabilities Act (ADA) accessibility on the site.

**Mission Rock is integrating loading zones into the site's overall street design.**

## ❖ Childcare Facilities and Services

Providing childcare services on site at Mission Rock would break down a key barrier for parents to taking non-auto modes to work by bringing such services within walking distance and near the many commute options around the Mission Rock site. Mission Rock will aim to attract a childcare provider, likely on the ground floor of a northern parcel, near China Basin Park.

**Mission Rock will aim to attract a provider of on-site childcare services and facilities to ensure easy access for Mission Rock residents and employees.**

### Implementation Examples

Many residential developments in major cities provide childcare services as part of their amenities; NEMA on Market Street provides childcare, and North Beach Place provides day care and children's play areas. A housing development at 8<sup>th</sup> and Market instituted unbundled parking to free up space for an on-site childcare center. Parkmerced includes a Montessori School on its premises, with full daycare and after-school care.

## ❖ Collaborative Work Space

A business services room can help encourage and facilitate working from home, which can have a direct impact on reducing trips to and from the site. Such an amenity is a typical part of large rental buildings, though the size and specific services included vary.

At Mission Rock, work spaces could include rentable work rooms that can be reserved in advance, equipped with video conferencing equipment, high-speed internet connections, projectors, white boards, basic office supplies, and printing, scanning, and faxing services. For residents interested in using this work space long term, dedicated mailboxes for businesses could be set aside and located nearby. Vertical developers will ultimately be responsible for developing and maintaining these business services rooms and ensuring that they are equipped with appropriate equipment.

**Mission Rock will work with vertical developers to implement this measure.**



### Implementation Examples

NEMA (Market Street, San Francisco) has a business lounge with Apple computers, printers, fax machines, and scanners, and a board room with phone, touch screen monitor, and computer hook-ups. Many newer residences also offer Wi-Fi throughout all common areas.

Figure 9 Co-Working Space



Source: Wikimedia, Chris Gallegos

### ❖ Convenient Elevator Design

By designing elevators that easily accommodate bicycles, strollers, and wheelchairs, Mission Rock will be able to increase the visibility and communicate the importance of bicycling and improve the family friendliness and accessibility of the project. Building codes already require elevators to be large enough to accommodate a variety of users, but the project will also aim to provide appropriate wayfinding and signage for elevators to educate residents about using the appropriate elevators to transport bicycles and other wheeled conveyances.

**Mission Rock will work with vertical developers to implement this measure and meet building code requirements.**

### Implementation Examples

Many residential developments have gone to great lengths to design their facilities as bicycle friendly, but none have specifically called out adaptations to their elevations as an accommodation or amenity.

### ❖ On-Site Affordable Housing

Residents living in affordable housing typically own fewer cars per household than residents of market-priced units. They are more likely to use transit and are less likely to require parking, reducing overall vehicle trip generation.

**Mission Rock will restrict 40% of on-site units to inclusionary affordable housing, to be provided in a balanced manner throughout the phasing of the development.**

## **ALL-REALM MEASURES**

### **❖ On-Site Transportation Staff**

The Mission Rock team aims to hire at least one on-site transportation staff person proficient in the planning and implementation of a TDM program, with an annual budget for TDM staffing, communications, and programs. The site-wide transportation staff will provide customized travel guidance to residents and employees, helping raise awareness and understanding of transportation options and ensuring that site users can find non-auto transportation options that meet their unique travel needs. They may also provide resources to support employers, such as helping them enrolled in pre-tax benefits and/or San Francisco's Emergency Ride Home program, setting up flexible work schedules, developing employee mobility management programs and organizing sitewide marketing and incentive campaigns. Other staff, such as the in-building concierge or those tasked with organizing bike events and maintaining the bike resource room, could also provide similar targeted information and facilitate discussions around using different modes. This dedicated transportation staff would act as a centralized transportation resource to the in-building concierges, providing up-to-date transportation information and expert support to front-line staff that are less likely to have the same depth of knowledge of the transportation system.

The on-site transportation staff will also support efforts to collect data to evaluate the effectiveness of the overall TDM program and to understand opportunities to adjust the program to meet changing needs of Mission Rock residents, employees, and visitors. Chapter 3 provides additional detail about how the other TDM measures will leverage the transportation staff for marketing and communications.

**Mission Rock will hire and task dedicated transportation staff with providing individualized advice and information on transportation options to residents and employees.**

### **Implementation Examples**

This would likely be a new measure, as other developments have not explicitly instituted and integrated transportation information with residential or employee services. Several cities have used something similar to this measure at a neighborhood level. Portland, Ore. has seen notable mode shifts from its Smart Trips program, which provides targeted marketing and information on non-auto transportation options in particular neighborhoods.

### **❖ Mobile-Friendly Mission Rock Transportation Website**

A mobile-friendly website oriented toward all residents, employees, and visitors providing online access to concierge services and transportation programs can help raise awareness and visibility of transportation options and facilitates connections among transportation modes. The transportation information on the Mission Rock site will likely include but not be limited to real-time transit information and a transportation tab with all nearby options (e.g. Muni, car share, scooter share, ride-sourcing apps) showing locations and availability. Chapter 3 provides

additional detail about how the other TDM measures will leverage the website for marketing and communications.

**Mission Rock will create a site-wide website with a dynamic and engaging section dedicated to transportation information and services, with specific portals for each user type (or the state-of-the-practice equivalent to this measure, per changes in technology by the time of first occupancy).**

### **Implementation Examples**

NEMA (Market Street, San Francisco) has a "resident portal" where residents can submit work orders, track packages, pay rent, alert the valet, and communicate with management regarding car charging, car share, bike share, and bike repair.

### **Signage and Wayfinding across Modes**

Signage and wayfinding to indicate points of connection between different modes, as well as estimated travel times and directions by mode, can help increase people's understanding of travel options. Clear signage is also important for ensuring safety for all types of users, differentiating spaces for different users within shared public spaces. Signage will also indicate the nature and location of nearby bicycle routes. Mission Rock will coordinate with the City on the project's overall signage and wayfinding program to ensure the project conforms to City standards. Chapter 3 provides additional detail about how the other TDM measures will leverage signage and wayfinding for marketing and communications.

**Mission Rock will design and install signage and wayfinding at key points throughout the development, including signage for safety along the shared streets.**

### **Implementation Examples**

Interactive signage and wayfinding has been instituted in a variety of cities, academic institutions, and transportation hubs.

### **Improved Walking Conditions**

As described in the Mission Rock Design Controls, the development will add over half a mile of complete streets, including new and improved sidewalks and pedestrian crossings. Complete streets are streets designed and operated to enable safe access for users of all ages, abilities, and transportation modes with the ultimate goal of fostering more livable communities. Today, many sidewalks in Mission Bay are narrow or missing in areas. The new streets within Mission Rock will greatly improve the overall walking conditions of the neighborhood and facilitate safer and more convenient pedestrian connections. A pedestrian-oriented urban design is essential for residents, employees, and visitors to fully take advantage of the other TDM measures, supporting access to all of the available transportation options and programs throughout the site and nearby. These improvements help shape the environment for the other TDM measures to succeed.

**Mission Rock has integrated high-quality pedestrian design features (high connectivity, wide sidewalks, highly visible crossings, and others) into its design.**

### 3 MARKETING AND COMMUNICATIONS

A strong communication measure is critical to the success of any TDM program, ensuring that residents, employees, and visitors receive information about relevant resources and incentives at appropriate times and through channels that are easily accessible. Incorporating consistent branding into all communications can help create a sense of place and establish a cohesive identity for the transportation program. Branding can be used to support marketing and communication efforts, particularly on signage and wayfinding, to emphasize that residents, employees, and visitors can travel seamlessly through the area.

The Plan anticipates that Mission Rock will likely have three main channels for transportation-related communications: Its site-wide transportation staff, a mobile-friendly web portal for site users, and physical signage and other wayfinding mechanisms on site. This section includes examples of communication tactics and channels to illustrate how specific channels can help reach target audiences. Given the diverse mix of ways different people process information, any good communications plan relies on a mix of measures and channels. The Communications Timeline section matches the mix of channels outlined in this section to the key audiences for the information: residents, employees, and visitors.

Communications technology and norms are changing rapidly, and as such, this portion of the Plan will necessarily be updated as the projects approaches first occupancy. As such, the details for each of these measures are presented as a set of recommendations. Regardless of how they are implemented, these measures remain part of the TDM Plan.

#### SITE-WIDE TRANSPORTATION STAFF

Mission Rock transportation staff would be responsible for maintaining information about TDM programs and acting as a point of contact to assist residents, employees, and visitors with transportation-related questions, concerns, or general assistance. The Mission Rock team envisions that a transportation coordinator would have the authority to implement TDM measures, oversee the management and marketing of all measures, and monitor success of the TDM program. Whether the coordinator would need support from additional staff and how large the team would be will be figured out as the communications measure is solidified closer to occupancy.

Transportation staff might also be responsible for compiling a print and/or electronic transportation handbook to be distributed to residents on move-in and employees on hiring. This handbook could include information on transportation programs, policies, and service options, in addition to the following information:

- Transportation staff contact information, including information for the in-building concierges (if relevant)

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- Commute trip planning information, including links to the regional 511 Rideshare program
- Clipper card and vehicle (including car, bike, and scooter) share membership subsidies and parking policies
- Information on accessing other TDM program details and amenities, such as the in-building storage facilities
- Walking and biking routes within the area, estimated walk and bike times to key locations, including transit hubs, and a link to the San Francisco bike map
- Local transit options and schedules, including links to Muni, BART, and Caltrain schedules, route maps, and existing trip planner mobile applications

It is envisioned that this handbook would be distributed to all prospective residential tenants and all prospective employees who receive an offer to work within the development. It might also be included as a component of resident and employee welcome packets or employee orientation. The information provided in the handbook, as well as relevant website addresses, may also be posted in prominent locations for all residents and employees, such as apartment lobbies or lunchrooms. Print materials with information on various programs, maps, and amenities could also be provided to the in-building concierge staff for easy distribution when questions arise.

The transportation coordinator will also be responsible for supporting employers by providing information and guidance regarding tools and programs for flex work or telecommuting.

To make sure information stays useful to residents and employees over time, it is important that Mission Rock transportation staff keep all information and materials up to date and relevant.

## **MOBILE-FRIENDLY MISSION ROCK WEBSITE**

Mobile-friendly websites are an easy way to create a dynamic and engaging repository for transportation information, point-to-point navigation tools, travel suggestions, user engagement campaigns, and other efforts to raise awareness of alternatives to drive-alone travel options and residents, employees, and visitors to use them. In addition to supporting the information already provided in the resident and employee handbook, this website could include the following:

- Real-time transit information
- Real-time parking pricing and availability information
- Notifications of upcoming transportation-related events, such as bike parties and farmers' markets, and alerts
- Integration with internet delivery services for ordering
- Registration for car share, bike share, and/or scooter share memberships
- Room reservations for the collaborative workspace
- On-site childcare services enrollment
- Specific pages or portals for residents, employees, and visitors so that each of these audiences has access to the appropriate and relevant travel information
- Functionality which allows for tracking travel behavior and enables gamification for incentives

Establishing specific portals for each audience can allow for the delivery of targeted, individualized TDM information for each of the audience groups. For example, the resident and employee portals could have features to receive notifications for coordinated delivery services,

should Mission Rock choose to develop a centralized delivery facility. Each of the portals could also provide specific information on costs and multimodal options available for traveling to and from Mission Rock, as well as information on nearby attractions and services and links to citywide or regional information. Figure 9 shows an example of a landing page for this type of website. Advantages of a webpage similar to that shown in the figure include prominent links to a trip planning service, alerts for riders, and individual operator websites for more information.

Figure 10 Sample Site-Wide Transportation Website, Mountain View Transportation Management Association (TMA)



## SIGNAGE AND WAYFINDING

Clear, consistent, and predictable signage and wayfinding can help residents, employees, and visitors navigate the site easily. Signage can also bring awareness to important information such as parking prices and availability, bike parking locations, estimates of bike and pedestrian travel times, and other information on Mission Rock programs or services. Simply providing information on non-motorized travel prominently can increase the likelihood that people will select biking or walking as their mode of transportation.

The efficacy of signage and wayfinding is dependent of the design and placement of signs. Signage should be clear and provide relevant information at key decision points in people's journeys, in areas that are highly visible, and in clear lines of sight. For instance, when entering the site, cyclists should be able to clearly understand the route options along Terry Francois Boulevard, Exposition Street, and Bridgeview Street. This signage will be especially important for safety along the shared public ways, to ensure that users understand the encouraged forms of travel and

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appropriate behavior on each mode. Temporary signage may be used in areas more highly trafficked by residents or employees, to provide information on specific events or programs, such as CSA pick up locations.

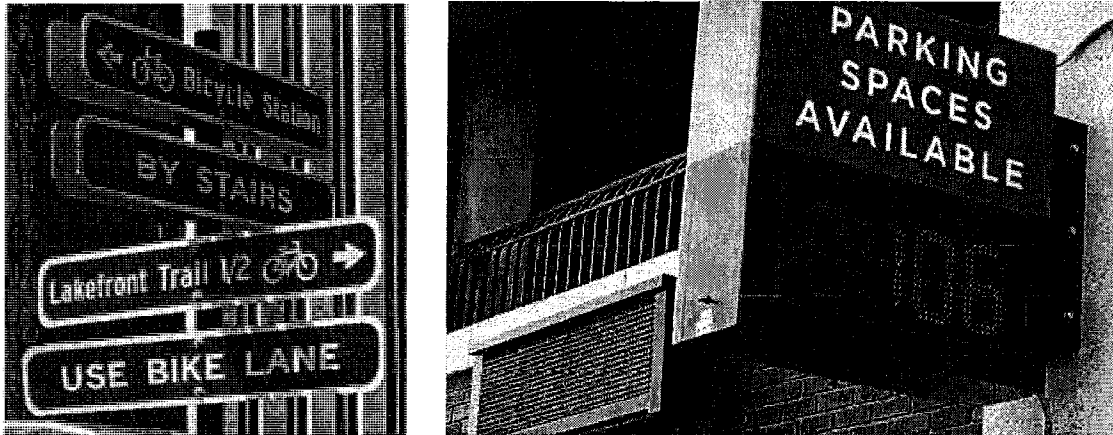
Figure 10 and Figure 11 are examples of wayfinding signage used in vibrant, mixed-use areas. The wayfinding signage in Figure 10 offers clear guidance for the nearby area at two different scales while providing clear directional guidance to nearby transportation hubs and popular destinations. Figure 11 offers examples of bike directional signage, as well as digital, dynamic parking availability signage.

**Figure 11      Area Wayfinding Signage – London, UK**



Source: Andrew Nash, Flickr Creative Commons

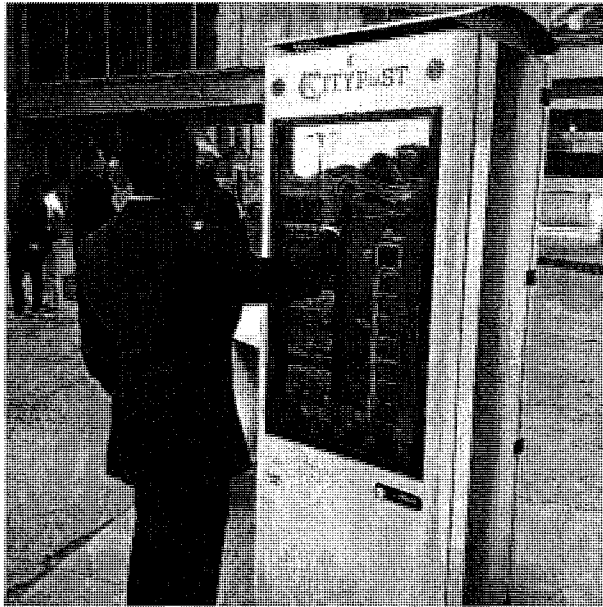
Figure 12 Bike Route and Parking Signage



Source: Nelson\Nygaard, signal-tech.com

## Transportation Information Kiosks

Transportation information kiosks can provide centralized locations for relevant transportation information for trips within Mission Rock and to nearby services and attractions. These kiosks could be placed throughout the site, at strategic decision-making locations where residents, employees, and visitors might need the information. For instance, kiosks located at the primary entrances to Mission Rock such as the intersection of Terry Francois Boulevard and Mission Rock Street could include all information necessary to navigate to specific places throughout the site. Similarly, kiosks could be placed in and around primary points of congregation on the site, including China Basin Park and Mission Rock Square. The kiosks could include transit schedules and fare information, walking and cycling routes, real-time transit information, and Ford GoBike dock locations and bike availability.



Source: Kansas City example from transit.dot.gov

It is recommended that these kiosks be digital, interactive displays (as shown in the accompanying image) to allow information to be updated easily and regularly. These boards would be maintained and updated as needed by the transportation staff.

Real-time transit information signage, such as the technology provided by TransitScreen, would be a similar dynamic information-distribution mechanism aimed mostly at residents, employees, and their visitors, located in the site's residential and office building lobbies (see more information on this measure in Chapter 2). While the information kiosks can provide detailed information on transportation options to visitors and others new or unfamiliar with Mission Rock



and the surrounding area, real-time transit screen technology is designed to offer an opportunity to understand transportation options at a quick glance. This would be particularly useful for employees and residents, those who make recurring trips frequently and don't need detailed guidance.

## **COMMUNICATION TIMELINE**

Each of the communication-based TDM measures are pertinent to residents, employees, and visitors at different times during their lifecycle at Mission Rock. As such, it is critical to think strategically about when to share what with each of these key segments.

The mobile-friendly Mission Rock website will be an important avenue for sharing information about programs, policies, and services. It is reasonable to assume that the website will act as a front-line communications vehicle to reach all of those who have or may be interested in having a connection with the site. Signage and wayfinding will be seen on a daily basis and is an important element for users of the development to efficiently navigate Mission Rock. The site-wide transportation staff will provide key information for residents and employees at the time of move-in or hire, and will provide as needed services over time. See Figure 12 through Figure 14 for more detail on the progression of anticipated touch points for transportation-related communication for residents, employees, and visitors of Mission Rock.

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**Figure 13 Residential Communications Touch Points**

	<b>Pre-Move In &amp; Lease Signing Period</b>	<b>Move-in Period</b>	<b>Establishing Transportation Patterns</b>	<b>Ongoing</b>	<b>Life Change: New Job</b>	<b>Life Change: Family</b>
<b>Website</b>	Promote website and all web-based transportation tools through pages or portal aimed at prospective tenants	Receipt of access to special "residents-only" website pages/portals	Visit website to plan frequent trips and learn about transportation options, sign up for any available subsidies or complimentary memberships, as applicable	Ongoing use of website for trip planning tools, information on events, and program memberships	Return to trip planning tools and information on website	Return of trip planning tools and information on website
<b>Wayfinding &amp; Signage</b>	View wayfinding and signage when touring site	Gain deeper familiarity with the site and surroundings through signage and wayfinding	Use of dynamic wayfinding (kiosks and transit screens) to deepen understanding of nearby transportation options and develop time/schedule patterns	Ongoing use of wayfinding and signage	Renewed use of dynamic wayfinding to deepen understanding of new transportation options given new destination	Renewed use of dynamic wayfinding to deepen understanding of new transportation options given new destination; use of signage pointing to family transportation resources
<b>Site-wide Transportation Staff</b>	Discussion of transportation handbook, nearby transportation options, amenities or subsidies as applicable, promotion of trip-planning assistance	Distribution of transportation handbook, one-on-one assistance in planning commute or other trip options, or signing up for transportation programs/memberships	One-on-one assistance in planning commute or other trip options	Available for questions as they arise	Additional one-on-one support to plan new routes, etc. as needed	Additional one-on-one support to plan new routes, understand family-friendly resources on site, as needed

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**Figure 14 Employee Communications Touch Points**

	Employer Signs Lease at Mission Rock	Employer Move-in Period	Employee Move-In Period	Ongoing: With Employer	Ongoing: With Employees	Ongoing: New Hires
<b>Website</b>	Promote website and all web-based transportation tools through pages or portal aimed at prospective tenants	Receipt of access to special "employer-only" website pages/portals	Employees receive access to special "employees-only" website pages/portal Plan frequent trips and learn about transportation options, sign up for available subsidies or complimentary memberships, as applicable	Ongoing references of website for trip planning tools, information on events and program memberships	Ongoing use of trip planner on website and other website tools	Receipt of access to special "employees-only" website pages/portals Ongoing use of trip planner on website and other website tools
<b>Wayfinding &amp; Signage</b>	View wayfinding and signage when touring site	Presentation regarding available wayfinding	Use of wayfinding and signage to learn about nearby transportation options	Ongoing use of wayfinding and signage	Ongoing use of wayfinding and signage	Presentation regarding available wayfinding
<b>Site-wide Transportation Staff</b>	Discussion of transportation handbook, nearby transportation options, amenities or subsidies as applicable, promotion of trip-planning assistance	Distribution of transportation handbook, one-on-one assistance in planning commute or other trip options, or signing up for transportation programs/memberships	Distribution of transportation handbook One-on-one assistance in planning commute options is made available to new employees	Presentations to share new web or wayfinding functionality, employee-focused TDM programs, and ongoing support structures	Available for questions as they arise	Distribution of transportation handbook Additional one-on-one support is available to plan new routes, etc.

**MISSION ROCK TRANSPORTATION DEMAND MANAGEMENT PLAN**  
Seawall Lot 337 Associates, LLC

**Figure 15 Visitor Communications Touch Points**

	Planning Trip to Site	(For Event Attendees) Purchase Tickets	Arrive on Site	Ongoing Time Spent on Site	Planning to Leave Site
<b>Website</b>	Use of public-facing website, including embedded trip-planning tools and parking pricing and availability information	Opportunity to receive tailored point-to-point trip suggestions and information emphasizing parking pricing and limited parking availability at time of ticket purchase	Use mobile-friendly website to understand transportation options, parking pricing and availability information, and maps of site		Use mobile-friendly website to plan onward journey from site
<b>Wayfinding &amp; Signage</b>			Use of dynamic parking pricing and availability signage; use of wayfinding and signage, including kiosks, to navigate to specific destination	Use of wayfinding and signage to navigate to additional destinations	Use of wayfinding and signage, including kiosks, to understand options for onward journey from site and navigate to nearby transit options, as applicable
<b>Site-wide Transportation Staff</b>	Coordinate with retailers and restaurants to post latest transportation information on their websites; maintain site website to ensure any updates to transportation information are readily available				

## 4 MONITORING AND COMPLIANCE WITH SF TDM ORDINANCE

A robust monitoring program that allows the site's transportation team to adjust offerings over time is key to the success of the Mission Rock TDM Plan. Monitoring will allow the Mission Rock team to better understand the effects of different measures on travel behavior and determine how programs are meeting the needs of residents, employees, and visitors.

The objectives of an annual monitoring program are:

1. To measure progress toward achieving, or retaining, compliance with the TDM's goal of reducing estimated aggregate daily one-way vehicle trips by 20%<sup>6</sup>; and
2. To identify the most and least effective TDM measures, so that the former can be strengthened and the later can be replaced or significantly improved.

This chapter describes the tools the transportation team will use to effectively monitor the program and ensure that the program complies with City of San Francisco monitoring requirements. It starts with a look at how the TDM Plan compares to the San Francisco TDM Ordinance.

### USING THE SAN FRANCISCO TDM ORDINANCE AS GUIDANCE

San Francisco adopted a citywide TDM Ordinance that created a TDM Program for new development in 2017. The goal of the Program is to reduce driving trips associated with new development. The Ordinance calls for development projects negotiated through Development Agreements, such as Mission Rock, to comply with the spirit of the Program, allowing that there may be unique opportunities because of project scale and mixes of use to meet the goals of the Program. Mission Rock's TDM Plan aims to reduce anticipated driving trips by 20% compared with what is estimated without TDM.

At the heart of the Ordinance is a menu of potential TDM measures, with points or credits assigned to different measures based on their documented effectiveness. Developers are required to implement measures that get them to a point total established based on the number of net new parking spaces planned as part of a given project. For example, residential and office projects with 20 or fewer parking spaces (including zero) need to implement measures with point values adding up to 13 points; each additional 10 spaces require projects to generate an additional point through additional TDM efforts. Retail projects with four or fewer spaces (including zero) need to

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<sup>6</sup> This goal is a 20% reduction compared to the aggregate daily one-way vehicle trips identified in Mission Rock's travel demand memo prepared by Adavant Consulting, dated June 30, 2015.

implement measures worth a total of nine points, and each additional two spaces will require another point.

Figure 16 estimates how the Mission Rock TDM Plan rates against the City's TDM Menu of Options and the range of associated point values. As the table shows, the measures included in this Plan are expected to garner 21 points for the residential component of the project, 20 points for the office component, and 12 points for the retail/restaurant component.

**Figure 16 Comparing Mission Rock TDM Measures to Ordinance Measures, with Estimated Point Values**

Program	Ordinance Category	Estimated Point Values by Use		
		Res	Office	Retail
Real-time transit information and marketing screens	INFO-2	1	1	1
One-time transit subsidies				
Bike share memberships	ACTIVE-4			
Space for on-site bike share				
Bicycle valet beyond code requirements	ACTIVE-7			1
Bike community programming with periodic giveaways				
Bicycle resource center, including vending machine with parts and tools and fix-it station	ACTIVE-5a	2	2	
Secure bike parking in buildings and along desire lines beyond code requirements	ACTIVE-2	2	2	2
Showers and clothes lockers for employees	ACTIVE-3		1	
On-site shared scooters	CSHARE-1	Covered	Covered	Covered
Electric scooter share memberships				
On-site car share parking spaces beyond code requirements	CSHARE-1	2	2	2
Car share memberships				
Market-based off-street parking pricing				
Unbundled parking	PKG-1	2	3	3

Program	Ordinance Category	Estimated Point Values by Use		
		Res	Office	Retail
Reduced parking supply				
Real-time information on parking pricing and availability				
In-building concierge services	DELIVERY-1	1	1	
Delivery coordination for online personal services	DELIVERY-1	Covered	Covered	
Partnerships with CSAs				
Cold, dry storage space for grocery and package delivery	DELIVERY-1	Covered		
Family supportive amenities	FAM-1	1		
Convenient loading zones				
Childcare services and facilities	FAM-2	2	2	
Collaborative work space with business services				
Convenient elevator design for bicycles, strollers, wheelchairs, etc.				
On-site affordable housing	LU-2	2		
Site-wide transportation staff	INFO-3	4	4	1
Mobile-friendly Mission Rock transportation website				
Intuitive signage and wayfinding for trip planning across all modes	INFO-1	1	1	1
Improved walking conditions to, from, and within Mission Rock	ACTIVE-1	1	1	1
		21	20	12

There are several measures recommended in this Plan that do not clearly align with any of those specified in documents related to the Ordinance. As noted earlier, many of these measures play important roles in supporting programs that might more directly affect travel behavior. Others may deserve recognition in the City's framework. Regardless, the specifics of Mission Rock's TDM monitoring will be worked out through discussions with the City.

## TDM PLAN MONITORING AND REPORTING

With the 20% trip reduction goal in mind, Mission Rock will monitor vehicle trips to and from the site for all buildings that have received a Certificate of Occupancy, and compare these vehicle trips to the aggregate daily one-way vehicle trips anticipated for the those buildings based on the trip generation rates specified in the EIR supporting documents.

Monitoring will include the following elements:

- **Trip counts and intercept surveys.** This will consist of site-wide counts of persons and vehicles arriving and leaving the project site on a non-ballgame or major event day. Counts will take place over at least two days between 6 a.m. and 8 p.m.
- **Travel demand information.** The trip count and intercept survey data will provide the key inputs to calculating travel demand for the site in line with the San Francisco Planning Department's transportation impact analysis guidelines.
- **Documentation of Plan implementation.** Mission Rock transportation staff will document the implementation of the TDM Plan's elements.

### Timeframe for Monitoring

Per commitments made under the EIR, Mission Rock transportation staff will monitor and adjust the TDM Plan accordingly until 1) the Development Agreement expires, or 2) the site meets the reduction goal for up to eight consecutive reporting periods, whichever comes first. This monitoring will begin 18 months after the completion and commencement of operation of the proposed parking garage. After that point, the site transportation staff will submit annual monitoring reports until five consecutive reporting periods show that the reduction goal has been reached. After this point, staff will submit monitoring reports every three years.

If the TDM Plan's measures are not achieving the reduction goal after three consecutive reporting periods, Mission Rock will work with the Planning Department to adjust the program as necessary, which may include refining or removing existing measures, or adding new measures. If Mission Rock has adjusted the TDM program and has not met the reduction goal for up to eight consecutive reporting periods, the project may pay an additional emissions offset fee to address any shortfall in meeting the TDM Plan reduction target. At that point, monitoring and reporting requirements will be lifted.



EXHIBIT Z

Form of Quarterly Percentage Rent Statement

**Parcel Lease Exhibit Z**

**Form of Quarterly Percentage Rent Statement**

**Parcel [ ]**

**Date: [ ]**

Mission Rock Parcel Form Lease Rent Report		
<b>Base Rent</b>		
<b>Base Rent Due</b>	<b>Amount Per Sec. 3.3 [or Sec. 3.1 for Garage Leases]</b>	<b>\$X.XX</b>
<b>*Note* Base Rent only if Hybrid Lease [or Parcel D Garage]</b>		
<b>Gross Income</b>		<b>\$X.XX</b>
Less Impositions	As set forth in Sec. 3.5(a)(ii) [or Sec. 3.2 for Garage Leases]	\$X.XX
Less Utilities	As set forth in Sec. 3.5(a)(ii) [or Sec. 3.2 for Garage Leases]	\$X.XX
Less Insurance Costs	As set forth in Sec. 3.5(a)(ii) [or Sec. 3.2 for Garage Leases]	\$X.XX
<b>Adjusted Gross Income</b>	<b>(Gross Income - Adjustments)</b>	<b>\$X.XX</b>
<b>Percentage Rent Rate:</b>		
	<b>Rate per Lease Sec. 3.5(b)(i) [see note below]</b>	<b>XX%</b>
<b>Percentage Rent Overage Due</b>	<b>[(Adjusted Gross Income * Percentage Rent Rate) - Base Rent]</b>	<b>\$X.XX</b>
<b>Paid throughout the Lease Term</b>		
<b>Base Rent Due</b>	<b>Per Above Calculation</b>	<b>\$X.XX</b>
<b>Percentage Rent Overage Due</b>	<b>Per Above Calculation</b>	<b>\$X.XX</b>
<b>Total Rent Due</b>	<b>(Base Rent Due + Perc Rent Overage Due)</b>	<b>\$X.XX</b>

**Note: Calculation of "Participation Rent" under Garage Leases differs from "Percentage Rent" under other Parcel Leases, so this statement should be adjusted accordingly.**

EXHIBIT AA

Form of Annual Percentage Rent Statement

**Parcel Lease Exhibit AA**

**Form of Annual Percentage Rent Statement**

Parcel [ ]

Date: [ ]

<b>Mission Rock Parcel Lease Rent Report</b>		
<b>Base Rent</b>		
<b>Base Rent Due</b>	<b>Amount Per Sec. 3.3 [or Sec. 3.1 for Garage Leases]</b>	<b>\$X.XX</b>
<b>*Note* Base Rent only if Hybrid Lease [or Parcel D Garage]</b>		
<b>Gross Income</b>		<b>\$X.XX</b>
Less Impositions	As set forth in Sec. 3.5(a)(ii) [or Sec. 3.2 for Garage Leases]	\$X.XX
Less Utilities	As set forth in Sec. 3.5(a)(ii) [or Sec. 3.2 for Garage Leases]	\$X.XX
Less Insurance Costs	As set forth in Sec. 3.5(a)(ii) [or Sec. 3.2 for Garage Leases]	\$X.XX
<b>Adjusted Gross Income</b>	<b>(Gross Income - Adjustments)</b>	<b>\$X.XX</b>
<b>Percentage Rent Rate:</b>	<b>Rate per Lease Sec. 3.5(b)(i) [see note below]</b>	<b>XX%</b>
<b>Percentage Rent Overage Due</b>	<b>[(Adjusted Gross Income * Percentage Rent Rate) - Base Rent]</b>	<b>\$X.XX</b>
<b>Paid throughout the Lease Term</b>		
<b>Base Rent Due</b>	<b>Per Above Calculation</b>	<b>\$X.XX</b>
<b>Percentage Rent Overage Due</b>	<b>Per Above Calculation</b>	<b>\$X.XX</b>
<b>Total Rent Due</b>	<b>(Base Rent Due + Perc Rent Overage Due)</b>	<b>\$X.XX</b>
<b>Annual "true-up"</b>		
<b>[attach separate pages for each quarter which requires any changes]</b>		

**Note: Calculation of "Participation Rent" under Garage Leases differs from "Percentage Rent" under other Parcel Leases, so this statement should be adjusted accordingly.**

EXHIBIT BB

Cal. Revenue and Taxation Code, Chapter 2, Section 64

## **EXHIBIT BB**

### **Cal. Revenue and Taxation Code, Chapter 2, Section 64**

#### **REVENUE AND TAXATION CODE**

#### **Property Taxation**

#### **PART 0.5. IMPLEMENTATION OF ARTICLE XIII A OF THE CALIFORNIA CONSTITUTION**

#### **CHAPTER 2. CHANGE IN OWNERSHIP AND PURCHASE**

#### **SECTION 64**

64. Corporation and partnership interests. (a) Except as provided in subdivision (i) of Section 61 and subdivisions (c) and (d) of this section, the purchase or transfer of ownership interests in legal entities, such as corporate stock or partnership or limited liability company interests, shall not be deemed to constitute a transfer of the real property of the legal entity. This subdivision is applicable to the purchase or transfer of ownership interests in a partnership without regard to whether it is a continuing or a dissolved partnership.

(b) Any corporate reorganization, where all of the corporations involved are members of an affiliated group, and that qualifies as a reorganization under Section 368 of the United States Internal Revenue Code and that is accepted as a nontaxable event by similar California statutes, or any transfer of real property among members of an affiliated group, or any reorganization of farm credit institutions pursuant to the federal Farm Credit Act of 1971 (Public Law 92-181), as amended, shall not be a change of ownership. The taxpayer shall furnish proof, under penalty of perjury, to the assessor that the transfer meets the requirements of this subdivision.

For purposes of this subdivision "affiliated group" means one or more chains of corporations connected through stock ownership with a common parent corporation if both of the following conditions are met:

(1) One hundred percent of the voting stock, exclusive of any share owned by directors, of each of the corporations, except the parent corporation, is owned by one or more of the other corporations.

(2) The common parent corporation owns, directly, 100 percent of the voting stock, exclusive of any shares owned by directors, of at least one of the other corporations.

(c) (1) When a corporation, partnership, limited liability company, other legal entity, or any other person obtains control through direct or indirect ownership or control of more than 50 percent of the voting stock of any corporation, or obtains a majority ownership interest in any partnership, limited liability company, or other legal entity through the purchase or transfer of corporate stock, partnership, or limited liability company interest, or ownership interests in other legal entities, including any purchase or transfer of 50 percent or less of the ownership interest through which control or a majority ownership interest is obtained, the purchase or transfer of that stock

or other interest shall be a change of ownership of the real property owned by the corporation, partnership, limited liability company, or other legal entity in which the controlling interest is obtained.

(2) On or after January 1, 1996, when an owner of a majority ownership interest in any partnership obtains all of the remaining ownership interests in that partnership or otherwise becomes the sole partner, the purchase or transfer of the minority interests, subject to the appropriate application of the step-transaction doctrine, shall not be a change in ownership of the real property owned by the partnership.

(d) If property is transferred on or after March 1, 1975, to a legal entity in a transaction excluded from change in ownership by paragraph (2) of subdivision (a) of Section 62, then the persons holding ownership interests in that legal entity immediately after the transfer shall be considered the "original coowners." Whenever shares or other ownership interests representing cumulatively more than 50 percent of the total interests in the entity are transferred by any of the original coowners in one or more transactions, a change in ownership of that real property owned by the legal entity shall have occurred, and the property that was previously excluded from change in ownership under the provisions of paragraph (2) of subdivision (a) of Section 62 shall be reappraised.

The date of reappraisal shall be the date of the transfer of the ownership interest representing individually or cumulatively more than 50 percent of the interests in the entity.

A transfer of shares or other ownership interests that results in a change in control of a corporation, partnership, limited liability company, or any other legal entity is subject to reappraisal as provided in subdivision (c) rather than this subdivision.

(e) To assist in the determination of whether a change of ownership has occurred under subdivisions (c) and (d), the Franchise Tax Board shall include a question in substantially the following form on returns for partnerships, banks, and corporations (except tax-exempt organizations):

If the corporation (or partnership or limited liability company) owns real property in California, has cumulatively more than 50 percent of the voting stock (or more than 50 percent of total interest in both partnership or limited liability company capital and partnership or limited liability company profits) (1) been transferred by the corporation (or partnership or limited liability company) since March 1, 1975, or (2) been acquired by another legal entity or person during the year—? (See instructions.)

If the entity answers "yes" to (1) or (2) in the above question, then the Franchise Tax Board shall furnish the names and addresses of that entity and of the stock or partnership or limited liability company ownership interest transferees to the State Board of Equalization.

History.—Stats. 1979, Ch. 1161, in effect September 29, 1979, substituted "A corporation, partnership, other legal entity or any other person" for "one corporation", and substituted "any" for "another" after "in" in the first sentence of

subdivision (c). Stats. 1980, Ch. 1349, in effect January 1, 1981, added "and (d)" after "subdivision (c)" in subdivision (a); added "or obtains a majority ownership interest in any partnership or other legal entity" before "through the purchase", substituted "partnership interest, or ownership interests in other legal entities" for "exclusive of any shares owned by directors" after "corporate stock", added "or other interest" before "shall be" and "partnership, or other legal entity" before "in which" in subdivision (c); and added subdivisions (d) and (e). Stats. 1982, Ch. 1465, in effect January 1, 1983, deleted "by merger or consolidation," after "reorganization," in the first sentence of subdivision (b); substituted "If" for "Whenever" before "property," added "on or after March 1, 1975," after "transferred", "paragraph (2) of" before "subdivision (a)", and "then" after "Section 62," in the first sentence, and substituted "that" for "the " before "real property", added "which . . . Section 62" before "shall be", and deleted "by the assessor pursuant to Section 65" after "reappraised" in the second sentence of the first paragraph of subdivision (d), and added the fourth paragraph thereof; and substituted "subdivision (c) and (d)" for "subdivision (c)" after "under" in the first paragraph of subdivision (e), substituted "has cumulatively . . . person" for "was control of the corporation (partnership) transferred or sold" after "California," in the second paragraph thereof, and substituted "the" for "an" after "If", added "(1) or (2) in "after 'eyes' to", substituted "shall" for "will" after "Board", substituted "names and addresses of that" for "name and address of such" after "furnish the", and added "and of . . . transferees" after "entity" in the third paragraph thereof. Stats. 1984, Ch. 678, in effect January 1, 1985, deleted the former third paragraph of subdivision (d) which stated that "The persons holding ownership interests in the legal entity immediately following the reappraisal shall be considered the new original co-owners." Stats. 1988, Ch. 560, in effect January 1, 1989, added ", or any reorganization of farm credit institutions pursuant to the Federal Farm Credit Act of 1971 (Public Law 92-181), as amended," before "shall" in the first sentence of subdivision (b). Stats. 1994, Chs. 1200 and 1243, in effect September 30, 1994, added references to limited liability company throughout text; added "(as enacted . . . 1955)" after "25105" and substituted "the" for "such" and substituted "that" for "such" in subdivision (c). Stats. 1995, Ch. 497, in effect January 1, 1996, added the second sentence in subdivision (a); substituted "that" for "which" twice in the first paragraph in subdivision (b); added "both of . . . are met" after "corporation if" in the second paragraph of subdivision (b); substituted a period for "; and" after "corporations" in paragraph (1) of subdivision (b); added paragraph number designation (1) before first paragraph of subdivision (c), substituted "through direct . . . stock of" for ", as defined in Section 25105 (as enacted by Chapter 938 of the Statutes of 1955), in", after "obtains control", added "including any . . . is obtained," after "legal entities", and added "the real" after "ownership of" therein; added paragraph (2) to subdivision (c); and substituted "that" for "which" twice in the first paragraph and in the third paragraph of subdivision (d). Stats. 1998, Ch. 591 (SB 2237), in effect January 1, 1999, substituted "subdivision (i)" for "subdivision (h)" after "as provided in" in the first sentence of subdivision (a). Stats. 1999, Ch. 83 (SB 966), in effect January 1, 2000, added a comma after "this subdivision" in the first sentence of



the second paragraph of subdivision (b), and deleted "In order" before "To assist" in the first sentence of the first paragraph of subdivision (e).

Note.—Section 40 of Stats. 1995, Ch. 497, providing the following:

The Legislature finds and declared that the amendments of subdivision (a) and paragraph (1) of subdivision (c) of Section 64 of the Revenue and Taxation Code made by this act do not constitute a change in, but are declaratory of, existing law.

The Legislature further finds and declares that the amendment adding paragraph (2) to subdivision (c) of Section 64 of the Revenue and Taxation Code that is made by this act is necessary to correctly state the change in ownership results intended by the Legislature when a majority partner acquires the minority partners' ownership interests. It is the Legislature's intent that, absent the appropriate application of the step-transaction doctrine or one of the express exceptions listed in subdivision (a) of Section 64 of the Revenue and Taxation Code, the transfer of minority interests in a partnership to the majority owner shall not constitute a change in ownership of the partnership real property, on or after January 1, 1996.

Note.—Section 5 of Stats. 1980, Ch. 1349, provided the amendments made to Section 64 shall be effective for the 1981–82 assessment year and years thereafter. It is the intent of the Legislature that the provisions of this act shall apply to the determination of base year values for the 1981–82 fiscal year, and shall apply to any change in ownership occurring on or after March 1, 1975. No escape assessments shall be levied and no refund shall be made for any years prior to 1981–82 for any increases or decreases in value made for the 1981–82 fiscal year or fiscal years thereafter as the result of the enactment of this act. Section 6 thereof provided the provisions of subdivision (d) of Section 64 as added by this act shall be operative with respect to returns for years beginning in 1981 and thereafter.

Note.—Section 11 of Stats. 1988, Ch. 560, provided that the amendment made to Section 64 shall be applicable to the 1985–86 fiscal year and fiscal years thereafter. The Legislature finds and declares that farm credit banks are instrumentalities of the federal government, and that the recent reorganization of these farm credit institutions was effected pursuant to federal law and regulations. The Legislature further finds and declares that the reorganization of these institutions was of a type which would have avoided a change in ownership reappraisal under Section 64 of the Revenue and Taxation Code if the institutions had been members of a privately owned "affiliated group" connected through stock ownership with a common parent, rather than a federal instrumentality.

Construction.—This section applies to true changes in ownership, rather than "paper" ones. Where a corporation is involved, the term exempts a mere change in the form of ownership or corporate organization, but it encompasses outright sale of either land or the company to a stranger, whether for cash or for shares of stock. Thus, reassessment may not be avoided by selling all or a majority of the stock in real estate holding companies, and all realty held by a holding company and its former parent corporation was subject to reassessment upon a surviving corporation's acquisition of control of the holding company by merger with the former parent corporation. The change of ownership of the realty occurred within the meaning of section 64(c) when the shareholders of the former parent corporation became proportionate, but minority, shareholders in the surviving corporation, thereby losing control, and conversely, the surviving corporation obtained control of the holding company by acquiring a majority of its voting shares. Section 64(b) was not applicable since the merger was not between members of an affiliated group where none of the corporations owned 100 percent of the voting stock of the other at the time the merger tender offer was accepted. *Sav-on Drugs, Inc. v. Orange County*, 190 Cal.App.3d 1611.

A corporation, which obtained direct control of an intermediary corporation by conversion of its wholly owned subsidiary's common stock into the common stock of the intermediary, obtained indirect control of a separate subsidiary corporation that was wholly owned by the intermediary. Thus, notwithstanding the fact that the acquiring corporation did not directly purchase the stock of the intermediary's subsidiary, a change in ownership of that subsidiary's real property holdings occurred within the meaning of Section 64(c). The determinative factor as to whether a change in ownership of corporate property has occurred is control of the corporation that owns the property, not the right to occupy the property or to take possession of it. *Title Ins. & Trust Co. v. Riverside County*, 48 Cal.3d 84.

A corporate reorganization effecting a change in the majority controlling ownership of the corporate entities results in a change of ownership of the real property under Section 64(c), even though the reorganization itself was exempt from state and federal income taxation. The reorganization involved affiliated entities that were not affiliated after the transaction, and for Section 64(b) to be applicable, "members of an affiliated group" must have been affiliated from beginning to end, under the same ownership and control before a transfer and after. *Pueblos Del Rio South v. City of San Diego*, 209 Cal.App.3d 893.

A change in ownership of corporate real property triggering reassessment of the property occurred within the meaning of Section 64(c) where the taxpayer and another corporation formed a new corporation which set up two wholly owned subsidiary corporations which were then merged into the taxpayer and the other corporation, but which left the taxpayer's shareholders with a majority interest in the stock of the new corporation. *Kraft, Inc. v. Orange County*, 219 Cal.App.3d 1104. The acquisition of a film corporation by another corporation, specially created for that purpose, constituted a change in ownership within the meaning of Section 64(c) so as to allow reassessment of real property owned by the film corporation, even though none of the investors in the acquiring corporation owned more than 50 percent of its stock. The ultimate control theory, reflected in that section and which looks through the titleholder to the entity ultimately responsible, did not require that the acquiring corporation be ignored in order to focus instead on the individual investors. *Twentieth Century Fox Film Corp. v. Los Angeles County*, 223 Cal.App.3d 1158. The statutory definition of "control", in a partnership, a majority ownership interest, prevails over the concept that a choice in action represents indirect, constructive or effective control. *Shuwa Investments Corporation v. Los Angeles County*, 1 Cal.App.4th 1635. While acquisition of a minority partnership interest does not constitute a change of ownership under this section, this exemption applies only to transfers involving continuing entities. Thus, where the majority partner purchased the minority partners' partnership interests, in this case the partnership dissolved, this was a change in ownership, and the partnership's subsequent transfer of title to its real property to the sole partner was a mere formality. *Zapara v. Orange County*, 26 Cal.App.4th 464.

Section 64(e) is designed to assist the appropriate authorities in determining whether a change of ownership has occurred by alerting them to stock purchases that might lead to reassessment of real property, not to state the circumstances under which a property value tax reassessment should occur. *Title Ins. & Trust Co. v. Riverside County*, 48 Cal.3d 84.

Legislative intent.—The intent of the Legislature is the end and aim of all statutory construction. The Legislature's failure to adopt a proposed amendment to Section 64(c) which would have expressly extended application of the subdivision to corporate subsidiaries is not conclusive evidence of its intent that the subdivision not apply to subsidiaries. The Legislature may have objected to other portions of the bill, which contained numerous other provisions, or it may have determined that further clarification of the status of subsidiaries was unnecessary. *Title Ins. & Trust Co. v. Riverside County*, 48 Cal.3d 84.

EXHIBIT CC

Port's Good Neighbor Policy

## **EXHIBIT CC**

### **Port's Good Neighbor Policy**

#### **GOOD NEIGHBOR POLICY OR STANDARDS**

The Port Commission has adopted the following "Good Neighbor" standards for activities, including Special Events that occur on the waterfront.

Tenant and Sponsors of events in this area will be required to meet these standards, which apply to bars, restaurants which sell alcohol, large fast food restaurants, and assembly and entertainment uses (including Special Events), unless the Port Commission makes a specific finding that a particular condition is unnecessary or infeasible:

- A. Any indoor and/or outdoor activity located within 300 feet of a residential unit shall, during the period from 10:00 pm to 6:00 am, insure that sound levels emanating from such activities do not exceed the acceptable noise levels established by the San Francisco Noise Ordinance. Police Code, Article 29.
- B. The tenant (or sponsor) shall post interior signs and request that patrons leaving the premises after 10:00 pm leave the establishment and the neighborhood in a quiet, peaceful and orderly fashion and not litter or block driveways in the neighborhood. The tenant shall alert the San Francisco Police Department if exiting patrons are causing a disturbance.
- C. All garbage receptacles shall be enclosed and no garbage shall be put on the sidewalk for collection, except as permitted by Article 5.1 of the Public Works Code.
- D. The tenant (or sponsor) shall keep sidewalks fronting the premises clean of debris and litter and shall walk a 100 foot radius from the premises sometime between thirty minutes after closing and 8:00 am the following morning to pick up and dispose of any discarded trash left by area patrons.
- E. The tenant (or sponsor) shall designate a neighborhood liaison contact person whose name and phone number shall be made available to the Port and to neighborhood associations in the area.

SCHEDULE 13.2

Intentionally Omitted





**CITY AND COUNTY OF SAN FRANCISCO  
LONDON N. BREED, MAYOR**

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**LEASE NO. L-16705**

**(MISSION ROCK – PHASE 1, PARCEL G/LOT 3)**

**BETWEEN THE**

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

**AS LANDLORD**

**AND**

**MISSION ROCK PARCEL G OWNER, L.L.C.**

**AS TENANT**

**DATED AS OF JUNE 25, 2020**

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**ELAINE FORBES  
EXECUTIVE DIRECTOR**

**SAN FRANCISCO PORT COMMISSION**

**KIMBERLY BRANDON, PRESIDENT  
WILLIE ADAMS, VICE- PRESIDENT  
GAIL GILMAN, COMMISSIONER  
VICTOR MAKRAS, COMMISSIONER  
DOREEN WOO HO, COMMISSIONER**

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**Exhibits:**

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Exhibit P	Significant Change Certificate
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Exhibit X	Form of Memorandum of Lease
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Exhibit Z	Form of Quarterly Percentage Rent Statement
Exhibit AA	Form of Annual Percentage Rent Statement
Exhibit BB	Cal. Revenue and Taxation Code, Chapter 2, Section 64
Exhibit CC	Port's Good Neighbor Policy

Schedule 13.2 Intentionally Omitted

### BASIC LEASE INFORMATION

Each reference to the Basic Lease Information in this Lease will incorporate the applicable Basic Lease Information specified herein.

As defined in the Disposition and Development Agreement between the Port and Seawall Lot 337 Associates, LLC, a Delaware limited liability company, dated as of August 15, 2018 (the "DDA"), this Lease is a fully prepaid lease of unimproved property to a Vertical Developer Affiliate of Master Developer.

<b>Lease No.</b>	Lease No. L-16705
<b>Effective Date:</b>	June 15, 2020
<b>Landlord:</b>	<b>THE CITY AND COUNTY OF SAN FRANCISCO</b> operating by and through the <b>SAN FRANCISCO PORT COMMISSION</b>
<b>Tenant:</b>	<b>MISSION ROCK PARCEL G OWNER, L.L.C.</b>
<b>Tenant's Address for Notices:</b>	Mission Rock Parcel G Owner, L.L.C. c/o Tishman Speyer Development, L.L.C., One Bush Street, Suite 500, San Francisco, California, 94104 Attention: General Counsel  With a copy to:  Mission Rock Parcel G Owner, L.L.C. c/o San Francisco Giants 24 Willie Mays Plaza San Francisco, CA 94107 Attention: Jack Bair
<b>Landlord's Address for Notices:</b>	Port of San Francisco Pier 1 San Francisco, CA 94111 Attn: Director of Real Estate and Development Re: Mission Rock (Phase 1 Lot 3)  With a copy to:  Port of San Francisco Pier 1 San Francisco, CA 94111



	Attn: General Counsel Re: Mission Rock (Phase 1 Lot 3)
<b>Premises:</b>	All that real property located in the City and County of San Francisco, California, as more particularly described in <i>Exhibit A</i> attached hereto (the “ <b>Property</b> ”). The Property contains approximately Thirty-Three Thousand Fifty-Seven (33,057) square feet of unimproved land area (the “ <b>Land</b> ”), together with all rights and privileges appurtenant to the Property and owned by Port, and any Improvements hereafter constructed on the Property. The Property is generally referred to as Parcel G of the mixed-use project commonly known as Mission Rock. The Property is shown generally on the Site Plan attached hereto as <i>Exhibit B</i> . The Property and all Improvements now and hereafter located on the Property are referred to in this Lease as the “ <b>Premises.</b> ”
<b>Single Point of Entry for State Mineral Reservation Entry</b>	Within 180 days after the Commencement Date, Port shall provide Tenant the coordinates for the point of entry, which shall be located in Zone 3, California Grid System.
<b>Permitted Use:</b>	The use and operation of the Premises will be for office and retail uses subject to the Scope of Development attached hereto as <i>Exhibit C-1</i> , and the SUD (collectively, the “ <b>Project</b> ”) and as further specified below and in <i>Article 3</i> .
<b>Commencement Date:</b>	The Effective Date of this Lease.
<b>Expiration Date:</b>	The earlier of (i) seventy-five years after the Commencement Date and (ii) December 31, 2105.
<b>Prepaid Rent:</b>	<b>Fully Prepaid:</b> \$4,000,000.00
<b>Rent:</b>	As set forth in <i>Exhibit D</i> attached hereto.
<b>Environmental Financial Assurances Deposit:</b>	As applicable to Subtenants as set forth in <i>Section 17.3</i> .
<b>Environmental Oversight Deposit:</b>	As applicable to Subtenants as set forth in <i>Section 17.3</i> .

<b>Project Approvals:</b>	Those certain project approvals for Mission Rock listed in <i>Exhibit E</i> attached hereto and made a part hereof, as may be amended from time to time.
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## Lease No. L-16705

THIS LEASE NO. L-16705 (this “Lease”) is dated as of the Effective Date, by and between THE CITY AND COUNTY OF SAN FRANCISCO, operating by and through the SAN FRANCISCO PORT COMMISSION (“Port”), as landlord, and MISSION ROCK PARCEL G OWNER, L.L.C., 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 47* 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. The Port owns about 7½ miles of tidelands and submerged lands along San Francisco Bay. The seawall lots are tidelands that were filled and cut off from the waterfront by the construction of the great seawall in the late 19th and early 20th centuries, and by the construction of the Embarcadero roadway which lies, in part, over a portion of the great seawall. Seawall Lot 337, the largest of the designated seawall lots, is located just south of China Basin and for years has been used as a surface parking lot.

C. The Port and Seawall Lot 337 Associates, LLC, a Delaware limited liability company (“Master Developer”), are parties to that certain Disposition and Development Agreement dated as of August 15, 2018 (the “DDA”) and that certain Lease No. L-16417 dated as of August 15, 2018 (the “Master Lease”). The DDA and Master Lease govern the mixed-use development of an approximately 28-acre site, known as “Mission Rock” as more particularly described in the DDA and Master Lease (the “Project Site”). The DDA and Master Lease set forth a parcel disposition process under which the Port will enter into ground leases for developable parcels within Mission Rock.

D. Master Developer, on December 18, 2019, assigned all of its rights, title, and interest in and to the DDA with respect to the Premises to Mission Rock Horizontal Sub (Phase 1), L.L.C., a Delaware limited liability company (“Phase 1 Horizontal Developer”).

E. This Lease is a fully prepaid ground lease with a Vertical Developer Affiliate. The form of this Lease was authorized by the Port Commission by Resolution No. 18-03 and the Board of Supervisors by Resolution No. 36-18, which resolutions authorized the Port’s Executive Director to enter into this Lease without further approval by the Port Commission or the Board of Supervisors under Charter Section 9.118.

F. This Lease is a nontrust lease, free from the trust use requirements established by the public trust, the Burton Act trust, and the Burton Act transfer agreement pursuant to Senate Bill 815 (stats. 2007, ch. 660), as amended by Assembly Bill 2797 (stats. 2016, ch. 529) (as amended, “SB 815”). The defined terms used but not otherwise defined in this Recital F shall have the meanings ascribed to them in SB 815.

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

**1. PREMISES; TERM.**

**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) **Permitted Title Exceptions.** The interests granted by Port to Tenant pursuant to *Section 1.1(a)* are subject to (i) the matters reflected in *Exhibit F* (the “**Permitted Title Exceptions**”), and (ii) such other matters as Tenant will cause or suffer to arise subject to the terms and conditions of this Lease, and (iii) the rights of Port and the public reserved under the terms of this Lease.

(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 7* (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 Improvements or alterations or additions to the Premises that do not otherwise require the Port’s approval and that might impact accessibility standards required under federal and state disability access Laws.

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

(i) **Access Rights.** Port hereby grants to Tenant a non-exclusive easement appurtenant to the Property, limited in duration to the Term of this Lease under Section 1.2 in and over all of the real property located in those lots designated as open spaces, streets, ways, roads, public ways, or similar designations on the Final Map, including, without limitation, the Public Access Areas (the “**Open Space Lands**”) for purposes of pedestrian access, ingress and egress in connection with the uses permitted under this Lease, subject to the following use restrictions:

(1) Tenant shall not restrict access to the Open Space Lands or unreasonably interfere or impede the use of the Open Space Lands by the public, Port, or other Port tenants or users.

(2) Tenant shall not allow the Open Space Lands to be used in any manner that will constitute waste, nuisance or unreasonable annoyance to Port or its tenants or licensees.

(ii) **No-Build Area.** Port hereby grants to Tenant an exclusive building setback easement appurtenant to the Property, in and over the portion of the Open Space Lands located within twenty-five (25) feet of the Premises (the “**No-Build Area**”) such that no buildings shall be constructed in the No-Build Area in order to maintain compliance with Port Building Code requirements applicable to the improvements to be built on the Premises by Tenant. However, this restriction on use of the No-Build Area shall not prohibit the Port’s ability to maintain, construct and install minor encroachments, with any required approval from applicable agencies.

(iii) If Tenant (including, its Agents, Invitees, successors and assigns) uses or occupies space outside the Property without the prior written consent of Port (the “**Encroachment Area**”), which consent is anticipated to be granted in one or more license agreements, 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.

(iv) 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.

(v) 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.

(vi) 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)*.

(f) **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 as identified in the Basic Lease Information, 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 14* (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).

(g) **"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." 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 1.1(g)*. 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, 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 its "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, the zoning land use regulations, and other Laws applicable thereto, including Environmental Laws, or any similar matter applicable to the Premises, any appurtenances thereto or the Improvements; or (iv) all other matters of material significance presently existing in, on, around, under, and pertaining to the Premises and its development and use under this Lease.

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

Tenant agrees that the release contemplated by this **Section 1.1(g)** 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 1.1(g)**.

Tenant Initials:   *ba*  

The provisions of this **Section 1.1(g)** will survive the expiration or earlier termination of this Lease.

(h) **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.

(i) **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.

(j) **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.

(k) **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





As part of its agreement to accept the Premises in its “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, the zoning land use regulations, and other Laws applicable thereto, including Environmental Laws, or any similar matter applicable to the Premises, any appurtenances thereto or the Improvements; or (iv) all other matters of material significance presently existing in, on, around, under, and pertaining to the Premises and its development and use under this Lease.

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

Tenant agrees that the release contemplated by this *Section 1.1(g)* 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 1.1(g)*.

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

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(k) **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.

**1.2. 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." In no event will the Term of this Lease, or of any Sublease created under any provision of this Lease, extend beyond December 31, 2105.

**2. RENT.**

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

**3. USES.**

**3.1. Permitted Uses.** Tenant will use and operate the Premises in accordance with this Lease and solely for the Permitted Uses described in the Basic Lease Information. Tenant will not seek any amendment to the Project Approvals, including, without limitation, the SUD or Design Controls that would be substantially inconsistent with the land use restrictions set forth in the Scope of Development without the prior written consent of the Port Commission and, during the term of the DDA, Master Developer or Phase 1 Horizontal Developer (as applicable), each in its sole discretion. The Parties recognize that from time to time, Tenant may desire to obtain additional use, zoning, regulatory or land use approvals or conditional use authorization relating to the Premises. Port agrees, from time to time, to reasonably cooperate with Tenant, at no cost to Port, in pursuing such regulatory approvals or authorizations, including, but not limited to, executing documents, applications or petitions relating thereto, subject to the limitations of this *Section 3.1, Section Error! Reference source not found.* and *Article 8*. Notwithstanding anything herein to the contrary, any use of the Premises under 10,000 square feet in connection with districtwide utility systems shall be a Permitted Use hereunder.

**3.2. 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"):

- (a) 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;
- (b) any activity or object which will materially overload or cause material damage to the Premises (other than which would be considered reasonable wear and tear or which is otherwise repaired by Tenant in accordance with the terms of this Lease);
- (c) any activity which constitutes waste or nuisance, 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, or the use of loudspeakers or sound or light apparatus which can be heard or seen outside the Premises other than (i) in connection with typical commercial uses (including without limitation, lights and speakers for outdoor dining with music) and (ii) so long as properly permitted by Port and consistent with Port's Good Neighbor Policy, attached as *Exhibit CC* to this Lease, lights and speakers at the Premises used in connection with outdoor events at the parks or public open spaces in Mission Rock with the prior written consent of the Port, in each case that do not violate any applicable Law;
- (d) any activity which will in any way injure, obstruct or interfere with the rights of ingress and egress of other owners, tenants, or occupants of adjacent properties;
- (e) 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;

(f) 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 office equipment (such as printers, computer, and copiers) and residential equipment (such as washing machines, dryers, and kitchen appliances) or to charging stations for electric vehicles and equipment;

(g) the storage of any and all excavated materials, including but not limited to, dirt, concrete, sand, asphalt, and pipes (unless such use is reasonably required on a temporary basis to allow for the construction of the Initial Improvements, Subsequent Construction, or the repair or maintenance of the Improvements);

(h) the storage of any and all aggregate material, or bulk storage, such as wood or of other loose materials (unless such use is reasonably required on a temporary basis to allow for the construction of the Initial Improvements, Subsequent Construction, or the repair or maintenance of the Improvements); or

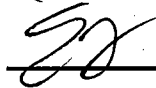
(i) Intentionally Omitted.

(j) the washing of any vehicles or equipment (unless such use is (i) reasonably required on a temporary basis to comply with the Soil Management Plan during construction of the Initial Improvements or (ii) is ancillary to the Permitted Use and in accordance with a Port approved Operations Plan).

**3.3. 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 24.1(f)**, if Tenant uses the Premises for the same type of Prohibited Use and Port has delivered a notice of such violations more than two (2) times within the prior six (6) month period, then Tenant will pay Port an amount equal to Two Thousand Six Hundred Fifty Two Dollars and Twenty-Five Cents (\$2,652.25) (as adjusted periodically, the "**Prohibited Use Charge**") for such Prohibited Use as liquidated damages, which Two Thousand Six Hundred Fifty Two Dollars and Twenty-Five Cents (\$2,652.25) will be increased by ten percent (10%) 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 A PROHIBITED USE MORE THAN TWO (2) TIMES WITHIN A SIX (6) 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 LEASE WAS MADE, THE CONSEQUENCES OF THIS LIQUIDATED DAMAGES PROVISION.

Initials:



Port



Tenant

**3.4. Advertising and Signs.** Subject to the prohibition on tobacco and alcohol advertising provided in **Article 45** (Other City Requirements), Tenant will have the right to install signs and advertising inside the Premises and the Improvements in accordance with the applicable provisions of the SUD, as may be amended from time to time. Tenant will have the right to place, construct or maintain any sign, flag, advertisement, awning, banner or other decoration (collectively, "**Sign**") on, or visible from, the exterior of the Premises without the prior written consent of Port acting in its proprietary capacity, provided the Sign complies with



(f) 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 office equipment (such as printers, computer, and copiers) and residential equipment (such as washing machines, dryers, and kitchen appliances) or to charging stations for electric vehicles and equipment;

(g) the storage of any and all excavated materials, including but not limited to, dirt, concrete, sand, asphalt, and pipes (unless such use is reasonably required on a temporary basis to allow for the construction of the Initial Improvements, Subsequent Construction, or the repair or maintenance of the Improvements);

(h) the storage of any and all aggregate material, or bulk storage, such as wood or of other loose materials (unless such use is reasonably required on a temporary basis to allow for the construction of the Initial Improvements, Subsequent Construction, or the repair or maintenance of the Improvements); or

(i) Intentionally Omitted.

(j) the washing of any vehicles or equipment (unless such use is (i) reasonably required on a temporary basis to comply with the Soil Management Plan during construction of the Initial Improvements or (ii) is ancillary to the Permitted Use and in accordance with a Port approved Operations Plan).

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Initials:

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Port

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Tenant

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the Design Controls and the applicable provisions of the SUD. Any Sign that Tenant is permitted to place, construct or maintain on the Premises will comply with all Laws relating thereto, including but not limited to the Design Controls and the applicable provisions of the SUD and building permit requirements, and Tenant will obtain all Regulatory Approvals required by such Laws. Port makes no representation with respect to Tenant's ability to obtain any such Regulatory Approval. Tenant, at its sole cost and expense, will remove all Signs placed by it on the Premises at the expiration or earlier termination of this Lease.

**3.5. *Restrictions on Encumbering Port's Reversionary Interest.*** Tenant may not enter into agreements granting licenses, easements or access rights over the Premises if the same would be binding on Port's reversionary interest in the Premises without Port's prior written consent, which consent may be withheld in Port's sole discretion, and subject to the provisions of *Article 6* (Contests).

**3.6. *Intentionally Omitted***

**3.7. *Required Public Benefits.***

**(a) *Retail and Activation as Public Benefits.*** Pursuant to and as more particularly described in the Mission Rock Design Controls, the portion of the Premises fronting on China Basin Park is designated as a Parkfront Zone and the portion of the Premises fronting on Plank Road is designated as a High Retail zone. Tenant will use commercially reasonable efforts to develop and retain a ground-floor mix that activates the Project Site consistent with the definition of "Retail Program" set forth in the DDA and with the "Mission Rock Retail Plan," as approved in the Phase Submittal (as defined in the DDA) for Phase 1 (as defined in the DDA), and consistent with the goals set forth in the public trust study for the Project Site. Ground floor retail uses at the Premises may be a mix of uses that should complement and draw park and waterfront users to the area, that should serve the needs of Mission Rock and also serve the greater Mission Bay neighborhood, San Francisco as a whole, and visitors from the region and beyond, and that should attract pedestrians and consumers to the Project.

#### **4. DEVELOPMENT PROJECTS.**

**4.1. *Generally.*** Tenant acknowledges that during the Term, other development projects will be developed or constructed in the immediate vicinity of the Premises, and other development projects on or near Port property (such as the development projects at Pier 48, Mission Rock, Chase Center, and Mission Bay). Pier 70 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) also may be constructed in the vicinity of the Premises (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 Initial Improvements or any Subsequent Construction, 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.

**4.2. *Cooperation.*** The Master Developer Agreements will, among other things, permit the construction during the Term, of new public open space, new commercial and residential buildings, a parking structure, and other improvements, within Mission Rock. Tenant

acknowledges and agrees that it will reasonably cooperate with Port, the Master Developer, the Phase 1 Horizontal Developer and other developers and tenants of Mission Rock at no material out-of-pocket cost to Tenant.

## **5. TAXES AND ASSESSMENTS.**

### **5.1. *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 and the Mello-Roos Taxes described in **Section 5.2**. 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. Tenant will have the right to contest the validity, applicability or amount of any such taxes in accordance with **Article 6** (Contests). In the event of any such dispute, Tenant will Indemnify the Indemnified Parties and hold them 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 which 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 Assignment permitted under this Lease and any exercise of any option to renew or extend this Lease may constitute a change in ownership, within the meaning of the California Revenue and Taxation Code, and therefore may result in a reassessment of any possessory interest created hereunder in accordance with applicable Law.

(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 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 5.1(a)**, and except as otherwise provided in this **Section 5.1(b)** and **Article 6**, 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 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 6**, 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), Mello-Roos 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 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, Mello-Roos Taxes under the Mission Rock 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 Property or 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 give 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.

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

(a) **Section 53341.5 Acknowledgment.** Prior to Tenant's execution and delivery of this Lease, Master Developer and Port delivered to Tenant, and Tenant executed and delivered to Master Developer and Port, a notice of special tax pursuant to California Government Code Section 53341.5 (the "Notice of Special Tax") confirming that Tenant has been advised of the terms and conditions of the Mission Rock CFD, including that the Premises are subject to the Mello-Roos Taxes. A copy of the executed Notice of Special Tax is attached hereto as *Exhibit G*.

(b) **Acknowledgment of the Special Tax Rates.** The special tax rates shown in the Rate and Method of Apportionment approved by the Board of Supervisors showing the special tax rates in the Mission Rock CFD (the "RMA") as applicable to the Property shall not be changed without the written consent of Tenant. Tenant shall be provided fifteen (15) days to review and comment on all subsequent revisions to the RMA for the Mission Rock CFD.

(c) **Facilities and Maintenance CFD.** As material consideration for the Port entering into this Lease, Tenant will comply with all of the covenants and acknowledgements set forth in *Exhibit H* (CFD and Assessment Matters) attached hereto and the Master Developer and the Phase 1 Horizontal Developer are explicit third-party beneficiaries of the covenants and acknowledgements set forth in *Exhibit H* (CFD Matters) attached hereto.

#### **(d) Shortfall Provisions.**

(i) **Tenant Waiver and Covenant.** Tenant may initiate a Reassessment to reduce a Baseline Assessed Value of the Premises, but may not initiate and waives any right to initiate, a Reassessment of the Subsequent Assessed Value of the Premises until the IFD Termination Date. In addition, Tenant covenants that should Tenant initiate a Reassessment in violation of this *Section 5.2(d)*, Tenant and Port will take the following measures to avoid shortfalls:

(1) For each year during the period provided in *Section 5.2(d)(i)(2)* 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 IFD Termination Date; and (B) when the Assessment Shortfall is reduced to zero.

(3) Payment of the Assessment Shortfall will constitute a cure of any Event of Default with respect to any breach by Tenant of the covenant and waiver in *Section 5.2(d)(i)* (Tenant Waiver and Covenant).

(ii) *Tax Exemption.* Tenant and Port do not intend for this *Section 5.2(d)* 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 5.2(d)*, Port will release the obligations under this *Section 5.2(d)* and it will be deemed severed from this Lease.

(iii) *Mutual Expectations as to Shortfall Measures.* Neither Tenant nor Port expects Port to make demand for payment under this *Section 5.2(d)*. In light of the Parties' mutual expectations, Tenant has agreed to the waiver in *Section 5.2(d)(i)* (Tenant Waiver and Covenant).

(iv) *No Negotiation.* Tenant understands that Port would not be willing to enter into this Lease without this *Section 5.2(d)*.

**5.3. Port's Right to Pay.** Unless Tenant is exercising its right to contest in accordance with the provisions of *Article 6*, if Tenant fails to pay and discharge any Imposition (including fines, penalties and interest) 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, either to pay the delinquent Imposition or to notify Port that it is contesting such Imposition pursuant to *Article 6*, 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.

**5.4. Information Required by the Assessor-Recorder.**

(a) The Assessor-Recorder has notified Port that pursuant to Revenue and Taxation Code Section 441(d) (or any successor or otherwise applicable Law), it requires certain information in order to facilitate completion of Assessor Block Maps, updates to ownership records, imposition of transfer tax, and assessment of in-progress construction, completed new construction, sales and other assessable transfers of property (each a "**Potential Assessment**"). *Exhibit I* lists the information that the Assessor-Recorder expects to need in order to perform the foregoing tasks (the "**Assessor Information**").

(b) With respect to a Potential Assessment, Tenant will provide to the Assessor-Recorder in accordance with Revenue and Taxation Code Section 441(d) (or any successor or otherwise applicable Law), any Assessor Information requested in writing by the Assessor-Recorder in the format reasonably required by the Assessor-Recorder (the "**Requested Information**") within ninety (90) days (or within such other period as required or permitted by Law) of Tenant's receipt of a written request for such Requested Information ("**Initial Response Period**"). Tenant is not required to provide to Port information submitted to the Assessor-Recorder pursuant to this *Section Error! Reference source not found.* if such information is not required to be provided under Administrative Code Sections 23.38 or 23.39, or any other applicable Law or contractual requirement, but Tenant shall copy Port on the transmittal to the Assessor-Recorder which shall only list, but not include, such Requested Information provided to the Assessor-Recorder. Tenant waives any right to confidentiality under applicable Law only to

the extent necessary for the Assessor-Recorder to notify Port of Tenant's failure to provide the Requested Information on a timely basis and Port to exercise its right as set forth in *Section Error! Reference source not found.* (d). Except as specifically provided in the preceding sentence, neither the provisions of this Lease, nor the submission by Tenant to the Assessor-Recorder of any information pursuant to this *Section Error! Reference source not found.* will be considered a waiver of or limitation on Tenant's rights under applicable Law of taxpayer confidentiality, attorney-client or other applicable privilege, the Assessor-Recorder's duty to prevent the disclosure of taxpayer information, and exemptions from the California Public Records Act and San Francisco Sunshine Ordinance applicable to information provided to the Assessor-Recorder.

(c) If Tenant does not provide all of the Requested Information to the Assessor-Recorder within the Initial Response Period and has not provided notice to Port and the Assessor-Recorder that it is contesting in good faith, the Assessor-Recorder's right to all or any portion of the Requested Information, Port or the Assessor-Recorder will deliver to Tenant notice that the Assessor-Recorder has not yet received the Requested Information ("**Notice for Information**"). Within thirty (30) days of Port's or the Assessor-Recorder's delivery of the Notice for Information ("**Response Period**"), Tenant must provide to the Assessor-Recorder the Requested Information or deliver notice to Port and the Assessor-Recorder that Tenant is contesting in good faith the Assessor-Recorder's right under applicable Law to the Requested Information that has not been provided by Tenant ("**Contest Notice**"). If the Assessor-Recorder does not receive the Requested Information within the Response Period, or Port and the Assessor-Recorder do not receive the Contest Notice within the Response Period, then Port or the Assessor-Recorder may deliver to Tenant additional Notice(s) for Information until the Requested Information or Contest Notice, as applicable, is received.

(d) Tenant will have the same Response Period to provide the Requested Information or Contest Notice, as applicable, for each Notice for Information delivered to Tenant. There is no fee for Tenant's failure to timely respond to the first Notice for Information delivered to Tenant with respect to each Potential Assessment. If Tenant fails to provide either the Requested Information or a Contest Notice within the Response Period following any subsequent Notice for Information with respect to the same Potential Assessment, Tenant must pay to Port a fee equal to \$5,000 for the second Notice for Information delivered to Tenant; \$10,000 for the third Notice for Information delivered to Tenant; and \$25,000 for the fourth Notice for Information delivered to Tenant (each fee an "**Information Charge**"), which Information Charge will increase by \$1,000 in 2023 and every five (5) years thereafter. Each Information Charge is due and payable to Port the day immediately following the expiration of the applicable Response Period. If Port has not received the Requested Information within the Response Period following delivery of the fourth (4<sup>th</sup>) Notice for Information, then Port will have the right to exercise all rights and remedies available at law or in equity to enforce Tenant's obligation to provide Requested Information on a timely basis, including specific performance; provided, however, Port will not exercise any remedy for Tenant's failure to provide such Requested Information so long as Tenant is challenging in good faith, its obligation to turn over the Requested Information.

(e) Promptly following the Assessor-Recorder's request, Port may, from time to time, update the information requirements set forth in the most current Assessor Information to reference different or additional information requirements to which the Assessor-Recorder is entitled by Law, by providing Tenant no less than five (5) business days' prior notice and a replacement copy of the updated Assessor Information.

**5.5. Survival.** The provisions of this *Article 5* will survive the expiration or earlier termination of this Lease.

## 6. CONTESTS.

**6.1. *Right of Tenant to Contest Impositions and Liens.*** Subject to **Section 5.2**, Tenant has the right to contest the amount, validity or applicability, in whole or in part, of any other Imposition, 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 5.2**, nothing in this Lease requires Tenant to pay any other Imposition, mechanics' lien, or encumbrance so long as Tenant contests the validity, applicability or amount of such Imposition, mechanics' lien, or encumbrance in good faith, and so long as it does not allow the portion of the Premises affected by such Imposition, mechanics' lien, or encumbrance to be forfeited to the entity levying such Imposition, 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 Imposition, 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 19**, Tenant will Indemnify the Indemnified Parties for all Losses resulting from Tenant's contest of any Imposition.

**6.2. *Port's Right to Contest Impositions.*** At its own cost and after notice to Tenant of its intention to do so, Port may, but in no event will be obligated to, contest the validity, applicability or the amount of any Impositions, by appropriate proceedings conducted in good faith and with due diligence. Nothing in this **Section 6.2** will require Port to pay any Imposition as long as it contests the validity, applicability or amount of such Imposition in good faith, and so long as it does not allow any portion of the Premises to be forfeited to the entity levying such Imposition as a result of its nonpayment and so long as such activities do not cause a default under any Mortgage in effect at the time. Port will give notice to Tenant within a reasonable period of time of the commencement of any such contest and of the final determination of such contest. Port will reimburse Tenant within thirty (30) days after demand from Tenant for any such fines, penalties, costs, interest, expenses or fees, including Attorneys' Fees and Costs, which Tenant may be legally obligated to pay solely as a result of Port's contest of such Impositions.

## 7. COMPLIANCE WITH LAWS.

**7.1. *Tenant's Obligation to Comply.*** 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 Soil Management Plan, and (iii) the Mitigation Monitoring and Reporting Program, (iv) the Vertical DDA (so long as the Vertical DDA remains in effect), (v) the Transportation Demand Management Plan, (vi) and, to the extent there is no conflict with the DDA, this Lease or the Vertical DDA, a vertical cooperation agreement between Tenant and adjacent property owners, and (vii) any required measures applicable to "Vertical Developer" as set forth in the Sustainability Strategy Implementation Checklist attached to the Sustainability Strategy (as defined in the DDA). 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.

**7.2. Unforeseen Requirements.** The Parties acknowledge and agree that Tenant's obligation under this *Section 7.2* to comply with all Laws and the other requirements set forth in *Section 7.1* is a material part of the bargained-for consideration under this Lease. Tenant's obligation to comply with Laws and the other requirements set forth in *Section 7.1* includes the obligation to make substantial improvements (including any barrier removal work or other work required to all or any portion of the Premises under Disabled Access Laws as a result of Tenant's specific use of the Premises, the Improvements or any Subsequent Construction performed by or on behalf of Tenant, or substructural repairs to the Premises), regardless of, among other factors, the relationship of the cost of curative action to the Rent under this Lease, the length of the then remaining Term, the relative benefit of the repairs to Tenant or Port, the degree to which curative action may interfere with Tenant's use or enjoyment of the Premises, the likelihood that the Parties contemplated the particular Law involved, or the relationship between the Law or the other requirements set forth in *Section 7.1* and Tenant's particular use of the Premises. No occurrence or situation arising during the Term, nor any Law or the other requirements set forth in *Section 7.1*, however extraordinary, relieves Tenant of its obligations hereunder, nor gives Tenant any right to terminate this Lease (except for the Termination Option set forth in *Section 7.3*) in whole or in part or to otherwise seek redress against Port. Tenant waives any rights now or hereafter conferred upon it by any Law to terminate this Lease (except for the Termination Option set forth in *Section 7.3*), to receive any abatement, diminution, reduction or suspension of payment of Rent, or to compel Port to make any repairs to comply with any such Laws, on account of any such occurrence or situation.

**7.3. Right to Terminate Lease.**

Notwithstanding any other provision of *Article 7* (Compliance with Laws), in the event of any change in Laws during the last ten (10) years of the Term that would require capital repairs or improvements, including upgrades or other capital expenditures for reconstruction, replacement, expansion, Restoration, alteration or modification of the Premises (including the Improvements), Tenant will have the option, but not the obligation, to terminate this Lease (the "**Termination Option**") on the following terms and conditions set forth in *Section 7.3(a)*, unless waived by Port; provided, however, that so long as there are Outstanding Bonds, the Lease will continue in full force and effect until the earlier of the expiration of the Term or the date the Port has entered into a new lease for the Premises with a term that extends for at least as long as the final maturity date of the Outstanding Bonds. So long as there are no Outstanding Bonds:

(a) If Tenant desires to exercise the Termination Option, Tenant will deliver written notice thereof to Port of its election, at least one hundred twenty (120) days prior to the termination date specified therein ("**Termination Notice for Change in Laws**").

(i) On or prior to the effective date of termination of this Lease in accordance with this *Section 7.3*, Tenant must:

(1) cure all Tenant monetary Events of Default and any Events of Default relating to the provisions of *Section 7.1* (other than making the capital repairs or improvements necessitated by the change in Laws leading to Tenant's exercise of the Termination Option) and *Section 10.1*,

(2) cure all Events of Default or Unmatured Events of Defaults under *Article 21*,

(3) pay in full all utility charges and Impositions due and owing up to and including the effective date of termination,

(4) maintain all the insurance required to be maintained under *Section 20* until the effective date of termination, and

(5) if requested by Port, Demolish and Remove the Improvements in accordance with this *Section 7.3*.

(b) **Demolition and Removal Requirement.** If Port desires Tenant to Demolish and Remove the Improvements, Port will notify Tenant within ninety (90) days following receipt of the Termination Notice for Change in Laws, which election may be made by Port in its sole discretion. If Tenant Demolishes and Removes the Improvements in accordance with this *Section 7.3*, Tenant will have no obligation to cure any Events of Default under *Sections 7.1 or 10.1*. If Tenant exercises its Termination Option, this Lease will terminate on the later of the date set forth in the Termination Notice for Change in Laws or the date Tenant cures all of the Events of Default required to be cured and completes the Demolition and Removal in compliance with all Laws; provided, however, if Port requests Tenant to Demolish and Remove the Improvements, and such work cannot reasonably be completed prior to termination of this Lease, then Tenant's access to the Premises to perform such work will be under Port's license, as further described in *Section 36.2*. Tenant's obligation to Demolish and Remove the Improvements in accordance with this *Section 7.3* will survive the earlier termination of this Lease.

## **8. REGULATORY APPROVALS.**

**8.1. *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. Tenant acknowledges and agrees that Port has made no representation or warranty that the necessary Regulatory Approvals to allow for the development of the Initial Improvements can be obtained. Tenant 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 Initial Improvements will be issued by the appropriate Regulatory Agency, 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 Initial 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 Initial 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 Initial 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 liability 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 Initial Improvements.

**8.2. Regulatory Approval; Conditions.** Tenant understands that construction of the Initial Improvements and Tenant's contemplated uses and activities on the Premises, any subsequent changes in Permitted Uses, and any Subsequent Construction, may require Regulatory Approvals from Regulatory Agencies, which may include the City, Port, 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 all applicable Laws and the 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 (i) 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 (ii) restrict or change the use of the Premises in a manner not otherwise permitted under this Lease or 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 Port may be subject to).

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 of Supervisors action is required under applicable Laws, at the first Port and subsequent Board of Supervisors 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 of Supervisors 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 the conditions or restrictions imposed by the Regulatory Agency under such permit as set forth above in this section.

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. Tenant will take reasonable steps to cooperate with Port in connection with Port's efforts to obtain approvals from Regulatory Agencies related to development of Mission Rock that are not necessary for or related to development of the Premises.

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 develop and

construct the Premises in accordance with the Scope of Development, except to the extent that such Losses arise solely from the negligence or willful acts or omissions of Port acting in its proprietary capacity.

**8.3. *Regulatory Permit Coverage.*** Except as may otherwise be agreed upon between Tenant and Master Developer or Phase 1 Horizontal Developer (as applicable) pursuant to separate agreement(s), Tenant will not be entitled to rely upon Regulatory Approvals previously obtained by Master Developer or Phase 1 Horizontal Developer for any portion of Mission Rock, but will be required to obtain its own Regulatory Approvals in accordance with all applicable Laws. This includes, without limitation, Storm Water Pollution Prevention Plans (SWPPP), Dust Control Plans (DCP), Asbestos Dust Mitigation Plans (ADMP), and compliance with the City's Maher Ordinance (SFDPH Article 22A). Notwithstanding the foregoing, in accordance with its approved ADMP, Master Developer or Phase 1 Horizontal Developer (as applicable) will provide a site wide air monitoring network positioned on ongoing horizontal and vertical construction work within Mission Rock.

**9. TENANT'S MANAGEMENT AND OPERATING COVENANTS.**

**9.1. *Operating Standards.*** From and after Completion of the Initial Improvements, Tenant will maintain and operate the Premises, or cause the Premises to be maintained and operated, in a manner consistent with the prudent business practices of institutional landlords of buildings of comparable age, size, type and use located in San Francisco and in accordance with this Lease. Tenant is exclusively responsible, at no cost to Port, for the management and operation of the Premises.

**9.2. *Leasing of Premises.*** Tenant will use reasonable efforts to keep as much of the space in the Premises leased, taking into account marketplace conditions and applying in the exercise of such efforts, the prudent business practices of institutional landlords of buildings of comparable age, size, type and use located in San Francisco.

**9.3. *Reporting of Subleases.***

(a) **Leasing Activity Reports.** Tenant will deliver to Port within sixty (60) days following the end of each calendar year commencing in the calendar year a certificate of occupancy is issued for the Improvements until and including the calendar year that includes the twenty-fifth (25<sup>th</sup>) anniversary of the Commencement Date, a leasing activity report for immediately prior calendar year for the Premises substantially in the form attached hereto as ***Exhibit J*** (the "***Leasing Activity Report***"). To the extent gross revenues from the Premises is made available in other public forums such as government filings, Tenant will include such information in the Leasing Activity Report. Each Leasing Activity Report will be certified by an officer of Tenant that it is a true and correct copy.

(b) **Audited Financial Statements.** Tenant will deliver to Port within ninety (90) days following the end of the calendar year that includes the twenty-sixth (26<sup>th</sup>) anniversary of the Commencement Date and within sixty (60) days following the end of each calendar year thereafter until the calendar year that includes the Expiration Date, Tenant's audited financial statement for the Premises, certified by Tenant's chief financial officer as being true, correct, and complete. The Parties agree and acknowledge that the audited financial statements need not include a line item for each Sublease and the pertinent financial terms related to such Sublease, but may instead, include a summary of the revenues generated by the Subleases.

(c) **Port Representative.** Throughout the Term, upon no less than two (2) business days' prior notice to Tenant, a representative of Port may review at the property manager's offices at the Premises during regular business hours, a complete copy of the Subleases at the Premises. Other than any Subleases Port has agreed to recognize pursuant to a Non-Disturbance Agreement, Port's representative will not be permitted to copy any of the

Subleases or take any written notes of any Sublease terms during the first twenty-nine (29) years of the Term.

(d) **Appraiser.** Until Port enters into a long-term lease for the last development parcel within Mission Rock, Port's appraiser may review at the management office at the Premises or at another San Francisco location where Tenant may keep copies of Subleases, all current Subleases and rent roll, provided the Port's appraiser has entered into a customary confidentiality agreement that does not limit his or her ability to use the information in a manner necessary to inform the appraisal only (which shall not include the right to publish or otherwise disseminate any information in any manner outside of the context of the appraisal). The information gathered by the appraiser will be used solely to inform the appraiser in determining the fair market value of the development parcel to be sold or leased, as applicable.

**9.4. Restaurant/Retail Businesses Open to the General Public.** Throughout the Term, restaurants and other facilities for the exclusive use of the members of any invitation-only membership organization is prohibited on the ground floor of the Premises; provided, however, the foregoing does not prohibit amenities available only to employees of Tenant or any Subtenant (e.g. an employee cafeteria) or facilities for the exclusive use of membership organizations that are open to the general public (e.g. a membership-based gym).

**9.5. Flags.** Throughout the Term, a Port flag will fly on each flagpole within the Premises ("Flagpoles"), if any. Port will provide Port flags to Tenant. Tenant will promptly, at no charge, install, raise, lower and remove Port flags at Port's request. The dimensions of Port flags will be similar to the dimensions of Port flags flown in the Central Waterfront. Tenant also may use the Flagpoles to fly other flags on each Flagpole, provided that such other flags, other than the flags of the United States and the State of California, must be placed beneath the Port flag and Port must first reasonably approve the dimensions, color, text, design, and materials for such flag. If Port determines that Tenant's response to Port's request to raise or lower Port flags is inadequate, then at Port's election, Port may access the Flagpoles to adjust the Port flags accordingly without notice to Tenant.

Tenant will have no responsibility to maintain any Port flags. Port will provide Tenant with replacement Port flags to replace worn Port flags on the Flagpoles. If Port does not provide a replacement flag to replace a worn flag, then Tenant will provide Port with notice requesting that a replacement flag be provided ("**Replacement Notice**"). If Port reasonably believes the flag in question is not worn sufficiently enough to warrant its replacement, Port will notify Tenant within five (5) days following receipt of the Replacement Notice, and such flag will remain in place and not be replaced. If Port has not timely notified Tenant that Port disputes the need to replace the flag and if Port does not provide Tenant with a replacement flag within thirty (30) days following the Replacement Notice, then Tenant will deliver to Port a second notice, which notice will include a statement in bold, all caps and underlined that if Port does not provide Tenant with a replacement flag within ten (10) days of such second notice, then Tenant will have the right to remove the worn flag. If Port does not provide Tenant with a replacement flag within ten (10) days of such second notice, then Tenant will have the right to remove the worn flag; provided, however, if Port notifies Tenant that Port cannot provide Tenant with a replacement flag due to unavailability of a replacement flag, Tenant will not remove the worn flag until Port is able to obtain a replacement flag. If Tenant removes Port's flag, then Tenant will promptly fly a replacement flag provided by Port to Tenant.

**9.6. Graffiti Removal.** Graffiti is detrimental to the health, safety and welfare of the community in that it promotes a perception in the community that the laws protecting public and private property can be disregarded with impunity. This perception fosters a sense of disrespect of the law that results in an increase in crime; degrades the community and leads to urban blight; is detrimental to property values, business opportunities and the enjoyment of life; is inconsistent with City's property maintenance goals and aesthetic standards; and results in additional graffiti and in other properties becoming the target of graffiti unless it is quickly removed from public



and private property. Graffiti results in visual pollution and is a public nuisance. Graffiti must be abated as quickly as possible to avoid detrimental impacts on the City and its residents, and to prevent the further spread of graffiti.

Tenant agrees to commence removal of graffiti from the Premises within forty-eight (48) hours of the earlier of Tenant's: (a) discovery or notification of the graffiti or (b) receipt of notification of the graffiti from San Francisco Public Works. This **Section 9.6** is not intended to require Tenant to breach any lease or other agreement that it may have concerning its use of the Premises. The term "**graffiti**" means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other improvement, whether permanent or temporary, including signs, banners, billboards and fencing surrounding construction sites, whether public or private, without the consent of the owner of the property or the owner's authorized agent, and that is visible from the public right-of-way, but does not include: (1) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the Planning Code, or the Building Code; or (2) any mural or other painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (Calif. Civil Code §§ 987 et seq.) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. §§ 101 et seq.).

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

**9.8. Transportation Demand Management Plan.** Tenant will comply with the Transportation Demand Management Plan, attached as **Exhibit Y** throughout the Term.

**9.9. Soil Management Plan.** Tenant will comply, and will cause its Agents to comply, with all applicable provisions of the Soil Management Plan, a copy of which has been provided to Tenant. Any and all Subleases will require Subtenants (including its Agents) to comply with all applicable provisions of the Soil Management Plan.

#### **10. REPAIR AND MAINTENANCE; FACILITIES CONDITION REPORT; RESERVE ACCOUNT.**

**10.1. Covenants to Repair and Maintain the Premises.** Except as may otherwise be provided under **Articles 14** (Damage or Destruction) and **15** (Condemnation), throughout the Term, Tenant will maintain and repair, at no cost to Port, the Premises, all Improvements within the Premises (including, without limitation, all Material Systems) and Subsequent Construction thereon in accordance with the prudent business practices of institutional landlords of buildings of comparable age, size, type and use located in San Francisco (less reasonable wear and tear), and in compliance with all applicable Laws and this **Article 10**. Tenant will with reasonable promptness make (or cause others to make) all repairs, renewals and replacements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, foreseen or unforeseen, required to comply with this **Section 10.1**, except as set forth in **Article 7**, **Article 14** or **Article 15**. 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.

## **10.2. Facilities Condition Report.**

### **(a) Additional Definitions.**

“**Capital Items**” mean replacements, repairs, and/or improvements to the Premises, the foundation and structural integrity of the Improvements and Material Systems serving the Premises, and other Improvements within the Premises that would be deemed capital assets under general accounting principles consistently applied.

“**Capital Reserves**” means funds in a bank account where all funds will be used solely to replace, repair, and improve Capital Items within the Premises.

“**Capital Reserve Deposits**” means the deposits into an account for Capital Reserves.

“**FCR Date**” means the twentieth (20<sup>th</sup>) Anniversary Date and every ten (10) years thereafter until and including the sixtieth (60<sup>th</sup>) Anniversary Date and every five (5) years thereafter until the expiration of the Term.

**(b) Facilities Condition Report.** No less than ninety (90) days before each FCR Date, Tenant will deliver to Port a facilities condition report (the “**Facilities Condition Report**”) prepared by a qualified team of construction professionals including, without limitation, a structural and mechanical engineer, each with at least ten (10) years of experience in constructing, renovating and/or evaluating major commercial buildings in California. The Facilities Condition Report will be substantially in the form is attached hereto as *Exhibit L*. Additionally, if a Facilities Condition Report is prepared by Tenant or another party in connection with any Transfer or Refinancing, then Tenant will provide or cause the other party to provide, a copy of such Facilities Condition Report to Port.

**(c) Failure to Revise or Submit Report.** If Port reasonably believes the Facilities Condition Report does not satisfy the requirements set forth in *Section 10.2(b)*, then Port will notify Tenant of such deficiency within forty-five (45) days following receipt of the Facilities Condition Report and Tenant will revise the Facilities Condition Report, to address Port’s concerns within sixty (60) days. If Tenant fails to provide a Facilities Condition Report, or a revised Facilities Condition Report to Port within such period of time, Port after giving thirty (30) days’ notice to Tenant will have the right, but not the obligation, to cause the preparation of a Facilities Condition Report by construction professionals of Port’s choice, satisfying the experience requirements set forth in *Section 10.2(b)* at Tenant’s sole cost. Upon Port’s delivery to Tenant of an invoice for such Facilities Condition Report, Tenant will promptly reimburse Port the amount set forth in such invoice.

**(d) Maintenance and Repair of Identified Items.** Tenant will use commercially reasonable efforts to perform the recommended repairs identified in the Facilities Condition Report in accordance with the prudent business practices of institutional landlords of buildings of comparable age, size, type and use located in San Francisco.

## **10.3. Capital Reserves.**

**(a) Lender Capital Reserves Requirement.** Subject to *Section 10.3(b)*, Tenant will establish and maintain Capital Reserves to pay for replacements, repairs, and improvements of Capital Items within the Premises to the extent and on the terms and conditions required by Tenant’s Lender. If Tenant’s Lender does not require the establishment of such Capital Reserves, then Tenant will establish and maintain Capital Reserves pursuant to *Section 10.3(b)*.

**(b) No Lender Capital Reserves Requirement.** From and after Completion of the Initial Improvements, if a Lender does not require Tenant to maintain Capital Reserves, Tenant will establish and maintain Capital Reserves consistent with the prudent business practices of institutional landlords of buildings of comparable age, size, type and use located in

San Francisco with a depository institution reasonably acceptable to Port. Tenant will use the Capital Reserves only for the repair and/or replacement of Capital Items.

(c) **Capital Reserves Statements.** If a Lender does not require Tenant to maintain Capital Reserves, Tenant will provide Port on an annual basis, a statement from the depository institution where the Capital Reserves are held, showing the then current balance and any activity on such account that occurred during the immediately prior calendar year. In the event that Tenant has used Capital Reserves within the immediately prior calendar year, Tenant will include with the delivery of such statement, an explanation for such withdrawal, along with reasonably detailed statements relating to the expenditure of such funds.

**10.4. No Obligation of Port; Waiver of Rights.** From and after the Commencement Date, Tenant will be solely responsible for the condition, operation, repair, maintenance and management of the Premises, including the Initial Improvements, Subsequent Construction, and any and all other Improvements. Port will not, as a result of this Lease, have any obligation to make repairs or replacements of any kind or maintain the Premises or any portion of any of them. Tenant waives the benefit of any Law that would permit Tenant to make repairs or replacements at Port's expense, or abate or reduce any of Tenant's obligations under, or terminate, this Lease, on account of the need for any repairs or replacements. Without limiting the foregoing, Tenant hereby waives any right to make repairs at Port's expense as may be provided by California Civil Code Sections 1932(1), 1941 and 1942, as any such provisions may from time to time be amended, replaced or restated.

**10.5. Port's Right to Repair.** In the event Tenant fails to maintain and repair the foundation, the structural integrity of the Improvements, the roofs, and building systems (including plumbing, sewer, mechanical, electrical and other utility systems) (collectively, "Material Systems") within the Premises in accordance with **Section 10.1** and such failure is likely to cause imminent physical harm to any Person or constitutes a violation of applicable Law, Port may repair the same at Tenant's cost and expense and Tenant will reimburse Port therefor as provided in this **Section 10.5**. Except in the event of an emergency, Port will first provide no less than fifteen (15) days prior notice to Tenant before commencing any maintenance to or repair of a Material System ("Port's Repair Notice"). If Tenant does not commence maintenance or repair of the affected Material System or provide assurances reasonably satisfactory to Port that Tenant will commence maintenance or repair of the same within such fifteen (15) day period, then Port may proceed to take the required action. If Port elects to proceed with such repair or maintenance, then promptly following completion of any work taken by Port pursuant to this **Section 10.5**, Port will deliver a detailed invoice of the work completed, the materials used and the costs relating thereto. Tenant also will pay to Port 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 excludes any costs associated with design, such as architectural fees. Tenant will pay to Port the amount set forth in the invoice within thirty (30) days after delivery of Port's invoice.

In the event Port notifies Tenant of a failure to maintain and repair 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 (\$100) 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 10**, 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) 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 10.5* are due within five (5) days following delivery of the applicable Maintenance Notice.

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

## **11. IMPROVEMENTS.**

**11.1. *Tenant's Obligation to Construct the Initial Improvements.*** Construction of the Initial Improvements will be governed by the terms and conditions of the Vertical DDA, and with respect to any other obligations relating to the Coordination Agreement, and subject to (i) this Lease and all applicable Laws, including without limitation, the SUD and the Design Controls, (ii) the Soil Management Plan, (iii) the Mitigation Monitoring and Reporting Program, and (iv) the Transportation Demand Management Plan. Any Subsequent Construction will be performed in accordance with *Article 12*.

**11.2. *Failure to Timely Construct Initial Improvements.*** If Tenant fails to Commence Construction of the Initial Improvements within the time period set forth in Section 12.1(b) of the Vertical DDA, without limiting any other remedies set forth in this Lease or the Vertical DDA, Port may terminate this Agreement in accordance with the procedures outlined in *Sections 25.4(a)* and Schedule 15.3 of the Vertical DDA.

**11.3. *Title to Improvements.*** During the Term, Tenant will own all of the Improvements within the Premises, including all Subsequent Construction and all appurtenant fixtures, machinery and equipment installed therein (except for Subtenant improvements to the extent owned by any Subtenant pursuant to the applicable sublease, trade fixtures and other personal property of Subtenants). At the expiration or earlier termination of this Lease, title to the Improvements, including appurtenant fixtures (but excluding trade fixtures and other personal property of Tenant and its Subtenants other than Port), will vest in Port without further action of any Party, and without compensation or payment to Tenant. Tenant and its Subtenants will 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 material damage to the Premises, Tenant will promptly cause the repair of such damage at no cost to Port.

## **12. CONSTRUCTION.**

### **12.1. *Port Approval.***

(a) **Generally.** Tenant will have the right, from time to time during the Term, to construct the Initial Improvements in accordance with the Vertical DDA and perform Subsequent Construction (collectively, "Construction") in accordance with the provisions of this *Article 12*.

(b) **Construction Requiring Port's Prior Approval.** Tenant has the right during the Term to perform Subsequent Construction in accordance with the provisions of this *Article 12*, provided that Tenant cannot perform Subsequent Construction without Port's prior approval.

**12.2. *Permits/Design Review/Tenant Improvements.*** Tenant must obtain all Regulatory Approvals and all permits required by applicable Law to be obtained from governmental agencies having jurisdiction, including, where applicable, from Port itself. Without limiting the foregoing, Tenant acknowledges that the Initial Improvements and any major alterations or additions (as defined in the Design Controls) and the design review process set forth in Planning Code Section 249.80 (Mission Rock Special Use District), requires review and approval by Port for certain improvements, for consistency with the SUD and Design Controls. Without limiting anything else in this *Article 12*, Port's approval, in its proprietary capacity, will not be required for the installation or alteration of tenant improvements and

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 10.5* are due within five (5) days following delivery of the applicable Maintenance Notice.

Initials:     *AM*     Tenant

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**11.2. *Failure to Timely Construct Initial Improvements.*** If Tenant fails to Commence Construction of the Initial Improvements within the time period set forth in Section 12.1(b) of the Vertical DDA, without limiting any other remedies set forth in this Lease or the Vertical DDA, Port may terminate this Agreement in accordance with the procedures outlined in *Sections 25.4(a)* and Schedule 15.3 of the Vertical DDA.

**11.3. *Title to Improvements.*** During the Term, Tenant will own all of the Improvements within the Premises, including all Subsequent Construction and all appurtenant fixtures, machinery and equipment installed therein (except for Subtenant improvements to the extent owned by any Subtenant pursuant to the applicable sublease, trade fixtures and other personal property of Subtenants). At the expiration or earlier termination of this Lease, title to the Improvements, including appurtenant fixtures (but excluding trade fixtures and other personal property of Tenant and its Subtenants other than Port), will vest in Port without further action of any Party, and without compensation or payment to Tenant. Tenant and its Subtenants will 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 material damage to the Premises, Tenant will promptly cause the repair of such damage at no cost to Port.

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### **12.1. *Port Approval.***

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(b) **Construction Requiring Port's Prior Approval.** Tenant has the right during the Term to perform Subsequent Construction in accordance with the provisions of this *Article 12*, provided that Tenant cannot perform Subsequent Construction without Port's prior approval.

**12.2. *Permits/Design Review/Tenant Improvements.*** Tenant must obtain all Regulatory Approvals and all permits required by applicable Law to be obtained from governmental agencies having jurisdiction, including, where applicable, from Port itself. Without limiting the foregoing, Tenant acknowledges that the Initial Improvements and any major alterations or additions (as defined in the Design Controls) and the design review process set forth in Planning Code Section 249.80 (Mission Rock Special Use District), requires review and approval by Port for certain improvements, for consistency with the SUD and Design Controls. Without limiting anything else in this *Article 12*, Port's approval, in its proprietary capacity, will not be required for the installation or alteration of tenant improvements and



finishes to prepare portions of the Premises for occupancy or use by Subtenants, provided that the foregoing does not alter Tenant's obligation to obtain any required Regulatory Approvals and permits, including, as applicable, a building permit from Port, in its regulatory capacity.

### **12.3. Construction Schedule.**

(a) **Performance.** Once commenced, Tenant will prosecute all Construction with reasonable diligence, subject to Force Majeure, and subject to any other applicable provisions regarding timing as set forth in the Vertical DDA and the Coordination Agreement.

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

### **12.4. Construction.**

(a) **Commencement of Construction.** Tenant will not commence any Construction until all the following conditions have been satisfied or waived by Port:

(i) Tenant has obtained and paid for all required building permits (or site permits and necessary addenda) and any other required Regulatory Approvals to commence Construction; and

(ii) If any Bond, sub-guard insurance (or other insurance product), guaranty, or other security is obtained by or for the benefit of Tenant with respect to the payment of any funds or performance obligations associated with the Initial Improvements or any Subsequent Construction, Tenant will cause to have (1) Port named as a co-obligee to any performance and/or payment bond, (2) Port named as an additional insured or third-party beneficiary with respect to any sub-guard or other insurance product, and (3) Port named as an additional beneficiary to any guaranty provided by a guarantor of any Subtenant's obligations that is granted a Non-Disturbance Agreement in accordance with **Section 18.4**; provided, however, Port's rights under such Bond, insurance product or guaranty will (x) remain subordinate to the rights of any Lender, and (y) not be exercised by Port before an Event of Default.

(b) **Construction Standards.** All Construction will be performed by duly licensed and bonded contractors or mechanics and will be accomplished expeditiously, diligently and in accordance with good construction and engineering practices and applicable Laws.

(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 Port or 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 Construction, Port and its Agents will have the right to enter areas in which Construction is being performed, on reasonable prior written notice during customary construction hours, subject to the rights of Subtenants, 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 applicable provisions of the Workforce Development Plan, which is attached hereto as *Exhibit M*.

**12.5. Safety Matters.** Tenant, while performing any 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 disruption or damage to adjoining portions of the Premises and Improvements and the surrounding property, or the risk of injury to members of the public, caused by or resulting from the performance of its Work. Tenant will erect appropriate construction barricades to enclose the areas of such construction and maintain them until the Construction has been substantially completed, to the extent reasonably necessary to minimize the risk of hazardous construction conditions.

**12.6. Record Drawings.**

(a) With respect to any Construction requiring a building permit, Tenant will furnish to Port one set of design/permit drawings in their finalized form and Record Drawings with respect to such Construction within ninety (90) days following completion of the applicable 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 Record Drawings, 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 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 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 will limit Tenant's obligations, if any, to provide plans and specifications in connection with Construction under applicable regulations adopted by Port in its regulatory capacity. Tenant will be 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 12.6* as technology changes and new engineering/architectural software is developed.

**12.7. Certification of Total Development Costs.** *Attachment 1 to Exhibit D* includes the provisions to certify Entitlement Costs and Total Development Costs of the Initial Tenant.

### **13. UTILITY AND TELECOMMUNICATIONS SERVICES.**

**13.1. 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. In accordance with the requirements under the DDA, the Premises will be served by the Horizontal Improvements constructed by Master Developer or Phase 1 Horizontal Developer (as applicable), construction of which may occur simultaneously with construction of the Initial Improvements. If Tenant desires to coordinate construction activities with Master Developer or Phase 1 Horizontal Developer (as applicable) or construction of the Initial Improvements with the Horizontal Improvements, Tenant will include such provision in the Coordination Agreement. Tenant, at no cost to Port or the City, will (i) arrange for the provision and construction of all on-site and any off-site utilities necessary to construct, operate and use all of the Improvements and any other portion of the Premises for their intended use, (ii) be responsible for contracting with, and obtaining, all necessary utility and other services, as may be necessary and appropriate to the uses to which all of the Improvements and the Premises are put (it being acknowledged that City (including its SFPUC) is the sole and exclusive provider to the Premises of certain public utility services), and (iii) maintain and repair all utilities serving the Premises to the point provided by the respective utility service provider (whether on or off the Premises). Tenant also must coordinate with the respective utility service provider with respect to the installation of utility services, 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. Tenant agrees, with respect to any public utility services provided to the Premises by City, that no act or omission of City in its capacity as a provider of public utility services, will abrogate, diminish, or otherwise affect the respective rights, obligations and liabilities of Tenant and 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 will not constitute a waiver by Tenant of any claim it may now or in the future have (or claim to have) against any such public utility provider relating to the provision of (or failure to provide) utilities to the Premises.

Notwithstanding the foregoing, to the extent installed by Master Developer, Phase 1 Horizontal Developer, Master Association or each of their respective successors or assigns (including without limitation, any separate utility provider that installs or operates any such facilities) and included in the Master CC&Rs to be recorded against the Premises, Tenant will be required to participate in the districtwide utility systems serving Mission Rock, including, without limitation, procuring recycled water from the district blackwater system and heating and

cooling from the district energy system in accordance with the Master CC&Rs. Notwithstanding anything herein to the contrary, the Port's prior written consent, including to the extent otherwise required under Section 18.3(b), shall not be required for any Sublease entered into by Tenant in connection with such facilities (including any Sublease (i) with a Tenant Affiliate; (ii) Controlled by Tenant or a Tenant Affiliate; or (iii) owned either directly or indirectly by Tenant or a Tenant Affiliate); provided, however, if the applicable subtenant is an entity other than Mission Rock Utilities, Inc., the Port shall have the right to approve such subtenant (which such approval shall not be unreasonably withheld, conditioned or delayed) and the Tenant will provide a copy of such sublease to the Port promptly after execution.

**13.2. *Intentionally Omitted.***

**13.3. *Rooftop and Other District-Wide Equipment.***

(a) **Telecommunications Equipment and Satellite Dish.** Tenant will have the right to install satellite dish(es) and telecommunications equipment on the roof of the Premises and to sublease such portions to an operator, provided that Tenant (i) complies with all Laws, and (ii) obtains all required Regulatory Approvals. The Parties will cooperate in connection with the location of any satellite dish or telecommunications equipment installed pursuant to this *Section 13.3(a)* and the location of any satellite dish or telecommunications equipment installed by Port or City pursuant to *Section 13.3(b)(i)* so as to minimize interference with the systems serviced by such satellite dish or telecommunications equipment.

(b) **Other Equipment.**

(i) ***Communications Facilities.*** Tenant agrees that Port and City have the right to install at no charge, satellite dish(es) and other telecommunications facilities reasonably required for Port's or City's operations and/or District-wide programs and systems, including, without limitation, (i) facilities for City's emergency or 700-Mhz and 800-Mhz City-wide radio system communications facilities (or its successor), (ii) public Wi-Fi networks, and (iii) a master cellular network, which may require installation on the roof or exterior of any building within the Premises, provided that Port (a) complies with all Laws, (b) obtains all required Regulatory Approvals, and (c) obtains Tenant's prior reasonable approval with respect to the size, location, dimensions, color, text (if any), screening, reflectivity, and method of installation of the applicable satellite dish or telecommunications facility. The installation of any such satellite dish(es) and other telecommunications facilities will be at Port's or City's sole cost. If the installation of any such satellite dish or other telecommunications facility requires alterations and/or improvements of any portion of the Premises, including, without limitation, the relocation of any photo-voltaic panels or any other satellite dish previously installed on the roof of the Premises, such alterations and/or improvements will be at Port's sole cost and expense, and Port will promptly repair, at its sole cost, any damage to the Premises including, without limitation, to any photo-voltaic panels. All aspects and phases of Port's installation, other equipment, wiring, conduit, roof mount and base, will at all times be subject to supervision and approval by Tenant, not to be unreasonably withheld, conditioned or delayed. All approval and supervision rights of Tenant are intended solely to protect Tenant's interests. Port will be responsible for procuring, prior to any installation, and maintaining in force at all times thereafter, any and all Regulatory Approvals as may be required for the lawful installation, use and operation of Port's or City's system. Port will be permitted access to the areas on the roof where any such installation is made, as necessary for the installation, repair, maintenance, and replacement thereof. Any access, interruptions or disturbance for the foregoing purposes will be temporary only. Port's access to the roofs will not unreasonably interfere with or disturb Tenant's or Subtenants' use and enjoyment of the Premises, will be subject to the reasonable building security procedures adopted by Tenant, and will require prior written consent for access occurring during regular business hours (except in cases of emergency). Port's access may be subject to temporary interruption in cases of emergency. Port will promptly repair and restore any damage to persons or property caused as a result of Port's access to and activities on the

roof. Port will be solely responsible for all maintenance, utilities and other costs of operation of any such facility installed pursuant to the terms of this *Section 13.3*.

**13.4. *Electricity from SFPUC.*** Section 5.8(f) of the Development Agreement, a copy of which is attached hereto as *Exhibit N*, will govern Tenant's obligation to procure electricity for the Premises from the San Francisco Public Utilities Commission.

**13.5. *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 does 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.

#### **14. DAMAGE OR DESTRUCTION.**

##### **14.1. *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 (other than a de minimis portion) from fire or other casualty (each a "Casualty"), Tenant will promptly give telephonic and written notice ("Casualty Notice") thereof to Port generally describing the nature and extent of such Casualty.

(b) ***No Effect on Lease.*** Except as set forth in *Section 14.3*, 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 14* 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 Additional Rent and any other sums due hereunder, will continue as though said Premises and/or Improvements had not been damaged or destroyed and without abatement, suspension, diminution or reduction of any kind.

**14.2. *Restoration Obligation.*** In the event of a Casualty, unless Tenant terminates this Lease in accordance with *Section 14.3*, Tenant will commence and diligently Restore the Improvements to the condition they were in immediately before such Casualty in accordance with then applicable Laws (including any required code upgrades), without regard to the amount or availability of insurance proceeds, subject to Force Majeure; provided, however, to the rights of Lenders in accordance with *Article 40*, all all-risk coverage insurance proceeds, earthquake and flood insurance proceeds, boiler and machinery insurance proceeds, and any other insurance proceeds paid to Tenant by reason of Casualty (other than business or rental interruption insurance), must be first used by Tenant for Restoration of the Premises. All Restoration must be performed in accordance with the procedures set forth in *Article 12* relating to Construction and at Tenant's sole expense and must be completed within five (5) years following the event of Casualty, subject to Force Majeure. In connection with any Restoration, any Restoration that would otherwise require Port approval under *Section 12.1(b)* will require Port's prior approval subject to the standards set forth in such section. The Restored Improvements must be at least equivalent in quality, appearance, public safety, and durability to the Initial Improvements and provide similar public benefit as the original Initial Improvements, subject to the Permitted Uses.

##### **14.3. *Termination Due to Major or Uninsured Casualty.***

"Major Casualty" means damage to or destruction of all or any portion of the Premises to the extent that the hard costs of Restoration will exceed thirty percent (30%) of the hard costs to replace the Improvements in their entirety. The calculation of such percentage will be based

upon replacement costs and requirements of applicable Laws in effect as of the date of the event causing such Major Casualty.

“**Uninsured Casualty**” means any of the following: (i) a Casualty event occurring at any time during the Term for which the costs of Restoration (including the cost of any required code upgrades) are not insured or insurable under the policies of insurance that Tenant is required to carry under **Article 20** and such costs exceed One Million Dollars (\$1,000,000.00), which amount will be increased by an additional Five Hundred Thousand Dollars (\$500,000.00) on the tenth (10<sup>th</sup>) Anniversary Date and every ten (10) years thereafter, or (ii) a Casualty event occurring at any time during the Term which is covered under Tenant’s policies of insurance that Tenant is required to carry under **Article 20** but where the cost of Restoration (including the cost of any required code upgrades) will exceed the sum of (A) the net proceeds of any insurance payable, (B) the amount of any applicable policy deductibles, and (C) One Million Dollars (\$1,000,000.00), which amount will be increased by an additional Five Hundred Thousand Dollars (\$500,000.00) on the tenth (10<sup>th</sup>) Anniversary Date and every ten (10) years thereafter. Any Casualty event not insured due to Tenant’s failure to maintain the requisite insurance policies and coverage requirements under **Article 20** will not be considered an Uninsured Casualty.

(a) **Tenant’s Election to Terminate.** If an event of Major Casualty or Uninsured Casualty occurs at any time during the Term, then within ninety (90) days following Tenant’s delivery to Port of the Casualty Notice, Tenant may, by written notice to Port, terminate this Lease upon satisfaction of all the following conditions set forth in **Sections 14.3(b)(i)** through **14.3(b)(vii)** below, unless waived by Port; provided, however, that so long as there are Outstanding Bonds, then Tenant shall have no right to terminate this Lease, but, provided Tenant has provided notice to Port of its intention to terminate this Lease pursuant to this **Article 14**, (i) Tenant shall be relieved of its obligations to pay Base Rent (if any) and (ii) Tenant shall have no obligation to restore the Premises in accordance with **Section 14.2** hereof and Tenant must terminate this Lease in accordance with this **Section 14.3(a)** within ninety (90) days after the date the Outstanding Bonds that were in effect on the date that Tenant elected to terminate this Lease are no longer outstanding. Port shall provide Tenant with reasonable prior written notice of the date on which the Outstanding Bonds that were in effect on the date that Tenant elected to terminate this Lease shall no longer be outstanding. Notwithstanding anything to the contrary in this Lease, Tenant shall repair and restore all or a portion of the Premises as required in order comply with any City or Port issued mandate to protect the health and safety of any subtenant, including residents, of the Premises.

(b) **Conditions to Termination.** As a condition precedent to Tenant’s right to terminate this Lease in accordance with **Section 14.3**, unless waived by Port, Tenant will do all of the following:

(i) Unless otherwise requested by Port, in its sole discretion, Tenant will, at its sole cost and expense, Demolish and Remove the Improvements prior to the effective termination date;

(ii) Unless the Improvements are to be demolished as set forth in **Section 14.3(b)(i)**, Tenant will provide Port the estimated cost of Restoration;

(iii) Cure all Tenant monetary Events of Defaults and any Events of Default or Unmatured Events of Default relating to the provisions of **Section 21**;

(iv) Pay in full all utility charges and Impositions incurred up to and including the effective date of termination;

(v) Maintain all the insurance required to be maintained under **Section 20** until the effective date of termination;

(vi) Pay or cause to be paid the following amounts solely from the insurance proceeds as and to the extent available arising from each Casualty promptly following receipt of such proceeds, in the order required by any senior Mortgage, and if none, in the following order of priority:

(1) First, to Port (or Tenant, if such work is performed by, or on account of, Tenant at its cost) for the actual costs incurred for any work required to alleviate any conditions caused by such Casualty that could cause an immediate or imminent threat to the public safety and welfare or damage to the environment, including any demolition or hauling of rubble or debris;

(2) Second, to Port, for all accrued and unpaid amounts owed to Port under this Lease, if any, by Tenant, up to the effective date of the termination;

(3) Third, to each non-Affiliate Lender demanding payment, in order of priority, a portion of the remaining casualty insurance proceeds arising out of or in connection with the Casualty in an amount not to exceed the aggregate amounts that are secured by the applicable non-Affiliate Mortgage then owed to each such non-Affiliate Lender;

(4) Fourth, to the appropriate governmental or quasi-governmental entity, all Impositions due up to the effective date of termination; and

(5) Fifth, the balance of the proceeds will be divided proportionately between Port, for the value of Port's reversionary interest in the Premises and Improvements (in their condition immediately prior to the Casualty event) as of the date the Term would have expired but for the Casualty event, and Tenant, for the value of the Improvements for the remaining unexpired portion of the Term (in their condition immediately prior to the event of damage or destruction) less any proceeds distributed in repayment of any Mortgages as provided in *Section 14.3(b)(vi)(3)*.

(c) Upon termination in accordance with this *Section 14.3*, Tenant will deliver possession of the Premises to Port and quitclaim to Port all right, title and interest in the Premises and in any remaining Improvements. Upon such termination, the Parties will be released thereby without further obligation to the other Party as of the effective date of such termination; provided, however, that the Indemnification provisions hereof or any other provision that explicitly survives the expiration or earlier termination of this Lease will survive any such termination with respect to matters arising before the effective date of any such termination.

**14.4. Distribution Upon Lease Termination Due to Tenant Failure to Restore.** If Tenant is obligated to and fails to Restore the Improvements as provided herein and commits an Event of Default in failing to Restore the Improvements and this Lease is thereafter terminated due to such Event of Default, all insurance proceeds remaining after application pursuant to *Section 14.3(b)(vi)(1)—14.3(b)(vi)(4)* will be paid to and retained by Port.

## **15. CONDEMNATION.**

### **15.1. 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 15*.

(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 15*, 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 15*, 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.

**15.2. 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 explicitly survive the expiration or earlier termination of this Lease.

**15.3. 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, this Lease will terminate, at Tenant's option (which must 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, as further provided below. For purposes of this *Article 15*, "**Substantial Condemnation**" means a Condemnation of (i) less than the entire Premises which renders the Project untenable, unsuitable, or economically infeasible for the Permitted Uses as reasonably determined by Tenant, or (ii) of property located outside the Premises that, in any case, substantially and materially eliminates access to the Premises where no alternative access can be constructed or made available. Notwithstanding the foregoing, Tenant will have no right to terminate this Lease under this *Section 15.3(a)* if the Substantial Condemnation, as the case may be: (x) can be cured by the performance of Restoration (unless such Substantial Condemnation occurs during the last ten (10) years of the Term or if Tenant reasonably anticipates, based upon a schedule of performance for such Restoration prepared with due diligence by Tenant in consultation with Port that at the time of completion of the Restoration, less than ten (10) years would remain in the Term), and (y) the cost of such Restoration does not exceed by at least One Million Dollars (\$1,000,000.00), which amount will be increased by an additional Five Hundred Thousand Dollars (\$500,000.00) on the tenth (10<sup>th</sup>) Anniversary Date and every ten (10) years thereafter, the portion of the Award fairly allocable to severance damages suffered by Tenant. In such case, this Lease will not terminate, and, upon a determination that the Lease will continue based upon the availability and amount of Award, Tenant will commence and complete such Restoration as promptly as reasonably practicable by using commercially reasonable diligence and pursuant to the provisions of *Article 12* and *Section 15.4*, subject to events of Force Majeure.

(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 15.2* or *Section 15.3(a)* (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, and Tenant will promptly commence and complete, subject to events of Force Majeure, any necessary Restoration of the remaining portion of the Premises, at no cost to Port. Any such Restoration will be performed in accordance with the provisions of *Article 12*.

**15.4. Awards.** Except as provided in *Sections 15.5* and *15.6*, 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:

- (i) First, to Port for the payment of all unpaid Rent.
- (ii) Second, in the event of a Partial Condemnation, to pay costs of Restoration incurred by Tenant, in which case, the portion of the Net Awards and Payments allocable to Restoration will be payable to Tenant, a Lender, or trustee in accordance with the requirements governing payment of insurance proceeds set forth in *Section 14.3(b)(vi)*;
- (iii) 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 (the "Condemned Land Value");
- (iv) Fourth, to any non-Affiliate Lender pursuant to a non-Affiliate Mortgage as and to the extent provided therein, for payment of all sums secured by its non-Affiliate 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.
- (v) 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;
- (vi) 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 Improvements (based on the date the Term would have expired but for the event of Condemnation), and Tenant, for the value of the Improvements for the remaining unexpired portion of the Term to the original scheduled Expiration Date.
- (vii) 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, will be paid to Port or Tenant, as applicable, as so designated by the condemning authority or judgment.

**15.5. 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, there will be no abatement of Rent, and the entire Award will be payable to Tenant.

**15.6. Relocation Benefits, Personal Property.** Notwithstanding *Section 15.4*, 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.

## **16. LIENS.**

**16.1. 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 4*), and (iii) Mortgages.

**16.2. 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 Subsequent 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.

## **17. DEPOSITS.**

### **17.1. *Intentionally Omitted.***

**17.2. *Environmental Financial Performance Deposit.*** On or prior to the commencement of any Sublease with a Subtenant that will engage in activities on the Premises involving the use of Hazardous Materials (other than (a) standard building materials and equipment that do not contain asbestos or asbestos-containing materials, lead or polychlorinated biphenyl (PCBs), and (b) 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), Tenant will deliver to Port an amount determined by Port to be reasonable additional security for any increased environmental liabilities to Port arising out of the Subtenant's specific use of non-Excepted Hazardous Materials at the Premises (the "**Environmental Financial Performance Deposit**") as additional collateral for the full and faithful performance by Tenant of its obligations under **Article 21**. Port's determination of the amount of the Environmental Financial Performance Deposit will be consistent with the Port Commission's adoption of the Environmental Risk Policy and Financial Assurance Requirements for Real Property Agreements on November 13, 2007, pursuant to Resolution No. 07-81, as may be amended or updated from time to time (the "**Port Environmental Risk Policy**"). In the event Port determines in its sole but reasonable discretion that any proposed change(s) to Tenant's (or its Subtenants') use and operation of Hazardous Materials (other than Excepted Hazardous Materials) on the Premises increase Port's risk of Loss, then prior to commencement of such Sublease, Port may require Tenant to increase the Environmental Financial Performance Deposit in a manner consistent with the Port Environmental Risk Policy. Port also has the right to increase every five (5) years the amount of the Environmental Financial Performance Deposit in a manner consistent with the Port Environmental Risk Policy if Port reasonably believes after review of Tenant's and Subtenants' use and operation of Hazardous Materials (other than Excepted Hazardous Materials) that the then current amount is insufficient.

### **17.3. *Environmental Oversight Deposit.***

(a) If Tenant is required to provide an Environmental Financial Performance Deposit in accordance with **Section 17.1**, then prior to commencement of the Sublease necessitating such deposit, Tenant will also deliver to Port an environmental oversight deposit ("**Environmental Oversight Deposit**") in cash, in an amount equaling Ten Thousand Dollars (\$10,000), as security for Port's recovery of costs of inspection, monitoring, enforcement, and administration of Tenant's performance of its obligations under **Article 21**.

(b) Port at its option may demand reimbursement from Tenant within five (5) business days following demand, or use, apply, or retain the Environmental Oversight Deposit in whole or in part to reimburse Port, for Port's costs incurred if an Environmental Regulatory Agency delivers a notice of violation or order regarding a Hazardous Material Condition ("**Environmental Notice**") to Tenant and either: (i) the actions required to cure or comply with the Environmental Notice cannot be completed within fourteen (14) days after its delivery; or



(ii) Tenant has not begun to cure or comply with the Environmental Notice or is not working actively to cure or comply with the Environmental Notice within fourteen (14) days after its delivery. Under these circumstances, Port's costs may include staff time corresponding with and responding to Regulatory Agencies, Attorneys' Fees and Costs, and inspection, collection, and laboratory analysis of environmental samples and monitoring the Hazardous Material Condition.

(c) If an Environmental Notice is delivered to Tenant, and Tenant has cured or complied with the Environmental Notice within fourteen (14) days after its delivery, Port at its option may demand payment from Tenant within five (5) days following demand, or apply the sum of Five Hundred Dollars (\$500) (which amount will be increased by One Hundred Dollars (\$100) on the tenth (10<sup>th</sup>) anniversary of the Commencement Date and every ten years thereafter) from the Environmental Oversight Deposit, as Additional Rent for each Environmental Notice delivered to Tenant to reimburse Port for its administrative costs.

#### **17.4. Generally.**

(a) The Environmental Financial Performance Deposit (if any) and the Environmental Oversight Deposit (if any), are collectively referred to as the "Security Deposit." Tenant will not be entitled to any interest on the Security Deposit.

(b) The amount of the Security Deposit will not be deemed to limit Tenant's liability for the performance of any of its obligations under this Lease nor be a measure of Port's damages upon an Event of Default. Port may apply the Security Deposit as provided herein without waiving any of Port's other rights and remedies hereunder or at Law or in equity.

(c) The Security Deposit will not be deemed an advance of Rent, an advance of any other payment due to Port under this Lease, or a security deposit subject to the California Civil Code.

(d) Should Port use any portion of the Security Deposit, Tenant must replenish the Security Deposit to the full extent of the required amount within five (5) business days following Port's demand.

(e) Port's obligations with respect to the Security Deposit are those of a debtor and not a trustee. Port will not be required to keep the Security Deposit separate from its general funds.

(f) Upon the expiration or earlier termination of this Lease, Port will return the unused balance of the Security Deposit to Tenant (less any amounts then due and payable from Tenant to Port under this Lease) within thirty (30) days after Tenant surrenders possession of the Premises to Port.

(g) Tenant may satisfy its obligations under *Sections 17.1 and 17.3* by providing to Port a letter of credit naming Port as a joint beneficiary (with Tenant) under a letter of credit which permits Port to draw directly on such letter of credit in the amount of any Environmental Financial Performance Deposit and Environmental Oversight Deposit which may be required in connection with a Sublease authorizing the Subtenant to engage in activities on the Premises involving the use of Hazardous Materials as specified in *Section 17.1*.

### **18. ASSIGNMENT AND SUBLETTING.**

#### **18.1. Transfer.**

##### **(a) Additional Definitions.**

"Assignment" means an assignment, conveyance, hypothecation, pledge (other than a pledge in connection with any mezzanine financing which will not require prior Port approval), or otherwise transfer all or any of Tenant's interest in this Lease or Leasehold Estate.

"Control" means with respect to any Person (a) the possession, directly or indirectly, of the power to direct or cause the direction of the day to day management, policies or activities of

such Person whether through ownership of voting securities, by contract or otherwise (excluding customary limited partner or non-managing member approval rights, or (b) the ownership (direct or indirect) of more than fifty percent (50%) of the profits or capital of another Person, or (c) the ownership (direct or indirect) of more than fifty percent (50%) of the ownership interest of such Person (whether shares, partnership interests, membership interest or other equity, and whether one or more classes thereof). “Controlled” and “Controlling” have correlative meanings.

“**Excluded Transfer**” means any of the following: (a) the exercise of customary remedies under mezzanine financing of Tenant or any constituent owner thereof; (b) the exercise of customary limited partner or non-managing member remedies under a partnership or limited liability company operating agreement, as applicable; (c) a change resulting from death or legal incapacity of a natural person; (d) the sale, transfer or issuance of less than the Controlling interest of stock listed on a nationally or internationally recognized stock exchange in a single transaction or a related series of transactions; or (e) a transfer of direct or indirect equity interests in the Tenant so long as a party in Control immediately prior to the transaction remains in Control immediately after the transaction.

“**Managing Party**” means, with respect to any Person, both (a) the possession, directly or indirectly, of the power to direct or cause the direction of the day-to-day management, policies or activities of Tenant (excluding customary limited partner or non-managing member approval rights) and (b) the ownership (direct or indirect) of more than ten percent (10%) of the profits or capital of Tenant.

“**Minimum Net Worth Amount**” means Twenty-Seven Million Five Hundred Thousand Dollars (\$27,500,000.00), which amount will increase by ten percent (10%) on the tenth (10th) anniversary of the Commencement Date and every ten (10) years thereafter.

“**Net Worth Guarantor**” means a Person, in combination with Tenant or the proposed transferee, satisfying the Net Worth Requirement that is the guarantor under the Net Worth Guaranty.

“**Net Worth Guaranty**” means a guaranty of performance of all the obligations under this Lease, in an amount not to exceed the Net Worth Requirement (less the net worth of Tenant or the proposed transferee), and otherwise in form and substance reasonably satisfactory to Port, delivered to Port by a Person, in combination with Tenant or the proposed transferee, satisfying the Net Worth Requirement.

“**Net Worth Requirement**” means, with respect to a proposed transferee, the proposed transferee has (a) prior to issuance of a Certificate of Completion, a net worth (inclusive of its equity in the Property) equal to at least the Minimum Net Worth Amount, less any debt to be secured by (i) the proposed transferee’s interest in the Premises or Leasehold Estate, or (ii) a pledge of the proposed transferee’s ownership interest, or (b) following the issuance of a Certificate of Completion, a net worth (inclusive of its equity in the Property) equal to or at least the lesser of (i) Minimum Net Worth Amount and (ii) thirty percent (30%) of the fair market value of the Premises, in each case.

“**Qualified Transferee**” means any transferee that satisfies each of the following criterion: (1) has, or has engaged a property manager with, at least ten (10) years’ experience operating major commercial projects; (2) satisfies the Net Worth Requirement; and (3) is subject to jurisdiction of the courts of the State.

“**Significant Change**” means any change in the direct or indirect ownership of Tenant that results in a change in Control of Tenant; provided, however, in no event will any Excluded Transfer be deemed a Significant Change.

“**Transfer**” means an Assignment or Significant Change.

(b) **Conditions to Transfer Before Certificate of Completion.** Subject to Sections 18.1(e), 18.1(h), 18.1(i), before Port’s issuance of a Certificate of Completion, Tenant

will not (A) suffer or permit any Significant Change to occur, or (B) consummate an Assignment without the prior written consent of Port, which consent may not be unreasonably withheld by Port if each of the following conditions is satisfied:

(i) In the case of an Assignment only, the proposed transferee executes and delivers an Assignment and Assumption Agreement in substantially the form attached to the Vertical DDA as "Exhibit R" if the Vertical DDA is still in effect, or *Exhibit O* attached hereto if Port has issued a Certificate of Completion (each an "Assignment and Assumption Agreement"), which Assignment and Assumption Agreement must contain:

(1) an express assumption by the proposed transferee, for itself and its successors and assigns, and expressly for the benefit of Port, of all of the obligations of Tenant arising from or after the effective date of the Transfer under this Lease, the Vertical DDA if in effect, and any other agreements or documents entered into by and between Port and Tenant pursuant to this Lease directly relating to the Project, and an express agreement by the proposed transferee to be subject to all of the conditions and restrictions to which Tenant is subject;

(2) a representation by the proposed transferee that it has conducted a thorough investigation and due diligence of the Improvements, including the condition of the real property, of all Material Systems, the roof and structural integrity of the Improvements, and if the Transfer occurs after the twentieth (20th) anniversary of the Commencement Date, has reviewed the most recent Facilities Condition Report prepared by Tenant; and

(3) a release by the proposed transferee of the Indemnified Parties and the State Lands Indemnified Parties and waiver of any and all Losses against the Indemnified Parties and the State Lands Indemnified Parties for the condition of the Improvements or the real property or any claims assignor may have against the Indemnified Parties arising prior to the effective date of the Transfer.

(ii) In the case of a Significant Change only, Tenant delivers to Port, a certificate setting forth the purchaser or purchasers of the ownership interest resulting in the Significant Change, purchase price of such interest, any Net Sale Proceeds owed to Port, and a reaffirmation from Tenant that it will continue to be obligated under all the terms and conditions of this Lease, all certified by Tenant's chief financial officer as true, accurate, and complete, the form of which is attached hereto as *Exhibit P* ("Significant Change Certificate");

(iii) All instruments and other legal documents involved in effectuating the Transfer reasonably requested by Port, including all documentation necessary for Port to confirm the amount of Port's share of Net Sale Proceeds, has been submitted to Port for its review and reasonable approval, or at the request of Tenant, such documents are made available for Port's review at Tenant's office in San Francisco;

(iv) There is no Event of Default or Unmatured Event of Default on the part of Tenant under this Lease or any of the other documents or obligations to be assigned to the proposed transferee where Tenant or proposed transferee have not made provisions to cure the applicable default, which provisions are satisfactory to Port in its sole discretion;

(v) If the effective date of the Transfer is prior to Port's issuance of a Certificate of Completion, there is no Developer Event of Default or an Unmatured Developer Event of Default (as such terms are defined in the Vertical DDA) on the part of Developer under the Vertical DDA, where Tenant or the proposed transferee has not made provisions to cure the default, which provisions are satisfactory to Port;

(vi) Subject to *Section 18.1(b)(vii)*, (1) in the case of a Significant Change, Tenant must be a Qualified Transferee immediately following the consummation of such Significant Change; and (2) in the case of an Assignment, the proposed transferee is a Qualified Transferee;

(vii) If Tenant (in the case of a Significant Change) or proposed transferee (in the case of an Assignment) does not satisfy the Net Worth Requirement, Tenant or the proposed transferee, as applicable, will have the right to deliver a Net Worth Guaranty in lieu of satisfying the Net Worth Requirement. Under the Net Worth Guaranty, the Net Worth Guarantor, among other things, will:

(1) guaranty performance of all of Tenant's obligations under this Lease in an amount not to exceed the Net Worth Requirement;

(2) covenant that it will throughout the term of the Net Worth Guaranty, maintain the Net Worth Requirement; and

(3) provide Port as of the first day of each calendar year, a statement certified by its chief financial officer, or if the Net Worth Guarantor is an individual, a certified public accountant, that the Net Worth Guarantor continues to meet the Net Worth Requirement and that to his/her actual knowledge, he/she is not aware of any facts that would cause the Net Worth Guarantor to not meet the Net Worth Requirement.

The Net Worth Guaranty will otherwise be in form and substance reasonably satisfactory to Port. The Net Worth Guaranty will terminate when the Tenant benefiting from the Net Worth Guaranty meets the Net Worth Requirement. Tenant and the Net Worth Guarantor will provide Port with (or make available to) its financial statements and other information necessary to substantiate its position that it meets the Net Worth Requirement and that the Net Worth Guaranty should terminate.

(viii) Tenant provides to Port an estoppel certificate substantially in the form attached hereto as *Exhibit Q*, which estoppel certificate will be effective as of the effective date of Transfer;

(ix) Port receives on or prior to the effective date of Transfer (A) Port's share of Net Sale Proceeds, as described in *Section 4 of Exhibit D*, and (B) a settlement statement relating to the Transfer or other evidence, reasonably satisfactory to Port, of Port's share of Net Sale Proceeds; and

(x) Port receives on or prior to the effective date of Transfer sufficient funds to reimburse Port for its Attorneys' Fees and Costs to review the proposed Transfer provided, however, if Port has not delivered to Tenant an invoice for Attorneys' Fees and Costs prior to the effective date of Transfer, Tenant will reimburse Port for same within ten (10) business days of receipt of such invoice.

(c) **Transfer After Certificate of Completion.** From and after Port's issuance of a Certificate of Completion, Tenant may Transfer without the prior consent of Port so long as:

(i) in the case of a Significant Change, Tenant is a Qualified Transferee immediately following the consummation of such Significant Change; or in the case of an Assignment, the proposed transferee is a Qualified Transferee; provided, however, if Tenant (in the case of a Significant Change) or proposed transferee (in the case of an Assignment) does not satisfy the Net Worth Requirement, Tenant or the proposed transferee, as applicable, will have the right to deliver a Net Worth Guaranty in lieu of satisfying the Net Worth Requirement in accordance with *Section 18.1(b)(vii)*;

(ii) Tenant provides Port prior notice before the effective date of the Transfer;

(iii) in the case of an Assignment, within thirty (30) days after such Assignment, Tenant delivers an Assignment and Assumption Agreement to Port, executed by transferor and the transferee; and

(iv) in the case of a Significant Change, within thirty (30) days after such Significant Change, Tenant delivers a Significant Change Certificate to Port.

(d) **No Limitation.** It is the intent of this Lease, to the fullest extent permitted by Law and equity that no Transfer of this Lease, or any interest therein, however consummated or occurring, and whether voluntary or involuntary, may operate, legally or practically, to deprive or limit Port of the benefits under this Lease or any rights or remedies or controls provided in or resulting from this Lease with respect to the Premises that Port would have had, had there been no such Transfer.

(e) **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 Lender or other purchaser in connection with the exercise of remedies under the provisions of a Mortgage, subject to the limitations, rights and conditions set forth in *Article 40* hereof.

(f) **Limitation on Liability.** From and after an Assignment of all of the transferor's interest in this Lease or Leasehold Estate, the transferor will be released from all obligations and liability under this Lease to the extent first arising after the date of such Assignment. In no event will the transferor be liable for a new default first arising after the date of such Assignment. The effectiveness of any Assignment hereunder is not in any way to be construed to relieve the transferor tenant of any liability arising out of or with regard to the performance of any covenants or obligations to be performed by the transferor tenant hereunder before the date of such Assignment. In connection with any such Assignment, upon request from the transferor, Port will execute documentation evidencing the foregoing release of obligations and liabilities in the form as set forth in the attached *Exhibit O* provided, failure to do so will not invalidate or limit the effect of the release set forth in this Section.

(g) **Notice of Significant Changes; Reports to Port.** Tenant will promptly notify Port of any and all Significant Changes. At such time or times as Port may reasonably request, Tenant must furnish Port with a statement, certified as true and correct by an officer of Tenant, setting forth all of the constituent members of Tenant and the extent of their respective holdings, and in the event any other Persons have a beneficial interest in Tenant, their names and the extent of such interest.

(h) **Assignment to Accommodate Sale of Low-Income Housing Tax Credits.** Notwithstanding anything to the contrary set forth herein, Port's consent will not be required in the event of a Transfer to an entity solely for the purpose of taking advantage of the Low Income Housing Tax Credit, as applicable, subject to all of the following conditions: (i) at least thirty (30) days prior to such Transfer, Tenant furnishes Port with the name of the proposed assignee, together with evidence reasonably satisfactory to Port indicating that the proposed Transfer is solely for the purpose of taking advantage of the Low Income Housing Tax Credit, as applicable; and (ii) the conditions set forth in *Sections 18.1(b)(i)—18.1(b)(viii), and 18.1(b)(x)* have all been met.

(i) **Transfers Not Requiring Port Consent Before Certificate of Completion.** Notwithstanding anything to the contrary set forth herein, Port's consent will not be required in the event of a Transfer to a Tenant Affiliate or a Significant Change in which there is no change of the Managing Party of Tenant, subject to all of the following conditions: (i) at least five (5) business days prior to such Transfer, Tenant provides notice thereof to Port; and (ii) the conditions set forth in *Section 18.1(b)(i)—18.1(b)(viii) and 18.1(b)(x)* have all been met.

**18.2. Assignment of Rents.** Tenant hereby assigns to Port all rents and other payments of any kind, due or to become due from any present or future Subtenant as security for Tenant's obligations hereunder prior to actual receipt thereof by Tenant; provided, however, the foregoing assignment will be subject and subordinate to any assignment made to a Lender under *Article 40* until such time as Port has terminated this Lease (subject to the Port's agreement to enter into a

New Lease with Lender and all other provisions of this Lease protecting Lender's interests in this Lease), at which time the rights of Port in all rents and other payments assigned pursuant to this **Section 18.2** will become prior and superior in right; provided, further, any rents collected by any Lender 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.

### **18.3. Subletting by Tenant.**

(a) **Qualifying Subleases.** Tenant has the right to sublet all or any portion of the Improvements to one or more Subtenants by written Subleases from time to time without the necessity of obtaining the prior written consent of Port for each applicable Sublease upon satisfaction of all the conditions set forth in this **Section 18.3(a)**:

(i) The Sublease (and any further sub-subleases of the Sublease Space) are all subject to the terms and conditions of this Lease and the terms and conditions of the Sublease and further sub-subleases are consistent with the provisions of this Lease, provided that Subtenants need not be obligated for Restoration, and, provided further 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;

(ii) The term of the Sublease does not extend beyond the Term;

(iii) The Sublease rental rates reflect an arms-length transaction at fair market rents for subleases as reasonably determined by Tenant, taking into account, among other things, market conditions, vacancy rates, tenant mix, preferred amenities, creditworthiness of the subtenant and other factors that prudent institutional landlords of buildings of comparable age, size, type and use located in San Francisco would use to determine Sublease rental rates;

(iv) If the Sublease is for property management services at the Premises, (including to a Tenant Affiliate without regard to the provisions of **Section 18.3(b)**), then the size of the Sublease space is comparable to the size of property management offices for buildings of institutional landlords that are of comparable age, size, type and use located in San Francisco, and the Sublease rental rates reflect an arms-length transaction at fair market rents as reasonably determined by Tenant;

(v) The Sublease (other than Subleases directly from Tenant for individual residential units) contains an Indemnification and waiver of claims provision benefitting Port that is substantially and materially the same as **Article 19** except that the term "**Tenant**" in such provision means "**Subtenant**" and Subtenant's obligation to Indemnify Port from any Losses arising outside the Premises will be limited to Losses arising from the acts or omissions of Subtenant or its Agents;

(vi) The Sublease (other than Subleases directly from Tenant for individual residential units) 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;

(vii) Subject to the rights of any Lender, the Sublease (other than Subleases directly from Tenant for individual residential units) 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;

(viii) The Sublease (other than Subleases directly from Tenant for individual residential units) requires the Subtenant to expressly waive entitlement to any and all relocation assistance and benefits in connection with this Lease;

(ix) The Sublease (other than Subleases directly from Tenant for individual residential units) contains a provision similar to *Article 39* (Right to Enter) requiring Subtenant to permit Port to enter its Subleased Space for the purposes specified in *Article 39*;

(x) The Sublease (other than Subleases directly from Tenant for individual residential units) contains a provision similar to *Article 31* (Tenant Estoppel) requiring Subtenant, from time to time, to provide Port an estoppel certificate substantially similar to the form attached hereto as *Exhibit R*;

(xi) The Sublease (other than Subleases directly from Tenant for individual residential units) requires Subtenant to comply with the Other City Requirements set forth in *Article 45*;

(xii) The Sublease contains a provision that if for any reason whatsoever this Lease is terminated, unless Port has agreed otherwise in a Non-Disturbance Agreement between Port and the Subtenant, such termination will result in the automatic termination of the Sublease and any existing subleases for the Subleased Space; and

(xiii) Intentionally omitted.

(b) **Sublease with Tenant Affiliate Requires Port Approval.** All Subleases (i) with a Tenant Affiliate; (ii) Controlled by Tenant or a Tenant Affiliate; or (iii) owned either directly or indirectly by Tenant or a Tenant Affiliate, require the prior written consent of Port, which consent may not be unreasonably withheld if the Sublease is on rental rates that reflect an arms' length transaction at fair market rents, as reasonably determined by Port.

(c) **Required Sublease Information.** Within fifteen (15) days of executing any Sublease, Tenant must provide Port with all information related to such Sublease necessary for Port to comply with Administrative Code Sections 23.38 and 23.39 (or any successor statute).

#### **18.4. *Non-Disturbance of Subtenants and Attornment.***

(a) **Generally.** Subject to the provisions of this *Section 18.4*, from time to time upon the request of Tenant, Port will enter into agreements with Subtenants providing generally, with regard to a given Sublease, that in the event of any termination of this Lease resulting from an Event of Default, Port will not terminate or otherwise disturb the rights of the Subtenant under such Sublease, but will instead honor such Sublease as if such agreement had been entered into directly between Port and such Subtenant ("**Non-Disturbance Agreements**").

(b) **Conditions for Issuance of Non-Disturbance Agreements.** Port will enter into a Non-Disturbance Agreement with a particular Subtenant if all of the following conditions are satisfied:

(i) The applicable Sublease is for a term of at least five (5) years (not including any renewal terms);

(ii) The applicable Sublease Space is comprised of at least 10,000 rentable square feet;

(iii) The performance by Tenant of its obligations under such Sublease will not cause an Event of Default to occur under this Lease;

(iv) The applicable Sublease term, including options, does not extend beyond the scheduled Term;

(v) The applicable Sublease complies with all the conditions of *Section 18.3(a)*;

(vi) The Subtenant agrees that in the event this Lease expires, terminates or is canceled during the term of the Sublease, the Subtenant will attorn to Port (provided Port agrees not to disturb the occupancy or other rights of the Subtenant and to be bound by the terms of the Sublease, except as otherwise set forth in the Non-Disturbance Agreement), and the Sublease will be deemed a direct lease between the Subtenant and Port, except that any subleases entered into by Subtenant (or its subtenants) for the Sublease Space will be terminated and Port will not be:

(1) liable to the Subtenant for any security deposit or prepaid rent or other charges previously paid by such Subtenant to Tenant unless such deposits, rent or charges are transferred to Port;

(2) bound by any indemnification obligations or any waivers and releases made by the sublandlord in the Sublease for the benefit of Subtenant or any other party;

(3) bound by any requirement or obligation of the sublandlord under the Sublease to pay any (A) unpaid or unreimbursed tenant improvement allowance (provided, however, if the Subtenant incurs costs after termination of this Lease that are reimbursable from any remaining and unpaid tenant allowance ("Reimbursable Subtenant Costs"), then so long as Subtenant is not in default under the Sublease, Subtenant may receive a rent credit of up to fifty percent (50%) of the monthly base rent then payable until the Reimbursable Subtenant Costs are fully reimbursed, as further refined and agreed to between the parties in the Non-Disturbance Agreement), or (B) liquidated damages;

(4) bound by any Subtenant right of first offer to purchase, first negotiation to purchase or first refusal to purchase Tenant's interest in the Subleased Premises;

(5) bound by any Sublease term, including options to renew, that extend beyond the expiration date of this Lease;

(6) liable to Subtenant for any indirect, consequential, incidental, punitive or special damages;

(7) bound by any limitation on Subtenant's obligation to indemnify any sublandlord parties based on Subtenant's insurance coverage;

(8) bound by any limitation on sublandlord's ability to transfer its interest in the Sublease (including any requirement to deliver prior notice to Subtenant or obtain Subtenant's prior approval); and

(9) bound by any requirement or obligation to keep records or documents confidential that violates the Public Records Act or the City's Sunshine Ordinance.

(vii) During the continuance of any Event of Default, Port may, in its sole discretion, withhold or condition its agreement to provide a Non-Disturbance Agreement on the cure of such default as Port may specify either in a notice of default given under *Section 24.1* or in a notice withholding or conditioning its agreement to provide a Non-Disturbance Agreement;

(viii) Concurrently with its request for a Non-Disturbance Agreement from Port, Tenant will submit to Port:

(1) an electronic copy of the Sublease in the form to be executed in Microsoft Word format (or other comparable format),

(2) a summary of basic terms of the Sublease,

(3) an electronic draft of a Non-Disturbance Agreement in Microsoft Word format (or other comparable format), redlined against the form required by *Section 18.4(d)*,



(4) a statement certifying that the Sublease satisfies all the conditions and requirements set forth in **Section 18.3(a)** including that the Sublease rental rates reflect an arms-length transaction at fair market rents as reasonably determined by Tenant, and the proposed Non-Disturbance Agreement complies with all the conditions and requirements set forth in **Section 18.4(b)**, and

(5) an executed Tenant estoppel certificate substantially in the form attached hereto as **Exhibit Q**, and Tenant will certify as of the effective date of the Non-Disturbance Agreement that the certifications made by Tenant in the estoppel certificate remains unchanged; and

(6) all relevant information requested by Port including reasonable financial information establishing the ability of the proposed Subtenant to perform its contemplated obligations under such Sublease, and relevant information concerning the business character and operating history of the proposed Subtenant; provided however, in lieu of submitting the Subtenant's financial information to Port, Tenant may make such information available for review (but not duplication) at Port's office or at Tenant's office in the City of San Francisco.

(ix) Tenant deposits sufficient funds to reimburse Port for its Attorneys' Fees and Costs to review the proposed Non-Disturbance Agreement (which, for avoidance of doubt, includes any additional administrative fees, or outside counsel or contractors engaged by Port to review such request for a Non-Disturbance Agreement);

(x) Subtenant agrees that notwithstanding any Non-Disturbance Agreement, the Sublease will terminate as of the Lease termination date (1) if the Lease terminates (A) as a result of Tenant exercising its Termination Option due to change in Laws, as further described in **Section 7.3**, or (B) in the event of Casualty or Condemnation, as further described in **Articles 14 and 15**, or (C) as a result of Tenant exercising its termination option for certain Remediation obligations during the last ten (10) years of the Term, as further described in **Section 21.4(d)**; or (2) if there is an uncured Subtenant event of default, giving effect to any notice and cure period provided therein (which agreement will be evidenced by acceptance of a Non-Disturbance Agreement reflecting the matters described in this **Section 18.4(b)(x)**);

(xi) If a guarantor guaranties any Subtenant obligation under the Sublease, Port will be named as an additional beneficiary to such guaranty; provided, however, Port's rights under such guaranty will not be effective until termination of this Lease; and

(xii) The applicable Sublease will provide that the Subtenant will deliver to Port as of the Master Lease termination date or promptly following request by Port an executed estoppel certificate, substantially in the form attached hereto as **Exhibit R**, certifying as of the Master Lease termination date, among other things: (A) that the Sublease, including all amendments, is attached thereto and is unmodified, except for such attached amendments, and is in full force and effect, as so amended, or if such Sublease is not in full force and effect, so stating, (B) which amendments, if any, to the Sublease have been previously approved by Port in writing, including the dates of approval, (C) the dates, if any, to which any rent and other sums payable thereunder have been paid, (D) that the Subtenant is not aware of any Tenant defaults under the Sublease which have not been cured, except as to defaults specified in said certificate, and (E) that the Subtenant is not aware of any Subtenant defaults which have not been cured.

(c) **Copy of Sublease.** To the extent a Sublease has been provided to Port in connection with a request for a Non-Disturbance Agreement, Tenant will provide Port a true and complete copy of the executed Sublease and summary of the Sublease basic terms attached to the Tenant estoppel certificate, in accordance with **Section 18.4(b)(viii)(5)** within five (5) business days after the execution thereof, which Sublease will contain substantially the same (or more favorable to the landlord) business terms as in the form of Sublease, statement, and other information previously provided to Port.

(d) **Form of Non-Disturbance Agreement.** Each Non-Disturbance Agreement will be substantially in the form of *Exhibit S* and, if not in such form, will be in form and substance agreed upon by Tenant and Port, not to be unreasonably withheld by either Party. With each request for a Non-Disturbance Agreement, Tenant will submit a copy of the form, showing any requested interlineations or deletions.

(e) **Response Period.**

(i) Port will respond to any request for a Non-Disturbance Agreement within fifteen (15) business days after receipt of all the materials described in *Section 18.4(b)(viii)*; provided, however, if Tenant requests three (3) or more Non-Disturbance Agreements whose response time overlaps at any given time, (1) Port will have an additional five (5) business days to respond for each Non-Disturbance Agreement, and (2) Tenant will pay to Port an additional administrative processing fee of One Thousand Dollars (\$1,000) for every overlapping Non-Disturbance Agreement request above two (2), which amount will be increased by Five Hundred Dollars (\$500) on the tenth (10th) Anniversary Date and every ten (10) years thereafter.

(ii) If Port fails to respond to such request within such fifteen (15) business day period (or twenty (20) business days if so extended), then Tenant will deliver to Port a second notice requesting Port's response ("**Second NDA Notice**"). The Second NDA Notice must display prominently on the envelope enclosing such notice and the first page of such notice, substantially the following: "**APPROVAL REQUEST FOR PHASE 1 LOT 3/MISSION ROCK SUBLEASE MATTERS. IMMEDIATE ATTENTION REQUIRED; FAILURE TO RESPOND WITHIN FIVE (5) BUSINESS DAYS WILL RESULT IN THE REQUEST BEING DEEMED APPROVED.**" If Port fails to respond within five (5) business days after Port's receipt of the Second NDA Notice, then such non-response will be deemed to be approval of such Non-Disturbance Agreement and the applicable Subtenant will be entitled to rely on the terms of the applicable Non-Disturbance Agreement, provided, however, if there are any conflicts between the provisions in the Sublease and the deemed approved Non-Disturbance Agreement, on the one hand, and *Sections 18.3* and *18.4(b)* on the other hand, *Sections 18.3* and *18.4(b)* will control.

**18.5. No Further Amendment or Consent Implied.** Port's consent to any amendment of a Sublease subject to an effective Non-Disturbance Agreement will not be required if the amendment conforms to all of the requirements of *Section 18.3* and *Section 18.4(b)*. Tenant will provide Port a true and complete copy of any amendment of a Sublease subject to an effective Non-Disturbance Agreement, accompanied by a summary of any revisions to the Sublease basic terms within five (5) business days after the execution thereof. Consent to one Sublease or amendment, as applicable, will not be construed as consent to a subsequent Sublease or amendment, as applicable.

**18.6. 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. Except as set forth in *Section 18.2*, 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.

**18.7. Acknowledgement.** Tenant acknowledges and agrees that each of the rights of Port set forth in this *Article 18* is a reasonable limitation on Tenant's right to assign or sublet for purposes of California Civil Code Section 1951.4.

**19. INDEMNIFICATION.**

**19.1. General Indemnification of the Indemnified Parties.** Subject to *Section 19.4*, 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, or under, the Premises or any part thereof and which may be directly or indirectly caused by any acts done in, on, or under, the Premises during the Term, or any acts or omissions of Tenant, its Agents, Subtenants, or Invitees, or their respective Agents and Invitees in, on, or under the Premises;

(b) any use, non-use, possession, occupation, operation, maintenance or management by, 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 during the Term 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 Indemnity) and subject to *Section 19.4*, Tenant 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, Release or Exacerbation of Hazardous Materials in, on, or under the Premises during the Term;

(iii) Intentionally omitted; or

(iv) without limiting Tenant's Indemnification obligations in *Sections 19.2(a)(ii) or 19.2(a)(iii)*, any Handling, Release, or Exacerbation of Hazardous Materials outside of the Premises, but in, on, or under Mission Rock, by Tenant or any Related Third Party during the Term. "Related Third Party" means Tenant's Agents, Subtenants, or their respective Agents; or

(v) failure by Tenant or any Related Third Party to comply with the Soil Management Plan; or

(vi) claims by Tenant or any Related Third Party for exposure occurring during the Term to Pre-Existing Hazardous Materials or New Hazardous Materials in, on, or under Mission Rock.

(b) Tenant's obligations 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; (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 19.2**, Tenant must reimburse Port for Port's costs, plus interest at the Default Rate from the date Port incurs each cost 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**, arises upon the earlier to occur of:

- (i) discovery of any such Hazardous Materials (other than Pre-Existing Hazardous Materials) in, on, or under the Premises;
- (ii) the Handling, Release, or Exacerbation of Hazardous Materials in, on, or under the Premises;
- (iii) the Handling, Release, or Exacerbation of Hazardous Materials in, on, or under outside the Premises but within Mission Rock caused by Tenant or a Related Third Party;
- (iv) any occurrence of a Hazardous Materials Condition during the Term; or
- (v) 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**, 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** (Indemnities) relieves the Indemnified Parties or the State Lands Indemnified Parties from liability, nor will the Indemnities set forth in **Section 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 **Section 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 prior to the Commencement Date.

(b) If it is reasonable for an Indemnified Party or a State Lands Indemnified Party to assert that a claim for Indemnification under this *Section 19.4* 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 this *Section 19.4*. 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 this *Section 19.4* 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* survive the expiration or earlier termination of this Lease.

**19.6. *Defense.*** Tenant will, at its option but subject to 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 the Port alleging such failure, to take reasonable and appropriate action to defend, compromise or settle such suit or claim, Port has the right promptly to use the City Attorney or hire outside counsel, at Tenant's sole expense, to carry out such defense, compromise or settlement, which expense is due and payable to 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 and will include in any contract with Related Third Parties an assumption of the risk of, and waiver, discharge and release of, any and all claims against the Indemnified Parties and the State Lands Indemnified Parties from any Losses arising out of this Lease or relating to the Premises, including: (a) damages by death of or injury to any Person, or to property of any kind whatsoever and to whomever belonging; (b) goodwill; (c) business opportunities; (d) any act or omission of persons occupying adjoining premises; (e) theft; (f) explosion, fire, steam, oil, electricity, water, gas or rain, pollution or contamination; (g) building defects (including stopped, leaking or defective Material Systems); (h) inability to use all or any portion of the Premises due to sea level rise or flooding or seismic events; and (i) any other acts, omissions or causes arising at any time and from any cause, in, on, or under the Premises, 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 the 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 the 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 the 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 the 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 OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

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.**

Tenant will comply with the insurance requirements set forth in *Exhibit T* attached hereto throughout the Term.

**21. HAZARDOUS MATERIALS.**

**21.1. Compliance with Environmental Laws.** Tenant will comply and cause its Subtenants, their respective Agents and Invitees, while in, on, or under the Premises, to comply with all Environmental Laws, Operations Plans (if any), the Soil Management Plan, and prudent business practices, including, without limitation, any deed restrictions, regulatory agreements, deed notices, any additional 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 in, on, or under 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 (collectively, "Excepted Hazardous Material.")

covenants not to sue or to pay the Attorneys' Fees and Costs of any party to sue for such damages, the Indemnified Parties or the 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 OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

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Tenant will comply with the insurance requirements set forth in *Exhibit T* attached hereto throughout the Term.

## **21. HAZARDOUS MATERIALS.**

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**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 the Term:

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

(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 (other than to the extent the Master Developer, Phase 1 Horizontal Developer or another vertical developer within Mission Rock is designated as the “generator” and such designation is approved in writing by the Port’s Deputy Director of Planning and Environment); provided that the Port hereby approves Master Developer and/or Phase 1 Horizontal Developer as the “generator” of any waste resulting from such entity’s work on the Premises in connection with Phase 1 (as defined in the DDA);

(e) Will comply with all provisions of the Soil 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.

**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 Soil 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**, Handled, in, on, over or under the Premises or emanating from the Premises, or from off-site conditions or events affecting receptors or the environment condition in, on, over, or under, the Premises, or from any vehicles Tenant, or its Agents and Invitees use during the Term 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, over, or under the Premises or emanating from the Premises, or from off-site conditions or events affecting receptors or the environmental condition in, on, over, or under, the Premises during the Term, or from any vehicles Tenant, or its Agents and Invitees use during the Term 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, over or under the Premises during the Term or emanating from the Premises, or from off-site conditions or events affecting receptors or the environmental condition in, on, over, or under, the Premises, or from any vehicles Tenant, or its Agents and Invitees use during the Term;

(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, over, or under the Premises or emanating from the Premises, or from off-site conditions or events affecting receptors or the environmental condition in, on, over, or under, the Premises or from any vehicles Tenant or its Agents and Invitees use in, on, or under the Premises during the Term; 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* 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.

(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* and subject to *Section 21.4(f)*, 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; provided Tenant must take all necessary immediate actions to the extent practicable to address an emergent Hazardous Material Condition to confine or limit the extent or impact of such Hazardous Material Condition, 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 any Hazardous Material Condition caused by Tenant's or its Agents' or Invitees' Handling, Release or Exacerbation of Hazardous Materials during the Term.

(c) In addition to its obligations under *Section 21.4(a)*, but subject to *Section 21.4(d)* before this Lease terminates for any reason, Tenant must Remediate, at its sole cost and in compliance with all Environmental Laws and this Lease any Hazardous Material Condition discovered during the Term 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 Initial Improvements.

(d) If the Hazardous Material Condition requiring Remediation described in *Section 21.4(c)* was not caused by Tenant, its Agents, Subtenants or Invitees and such discovery of such Hazardous Material Condition first occurring during the last ten (10) years of the Term, Tenant will have the option, but not the obligation, to terminate this Lease upon satisfaction of all of the following conditions: (i) provide Port not less than one hundred twenty (120) days prior notice of its intent to terminate; and (ii) pay Port before the effective date of termination of this Lease, a termination fee equal to annual Base Rent, if any, and the Mello-Roos Taxes payable during the twenty-four (24) month period immediately following the effective termination date (the "Early Termination Fee"), so long as there are no Outstanding Bonds. If Tenant elects to terminate this Lease in accordance with this Section 21.4(d) and pays Port the Early Termination Fee, Tenant will have no Remediation obligation or any Indemnity obligations relating to such Hazardous Material Condition first occurring during the last ten (10) years of the Term.

(e) 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.

(f) Unless Tenant or its Subtenants or 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.

**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 *Item 10* (Integrated Pest Management Program) of *Exhibit W*.

**21.6. Additional Definitions.**

"Environmental Covenants" means any recorded deed restrictions, as may be in effect from time to time, which impose conditions under which certain land uses will be permitted at designated portions of the Project Site.

"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 3 of the San Francisco Environment Code), the FOG Ordinance, the Soil Management Plan, and Environmental Covenants.

**"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 Soil 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"** has a correlative meaning.

**"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 Soil Management Plan.

**“Hazardous Materials Claim”** means any Environmental Regulatory Action or any claim made or threatened by any third party against the 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, over or under the Premises emanating from the Premises, or from off-site conditions or events affecting receptors or the environmental condition in, on, over, or under, the Premises or from any vehicles Tenant or its Agents and Invitees use in, on, or under the Premises during the Term.

**“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, or under 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 from the Premises or from off-site conditions or events affecting receptors or the environmental condition in, on, over, or under, the Premises. Investigation will include preparation of site history reports and sampling and analysis of environmental conditions in, on, or under the Premises or any Improvements.

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

**“Pre-Existing Hazardous Materials”** means any Hazardous Material existing in, on, or under the Premises as of the Effective Date and identified in the reports listed on *Exhibit U* attached hereto.

**“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, over, or under the Premises or which have been, are being, or threaten to be Released into the environment from the Premises or from off-site conditions or events affecting receptors or the environmental condition in, on, over, or under, the Premises 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.

**“Soil Management Plan”** means that certain Soil Management Plan dated as of October 18, 2019 and prepared by Ramboll US Corporation for the Project Site, approved by Port, DPH, and DTSC.

**“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. DELAY DUE TO FORCE MAJEURE.**

For all purposes of this Lease, a Party whose performance of its obligations hereunder is hindered or affected by events of Force Majeure will not be considered in breach of or in default in its obligations hereunder to the extent of any delay resulting from Force Majeure, provided, however, that the provisions of this *Article 22* will not apply to Tenant's obligation to pay Rent. A Party seeking an extension of time pursuant to the provisions of this section will give notice to the other Party describing with reasonable particularity (to the extent known) the facts and circumstances constituting Force Majeure (a) within a reasonable time (but not more than fifteen (15) days) after knowledge of the beginning of such enforced delay or (b) promptly after the other Party's demand for performance.

**23. PORT'S RIGHT TO PAY SUMS OWED BY TENANT.**

**23.1. 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 *Article 6* 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.

**23.2. Tenant's Obligation to Reimburse Port.** If pursuant to *Section 23.1*, 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 23* are in addition to its rights under any other provision of this Lease or under applicable Laws. The provisions of this *Section 23.2* will survive the expiration or earlier termination of this Lease.

**24. EVENTS OF DEFAULT.**

**24.1. Events of Default.** Subject to the provisions of *Section 24.2*, 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 24* will constitute an "Event of Default" under the terms of this Lease:

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

(b) 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;

(c) [Intentionally blank];

(d) Prior to the issuance of a Certificate of Completion, a Vertical Developer Default (as such term is defined in the Vertical DDA) occurs under the Vertical DDA and remains uncured but such Event of Default under this Lease will be deemed cured if the Vertical Developer Default is cured pursuant thereto;

(e) 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;

(f) 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 twenty-four (24) hours following written notice from Port; provided, however, if such default cannot reasonably be cured within such twenty-four (24) hours, Tenant will not be in default of this Lease if Tenant commences to cure the default within such twenty-four (24) hours and diligently and in good faith continues to cure the default;

(g) Intentionally omitted;

(h) Tenant fails to comply with the provisions of *Section 10.1* 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 meetings to determine the path to cure such default will be deemed to be a commencement of cure;

(i) Tenant fails to restore the Improvements after an event of Casualty in accordance with and within the time frame set forth in *Section 14.2* and such failure continues for a period of fifteen (15) days following written notice from Port; provided, however, if such default cannot reasonably be cured within such fifteen (15) days period, Tenant will not be in default of this Lease if Tenant commences to cure the default within such fifteen (15) day period and diligently and in good faith continues to cure the default;

(j) Tenant fails to comply with the provisions of *Sections 21.1—21.5* 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 meetings to determine the path to cure such default will be deemed to be a commencement of cure;

(k) 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;

(l) 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 Lender of any of its remedies under its Mortgage will not, in and of itself, constitute a default under this *Section 24.1(l)*;

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

(n) 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.

**24.2. *Courtesy Notice of Default to Mezzanine Lender and Mezzanine Lender Rights to Cure.***

(a) Port will (i) provide a copy of a notice of an Event of Default to Lender in accordance with *Section 40*; and (ii) provide a courtesy copy of an Event of Default to any then current Mezzanine Lender that has requested a copy of an Event of Default notice in accordance with *Section 24.2(b)*, provided Port will not be in default for any failure or delay in providing any courtesy copy of such notice to any then current Mezzanine Lender. Mezzanine Lender will have the right (but not the obligation), at its option, to commence to cure or cause to be cured any Event of Default, within the same period afforded to Tenant. Port will also accept a cure of an Event of Default by any Tenant investor or Mezzanine Lender with the same force and effect as if performed by Tenant.

(b) Each Mezzanine Lender that has delivered a notice to Port in substantially the following form is entitled to receive a courtesy notice of an Event of Default in accordance with *Section 24.2(a)*:

"The undersigned does hereby certify that it is a Mezzanine Lender, as such term is defined in that certain lease entered into by and between the City and County of San Francisco, operating by and through the San Francisco Port Commission, as landlord, and [insert name of Tenant], as tenant (the "Lease"). Mezzanine Lender has a security interest in the partnership/membership interest of Tenant. The undersigned hereby requests that a courtesy copy of an Event of Default notice given under the Lease to tenant by Port be sent to the undersigned at the following address: \_\_\_\_\_. The undersigned acknowledges that it has no claims against Port nor will Port be liable to the undersigned, for any Port failure to deliver a courtesy copy of any Event of Default notice to the undersigned."

**25. REMEDIES.**

**25.1. *Port's Remedies Generally.*** Upon the occurrence and during the continuance of an Event of Default under this Lease, 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 applicable Special City and Port Provisions; provided, further, Port's right to terminate this Lease for an Event of Default will be limited to Events of Default described in *Sections 24.1(a) and 24.1(d)—24.1(m)*.

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.

**25.2. *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, Port may, following written notice to Tenant, 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 (but in no event to extend beyond December 31, 2105), 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 25.2*, nor any appointment of a receiver upon Port's initiative to protect its interest under this Lease, 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 25.2(a)*, the rent that Port receives from reletting will be applied to the payment of:

(i) First, 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;

(ii) Second, the payments of any Imposition or any other indebtedness other than Rent due and unpaid hereunder from Tenant to Port;

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

(iv) After deducting the payments referred to in this *Section 25.2(c)*, any sum remaining from the rent Port receives from reletting will be held by Port and applied to 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 described in *Section 25.2(c)*.

**25.3. *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 cost. If Port at any time following an Event of Default, 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 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 by Tenant.

**25.4. *Termination of Tenant's Right to Possession.***

(a) Before exercising any right to terminate this Lease as a result of Tenant's failure to timely commence Construction of the Initial Improvements as described in *Section 11.2*, which failure also results in a Vertical Developer Default under the Vertical DDA, Tenant will have thirty (30) days following Port's delivery of a notice of such default to cure.

(b) Before exercising any right to terminate this Lease and Tenant's right to possession of the Premises for the following Events of Default, 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 24.1(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 24.1(d), 24.1(e), 24.1(h), or 24.1(i)*, Tenant will have ten (10) days following delivery of the Second Default Notice to cure; provided, however, if such default cannot reasonably be cured within such ten (10) day period, then Port will not exercise its termination right if Tenant diligently and in good faith continues to cure the default to completion;

(iii) For an Event of Default under *Sections 24.1(f), Error! Reference source not found., or 24.1(j)*, 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 diligently and in good faith continues to cure the default to completion;

(iv) For an Event of Default under *Sections 24.1(k), 24.1(l), or 24.1(m)*, Tenant will have thirty (30) days following delivery of the Second Default Notice to cure, which may include a dismissal or stay, as applicable.

(c) Port may terminate this Lease and Tenant's right to possession of the Premises for the Events of Default described in *Sections 25.4(a) or 25.4(b)* at any time following expiration of the applicable cure periods set forth in *Sections 25.4(a) and 25.4(b)* for the applicable Event of Default by providing Tenant with a written notice of termination.

(d) 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.

(e) 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 25.4(e)(i) and 25.4(e)(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 25.4(e)(iii)* 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%).

(f) Notwithstanding anything else to the contrary in this *Article 25* or elsewhere in this Lease, so long as there are any Outstanding Bonds, the Port shall comply with any limitations on the Port's authority to terminate the Lease as set forth in the City's financing documents pursuant to which the Outstanding Bonds were issued or authorized.

**25.5. 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.

**25.6. 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.

**25.7. 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.

**25.8. 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 24.1(f)*, if Tenant uses the Premises for the same type of Prohibited Use more than two (2) times within a six (6) month period, then Tenant will pay Port the Prohibited Use Charge as further described in *Section 3.3*.

**25.9. Remedies Not Exclusive.** The remedies set forth in this *Article 25* 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.

## **26. 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.

## **27. NO WAIVER.**

**27.1. 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 will continue in full force and effect, or the respective rights of Port or Tenant with respect to any other then existing or subsequent breach.

**27.2. 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).

## **28. DEFAULT BY PORT; TENANT'S REMEDIES.**

**28.1. *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 (a) such failure continues for more than the time of any cure period provided herein, or, (b) 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, (c) 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.

**28.2. *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 conduct the use on the Premises provided for hereunder or materially obstructs the realization of the Project, Tenant has the exclusive right (a) to offset or deduct only from the Rent becoming due hereunder, or if no Rent is due hereunder, then the amount of the damage award will be amortized over a ten (10) year period and payable by Port on a monthly basis, but in either event only after obtaining a final, unappealable judgment in a court of competent jurisdiction for such damages in accordance with applicable Law and the provisions of this Lease, or (b) to seek equitable relief 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; provided, however, (x) in no event will Tenant be entitled to offset from all or any portion of the Rent becoming due hereunder or to otherwise recover or obtain from Port or its Agents any damages (including, without limitation, any indirect or consequential, incidental, punitive or special damages proximately arising out of a default by Port hereunder) or Losses other than Tenant's actual damages as described in the foregoing clause (a), (y) 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 (z) Tenant has no remedy of self-help.

## **29. TENANT'S RECOURSE AGAINST PORT.**

**29.1. *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.

**29.2. No Recourse Against Specified Persons.** No commissioner, officer or employee of Port or City 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.

**29.3. 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.

### **30. LIMITATIONS ON LIABILITY.**

**30.1. Waiver of Indirect or Consequential, Incidental, Punitive or 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 hereby waives any claims against the other Party for any indirect or consequential, incidental, punitive, special damages.

**30.2. Limitation on Port's 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).

### **31. ESTOPPEL CERTIFICATES BY TENANT AND SUBTENANT.**

**31.1.** 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 Q* stating to the best of Tenant's actual knowledge after diligent inquiry (i) 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), (ii) the dates, if any, to which any Rent and other sums payable hereunder have been paid, (iii) 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 (iv) any other matter actually known to Tenant, directly related to this Lease and reasonably requested by Port.

**31.2.** Unless otherwise 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, to the best of Tenant's knowledge, such attachment is a true, correct and complete copy of this Lease, as applicable, including all modifications thereto.

**31.3.** 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.

**31.4.** Tenant will insert a provision similar to this *Article 31* 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 R*, covering, among other things, the matters described in this *Article 31* with respect

to such Sublease, along with a true and correct copy of the applicable Sublease and all amendments thereto.

### **32. ESTOPPEL CERTIFICATES BY PORT.**

Port will execute, acknowledge and deliver to Tenant (or at Tenant's request, to any prospective Subtenant that is entitled to obtain a Non-Disturbance Agreement from Port in accordance with *Section 18.4(b)*, prospective Lender meeting the requirements of *Article 40*, any Mezzanine Lender that has requested a copy of an Event of Default in accordance with *Section 24.2(b)* or a prospective Mezzanine Lender, 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 V* stating to Port's actual knowledge after diligent inquiry (or with respect to any estoppel certificates being provided to Mezzanine Lenders, to the actual knowledge of Port's project manager for this Lease without 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, (c) whether or not, to the knowledge of Port, there are then existing any defaults under this Lease (and if so, specifying the same) and (d) 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 the best of 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 prospective Subtenant, Lender, prospective Lender, prospective purchaser, or other prospective transferee of Tenant's interest under this Lease.

### **33. APPROVALS BY PORT; STANDARD OF REVIEW; FEES FOR REVIEW.**

**33.1. 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 to the extent applicable, or if the Executive Director determines, in his or her sole discretion, that Port Commission action approving execution of such instrument is necessary.

**33.2. 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, 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.

**33.3. 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 for Port staff time incurred in connection with the review, investigation, processing, documentation and/or approval of any proposed Transfer, Sale, Mortgage, estoppel certificate, Non-Disturbance Agreement, Refinancing, other certificate, or Subsequent Construction (excluding any such costs incurred by Port's regulatory capacity, which costs will be paid separately by Tenant to the extent required in connection with the review or processing of such regulatory request). Tenant will pay such costs regardless of whether or not Port consents to such proposal.

**34. 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.

**35. QUIET ENJOYMENT.**

Subject to the Permitted Title Exceptions, the terms and conditions of this Lease, the Vertical DDA (while in effect), 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 (unless such defect is due to City's willful misconduct). 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.

**36. SURRENDER OF PREMISES.**

**36.1. Condition of Premises.** Except as set forth in *Section 36.2*, upon the expiration or earlier termination of this Lease, Tenant will quit and surrender to Port the Premises (i) in good order and condition consistent with the requirements of *Section 10.1*, reasonable wear and tear excepted to the extent the same is consistent with maintenance of the Premises in the condition required hereunder; (ii) clean, free of debris, waste, and Hazardous Materials (other than any Pre-Existing Hazardous Materials that have not been Handled, Released, or Exacerbated), and (iii) free and clear of all liens and encumbrances other than the Permitted Title Exceptions and other licenses, easements or access rights approved or consented to by Port in accordance with *Section 3.5*. 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 36.2*, the Premises will be surrendered with all Improvements, repairs, alterations, additions, substitutions and replacements thereto. Tenant hereby agrees to execute all documents as Port may deem necessary to evidence or confirm any such other termination.

### **36.2. Demolition of Improvements.**

(a) **Notice.** 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 and surrender the Premises as a vacant parcel of unimproved 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, (ii) within ninety (90) days following Tenant's election to terminate this Lease in accordance with **Section 7.3** (Termination for Cost Associated with Change in Laws), **Section 14.3(a)** (Termination for Major Casualty), or **Article 15** (Condemnation), or (iii) upon termination of this Lease due to an Event of Default described in **Section 25.4**.

(b) **Access After Termination.** If Port exercises the Demolition Option in accordance with **Section 36.2(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 described in **Section 25.4**), 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 12** (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) **Period to Complete.** Tenant must commence and complete the Demolition and Removal in a timely manner, with due diligence and care, and complete the same within the time period agreed to between the Parties, but in no event shall Tenant commence such Demolition and Removal later than six (6) months following the expiration or earlier termination of this Lease. The provisions of this **Section 36.2** will survive the expiration or earlier termination of this Lease.

**36.3. Personal Property.** On or before expiration or earlier termination of this Lease, Tenant will remove, and will cause all Subtenants to remove (other than any Subtenants that are permitted to remain on the Premises beyond the termination of this Lease in accordance with a Non-Disturbance Agreement previously entered into between the applicable Subtenant and Port), all of their respective Personal Property and Signs within the Premises. If the removal of such Personal Property causes damage to the Premises, Tenant must 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.

**36.4. 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.



**37. HOLD OVER.**

Any holding over by Tenant after the expiration or termination of this Lease (“**Hold Over Period**”) will not constitute a renewal hereof but will be deemed a month-to-month tenancy and will be upon each and every one of the other terms, conditions and covenants of this Lease, except that Rent payable for each applicable month will be equal to twenty percent (20%) of the average Adjusted Gross Income for the three (3) Lease Years immediately prior to the Expiration Date (as described in *Exhibit D*). Either Party may cancel said month-to-month tenancy upon thirty (30) days written notice to the other Party.

**38. NOTICES.**

**38.1. Notices.** All notices, demands, consents, and requests which may or are to be given by any Party to the other must be in writing, except as otherwise provided herein. All notices, demands, consents and requests to be provided hereunder will 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:

<b><i>To Port:</i></b>	Port of San Francisco Pier 1 San Francisco, CA 94111 Attention: Deputy Director of Real Estate and Development (Reference: Phase 1 Lot 3/Mission Rock) Telephone: (415) 274-0400 Email: <a href="mailto:michael.martin@sfport.com">michael.martin@sfport.com</a>
<b><i>With a copy to:</i></b>	Port of San Francisco Pier 1 San Francisco, CA 94111 Attention: Port General Counsel (Reference: Phase 1 Lot 3/Mission Rock) Telephone: (415) 274-0400
<b><i>To Tenant:</i></b>	Mission Rock Parcel G Owner, L.L.C. c/o Tishman Speyer Development, L.L.C. One Bush Street, Suite 500, San Francisco, California, 94104 Attention: General Counsel
<b><i>With a copy to:</i></b>	Mission Rock Parcel G Owner, L.L.C. c/o San Francisco Giants 24 Willie Mays Plaza San Francisco, CA 94107 Attention: Jack Bair

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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 number or 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.

**38.2. Form and Effect of Notice.** Every notice given to a Party or other Person under this *Article 38* must state (or 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 38.2*.

**39. ACCESS TO THE PREMISES BY PORT.**

**39.1. Entry by Port.** 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.

**39.2. General Entry.** In addition to its rights pursuant to *Section 39.3*, 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 *Section 10.1* or *25.2*;
- (b) To serve, post, or keep posted any notices required or allowed under the provisions of this Lease;
- (c) To post "For Sale" signs at any time during the Term; to post "For Lease" signs during the last six (6) months of the Term or during any period in which an Event of Default is continuing;
- (d) On an occasional basis, at all reasonable times after giving Tenant reasonable advance written or oral notice, to show the Premises to prospective tenants or other interested parties during the last eighteen (18) months of the Term; and
- (e) 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 three (3) business 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 39.2*.

**39.3. 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.

**39.4. 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 this *Article 39* 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.

**39.5. Non-Disturbance.** Port will use its commercially reasonable efforts to conduct its activities on the Premises as allowed in this *Article 39* in a manner which, to the extent reasonably practicable, will minimize annoyance or disturbance to Tenant.

**39.6. Subtenant Agreement.** Tenant will require each Subtenant to permit Port to enter its premises for the purposes specified in *Section 39.1* through *Section 39.3*.

#### **40. MORTGAGES.**

##### **40.1. Mortgages.**

(a) **Right to Grant Mortgages.** Tenant has the right during the Term, to grant a mortgage, deed of trust or other security instrument (each a "**Mortgage**") encumbering (i) all or a portion of the Leasehold Estate in all or a portion of the Premises, (ii) Tenant's interest in any permitted Subleases thereon, (iii) any Personal Property of Tenant, (iv) products and proceeds of the foregoing, and (v) any other rights and interests of Tenant arising under this Lease for the benefit of a Bona Fide Institutional Lender (together with its successors in interest, a "**Lender**") as security for one or more loans related solely to the Project or the Property, the proceeds from which are used to pay or reimburse costs incurred in connection with the Project and/or the Property, subject to the terms and conditions contained in this *Article 40*.

"**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 pension fund, an investment banking or merchant banking firm, or any entity directly or indirectly sponsored or managed by any of the foregoing, or other lender, all of which, at the time a Mortgage is recorded in favor of such entity, owns or manages assets of at least Five Hundred Million Dollars (\$500,000,000) in the aggregate (or the equivalent in foreign currency), or (ii) a Low Income Housing Credit investor or Affiliate thereof that has given a loan to Tenant to optimize or utilize effectively the Low Income Housing Tax Credits.

(b) **Restrictions on Financing.** No Mortgage will be granted to secure obligations unrelated to the Project and/or the Property or to provide compensation or rights to a Lender in return for matters unrelated to the Project and/or the Property.

(c) **Leasehold Mortgages Subject to this Lease.** With the exception of the rights expressly granted to Lenders in this *Article 40*, the execution and delivery of a Mortgage will not give or be deemed to give a Lender any greater rights than those granted to Tenant hereunder.

(d) **Transfer by Lenders.** A Lender may transfer or assign all or any part of or interest in any Mortgage to a Bona Fide Institutional Lender without the consent of or notice to any Party; provided, however, that Port will have no obligations under this Agreement to a Lender unless Port is notified of such Lender. Furthermore, Port's receipt of notice of a Lender following Port's delivery of a notice or demand to Tenant or to one or more Lenders under **Section 40.4** will not result in an extension of any of the time periods in this **Article 40**, including the cure periods specified in **Section 40.5**.

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

(f) **Violation of Covenant.** Any Mortgage not permitted by this **Article 40** will be deemed to be a violation of this covenant on the date of its execution or filing of record regardless of whether or when it is foreclosed or otherwise enforced.

#### **40.2. Copy of Notice of Default to Lender.**

(a) **Copy to Lender.** Whenever Port delivers any notice or demand to Tenant for any breach or default by Tenant in its obligations or covenants under this Lease, Port will at the same time forward a copy of such notice or demand to each Lender that has previously made a written request to Port for a copy of any such notices in accordance with **Section 40.2(b)**. A delay or failure by Port to provide such notice or demand to any Lender that has previously made a written request therefor will extend, by the number of days until notice is given, the time allowed to such Lender to cure.

(b) **Notice from Lender to Port.** Each Lender is entitled to receive notices in accordance with **Section 40.2(a)** provided such Lender has delivered a notice to Port in substantially the following form:

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

\_\_\_\_\_."

If Lender desires to have Port acknowledge receipt of Lender's name and address delivered to Port pursuant to this **Section 40.2(b)**, then such request must be made in bold, underlined and in capitalized letters.

#### **40.3. Lender's Option to Cure Defaults.**

(a) Before or after receiving any notice of failure to cure referred to in **Section 40.2**, Lender will have the right (but not the obligation), at its option, to commence to cure or cause to be cured any Event of Default, within the same period afforded to Tenant hereunder plus an additional period of (a) fifteen (15) days with respect to a monetary Event of Default and (b) forty-five (45) days with respect to a non-monetary Event of Default that is susceptible of cure by such Lender without obtaining title to the applicable property subject to the applicable Mortgage or acquiring the ownership interests in Tenant, as applicable.

(b) If a non-monetary Event of Default cannot be cured by Lender without obtaining title to the Leasehold Estate, or applicable portion thereof, Port will refrain from exercising its right to terminate this Lease and will permit the cure by a Lender of such Event of Default if, within the cure period set forth in **Section 40.3(a)**: (i) such Lender notifies Port in writing that such Lender intends to proceed with due diligence to foreclose the Mortgage or

otherwise obtain title to the subject property or ownership interests, as applicable; (ii) such Lender commences foreclosure proceedings whether by non-judicial foreclosure, judicial foreclosure, by appointment of a receiver, or deed (or assignment) in lieu of foreclosure, within sixty (60) days after giving such notice, and diligently pursues such proceedings to completion; and (iii) after obtaining title, such Lender, subject to **Section 40.4**, diligently proceeds to cure those Events of Default that are susceptible of cure by such Lender. The period from the date Lender so notifies Port 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."**

(c) Nothing in this **Article 40** will preclude Port from exercising any rights or remedies under this Lease against Tenant (other than a termination of this Lease) with respect to any other Events of Default during the Foreclosure Period.

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

**40.4. Lender's Obligations with Respect to the Property.**

(a) **Rights and Obligations upon Lender Acquisition.** Except as set forth in this **Article 40**, no Lender will have any obligations or other liabilities under this Lease unless and until it acquires title by any method to the Leasehold Estate (referred to as **"Foreclosed Property"**). Except as otherwise provided herein (including, without limitation, **Sections 40.4(b)-(d)**), a Lender (or its designee, successor or assign) or other winning bidder at a foreclosure sale (collectively, a **"Successor Owner"**) that acquires title to any Foreclosed Property (a **"Lender Acquisition"**) will take title subject to all of the terms and conditions of this Lease to the extent applicable to the Foreclosed Property, including any claims for payment or performance of obligations that are due as a condition to enjoying the benefits under this Lease from and after the Lender Acquisition. Upon completion of a Lender Acquisition, Port will recognize the Successor Owner as Tenant under this Agreement. Such recognition will be effective and self-operative without the execution of any further instruments; provided, upon request, at no cost to Port, Port will execute a written agreement recognizing Successor Owner. A Successor Owner, upon a Lender Acquisition, will be required promptly to cure all monetary defaults and all other defaults then reasonably susceptible of being cured by such Successor Owner to the extent not cured prior to completion of the Lender Acquisition. The foregoing obligation includes any obligation to Restore, except as set forth in **Section 40.4(c)**.

(b) **Obligations by 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 **Article 40**). 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, including the payment of all Impositions and any other sums due and owing hereunder.

(c) **No Obligation to Restore.** Subject to **Sections 40.4(d)** and **(e)**, Lender, including any Lender who obtains title to Foreclosed Property through a Lender Acquisition will not be obligated by the provisions of this Lease to Restore any damage or destruction to the

Improvements 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.

(d) **Obligation to Sell If Not Restore.** In the event that Lender acquires the Foreclosed Property through a Lender Acquisition and chooses not to complete or Restore the Improvements, it will notify Port in writing of its election within one hundred twenty (120) days following the Lender Acquisition and will sell its interest with reasonable diligence to a purchaser that will be obligated to Restore the 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").

(e) **Lender Agreement to Complete or 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. In the event Lender agrees, or is deemed to have agreed, to Restore the Improvements, all such work will be performed in accordance with all the requirements set forth in this Lease, and Lender must submit evidence reasonably satisfactory to Port that it has the qualifications and financial responsibility necessary to perform such obligations.

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

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

**40.7. Multiple Mortgages.**

(a) If at any time there is more than one Mortgage constituting a lien on a single portion of the Property or any interest therein, the lien of Lender prior in time to all others (the "Senior Lender") will be vested with the rights under **Sections 40.3, 40.10, 40.13, and 40.14** to the exclusion of the holder of any other Mortgage except if the Senior Lender fails to exercise the rights set forth in **Sections 40.3 and 40.10**, as applicable, then the holder of a junior Mortgage that has provided notice to Port in accordance with **Section 40.2** will succeed to the rights set forth in **Sections 40.3 and 40.10**, as applicable, only if the holders of all Mortgages senior to it have failed to exercise the rights set forth in **Sections 40.3 and 40.10**, as applicable.

(b) A Senior Lender's failure to exercise its rights under **Sections 40.3, 40.10, 40.13, or 40.14**, as applicable, or any delay in the response of any Lender to any notice by Port will not extend (i) any cure period, (ii) period to enter into a New Lease, or (iii) Tenant's or any Lender's rights under this **Article 40**. For purposes of this **Section 40.7**, in the absence of an order of a court of competent jurisdiction that is served on Port, a title report prepared by a reputable title company licensed to do business in the State of California and having an office in

the City, setting forth the order of priorities of the liens of Mortgages on real property, may be relied upon by Port as conclusive evidence of priority.

**40.8. Cured Defaults.** Port will accept performance by a Lender with the same force and effect as if performed by Tenant. No such performance on behalf of Tenant in and of itself will cause Lender to become a “mortgagee in possession” or otherwise cause it to be bound by or liable under this Lease.

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

If a Lender becomes the owner of the Leasehold Estate under this Lease or under a New Lease, (i) except as set forth in **Sections 40.4(c) and 40.4(d)**, such Lender will be liable to Port for the obligations of Tenant hereunder only to the extent such obligations arise during the period that such Lender remains the owner of the Leasehold Estate, and (ii) in no event will Lender have personal liability under this Lease or New Lease, as applicable, greater than Lender’s interest in this Lease or such New Lease, and Port will have no recourse against Lender’s assets other than its interest herein or therein.

**40.10. New Lease.** In the event of the termination of this Lease before the expiration of the Term, including, without limitation, the rejection of this Lease by a trustee of Tenant in bankruptcy or by Tenant as a debtor-in-possession, except (i) by Total Condemnation, (ii) as the result of damage or destruction as provided in **Article 14**, or (iii) as a result of Tenant exercising its option to terminate this Lease due to change in Laws as provided in **Section 7.3**, 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”):

(i) 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

(ii) 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. If Lender elects not to Restore, then it will follow the procedures set forth in **Sections 40.4(d) and (e)**. 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 40.10(ii)** will survive any termination of this Lease (except as otherwise expressly set

out in the first sentence of **40.10**), and will constitute a separate agreement by Port for the benefit of and enforceable by Lender.

**40.11. Nominee.** Any rights of a Lender under this *Article 40*, 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.

**40.12. Subleases and Other Property Agreements.** Effective upon the commencement of the term of any New Lease executed pursuant to *Subsection 40.10*, 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 which were not automatically terminated upon termination of the Lease as a result of the absence of a Non-Disturbance Agreement with the Subtenant of such Sublease (unless all the conditions to Port's recognition of the Sublease under the Non-Disturbance Agreement have not been met) 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.

**40.13. Consent of Lender.** Port will not (i) modify this Lease in a manner that increases base rent owed to Port, decreases the Term 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 not 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.

**40.14. Cooperation.** Port, through its Executive Director, and Tenant will cooperate in including in this Lease by suitable written amendment or agreement from time to time any provision which may be reasonably requested by the Senior Lender and customarily included in such amendment or agreement to implement the provisions and intent of this *Article 40*, provided, however, that any such amendment or agreement will not adversely affect in any material respect any of Port's rights and remedies under this Lease. Port's execution of any such amendment or agreement is conditioned on Port's receipt of its share of Net Refinancing Proceeds (if any), and Attorneys' Fees and Costs incurred in connection with the review and negotiation of such document.

#### **41. 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.



**42. ECONOMIC ACCESS.**

Tenant will comply with the Workforce Development Plan, including the Local Business Enterprise (LBE) Utilization Plan, attached hereto as ***Exhibit M*** (collectively, 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 Initial 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.

**43. REPRESENTATIONS AND WARRANTIES.**

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 California.

(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.

(c) **No Limitation on Ability to Perform.** Neither Tenant’s articles of organization or 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.

(d) **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.

(e) **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.

(f) **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, and (iv) to Tenant’s knowledge, no involuntary petition naming Tenant as debtor has been filed under any chapter of the U.S. Bankruptcy Code.

The representations and warranties herein will survive any termination of this Lease to the extent specified in this Lease.

**44. MITIGATION MONITORING REPORTING PROGRAM.**

In order to mitigate the significant environmental impacts of this Lease and operation of the Premises, Tenant agrees that the operation of the Project will be in accordance with the applicable Mitigation Monitoring Reporting Program attached to this Lease as *Exhibit K*. As appropriate, Tenant will incorporate such Mitigation Monitoring Reporting Program into any contract for the operation of the Improvements.

**45. OTHER CITY REQUIREMENTS.**

Tenant will comply with the Other City Requirements attached hereto as *Exhibit W*.

**46. GENERAL**

**46.1. 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 the provisions of *Article Error! Reference source not found.* relating to Force Majeure.

**46.2. 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.

**46.3. *Successors and Assigns.*** This Lease is binding upon and will inure to the benefit of the successors and assigns of Port, Tenant, and any Lender. Where the term “Tenant,” “Port,” “Lender” is used in this Lease, it means and includes their respective successors and assigns, including, as to any Lender, 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 an 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.

**46.4. *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 40* with regard to Lenders.

**46.5. *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 and this Lease.

**46.6. *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.

**46.7. *Entire Agreement.*** This Lease (including the Exhibits) constitute 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.

**46.8. *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.

**46.9. *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.

**46.10. *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 X*. 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.

**46.11. 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 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.

**46.12. Effective Date.** This Lease will become effective on the date (the "**Effective Date**") the Parties duly execute and deliver this Lease. The Effective Date will be inserted by Port on the cover page and on page 1 hereof, provided, however, that either Party's failure to insert the Effective Date will not invalidate this Lease. Where used in this Lease or in any of its exhibits, references to "the date of this Lease," the "reference date of this Lease," "Lease Date" or "Effective Date" will mean the Effective Date determined as set forth above and shown on the first page hereof.

**46.13. 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.

#### **47. DEFINITIONS OF CERTAIN TERMS.**

For purposes of this Lease, initially capitalized terms will have the meanings ascribed to them in this *Article 47*:

"**Additional Rent**" means any and all sums (including any portion of Net Sale Proceeds and Refinancing Proceeds due to the Port hereunder (if any) and, to the extent applicable, shall include all Rent due during any Hold Over Period (as defined in *Section 37*)) that may become due or be payable by Tenant under this Lease.

"**Affiliate**" means any Person directly or indirectly Controlling, Controlled by or under Common Control with the other Person in question.

"**Agents**" means, when used with reference to either Party to this Lease, the members, officers, directors, commissioners, employees, agents and contractors of such Party, and their respective heirs, legal representatives, successors and assigns.

"**Allocated Tax Increment**" means the portion of Gross Tax Increment from Project Area I that the City has agreed to allocate to the IFD for use in Project Area I by approving Appendix I.

**"Anniversary Date"** means each anniversary date of the Commencement Date; provided, however, that if the Commencement Date is other than the first day of a month, then the first Anniversary Date will be the first day of the thirteenth (13th) month thereafter.

**"As Is With All Faults"** is defined in *Section 1.1(g)*.

**"Assessment Shortfall"** is defined in the DDA.

**"Assessor Information"** is defined in *Section 5.4(a)*.

**"Assessor-Recorder" or "County Recorder"** means the Office of the Assessor-Recorder in the City and County of San Francisco, or any successor agency responsible for assessing real property in the City and County of San Francisco.

**"Assignment"** is defined in *Section 18.1(a)*.

**"Assignment and Assumption Agreement"** is defined in *Section 18.1(b)(i)*.

**"Attorneys' Fees and Costs"** means reasonable attorneys' fees, costs, expenses and disbursements, including, but not limited to, expert witness fees and costs, travel time and associated costs, transcript preparation fees and costs, document copying, exhibit preparation, courier, postage, facsimile, long-distance and communications expenses, court costs and other reasonable costs and fees associated with any other legal, administrative or alternative dispute resolution proceeding, including such fees and costs associated with execution upon any judgment or order, and costs on appeal.

**"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"** is defined in the DDA.

**"Base Rent"** means monthly installments of rent equal to Zero Dollars (\$0.00) for the first seventy-five years from the Effective Date.

**"Bona Fide Institutional Lender"** is defined in *Section 40.1(a)*.

**"Bond"** is defined in the DDA.

**"Books and Records"** is defined in *Section 3.6* of *Exhibit D*.

**"Capital Items"** is defined in *Section 10.2(a)*.

**"Capital Reserves"** is defined in *Section 10.2(a)*.

**"Capital Reserve Deposits"** is defined in *Section 10.2(a)*.

**"CASp"** is defined in *Section 1.1(c)*.

**"Casualty"** is defined in *Section 14.1*.

**"Casualty Notice"** is defined in *Section 14.1(a)*.

**"Certificate of Completion"** is defined in the Vertical DDA"

**"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.

**"Claims" or "Claim"** means a demand made in an action or in anticipation of an action for money, mandamus, or any other relief available at law or in equity for a Loss arising directly or

indirectly from acts or omissions occurring in relation to the Project or at the Premises during the Term.

**"Commencement Date"** is defined in the Basic Lease Information.

**"Common Control"** means that two Persons are both Controlled by the same other Person.

**"Completion"** means completion of construction of all or any applicable portion of the Initial Improvements, in accordance with the terms hereof, as conclusively evidenced by the issuance of a temporary certificate of occupancy. **"Complete"** has a correlative meaning.

**"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.

**"Condemned Land Value"** is defined in *Section 15.4(iii)*.

**"Construction"** is defined in *Section 12.1(a)*.

**"Construction Impacts"** is defined in *Section 4.1*.

**"Contest Notice"** is defined in *Section 5.4(c)*.

**"Control"** is defined in *Section 18.1(a)*. **"Controlled"** and **"Controlling"** have correlative meanings.

**"Coordination Agreement"** means the Vertical Cooperation Agreement to be entered into between Tenant and Phase 1 Horizontal Developer.

**"DDA"** is defined in *Recital C*.

**"Default Rate"** is defined in *Section 3.9 of Exhibit D*.

**"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"** has a correlative meaning.

**"Demolition Option"** is defined in *Section 36.2(a)*.

**"Design Controls"** means the Design for Development for Mission Rock that the Port Commission and the Planning Commission approved.

**"Development Agreement"** means that certain Development Agreement between City and Seawall Lot 337 Associates, LLC, a Delaware limited liability company, dated as of August 15, 2018, as may be amended from time to time.

**"Development Documents"** means (i) the SUD; (ii) the Design Controls (including the Green Building Specifications); (iii) the Port Plans and Policies; and (iv) the Development Agreement.

**"Development Projects"** is defined in *Section 4.1*.

**"Disabled Access Laws"** means all Laws related to access for persons with disabilities including, without limitation, the Americans with Disabilities Act, 42 U.S.C. Section 12101 et seq. and disabled access laws under the Port's building code.

“DPH” means the City and County of San Francisco Department of Public Health Environmental Health Branch.

“DTSC” means the California Department of Toxic Substances Control.

“Effective Date” is defined in *Section 46.12*.

“Encroachment Area” is defined in *Section 1.1(e)(i)*.

“Encroachment Area Charge” is defined in *Section 1.1(e)(i)*.

“Environmental Financial Performance Deposit” is defined in *Section 17.1*.

“Environmental Laws” is defined in *Section 21.6*.

“Environmental Notice” is defined in *Section 17.3(b)*.

“Environmental Oversight Deposit” is defined in *Section 17.3(a)*.

“Environmental Regulatory Action” is defined in *Section 21.6*.

“Environmental Regulatory Agency” is defined in *Section 21.6*.

“Event of Default” is defined in *Section 24.1*.

“Exacerbate” or “Exacerbating” is defined in *Section 21.6*.

“Exempt Parcel” means, depending on the context: (i) any assessor’s parcel of a real property interest that is exempt from property taxation under California law; and (ii) any assessor’s parcel of a real property interest that is exempt from Mello-Roos Taxes under an RMA. “Exempt Parcel” excludes any parcel that: (1) the Port or any other Regulatory Agency acquires by gift, devise, negotiated transaction, or foreclosure; (2) the Port acquires under the DDA; or (3) is in private use for taxable purposes.

“Excepted Hazardous Materials” is defined in *Section 21.1*.

“Excluded Transfer” is defined in *Section 18.1(a)*.

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

“Facilities Condition Report” is defined in *Section 10.2(b)*.

“FCR Date” is defined in *Section 10.2(a)*.

“Final Certificate of Occupancy” means a certificate of occupancy and completion that the Chief Harbor Engineer issues in the form of DDA Exh D13 after accepting an Architect’s Certificate verifying that a Vertical Developer has finally completed a Vertical Improvement.

“Final Map” means a final Subdivision Map meeting the requirements of the Subdivision Code and the Map Act, subject to amendments made by the DA Ordinance.

“Flagpoles” is defined in *Section 9.5*.

“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 and not caused by the acts or omissions of such Party, including, but not restricted to, acts of nature or of the public enemy, fires, floods, earthquakes, tidal waves, strikes, freight embargoes, and unusually severe weather. Force Majeure does not include (i) failure to obtain financing or failure to have adequate funds, (ii) sea level rise, (iii) flooding as a result of curbsless streets and/or sidewalks, or (iv) any event that does not cause an actual delay. 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 additional repairs or obtain additional Regulatory Approvals that would not have otherwise been required but for the Force Majeure event.

**"Foreclosed Property"** is defined in *Section 40.4(a)*.

**"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.

**"Foreclosure Period"** is defined in *Section 40.3(b)*.

**"Generator"** is described in *Section 21.2(d)*

**"graffiti"** is defined in *Section 9.6*.

**"Gross Income"** is defined in *Section 3.2a)(iii)* in *Exhibit D*.

**"Gross Tax Increment"** means 100% of the property and possessory interest taxes that the City actually receives in a City Fiscal Year by application of the 1% ad valorem tax against the increase in assessed value of Taxable Parcels in Project Area I above their values in the base year of Project Area I.

**"Handle"** is defined in *Section 21.6*.

**"Hard costs"** is defined in *Section 10.5*.

**"Hazardous Material"** is defined in *Section 21.6*.

**"Hazardous Materials Claim"** is defined in *Section 21.6*.

**"Hazardous Material Condition"** is defined in *Section 21.6*.

**"Horizontal Improvements"** is defined in the Appendix to the DDA.

**"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 date on which all allocations to the IFD of Tax Increment from the Sub-Project Area in which the Premises is located, and the IFD's authority to repay indebtedness with Tax Increment from that Sub-Project Area end under Appendix I in accordance with IFD Law, which is no later than 45 years after the IFD actually receives \$100,000 in Tax Increment from that Sub-Project Area.

**"Impositions"** is defined in *Section 5.1(b)*.

**"Improvements"** means all buildings, structures, fixtures and other improvements erected, built, placed, installed, constructed, renovated, or Restored, located upon or within the Premises on or after the Commencement Date, including, but not limited to, the Initial Improvements and any Subsequent Construction.

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

**"Indemnify"** means indemnify, protect and hold harmless.

**"Information Charge"** is defined in *Section 5.4(d)*.

**"Infrastructure CFD"** means the City and County of San Francisco Community Facilities District No. 2020-1 (Mission Rock Public Improvements).



**“Initial Improvements”** means all Improvements to be built on the Premises or portion(s) thereof in accordance with the Vertical DDA, Scope of Development, and SUD.

**“Initial Response Period”** is defined in *Section 5.4(b)*.

**“Investigate”** or **“Investigation”** is 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”** is defined in Basic Lease Information.

**“Late Charge”** is defined in *Section 3.10* of *Exhibit D*.

**“Law”** or **“Laws”** means any one or more present and future laws, (including Environmental 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.

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

**“Lease Year”** is defined in *Exhibit D*.

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

**“Leasing Activity Report”** is defined in *Section 9.3*.

**“Lender Acquisition”** is defined in *Section 40.4(a)*.

**“Lender”** means the holder or holders of a Mortgage in compliance with *Article 40* 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 will 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 (including direct or vicarious liabilities), damages (including foreseeable and unforeseeable, incidental and 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.

**“Low Income Housing Tax Credit”** means a tax credit obtained in accordance with 26 U.S. Code §42 (as amended from time to time), or an equivalent federal or state tax credit program for affordable housing.

**“Maintenance Notice”** is defined in *Section 10.5*.

**“Major Casualty”** means damage to or destruction of all or any portion of the Premises to the extent that the hard costs of Restoration will exceed thirty percent (30%) of the hard costs to replace the Premises in their entirety. The calculation of such percentage will be based upon replacement costs and requirements of applicable Laws in effect as of the date of the event causing such Major Casualty.

**“Managing Party”** is defined in *Section 18.1(a)*.

**“Master Association”** is defined in the DDA.

**“Master CC&Rs”** is defined in the DDA.

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

**“Master Developer Agreements”** means the DDA, the Master Lease, the DA, and related agreements.

**“Master Lease”** is defined in *Recital C*.

**“Material Systems”** is defined in *Section 10.5*.

**“Mello-Roos Taxes”** means special taxes that the City levies in a City Fiscal Year on Taxable Parcels in the Mission Rock CFD in accordance with the RMA, including delinquent special taxes collected at any time by payment or through foreclosure.

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

**“Mezzanine Lender”** means a lender which has a security interest in the partnership/membership interest of Tenant.

**“Minimum Net Worth Amount”** is defined in *Section 18.1(a)*.

**“Mission Rock”** means the master-planned portion of the Mission Rock project that will encompass SWL 337, portions of Terry Francois Boulevard, and the expansion of China Basin Park.

**“Mission Rock CFD”** is a term used for the CFD for Mission Rock, if and when formed.

**“Mitigation Monitoring and Reporting Program”** means the Mitigation Monitoring and Reporting Program described in *Exhibit K*.

**“Mortgage”** means a mortgage, deed of trust, assignment of rents, fixture filing, security agreement or similar security instrument or assignment of the Leasehold Estate recorded in the Official Records.

**“Net Awards and Payments”** is defined in *Section 15.4*.

**“Net Worth Guarantor”** is defined in *Section 18.1(a)*.

**“Net Worth Guaranty”** is defined in *Section 18.1(a)*.

**“Net Worth Requirement”** is defined in *Section 18.1(a)*.

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

**“New Lease”** is defined in *Section 40.10*.

**“New Lease Execution Period”** is defined in *Section 40.10(i)*.

**“Non-Disturbance Agreements”** is defined in *Section 18.4(a)*.

**“Notice for Information”** is defined in *Section 5.4(c)*.

**“Notice of Special Tax”** is defined in *Section 5.2(a)*.

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

**“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.

**“Operations Plan”** means an operations plan reasonably approved by Port regarding the Handling of Hazardous Materials within, on, or near the Premises and the management of

Hazardous Materials risks associated with such operations. Any Operations Plan previously approved by Port may be amended from time to time with the prior consent of Port.

**“Other Property Agreements”** is defined in *Section 40.12*.

**“Outstanding Bonds”** shall mean Bonds (i) for which the City has or will have repayment obligations from special taxes or tax increment, (ii) that have been issued by the City and remain outstanding under the terms of such Bonds, (iii) for which the indenture, fiscal agent agreement, resolution or other instrument pursuant to which such Bonds were issued or authorized expressly prohibits the early termination of this Lease, and (iv) which either (a) expire prior to the last ten (10) years of the Term of this Lease, or (b) have been expressly approved in writing by Tenant to extend into the last ten (10) years of the Term of this Lease. The City shall not issue any Bonds which would remain outstanding during the last ten (10) years of the Term of the Lease without the prior written consent of Tenant, which consent may be withheld in Tenant’s sole and absolute discretion.

**“Partial Condemnation”** is defined in *Section 15.3(b)*.

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

**“PCBs”** is defined in *Section 21.6*.

**“Permitted Title Exceptions”** is defined in *Section 1.1(b)*.

**“Permitted Uses”** is defined in *Section 3.1*.

**“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 described in *Section 21.5*.

**“Phase”** means one of the integrated stages of horizontal and vertical development for the Project Site as shown in the Phasing Plan.

**“Phase 1 Horizontal Developer”** is defined in *Recital D*.

**“Phase Area”** means the Development Parcels and other land in the Project Site that are to be developed in a Phase.

**“Phasing Plan”** means DDA Exh A4, which shows the order of development of the Phases and the Development Parcels in each Phase Area, subject to revision under DDA Art. 3 (Phase Approval).

**“Port”** means the San Francisco Port Commission.

**“Port Environmental Risk Policy”** is defined in *Section 17.1*.

**“Port’s Repair Notice”** is defined in *Section 10.5*.

**“Potential Assessment”** is defined in *Section 5.4(a)*.

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

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

**“Prevailing party”** is defined in *Section 46.11*.

**“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”** is defined in *Section 3.2*.

**“Prohibited Use Charge”** is defined in *Section 3.3*.

**“Project”** means the project described in the Scope of Development attached hereto as *Exhibit C-1*, including all Improvements.

**“Project Approvals”** is defined in the Basic Lease Information.

**“Project Area I”** means the area within the IFD covering Mission Rock formed by Ordinance No. 34-18.

**“Project Site”** is defined in *Recital C*.

**“Property”** is defined in Basic Lease Information.

**“Public Access Area”** means any Horizontal Improvement for public enjoyment, such as a public park, public recreational facility, public access, open space, and other similar public amenities, which may be a rooftop facility, or any area marked as a Public Access Area on *Exhibit B*.

**“public work”** is defined in *Section 12.4(f)*.

**“Qualified Transferee”** is defined in *Section 18.1(a)*.

**“reasonable wear and tear”** is defined in *Section 10.1*.

**“Reassessment”** means a proceeding that a taxpayer initiates under the California Revenue and Taxation Code that results in a reduction in ad valorem taxes assessed against the Premises.

**“Record Drawings”** is defined in *Section 12.6(a)*.

**“Refinancing Proceeds”** is defined in *Section 3.5(e)* of *Exhibit D*.

**“Refinancing”** is defined in *Section 3.5(e)* of *Exhibit D*.

**“Regulatory Agency”** means a City Agency or federal, state, or regional body administrative agency, commission, court, or other governmental or quasi-governmental organization with jurisdiction over any aspect of the Improvements or the Premises or the Project Site.

**“Regulatory Approval”** means any motion, resolution, ordinance, permit, approval, license, registration, permit, utility services agreement, Final Map, or other action, agreement, or entitlement required or issued by any Regulatory Agency with jurisdiction over any portion of the Project Site, as finally approved.

**“Reimbursable Subtenant Costs”** is defined in *Section 18.4(b)(vi)(3)*.

**“Release”** is defined in *Section 21.6*.

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

**“Rent”** means Base Rent, if any, the sum of rent for any Hold Over Period pursuant to Section 37, the portion of Net Sale Proceeds or Refinancing Proceeds due to the Port hereunder (if any), Additional Rent and all other sums payable by Tenant to Port hereunder, including any Late Charges and interest assessed at the Default Rate.

**“Replacement Notice”** is defined in *Section 9.5*.

**“Requested Information”** is defined in *Section 5.4(b)*.

**“Response Period”** is defined in *Section 5.4(c)*.

**“Restoration”** means the restoration, replacement, or rebuilding of the Improvements (or the relevant portion thereof) in accordance with all Laws then applicable. All Restoration will be conducted in accordance with the provisions of *Section 12*. **“Restore”** and **“Restored”** have correlative meanings.

**“RMA”** is an acronym for the Rate and Method of Apportionment.

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

**“Sale”** is defined in *Section 3.4(e)* of *Exhibit D*.

**“Sale period”** is defined in *Section 40.4(d)*.

**“Sale Proceeds”** is defined in *Section 3.4(e)* of *Exhibit D*.

**“Second NDA Notice”** is defined in *Section 18.4(e)(ii)*.

**“Security Deposit”** is defined in *Section 17.4(a)*.

**“Senior Lender”** is defined in *Section 40.7(a)*.

**“SFPUC”** means the San Francisco Public Utilities Commission.

**“SFPW”** means San Francisco Public Works.

**“Shoreline Protection Facilities”** means future Improvements to protect the San Francisco Bay shoreline from perils associated with seismic events and climate change, including sea level rise and floods, and other public improvements approved by the Port Commission and the Board of Supervisors.

**“Shoreline Protection Project”** means planning, design, and construction of Shoreline Protection Facilities.

**“Sign”** is defined in *Section 3.4*.

**“Significant Change”** is defined in *Section 18.1(a)*.

**“Significant Change Certificate”** is defined in *Section 18.1(b)(ii)*.

**“Soil Management Plan”** is defined in *Section 21.6*.

**“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, successors 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), and any amendment, modification or supplement thereto, but excluding access or occupancy rights granted under the Master CC&Rs (as defined in the DDA).

**“Subleased Space”** means the portion of the Premises subject to a Sublease.

**“Sub-Project Area”** means a sub-project area that the Board of Supervisors established in Project Area I.

**“Subsequent Assessed Value”** means the assessed value of the Premises in any City Fiscal Year after the most recent Baseline Assessed Value was established.

**“Subsequent Construction”** means all repairs to and reconstruction, replacement, addition, expansion, Restoration, alteration or modification of any Improvements, or any construction of additional Improvements, following completion of the Initial Improvements.

**“Substantial Condemnation”** is defined in *Section 15.3(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 249.80 establishing the Mission Rock Special Use District, as it may be amended from time to time.

**“Tax Increment”** refers to Allocated Tax Increment or Gross Tax Increment, as appropriate in the context.

**“Taxable Parcel”** means an assessor’s parcel of real property or other real estate interest created by each Phase Final Map that is not an Exempt Parcel, which may include leased space occupied for private use in an Exempt Parcel.

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

**“Term”** is defined in *Section 1.2*.

**“Termination Notice for Change in Laws”** is defined in *Section 7.3*.

**“Termination Option”** is defined in *Section 7.3*.

**“Total Condemnation”** is defined in *Section 15.2*.

**“Transportation Demand Management Plan”** means the Transportation Demand Management Plan attached hereto as *Exhibit Y*.

**“Transfer”** is defined in *Section 18.1(a)*.

**“Uninsured Casualty”** is defined in *Section 14.3*.

**“Unmatured Event of Default”** means any default that, with the giving of notice or the passage of time, or both, would constitute an Event of Default.

**“Vertical DDA”** means the Vertical Disposition and Development Agreement between Port and Tenant, as developer, dated as of June \_\_\_, 2020.

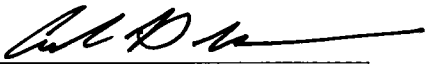
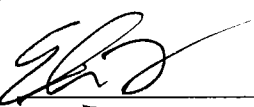
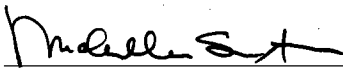
**“Work”** is defined in *Section 12.5*.

**“Workforce Development Plan”** is defined in *Article 42*.

**“worth at the time of award”** is defined in *Section 25.4*.

[Signature Page Follows]

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

<u>Tenant:</u>	<b>MISSION ROCK PARCEL G OWNER, L.L.C.,</b> a Delaware limited liability company  By: <u></u> Name: <u><b>Authorized Signatory</b></u> Title: <u><b>Carl D. Shannon</b></u>
<u>Port:</u>	<b>CITY AND COUNTY OF SAN FRANCISCO,</b> operating by and through the <b>SAN FRANCISCO PORT COMMISSION</b>  By: <u></u> Name: <u>Elaine Forbes</u> Title: <u>Executive Director</u>
APPROVED AS TO FORM: DENNIS J. HERRERA, City Attorney  By: <u></u> Name: <u>Michelle Sexton</u> Title: <u>Deputy City Attorney</u>	

Port Commission Resolution No. 18—03, adopted on January 30, 2018

Board of Supervisors Resolution No. 36—18, adopted on February 13, 2018





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

<u>Tenant:</u>	<b>MISSION ROCK PARCEL G OWNER, L.L.C.,</b> a Delaware limited liability company  By: Name: Title:
<u>Port:</u>	<b>CITY AND COUNTY OF SAN FRANCISCO,</b> operating by and through the <b>SAN FRANCISCO PORT COMMISSION</b>  By: Name: Title:
APPROVED AS TO FORM: DENNIS J. HERRERA, City Attorney  By: Name: Title:	

Port Commission Resolution No. 18—03, adopted on January 30, 2018

Board of Supervisors Resolution No. 36—18, adopted on February 13, 2018

**EXHIBIT A**

**Legal Description**

LEGAL DESCRIPTION

"LOT 3"

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

LOT 3, AS SAID LOT IS SHOWN ON FINAL MAP 9443 FILED FOR RECORD ON JUNE 12, 2020, IN BOOK 1 OF FINAL MAPS, PAGES 28-38 INCLUSIVE, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO.

CONTAINING 33,057 SQ.FT. OR 0.76 ACRES, MORE OR LESS

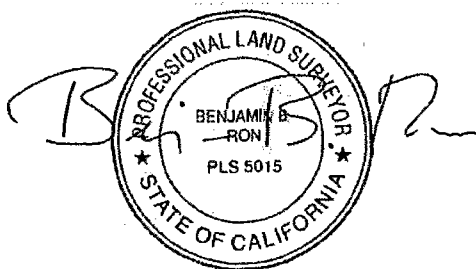
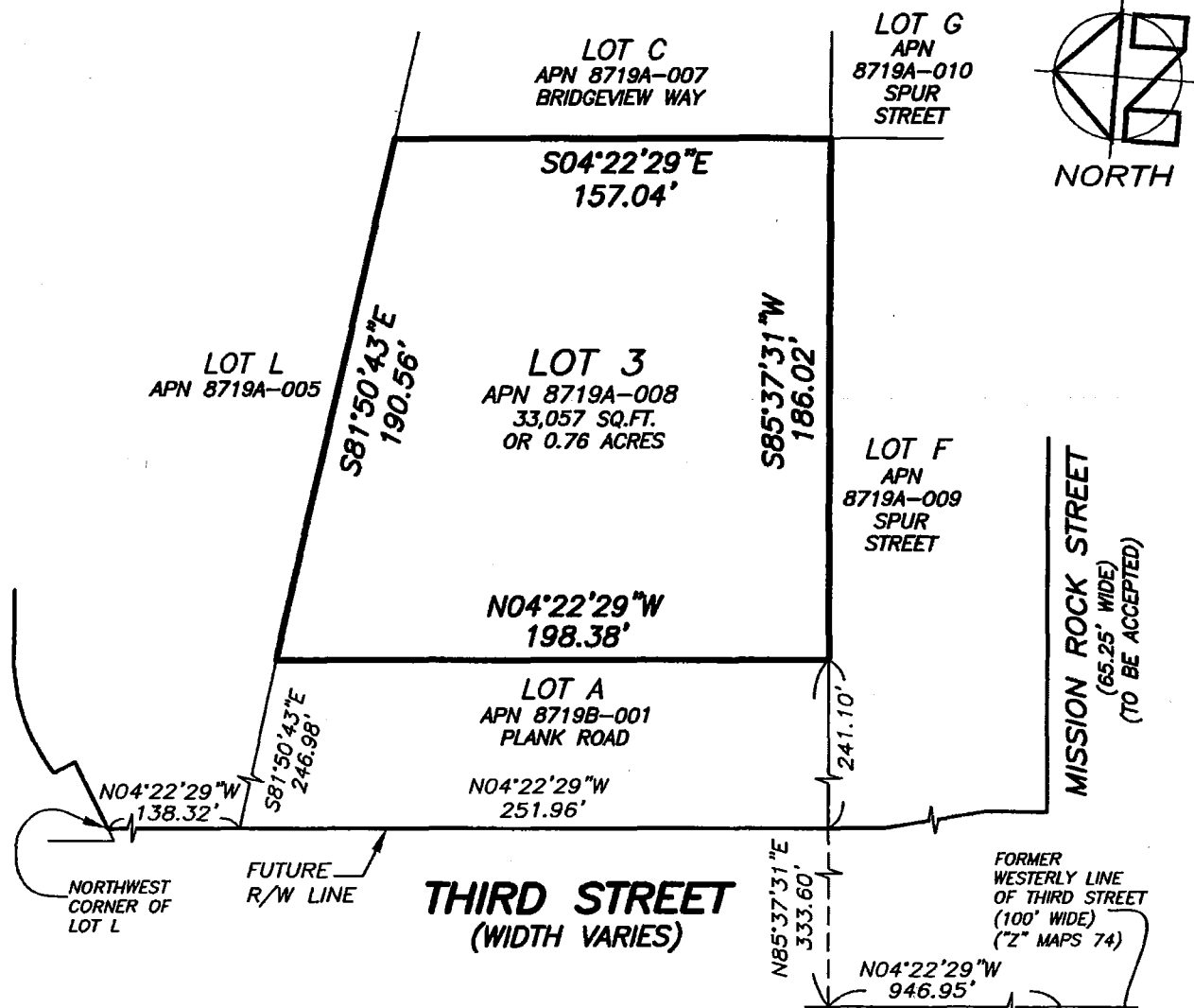
EXCEPTING THEREFROM, ALL SUBSURFACE MINERAL DEPOSITS, INCLUDING OIL AND GAS DEPOSITS, TOGETHER WITH THE RIGHT OF INGRESS AND EGRESS ON SAID LAND FOR EXPLORATION, DRILLING AND EXTRACTION OF SUCH MINERAL, OIL AND GAS DEPOSITS, AS EXCEPTED AND RESERVED BY THE STATE OF CALIFORNIA IN THAT CERTAIN ACT OF THE 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.

AND FURTHER EXCEPTING THEREFROM:

UNTO THE STATE OF CALIFORNIA, ITS SUCCESSORS, AND ASSIGNS, FOREVER, ALL MINERALS AND MINERAL RIGHTS OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED IN THE HEREINAFTER DESCRIBED PORTION OF THE ABOVE DESCRIBED REAL PROPERTY INCLUDING, BUT NOT LIMITED TO, OIL AND GAS AND RIGHTS THERETO, TOGETHER WITH THE SOLE, EXCLUSIVE, AND PERPETUAL RIGHT TO EXPLORE FOR, REMOVE AND DISPOSE OF THOSE MINERALS BY ANY MEANS OR METHODS SUITABLE TO THE STATE OF CALIFORNIA OR TO ITS SUCCESSORS AND ASSIGNS, BUT WITHOUT ENTERING UPON OR USING THE SURFACE OF THE LANDS CONVEYED AND IN SUCH MANNER AS NOT TO DAMAGE THE SURFACE OF THE LANDS CONVEYED, OR TO INTERFERE WITH THE USE THEREOF BY THE CITY AND COUNTY OF SAN FRANCISCO, ITS SUCCESSORS AND ASSIGNS, PROVIDED, HOWEVER, THAT THE STATE OF CALIFORNIA, ITS SUCCESSORS AND ASSIGNS, WITHOUT THE PRIOR WRITTEN PERMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO, ITS SUCCESSORS AND ASSIGNS, SHALL NOT CONDUCT ANY MINING ACTIVITIES OF ANY NATURE WHATSOEVER ABOVE A PLANE FIVE HUNDRED FEET (500') BELOW THE SURFACE OF THE HEREINAFTER DESCRIBED PORTION OF THE ABOVE DESCRIBED REAL PROPERTY, AS RESERVED IN THAT CERTAIN PATENT FROM THE STATE OF CALIFORNIA TO THE CITY AND COUNTY OF SAN FRANCISCO, A CHARTER CITY AND COUNTY, RECORDED JULY 19, 1999, IN REEL H429, IMAGE 518, AS INSTRUMENT NO. G622166, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, AND AS SET FORTH IN CHAPTER 1143, STATUTES OF 1991, AND AMENDMENTS THERETO UPON THE TERMS AND PROVISIONS SET FORTH THEREIN SUCH PORTION OF THE ABOVE DESCRIBED REAL PROPERTY.



# PLAT TO ACCOMPANY LEGAL DESCRIPTION



## BASIS OF BEARINGS

THE BEARING OF  $S56^{\circ}47'46''W$  BETWEEN POINT NOS. 109 AND 431 OF THE HIGH PRECISION NETWORK DENSIFICATION (HPND), CITY & COUNTY OF SAN FRANCISCO 2013 COORDINATE SYSTEM (SFCS13)

## NOTE

LOTS 3, A, C, F, G & L, THE ASSOCIATED APNs AND STREET NAMES ARE AS SHOWN ON FINAL MAP 9443 RECORDED JUNE 12, 2020 IN BOOK 1 OF FINAL MAPS, PAGES 28-38 INCLUSIVE, OFFICIAL RECORDS.

## LEGEND

R/W RIGHT OF WAY

## BOUNDARY — LOT 3

BY JP CHKD. BR DATE 6/17/20 SCALE 1"=60' SHEET 1 OF 1 JOB NO. S-9229

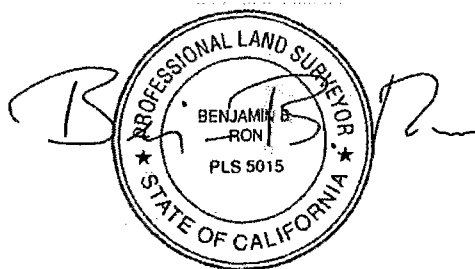
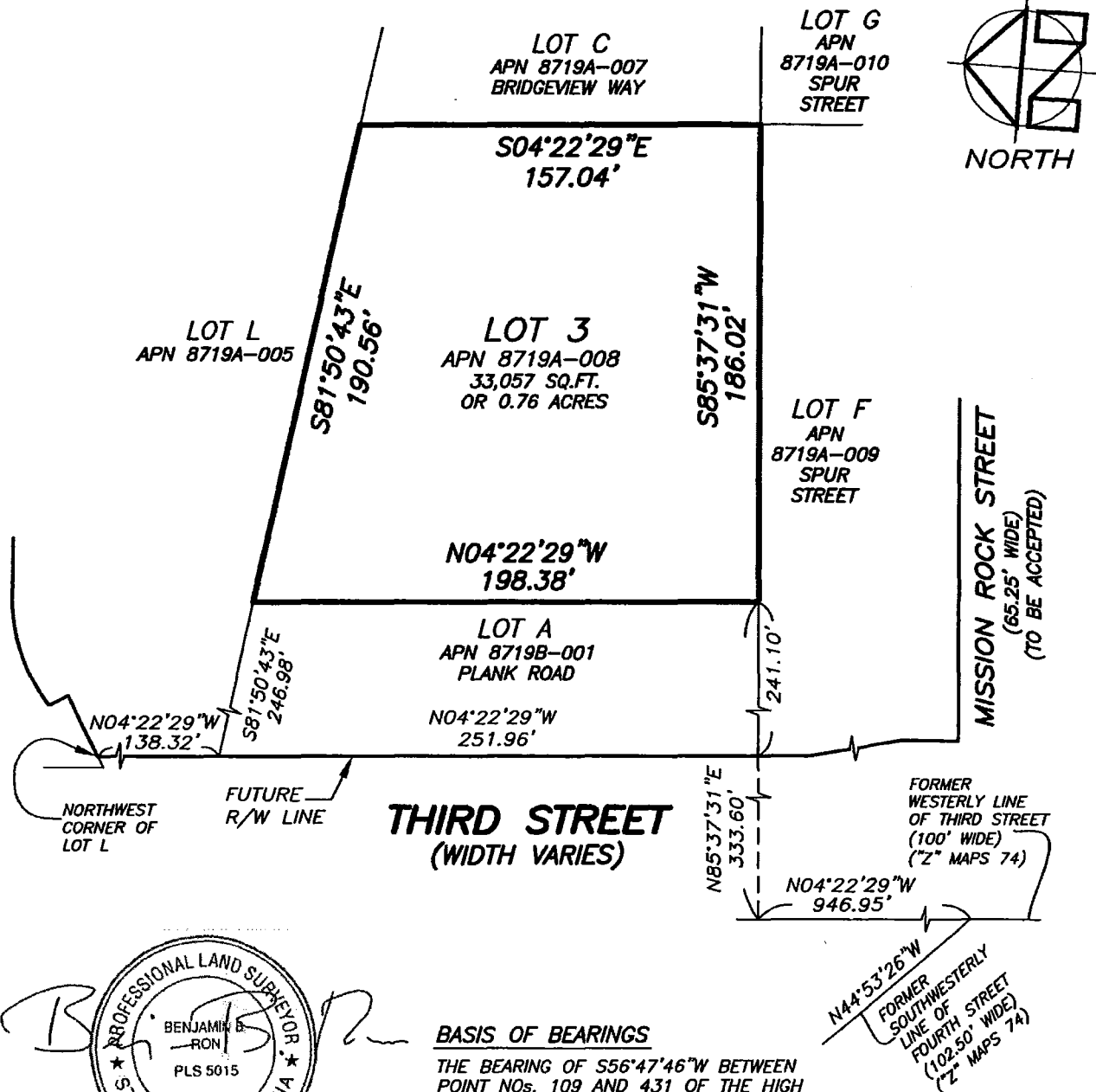
MARTIN M. RON ASSOCIATES, INC.  
LAND SURVEYORS

859 HARRISON STREET  
SAN FRANCISCO, CA. 94107  
(415) 543-4500  
S-9229E-FINAL MAP\_PARCEL  
PLATS.dwg

**EXHIBIT B**

**Site Plan**

# PLAT TO ACCOMPANY LEGAL DESCRIPTION



## BASIS OF BEARINGS

THE BEARING OF S56°47'46\"W BETWEEN POINT NOS. 109 AND 431 OF THE HIGH PRECISION NETWORK DENSIFICATION (HPND), CITY & COUNTY OF SAN FRANCISCO 2013 COORDINATE SYSTEM (SFCS13)

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## LEGEND

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(415) 543-4500  
S-9229E-FINAL MAP\_PARCEL  
PLATS.dwg

EXHIBIT C

Scope of Development

**Scope of Development - Mission Rock (Phase 1 Parcel G / Lot 3)**

**Primary Use:** Office

**Ground Floor:** Retail or other ground floor uses allowed within the Mission Rock Special Use District

**Gross Square Footage:** 280,000 – 320,000 square feet

**Building Description:** up to 14 floors, a total of 190' and massing as approved in the Design Controls.

**Affordable Housing Fee:** \$5.4(b)(ii) (Jobs / Housing Equivalency Fee) of the Development Agreement states that each Vertical DDA for nonresidential use (a "JHEF Project") will require the Vertical Developer to pay to the Port a Jobs/Housing Equivalency Fee. The Vertical DDA for each JHEF Project shall require payment of the Jobs/Housing Equivalency Fees for the applicable Development Parcel to the Port upon the earlier of (a) issuance by Port of the First Construction Document (which payment will be a condition to issuance by the Port of the First Construction Document) for the JHEF Project on that Development Parcel; or (b) by the date 30 days after notice from the Port that the Vertical Developer of any Residential Project in the Current Phase has completed the foundation of its Residential Project pursuant to a building permit (or foundation addendum to site permit) issued by the Port. The Port shall direct the Special Fund Trustee to disburse from the Affordable Housing Fund to the Vertical Developer of the applicable Residential Project, the amount of the Affordable Housing Subsidy allocated to such Residential Project within 30 days following the Foundation Completion Date, in accordance with the Affordable Housing Subsidy Plan.

The amount of Affordable Housing Fee required to **be paid by** Parcel G / Lot 3 shall be: **\$91.1 million**

**Inclusionary Units:** N / A



EXHIBIT D

Rent

## EXHIBIT D

### ARTICLE 3

#### RENT

#### 3. Rent.

##### 3.1 Prepaid Rent.

The Parties acknowledge that this Lease is a **Fully Pre-paid Lease**, as that term is defined in the Financing Plan attached as Exhibit C1 to the DDA. On the Commencement Date, the **Prepaid Rent**, as set forth in the Basic Lease Information, will be applied by Credit Bid in accordance with Article 3 of the Financing Plan attached to the DDA ("**Credit Bid**").

##### 3.2 Tenant's Covenant to Pay Rent During Hold Over Period.

During any Hold Over Period, Tenant will pay Rent for the Premises to Port at the times and in the manner provided in this Article 3.

###### (a) Definitions.

(i) "**Adjusted Gross Income**" means Gross Income less Adjustments.

(ii) "**Adjustments**" means the following items (without duplication):

(1) all Impositions paid by Tenant and allocated on a straight-line basis during the Lease Year in which the applicable Imposition was paid;

(2) all charges and bills for utilities, including, without limitation, charges for water, gas, oil, sanitary and storm sewer, and electricity paid by Tenant; and

(3) insurance premiums for insuring the Improvements in compliance with **Section 20** of this Lease and allocated on a straight-line basis during the Lease Year in which the applicable insurance premium was paid.

(iii) "**Gross Income**" means for each Lease Year or portion thereof, 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 (other than as set forth below with respect to tenant improvements), license fees, parking charges, advertising revenues, event or promotional fees, charges and permit fees.

Without limiting the foregoing, "**Gross Income**" also includes any and all payments made to Tenant from the Business Interruption or delayed opening insurance proceeds. "**Gross Income**" does not include any of the following: (i) proceeds from any sale, transfer, hypothecation or condemnation of all or any part of Tenant's interest in the Lease, (ii) any Refinancing Proceeds or any other capital proceeds, (iii) insurance proceeds arising from a Casualty at the Premises (provided that if such insurance proceeds exceed the actual cost incurred by Tenant to repair and restore the Premises, then the difference will be included in the calculation of Gross Income); (iv) payments from any Subtenant to Tenant to reimburse Tenant for actual costs paid by Tenant to an operator of a parking garage or surface parking lot within Mission Rock for the number of parking spaces paid by such Subtenant; or (v) payments from any Subtenant to reimburse Tenant for Tenant's actual out-of-pocket costs related to materials, labor, and non-Affiliated general contractor fees for tenant improvement work performed by Tenant on behalf of Subtenant.

(b) Reporting of Gross Income.

(i) Commencing on the 72nd anniversary of the Effective Date, Tenant will deliver to Port a complete statement setting forth in reasonable detail its Adjusted Gross Income for each calendar quarter, including an itemized list of all Adjustments from Gross Income that Tenant claims and which are expressly permitted under this Lease substantially in the form of *Exhibit Z*, by the twentieth (20th) day of the immediately following calendar quarter. In addition, Tenant will furnish to Port, within sixty (60) days after the expiration of the 72nd Lease Year and each Lease Year thereafter, a complete statement, showing the computation of Gross Income, Adjusted Gross Income, including an itemized list of all Adjustments from Gross Income that Tenant claims and which are expressly permitted under this Lease substantially in the form of *Exhibit AA*.

(ii) Tenant will substantiate actual Adjustments with proof of expenditure, which may include: (i) copies of canceled checks, (ii) bills, contracts and invoices marked "Paid", and (iii) and such other proofs of expenditure as may be reasonably approved by Port.

(iii) If Tenant fails to deliver any rent statement required hereunder within the time period set forth in this Section 3.2(b) (irrespective of whether any 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 of the Premises) as may be necessary to determine the amount of 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 Rent due and payable for the period in question, including any Late Charge and interest at the Default Rate.

### **3.3 Intentionally Omitted.**

### **3.4 Port Participation in Sale Proceeds.**

(a) Distribution of, and Port's Participation in, Net Sale Proceeds before Early Transfer Date. Tenant will pay upon a Transfer occurring any time prior to the Early Transfer Date:

(i) One Hundred Percent (100%) of Net Sale Proceeds from such Transfer, less the following deductions in this Section 3.4(a), will be deposited into the DRP Fund.

(1) Tenant's Purchase Price;

(2) Port's Attorneys' Fees and Costs associated with Port's review of the Qualifying Early Sale;

(3) Costs of Sale; and

(4) If the work product that is the subject of the Certified Entitlement Cost is purchased by the Transferee and useful in the construction or entitlement of the Vertical Project, Certified Entitlement Costs related to such purchased work product, if any.

(ii) In addition to payment of Port's share of Net Sale Proceeds in accordance with Section 3.4(a)(i) of this Exhibit, Tenant will pay Port a sum equal to Seventy-Five Thousand Dollars (\$75,000) for each 12-month period following the Commencement Date until the effective date of the Sale. By way of example only, if the Sale occurs on the last day of the twenty-fourth (24<sup>th</sup>) month after the Commencement Date, then Tenant will pay Port One Hundred Fifty Thousand Dollars (\$150,000). If Sale occurs at any time after the first twelve-month period, then the Seventy-Five Thousand Dollar amount will be pro-rated for such shorter period.

(b) Distribution of, and Port's Participation in, Net Sale Proceeds and Reassessment Events after Early Transfer Date.

(i) Sale. Tenant will pay Port one and one-half percent (1.5%) of the Net Sale Proceeds from each Sale occurring on or after the Early Transfer Date.

(ii) **Reassessment Event.** For purposes of calculating Net Sale Proceeds on a Reassessment Event, Tenant's Sale Proceeds from such Reassessment Event will be deemed to be an amount equal to (1) the total ownership interests in Tenant after the Reassessment Event held by the Person causing the Reassessment Event (expressed as a percentage of total ownership interests in Tenant), multiplied by (2) the value assigned to the Leasehold Estate, as evidenced by (A) the estimated fair market value of the Leasehold Estate provided to the Assessor-Recorder's in connection with the Reassessment Event, or (B) if no such estimate is provided to the Assessor-Recorder's, the appraised value of the Leasehold Estate established in an Appraisal Report reasonably approved by Port and Tenant.

(c) Manner of Payment. The estimated closing statement will be updated as of the date of closing of the Sale to show the actual (i) Sale Proceeds from such Sale, and (ii) line item description of the deductions and exclusions from Sale Proceeds to arrive at Port's share of Net Sale Proceeds. If escrow is opened for a Sale, then Port's share of the proceeds from such Sale must be distributed through escrow. If no escrow is opened for a Sale, Port's share of proceeds from such Sale must be paid upon the closing of any such Sale.

This provision constitutes notice to Tenant that Port is to be paid in full its share of Net Sale Proceeds through the close of escrow or the closing of the applicable Sale. If Port is not paid full by such closing date, the amount due Port will be subject to a Late Charge and will accrue interest at the Default Rate from and after the closing until paid in full to Port. Port may reference in any estoppel certificate or other representation requested from Port that payment to Port of Port's share of proceeds from a Sale is a material obligation under the Lease, due and owing upon the closing of any Triggering Event, provided, however, failure to reference such obligation will in no way negate Tenant's obligation to pay, and Port's right to receive, Port's share of Net Sale Proceeds.

Within forty-five (45) days after any Sale, transferor Tenant will submit to Port a statement prepared in accordance with sound accounting principles consistently applied, and certified by transferor Tenant's chief executive officer or chief financial officer (or equivalent position), as current, complete and correct, confirming the actual amount of proceeds received; line item description of the deductions and exclusions from proceeds to arrive at Port's share of Net Sale Proceeds. At Port's option, any overpayments may be either refunded to transferor Tenant or applied to any other amount then due and unpaid under the Lease. Tenant will accompany the statement of Net Sale Proceeds with the amount of any underpayments. The statements delivered to Port under this Section are subject to the audit provisions of Section 3.7 of this Exhibit for determination of the accuracy of Tenant's reporting of Port's share of Net Sale Proceeds.

(d) Survival. The provisions of this Section 3.4 will survive the earlier termination or expiration of this Lease for Sales occurring prior to such termination or expiration. Additionally, any release by Port of Tenant's obligations under this Lease in connection with any Sale is conditioned on Port's receipt of Port's share of Sale Proceeds.

(e) Additional Definitions. The following definitions apply for purposes of this Section 3.4:

**"Cash Consideration"** means (i) cash, or (ii) cash equivalents.

**"Certified Entitlement Costs"** means Entitlement Costs, as certified in accordance with *Attachment 1* to this *Exhibit D*.

**"Certified Total Development Costs"** means the Total Development Costs, as certified in accordance with *Attachment 1 to this Exhibit D*.

**"CofO Issuance Date"** means the date Port, in its regulatory capacity, issues a certificate of occupancy for the Initial Improvements.

**"Costs of Sale"** means only the following costs incurred by Tenant in connection with a Transfer: (i) brokerage commissions paid to licensed real estate brokers (provided, however, that in the case of brokerage commissions paid to Affiliate brokers, such commissions must be

commercially reasonable), (ii) finder's fees (provided that in the case of finder's fees to Affiliates, such finder's fees must be commercially reasonable), (iii) reasonable and customary closing fees and costs including recording fees and transfer taxes, title insurance premiums and survey fees, (iv) reasonable advertising and marketing costs, and (v) reasonable Attorneys' Fees and Costs. "Costs of Sale" excludes adjustments to reflect prorations of rents, taxes or other items of income or expense customarily prorated in connection with sales of real property.

"**Early Transfer Date**" means the date that Port issues a site permit and first building permit addendum to allow commencement of construction of the Initial Improvements.

"**Entitlement Costs**" means Tenant's reasonable out-of-pocket costs actually incurred from and after the effective date of the Vertical DDA until the effective date of the Sale and attributable to the following only: designing the Initial Improvements; costs related to all land use approvals and entitlements, including preparation and processing of design review applications under the SUD and the Design Control, subdivision maps specific to the Premises that do not impact the initial Final Map recorded for the first Phase, and costs of compliance with all conditions of approval and CEQA mitigation measures legally required by the City, Port or any other Regulatory Authority as a condition to obtaining the entitlements; architectural, engineering, consultants, community outreach, attorney and other professional fees reasonably necessary to obtain the entitlements; financing costs for loans obtained to finance the Entitlement Costs; and Impositions paid (and not reimbursed by the transferee or adjusted at the closing of the Sale) prior to the effective date of the Sale.

"**Hard Costs**" means reasonable out-of-pocket costs actually incurred by Tenant attributable solely to the cost of labor, materials and construction of the Initial Improvements. "Hard Costs" do not include the cost of any improvements for any specific or speculative Subtenant or any costs incurred after the issuance of a Certificate of Completion in accordance with Article 13 of the Vertical DDA.

"**Initial Tenant**" means Mission Rock Parcel G Owner L.L.C.

"**Net Sales Proceeds**" means Sale Proceeds less:

- (i) Costs of Sale; and
- (ii) Port's Attorneys' Fees and Costs associated with Port's review of the Sale or Reassessment Event; and
- (iii) if the transferor Tenant (x) constructed the Initial Improvements, Tenant's Purchase Price (but only if such amount is not included in Certified Total Development Costs) plus the Certified Total Development Costs, or (y) if transferor Tenant did not construct the Initial Improvements, Tenant's Purchase Price; and
- (iv) the total amount of any Net Refinancing Proceeds from any Qualifying Refinancing by the transferor Tenant where Port received its share in such proceeds in accordance with Section 3.5(a) below or any Net Sale Proceeds actually received by Port from any Reassessment Event prior to the last sale in accordance with Section 3.4(b)(ii) of this Exhibit.

"**Non-Cash Consideration**" means consideration received by Tenant in connection with a Sale that is not Cash Consideration.

"**Reassessment Event**" means a change in ownership of real property as described in Cal. Revenue and Taxation Code, Chapter 2 (Change in Ownership and Purchase), Section 64, as that law is in effect as of August 15, 2018 and attached hereto as **Exhibit BB**.

"**Sale**" means either a Transfer (other than an Excluded Transfer) or Reassessment Event.

"**Sale Proceeds**" means all consideration received by or for the account of Tenant in connection with a Sale, including Cash Consideration, the principal amount of any loan made by

Tenant to a purchaser as part of the purchase price, or any other Non-Cash Consideration representing a portion of the purchase price. "Sale Proceeds" do not include a commitment by an owner (whether direct or indirect) of Tenant to fund its share of future capital calls to construct the Initial Improvements or Capital Items.

"Soft Costs" means reasonable out-of-pocket costs actually incurred by the Tenant that actually constructs the Initial Improvements and attributable solely to architectural, engineering, consultant, attorney, and other professional fees, regulatory fees, CEQA mitigation measures, community benefits, Impact Fees (as defined in the DDA), Port Costs and Other City Costs (as defined in the Vertical DDA), builder's risk insurance, performance and payment bonds, safety and security measures, and thirty party costs to prepare Certified Total Development Costs, in each case in connection with the Initial Improvements described in the Scope of Development. "Soft Costs" do not include costs associated with the design or construction any specific or speculative Subtenant improvements or any costs incurred after the issuance of a Certificate of Completion in accordance with Article 13 of the Vertical DDA.

"Tenant's Purchase Price" means (i) in the case of the Initial Tenant, the "Acquisition Price" under the Vertical DDA and (ii) in the case of each subsequent tenant following the Initial Tenant, the Sale Proceeds paid by such Tenant to the immediately prior tenant for the Leasehold Estate.

"Total Development Costs" means Soft Costs and Hard Costs, excluding costs incurred by Tenant (if any) that are reimbursed by Master Developer or Phase 1 Horizontal Developer, as applicable, in connection with the construction of an engineered vapor mitigation system if required by the Environmental Covenants.

### **3.5 Port Participation in Refinancing Proceeds.**

(a) Port's Participation. In connection with any Qualifying Refinancing, Tenant will pay to Port an amount equal to one and ½ percent (1.5%) of Net Refinancing Proceeds.

(b) Reporting of Refinancing Proceeds. No less than fifteen (15) days prior to the close of escrow for each Qualifying Refinancing, Tenant will deliver to Port, an estimated closing statement that includes the best estimate of the following items:

(i) Gross proceeds from the Qualifying Refinancing;

(ii) The estimated Net Refinancing Proceeds including a separate line item for each of the costs permitted to be deducted from the gross proceeds from the Refinancing, as applicable to arrive at Net Refinancing Proceeds; and

(iii) The estimated Net Refinancing Proceeds allocated to Port and Tenant.

(c) Manner of Payment. The estimated closing statement will be updated as of the date for close of escrow under any Qualifying Refinancing to show the actual (i) gross Refinancing Proceeds, (ii) Net Refinancing Proceeds and Port's share thereof, as applicable, and (iii) with respect to any Qualifying Refinancing, line item description of the deductions and exclusions from Refinancing Proceeds to arrive at Net Refinancing Proceeds. Tenant must pay Port from the close of escrow of any Qualifying Refinancing, Port's share of the Net Refinancing Proceeds. Port may reference in any estoppel certificate or other representation requested from Port by a Mortgage lender, that payment to Port of Port's share of Net Refinancing Proceeds is a material obligation under the Lease, due and owing at close of escrow of any Qualifying

Refinancing hereunder, provided, however, failure to reference such obligation will in no way negate Tenant's obligation to pay, and Port's right to receive, Port's share of Net Refinancing Proceeds. This provision constitutes notice to Tenant that Port is to be paid in full its share of Net Refinancing Proceeds through the close of escrow of any Qualifying Refinancing. If Port is not paid full by such closing date, the amount due Port will be subject to a Late Charge and will accrue interest at the Default Rate from and after the closing until paid in full to Port. Within forty-five days (45) after any Qualifying Refinancing, Tenant will submit to Port a statement, prepared in accordance with sound accounting principles consistently applied, and certified by Tenant's chief executive officer or chief financial officer (or equivalent position) as current, complete and correct, confirming the actual amount of Refinancing Proceeds, disbursed, permitted deductions made from such proceeds, and the amount of Net Refinancing Proceeds due to Port and actually paid to Port. At Port's option, any overpayments will be either refunded to Tenant, applied to any other amount then due and unpaid, or credited against Rent due. Tenant will accompany the statement of Net Refinancing Proceeds with the amount of any underpayments. The statements delivered to Port under this Section 3.5(d) will be subject to the audit provisions of Section 3.7 of this Exhibit for determination of the accuracy of Tenant's reporting of Net Refinancing Proceeds.

(d) Survival. The provisions of this Section 3.5 will survive the earlier termination or expiration of this Lease for any Qualifying Refinancing occurring prior to such termination or expiration.

(e) Additional Definitions. The following additional definitions will apply for purposes of this Section.

A "Capital Items" means replacements, repairs, and/or improvements to the Premises, the foundation and structural integrity of the Buildings, and all Material Systems serving the Improvements within the Premises that would be deemed capital assets under general accounting principles consistently applied.

B "Net Refinancing Proceeds" means all gross principal amounts of any Refinancing occurring after the Effective Date hereof (plus, in the event of secondary financing, the original principal balance of any existing financing that is not repaid as a part of such secondary financing), after subtracting the following:

(1) amounts needed to pay the lenders' actual costs of such Refinancing paid by Tenant including application fees, closing costs, points and other customary lenders' fees such as lenders' Attorneys' Fees and Costs and title insurance costs paid at close of escrow for such Refinancing;

(2) amounts needed to pay Port's Attorneys' Fees and Costs associated with Port's review of the Refinancing;

(3) amounts needed to pay Tenant's Attorneys' Fees and Costs associated with the Refinancing;

(4) any portion of the Refinancing Proceeds that will be used for Capital Items approved in accordance with *Sections 10.2(d) and 12.1* of this Lease; and



(5) brokerage commissions paid to licensed real estate brokers to arrange the Refinancing (provided, however, if commissions are paid to Affiliate brokers, such commissions must be commercially reasonable).

C **"Qualifying Refinancing"** means any Refinancing that results in positive Net Refinancing Proceeds that is not in connection with (1) a Sale; or (2) the first permanent financing following Completion of the Initial Improvements that is secured by Tenant's leasehold interest in this Lease.

D **"Refinancing"** means any secured debt financing or refinancing incurred by Tenant and secured by any Mortgage, which may include secured financing from an Affiliate of Tenant and any refinancing or replacement of existing debt secured by a Mortgage (including any permanent take-out financing for financing the construction of the Initial Improvements (as defined in Article 47 of the Parcel Lease)); provided, however, the term "Refinancing" shall exclude any construction loan incurred by Tenant for the purpose of financing the construction of the Initial Improvements.

E **"Refinancing Proceeds"** means all sums actually disbursed by a lender in connection with a Refinancing.

**3.6 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 or in connection with any Sale or Refinancing. 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, including proceeds and costs incurred from any Sale and Refinancing. 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.

**3.7 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 matters identified in Section 3.4(b) of this Exhibit) 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, Adjusted Gross Income, Sale Proceeds, Refinancing Proceeds and Port's share of the foregoing, for a period of five (5) years after the applicable rent statement in connection with Rent during the Hold Over Period (or closing statement with respect to a Sale or Refinancing) 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 Sale Proceeds, Net Sale Proceeds, Gross Income during any Hold Over Period, Adjusted Gross Income during any Hold Over Period, Refinancing Proceeds, or Net Refinancing Proceeds 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. If Tenant understates its Adjusted Gross Income during any Hold Over Period, Net Refinancing Proceeds or Net Sale Proceeds, or Port's share of the foregoing proceeds 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.

**3.8 Manner of Payment.** Tenant will pay all 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. Rent and Port's share of Sale Proceeds and Refinancing Proceeds are 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.

**3.9 Interest on Delinquent Rent.** Rent not paid when due will bear interest from the date due until paid 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.

**3.10 Late Charge.** Tenant acknowledges and agrees that late payment by Tenant to Port of Rent 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 a rent statement required hereunder to Port within five (5) days following the date it is due, five percent (5%) of Rent due during a Hold Over Period for the subject period of such 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.

**3.11 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, except as expressly set forth in *Section 28.2* of this Lease.

**3.12 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.

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

## ATTACHMENT 1 TO EXHIBIT D

### PROCEDURES TO CERTIFY ENTITLEMENT COSTS AND TOTAL DEVELOPMENT COSTS

#### 1. PORT REPRESENTATIVE.

If Tenant fails to deliver either the Certified Entitlement Cost Statement or the Certified Total Development Cost Statement, as applicable, within the time periods set forth herein, and such failure continues for thirty (30) days after the date Port delivers to Tenant written notice of such failure, Port has the right, among its other remedies under this Lease, to have a Port Representative examine Tenant's books and records as may be necessary to determine all the information required in the Certified Entitlement Cost Statement or Certified Total Development Cost Statement, as applicable. The determination made by Port Representative will be binding upon Tenant, absent manifest error, and Tenant must promptly pay to Port the total cost of the examination.

#### 2. CERTIFIED COST STATEMENT.

(a) *Certified Entitlement Cost Statement.* Within thirty (30) days prior to a Transfer occurring before the Early Transfer Date or sixty (60) days following the Early Transfer Date for the Tenant that constructs the Initial Improvements, as applicable, Tenant will furnish Port with an itemized statement setting forth in detail the Entitlement Cost incurred by Tenant to the Building Permit Date or thirty (30) days prior to a Qualifying Early Sale, as applicable, certified as true, accurate and complete by an independent certified public accountant (the "Certified Entitlement Cost Statement").

(b) *Certified Total Development Cost Statement.* Within the earlier of one hundred twenty (120) days following the issuance of a Certificate of Completion or thirty (30) days prior to a Sale after the Early Transfer Date, the Tenant that constructed the Initial Improvements will furnish Port with an itemized statement setting forth in detail the Total Development Cost incurred by such Tenant to the CofO Issuance Date, certified as true, accurate and complete by an independent certified public accountant (the "Certified Total Development Cost Statement").

(b) *Port Review.* Port will notify the Tenant within sixty (60) days following Port's receipt of the Certified Entitlement Cost Statement or the Certified Total Development Cost Statement, as applicable, of Port's agreement or disagreement with such statement. If Port disagrees with any such statement, the Parties will meet to resolve the disagreement. If the Parties are unable to resolve their disagreement, either may Party exercise its rights under Section 3 (Audit Rights) of this Attachment 1 to Exhibit D.

#### 3. AUDIT RIGHTS.

If Port disagrees with either the Certified Entitlement Cost Statement or the Certified Total Development Cost Statement, Port may request that such records be audited by an independent certified public accounting firm mutually acceptable to Port and Tenant, or if the Parties are unable to agree, either Party may apply to the Superior Court of the State of California in and for the County of San Francisco for appointment of an auditor meeting the foregoing qualifications. If the court denies or otherwise refuses to act upon such application, either Party may apply to the American Arbitration Association, or any similar provider of professional commercial arbitration services, for appointment in accordance with the rules and procedures of such organization of an independent auditor. Such audit will be binding on the Parties, except in the case of fraud, corruption or undue influence. Port will pay the entire cost of the audit unless the audit discovers that Tenant has overstated the Entitlement Cost or the Total Development Cost, as applicable, by more than three percent (3%) of the lower amount, in which case Tenant will pay the entire cost of the audit.

**4. BOOKS AND RECORDS RELATED TO TOTAL DEVELOPMENT COSTS.**

Tenant must keep accurate books and records of the Entitlement Costs and Total Development Costs incurred to date, funds expended by Tenant, outstanding Tenant capital, Tenant capital return accrued, and debt or other third-party proceeds received by or on behalf of Initial Tenant in connection with the development of the Initial Improvements, all in accordance with accounting principles generally accepted in the construction industry. Port, including its Agents, has the right to inspect Tenant's books and records regarding the development of the Initial Improvements, the costs incurred in connection therewith, and all other Entitlement Costs and Total Development Costs, including funds expended by Tenant, return accrued on such funds, and debt or other third party proceeds received by or on behalf of Tenant in connection with the development of the Initial Improvements in a location within San Francisco during regular business hours and upon reasonable advance notice.

EXHIBIT E

Project Approvals

## **EXHIBIT E**

### **PROJECT APPROVALS**

1. **Final Environmental Impact Report** (Planning Dept. Case No. 2013.0208ENV)
  - Certify FEIR and adopt CEOA Findings: Planning Commission Motion No. 20017 and Motion No. 20018, October 5, 2017
  - Adopt CEOA Findings and MMRP: Port Resolution No. 18-03, January 30, 2018
  - Affirm Planning Commission's certification of FEIR and adopt CEOA Findings and MMRP: Board of Supervisors Resolution No. 36-18, February 13, 2018
2. **Planning Code and Zoning Map amendments**
  - Recommend: Planning Commission Resolution No. 20019, October 5, 2017
  - Consent: Port Resolution No. 18-04, January 30, 2018
  - Approve: Board of Supervisors Ordinance No. 31-18, February 27, 2018
3. **Development Agreement and amendments and waivers of specified provisions of the Administrative and Subdivision Codes**
  - Recommend: Planning Commission Resolution No. 20020, October 5, 2017
  - Consent: Port Resolution No. 18-06, January 30, 2018
  - Consent: SFPUC Resolution No. 18-0014, January 23, 2018
  - Consent: SFMTA Resolution No. 180206-025, February 6, 2018,
  - Approve: Board of Supervisors Ordinance No. 33-18, February 27, 2018
4. **Mission Rock Design Controls**
  - Approve: Planning Commission Motion No. 20021, October 5, 2017
  - Approve: Port Resolution No. 18-04, January 30, 2018
5. **Waterfront Land Use Plan / Waterfront Design and Access Element amendments**
  - Adopt public trust findings and approve: Port Resolution No. 18-03 (Public Trust Findings) January 30, 2018, and Resolution No. 18-05 (Waterfront Land Use Plan), January 30, 2018
6. **Infrastructure Financing District Project Area I and Sub-Project Areas**
  - Adopt public trust findings, approve, and recommend: Port Resolution No. 18-08 January 30, 2018
  - Approve: Board of Supervisors Ordinance Nos. 34-18, February 27, 2018
7. **Memorandum of Understanding re Collection and Allocation of Taxes**
  - Approve and recommend: Port Resolution No. 18-09, January 30, 2018
  - Approve: Board of Supervisors Resolution No. 45-18, February 13, 2018
8. **Special Tax District No. 2020-1 (Mission Rock Facilities and Services)**
  - Resolution of formation: Board of Supervisors Resolution No. 160-20, April 24, 2020

**9. Final Map 9443**

- Approve and recommend: Public Works Order No. 203194, May 22, 2020
- Approve: Board of Supervisors Motion No. M20-60, June 2, 2020



EXHIBIT F

Permitted Title Exceptions

[See Attached]

## EXHIBIT A

### LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED SAN FRANCISCO, IN THE COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

#### PARCEL ONE:

Lot 3, as shown on the "Final Map 9443", which Map was filed for record on June 12, 2020 in Book 1 of Final Maps, at Page(s) 28-38, inclusive, in the Office of the Recorder of the City and County of San Francisco.

EXCEPTING THEREFROM, all the 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, gas deposits, as excepted and reserved by the State of California in that certain Act of 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.

AND FURTHER EXCEPTING THEREFROM: Unto the State of California, its successors, and assigns, forever, all minerals, mineral rights or every kinds and character now know to exist or hereafter discovered in the hereinafter described portion of the above described real property including but not limited to, oil and gas and rights thereto, together with the sole, exclusive, and perpetual right to explore for, remove and dispose of those minerals by any means or methods suitable to the State of California or to its successors and assigns, but without entering upon or using the surface of the lands conveyed, or to interfere with the use thereof by the City and County of San Francisco, its successors and assigns, provided, however, that the State of California, its successors and assigns, without the prior written permission of The City and County of San Francisco, its successors and assigns, shall not conduct any mining activities of any nature whatsoever above a plane five hundred feet (500') below the surface of the hereinafter described portion of the above described real property, as reserved in that certain patent from the State of California to the City and County of San Francisco, a Charter City and County, recorded July 19, 1999, in Reel H429, Image 518, as Instrument No. G622166, Official Records of the City and County of San Francisco, and as set forth in Chapter 1143, Statutes of 1991, and amendments thereto upon the terms and provisions set forth therein such portion of the above described real property.

APN: (Old) Lot 006, Block 8719, a portion  
(New) Lot 008, Block 8719A

#### PARCEL TWO:

Easements as contained in that certain "Mission Rock Master Declaration of Restrictions", recorded 2020, as Instrument No. 2020-K , Official Records.

## 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 that arise by reason of:

**THE FOLLOWING MATTERS AFFECT PARCELS ONE AND TWO:**

1. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2020-2021.

(Affects Parcels One and Two)

2. Intentionally deleted

3. All or a part of the Land herein described does not appear to be assessed on the Tax Roll for the year(s) 2019-2020. Said Land is subject to the possible assessment and collection of property taxes for the current year.

(Affects Parcels One and Two)

4. The Land 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.

(Affects Parcels One and Two)

5. 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 prior to Date of Policy.

(Affects Parcels One and Two)

6. Intentionally deleted

7. 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 1333 of the Statutes of 1968, (the Burton Act) as amended by Chapters 1296 and 1400, Statutes of 1969, Chapter 670, Statutes of 1970, Chapter 1253, Statutes of 1971, Chapter 660, Statutes of 2007 and Chapter 529, Statutes of 2016 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 and that certain Agreement Relating to Transfer of the Port of San Francisco from the State of California to the City and County of San Francisco, executed by and between the City and County of San Francisco and the Director of Finance of the State of California and the San Francisco Port Authority, recorded January 30, 1969, Book B308, Page 686,

**SCHEDULE B  
(Continued)**

Series No. R404013, of Official Records as modified by Chapters 1296 and 1400, Statutes of 1969, Chapter 670, Statutes of 1970, Chapter 1253, Statutes of 1971, Chapter 660, Statutes of 2007 and Chapter 529, Statutes of 2016 and as may be further modified.

(Affects Parcels One and Two)

8. Matters contained in that certain document

Entitled: Amended Covenant to Restrict Use of Property Environmental Restriction  
Executed by: The City and County of San Francisco, a Charter City and County, in Trust, and  
The Department of Toxic Substances Control  
Recording Date: September 2019  
Recording No: 2019-K835128-00, Official Records

Reference is hereby made to said document for full particulars

(Affects Parcel One and Lots C, D, F and G of Book 1 of Final Maps, at Page(s) 28-38, inclusive of Parcel Two.)

9. Intentionally deleted

10. Intentionally deleted

11. Matters contained in that certain document

Entitled: Development Agreement  
Dated: August 15, 2018  
Executed by: The City and County of San Francisco and Seawall Lot 337 Associates, LLC, a  
Delaware limited liability company  
Recording Date: August 17, 2018  
Recording No: 2018-K656939-00, Official Records

Reference is hereby made to said document for full particulars.

Assignment and Assumption Agreement

Assignor: Seawall Lot 337 Associates, LLC, a Delaware limited liability company and  
Mission Rock Horizontal Sub (Phase 1), L.L.C., a Delaware limited liability  
company  
Assignee: Mission Rock Parcel G Owner, L.L.C., a Delaware limited liability company  
Recorded: , 2020, as Instrument No. 2020- , Official Records

(Affects Parcels One and Two)

12. Intentionally deleted

## SCHEDULE B (Continued)

13. Covenants, conditions and restrictions set forth in that certain Permit No. 2017-004-00 dated June 29, 2018 granted by the San Francisco Bay Conservation and Development Commission, recorded August 17, 2018, Recording No. 2018-K656942-00, of Official Records, but omitting any covenant or restriction, if any, based upon race, color, religion, sex, handicap, familial status or national origin as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law.

A First Amendment to BCDC Permit, recorded June 18, 2020, as Instrument No. 2020-K942228-00, Official Records.

A Second Amendment to BCDC Permit recorded June 18, 2020, as Instrument No. 2020-K942229-00, Official Records

(Affects Parcels One and Two)

14. Ordinance 209-19: Street and Public Service Easement Vacation Order – Mission Rock Project, upon the terms and conditions contained therein.

Recorded: May 15, 2020, as Instrument No. 2020-K931482-00, Official Records

Said instrument provides for the reservation of various temporary rights and easements in favor of the City and County of San Francisco and Pacific Gas and Electric Company.

(Affects Parcel One and Two)

15. The herein described property lies within the boundaries of a Mello-Roos Community Facilities District (CFD) as follows:

CFD No: 2020-1

For: Mission Rock Facilities and Services

Disclosed by: Notice of Special Tax Lien

Recorded: May 22, 2020, as Instrument No. 2020-K933385-00, Official Records

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 of San Francisco County of San Francisco. The tax may not be prepaid.

(Affects Parcel One and Two)

16. Intentionally deleted

17. Any rights of the tenants listed below, as tenants only with no options to purchase or rights of first refusal:

a) Visa Inc.

18. Any rights, interests, or claims which may exist or arise by reason of the following matters disclosed by survey,

Job No.: S-9229

Dated: May , 2020

Prepared by: Martin M. Ron Associates

Matters shown:

(No matters to reflect)

## SCHEDULE B (Continued)

19. Intentionally deleted

20. Intentionally deleted

21. Intentionally deleted

22. Intentionally deleted

23a. Intentionally deleted

23b.. Recitals as shown on that certain map/plat entitled "Final Map 9443"

Recording Date: June 12, 2020, as Instrument No. 2020-K940602-00, Official Records  
Recording No.: Book 1 of Final Maps, at Page 28

23c. Matters contained in that certain document

Entitled: Public Improvement Agreement  
Dated: , 2020  
Executed by: The City and County of San Francisco and Seawall Lot 337 Associates, LLC, a Delaware limited liability company  
Recording Date: June 12, 2020, as Instrument No. 2020-K940619-00, Official Records

(Affects Parcels One and Lots A, B, C, D, E, F, G, H, I, J, K and L of Book 1 of Final Maps, at Page(s) 28-38, inclusive of Parcel Two.)

Reference is hereby made to said document for full particulars.

24. Intentionally deleted

25. The matters set forth in the document shown below which, among other things, contains or provides for: certain easements; liens and the subordination thereof; provisions relating to partition; restrictions on severability of component parts; and covenants, conditions and restrictions but omitting any covenants or restrictions, if any, including, but not limited to those based upon race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, veteran or military status, genetic information, medical condition, citizenship, primary language, and immigration status, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law.

Entitled: Mission Rock Master Declaration of Restrictions  
Recorded: , 2020, as Instrument No. 2020- , Official Records

Said covenants, conditions and restrictions provide that a violation thereof shall not defeat the lien of a first mortgage or first deed of trust made in good faith and for value.

Liens and charges as set forth in the above mentioned declaration,

Payable to: Mission Rock Owners Association, a California nonprofit corporation

**SCHEDULE B  
(Continued)**

26. Memorandum of Vertical Disposition and Development Agreement, upon the terms, covenants, conditions and provisions set forth therein

Dated: , 2020  
Executed by: The City and County of San Francisco, a municipal corporation and Mission Rock Parcel G Owner, L.L.C., a Delaware limited liability company  
Recorded: , 2020, as Instrument No. 2020- , Official Records

Reference is hereby made to said document for full particulars.

(Affects Parcel One)

27. Matters contained in that certain document

Entitled: Agreement to Comply with CFD Matters  
Executed by: The City and County of San Francisco and Mission Rock Parcel G Owner, L.L.C., a Delaware limited liability company  
Recording Date: , 2020  
Recording No: 2020- , Official Records

Reference is hereby made to said document for full particulars

(Affects Parcel One)

28. Notice of Special Restrictions

Recording Date: , 2020  
Recording No: 2020- , Official Records

Reference is hereby made to said document for full particulars

(Affects Parcel One)

**THE FOLLOWING MATTERS AFFECT ONLY PARCEL TWO:**

29. Matters contained in that certain document

Entitled: City and County of San Francisco Department of Public Works Street Encroachment Agreement  
Dated: April 13, 2000  
Executed by: City and County of San Francisco and China Basin Ballpark Company, LLC  
Recording Date: May 15, 2000  
Recording No: 2000-G773008-00, Official Records

Reference is hereby made to said document for full particulars.

(Affects: :Lot H, I and J of Book 1 of Final Maps, at Page(s) 28-38, inclusive of Parcel Two)

## SCHEDULE B (Continued)

30. Conditions and restrictions as set forth in a document recorded by the City and County of San Francisco, Department of Public Works.

Type of Permit: San Francisco Bay Conservation and Development Commission Permit No. M201404200  
 Recording Date: August 4, 2015  
 Recording No.: 2015-K105732-00, Official Records

Reference is made to said document for full particulars.

(Affects: Lot K of Book 1 of Final Maps, at Page(s) 28-38, inclusive of Parcel Two)

31. Matters contained in that certain document

Entitled: Disposition and Development Agreement  
 Dated: August 15, 2018  
 Executed by  
 And between: City and County of San Francisco, acting by and through the San Francisco Port Commission and Seawall Lot 337 Associates, LLC, a Delaware limited liability company  
 Recording Date: August 17, 2018  
 Recording No.: 2018-K656938-00, Official Records

Reference is hereby made to said document for full particulars.

Assignment and Assumption Agreement (Mission Rock Project, Phase 1)

Dated: December 18, 2019  
 Executed by: Seawall Lot 337 Associates, LLC, a Delaware limited liability company and Mission Rock Horizontal Sub (Phase 1), L.L.C., a Delaware limited liability company  
 Recording Date: December 19, 2019  
 Recording No.: 2019-K879368-00, Official Records

Reference is hereby made to said document for full particulars.

A First Amendment to Disposition and Development Agreement

Recorded: , 2020, as Instrument No. 2020- , Official Records

Reference is hereby made to said document for full particulars.

(Affects Lots A, B, C, D, E, F, G, H, I, J, K and L of Book 1 of Final Maps, at Page(s) 28-38, inclusive of Parcel Two.)



## SCHEDULE B (Continued)

32. An unrecorded lease with certain terms, covenants, conditions and provisions set forth therein as disclosed by the document

Entitled: Memorandum of Lease  
 Lessor: The City and County of San Francisco, operating by and through the San Francisco Port Commission  
 Lessee: Seawall Lot 337 Associates, LLC, a Delaware limited liability company  
 Recording Date: August 17, 2018  
 Recording No: 2018-K656941-00, Official Records

Matters contained in that certain document

Entitled: First Amendment to Memorandum of Master Lease  
 Dated: January 31, 2020  
 Executed by: The City and County of San Francisco, a municipal corporation operating by and through the San Francisco Port Commission and Seawall Lot 337 Associates, LLC, a Delaware limited liability company  
 Recording Date: January 31, 2020  
 Recording No: 2020-K898106-00, Official Records

Reference is hereby made to said document for full particulars.

The present ownership of the leasehold created by said lease and other matters affecting the interest of the lessee are not shown herein.

(Affects Lots A, B, C, D, E, F, G, H, I, J, K and L of Book 1 of Final Maps, at Page(s) 28-38, inclusive of Parcel Two.)

33. Any rights of the tenants, as tenants only with no options to purchase or rights of first refusal.
34. Any rights, interests, or claims which may exist or arise by reason of the following matters disclosed by survey,

Job No.: S-  
 Dated: May , 2020  
 Prepared by: Martin M. Ron Associates  
 Matters shown:

(SUBJECT TO REVIEW OF ALTA SURVEY)

35. Offer of Improvements upon the terms and conditions contained therein.

Recording Date: June 12, 2020, as Instrument No. 2020-K940595-00, Official Records

(Affects Lots A, B, C, D, E, F, G, H, I, J, K and L of Book 1 of Final Maps, at Page(s) 28-38, inclusive of Parcel Two)

**SCHEDULE B  
(Continued)**

36. Rights and Easements for Commerce, Navigation and Fishery.  
(Affects Parcel Two)

**END OF SCHEDULE B**

**This is a pro forma policy** furnished to or on behalf of the party to be insured. It neither reflects the present status of title, nor is it intended to be a commitment to insured. The inclusion of endorsements as a part of the pro forma policy in no way evidences the willingness of the company to provide any affirmative coverage shown therein. There are requirements which must be met before a final policy can be issued in the same form as the pro forma policy. A commitment to insure setting forth these requirements should be obtained from the Company.

**Additional Matters** may be added or other amendments may be made to this pro forma policy by reason of any defects, liens or encumbrances that appear for the first time in the Public Records or come to the attention of the Company and are created or attached between the issuance of this pro forma policy and the issuance of a policy of title insurance. The Company shall have no liability because of such addition or amendment.

EXHIBIT G

Executed Notice of Special Tax

**NOTICE OF SPECIAL TAX**  
**CITY AND COUNTY OF SAN FRANCISCO**  
**SPECIAL TAX DISTRICT NO. 2020-1**  
**(MISSION ROCK FACILITIES AND SERVICES)**

TO: THE PROSPECTIVE TENANT OF THE REAL PROPERTY IDENTIFIED AS FOLLOWS (THE “**PROPERTY**”):

**Lot 3 shown on the Final Map No. 9443 approved by the Board of Supervisors of the City and County of San Francisco on June 2, 2020**

THIS IS A NOTIFICATION TO YOU PRIOR TO YOUR ENTERING INTO A CONTRACT TO LEASE THIS PROPERTY. THE LANDLORD IS REQUIRED TO GIVE YOU THIS NOTICE AND TO OBTAIN A COPY SIGNED BY YOU TO INDICATE THAT YOU HAVE RECEIVED AND READ A COPY OF THIS NOTICE.

Each Assessor’s Parcel (a “**Parcel**”) of this Property (in existence now or as further subdivided in the future) is subject to a development special tax (the “**Development Special Tax**”), an office special tax (the “**Office Special Tax**”), a shoreline special tax (the “**Shoreline Special Tax**”), and a contingent services special tax (the “**Contingent Services Special Tax**” and, with the Development Special Tax, Office Special Tax, and Shoreline Special Tax, collectively, the “**Special Taxes**”) that are in addition to the regular property taxes and any other charges, fees, special taxes, and benefit assessments on the Property. The Special Taxes are imposed on each Parcel of the Property because it is a new development, and is not necessarily imposed generally upon property outside of this new development. If you fail to pay the Special Taxes levied on the leasehold interest in a Parcel of the Property when due each year, the delinquent leasehold interest in the Parcel may be foreclosed upon and sold. The Special Taxes are used to provide facilities and services that are likely to particularly benefit the Property. YOU SHOULD TAKE THE SPECIAL TAXES AND THE BENEFITS FROM THE FACILITIES AND SERVICES FOR WHICH THEY PAY INTO ACCOUNT IN DECIDING WHETHER TO LEASE THIS PROPERTY.

The Property you are leasing is located within the boundaries of Tax Zone 1 of the City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services) (“**Mission Rock STD**”). The Special Taxes are levied pursuant to a Rate and Method of Apportionment of Special Taxes (the “**Rate and Method**”) for the Mission Rock STD. A copy of the Rate and Method applicable to this Property is attached as Exhibit “C” to the Notice of Special Tax Lien attached hereto as Exhibit 1 (the “**Notice of Special Tax Lien**”). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Rate and Method.

### **Classification of Property**

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor's Parcel numbers for all Taxable Parcels. The Administrator shall also determine: (i) whether each Taxable Parcel is Developed Property or Undeveloped Property; (ii) the Planning Parcel and Tax Zone within which each Taxable Parcel is located; (iii) for Developed Property, the Market-Rate Residential Square Footage and Office Square Footage within each building; (iv) the Taxpayer for each Leasehold Interest in a Taxable Parcel; and (v) the Development Special Tax Requirement, Office Special Tax Requirement, Shoreline Special Tax Requirement, and, if applicable, Services Special Tax Requirement for the Fiscal Year.

The Property will become Developed Property for purposes of the levy of the Special Taxes as set forth in the definition of Developed Property in the Rate and Method, which means "in any Fiscal Year, all Taxable Parcels for which the 24-month anniversary of the Parcel Lease Execution Date has occurred in a preceding Fiscal Year, regardless of whether a Permit has been issued. For any Taxable Parcel on which a structure is built and occupied without execution of a Parcel Lease, such Taxable Parcel shall be categorized as Developed Property in the Fiscal Year in which a Certificate of Occupancy was issued on or prior to June 30 of the preceding Fiscal Year."

When a Parcel becomes Developed Property, the Administrator and Review Authority shall reference the Permit for each building on the Parcel to determine the Market-Rate Residential Square Footage and/or Office Square Footage within the building(s). If the Market-Rate Residential Square Footage and/or Office Square Footage is not identified on the Permit, the square footage assumptions used in the appraisal prepared when the Vertical DDA and/or Parcel Lease for such Parcel was executed shall be used to determine Market-Rate Residential Square Footage and/or Office Square Footage within the building. If, after review of the Permit and appraisal, there is still no clear indication of the Market-Rate Residential Square Footage and/or Office Square Footage for a building, the Review Authority shall review the Development Approval Documents and make a determination as to the amount of Market-Rate Residential Square Footage and/or Office Square Footage in the building.

When a Parcel becomes Developed Property, the Administrator and Review Authority shall also identify and document the Initial Exempt Square Footage for the building or buildings on or expected on the Parcel. The Administrator shall keep a record of the Initial Exempt Square Footage broken down by Exempt Use. After the First Bond Sale, as square footage within a building is designated for Exempt Uses, the Administrator shall compare the actual square footage used for each Exempt Use to the Initial Exempt Square Footage by Exempt Use. If, at any point in time, there is determined to be Excess Exempt Square Footage within a building, the Administrator and Review Authority shall use this comparison to determine which square footage should be designated Excess Exempt Square Footage. In addition, the Administrator shall determine whether the Excess Exempt Square Footage resulted in a reduction in Market-Rate Residential Square Footage or Office Square Footage expected in the building and, based on this determination, identify the applicable Maximum Special Taxes for the Excess Exempt Square Footage pursuant to the tables in Section C of the Rate and Method.

The Administrator shall also: (i) coordinate with the Deputy Director to confirm Parcel Increment; (ii) coordinate with the Treasurer-Tax Collector's Office to determine if there have been any Special Tax delinquencies or repayment of Special Tax delinquencies in prior Fiscal Years; (iii) review the Development Approval Documents and communicate with the Developer and Vertical Developers regarding proposed Land Use Changes; and (iv) upon each annexation, Land Use Change, and notification of Parcel Lease Execution Dates, update Attachment 3 to the Rate and Method to reflect the then-current Expected Land Uses, Expected Maximum Development Special Tax Revenues, Expected Maximum Office Special Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues.

The Developer, Port, or Vertical Developer shall notify the Administrator each time a Parcel Lease is executed in order for the Administrator to keep track of Parcel Lease Execution Dates.

In addition, the Port will: (i) provide the Administrator with copies of all leases that establish a Leasehold Interest, (ii) notify the Administrator of renewals of leases that establish a Leasehold Interest, and (iii) identify the buildings, Parcels, and Square Footage subject to such leases that establish a Leasehold Interest. Any time a lease on property within the Mission Rock STD is terminated, the Port will immediately notify the Administrator of such termination.

Prior to the First Bond Sale, the Administrator, Port, Developer, and any Vertical Developers shall coordinate to review the Expected Land Uses and determine if changes should be made to reflect more current estimates for land uses on each Planning Parcel. Based on this review, the Administrator shall update Attachment 3 to the Rate and Method with the then-current Expected Land Uses and Expected Maximum Development Special Tax Revenues, Expected Maximum Office Special Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues, which will be used to size the sale of Bonds unless and until there are additional updates of Attachment 3 to the Rate and Method.

### **Maximum Special Taxes**

In calculating Maximum Special Taxes pursuant to Section C of the Rate and Method, in any Fiscal Year in which the boundaries of the Planning Parcels are not identical to the boundaries of the then-current Assessor's Parcels, the Administrator shall review the Expected Land Uses for each Planning Parcel and assign the Maximum Special Taxes to the then-current Assessor's Parcels. The Maximum Special Tax Revenues after such allocation shall not be less than the Maximum Special Tax Revenues prior to the allocation.

***Developed Property:*** The Maximum Development Special Tax, the Maximum Office Special Tax, the Maximum Shoreline Special Tax, and the Maximum Contingent Services Special Tax are defined in the Rate and Method as follows:

**"Maximum Development Special Tax"** means the greatest amount of Development Special Tax that can be levied on a Leasehold Interest in a Taxable Parcel in any Fiscal Year determined in accordance with Sections C, D, and E of the Rate and Method. When a Taxable Parcel in Tax Zone 1 or Tax Zone 2 becomes Developed Property, the Administrator shall use the Base Development Special Taxes for the applicable Tax Zone shown in Table 1 of the Rate

and Method and apply the steps set forth in Section C.2a of the Rate and Method to determine the Maximum Development Special Tax for Leasehold Interests in a Taxable Parcel. ***The Base Development Special Tax for each Tax Zone as shown in Table 1 of the Rate and Method shall be escalated beginning July 1, 2020, and each July 1 thereafter, by 2% of the amount in effect in the prior Fiscal Year.***

“Maximum Office Special Tax” means the greatest amount of Office Special Tax that can be levied on a Leasehold Interest in a Taxable Parcel in any Fiscal Year determined in accordance with Sections C, D, and E of the Rate and Method. When a Taxable Parcel in Tax Zone 1 or Tax Zone 2 becomes Developed Property, the Administrator shall use the Base Office Special Taxes for the applicable Tax Zone shown in Table 2 of the Rate and Method and apply the steps set forth in Section C2b of the Rate and Method to determine the Maximum Office Special Tax for Leasehold Interests in a Taxable Parcel. ***The Base Office Special Tax for each Tax Zone as shown in Table 2 of the Rate and Method shall be escalated beginning July 1, 2020, and each July 1 thereafter, by 2% of the amount in effect in the prior Fiscal Year.***

“Maximum Shoreline Special Tax” means the greatest amount of Shoreline Special Tax that can be levied on a Leasehold Interest in a Taxable Parcel in any Fiscal Year determined in accordance with Sections C, D, and E of the Rate and Method. When a Taxable Parcel in Tax Zone 1 or Tax Zone 2 becomes Developed Property, the Administrator shall use the Base Shoreline Special Taxes for the applicable Tax Zone shown in Table 3 of the Rate and Method and apply the steps set forth in Section C.2c of the Rate and Method to determine the Maximum Shoreline Special Tax for Leasehold Interests in a Taxable Parcel. ***The Base Shoreline Special Tax for each Tax Zone as shown in Table 3 of the Rate and Method shall be escalated beginning July 1, 2020, and each July 1 thereafter, by 2% of the amount in effect in the prior Fiscal Year.***

“Maximum Contingent Services Special Tax” means, after the Trigger Event, the greatest amount of Contingent Services Special Tax that can be levied on a Leasehold Interest in a Taxable Parcel in any Fiscal Year determined in accordance with Sections C, D, and E of the Rate and Method. In the first Fiscal Year after the Fiscal Year in which the Trigger Event occurs, and in each Fiscal Year thereafter, Section C.2d of the Rate and Method shall be applied to determine the Contingent Services Special Tax for each Taxable Parcel in the Mission Rock STD. When a Taxable Parcel in Tax Zone 1 or Tax Zone 2 becomes Developed Property, the Administrator shall use the Base Contingent Services Special Taxes for the applicable Tax Zone shown in Table 4 of the Rate and Method and apply the steps set forth in Section C.2d of the Rate and Method to determine the Maximum Contingent Services Special Tax for Leasehold Interests in a Taxable Parcel. ***The Base Contingent Services Special Tax for each Tax Zone as shown in Table 4 of the Rate and Method shall be escalated beginning July 1, 2020, and each July 1 thereafter, by the Escalator.***

#### ***Undeveloped Property:***

Development Special Tax, Office Special Tax, and Shoreline Special Tax. The Maximum Development Special Tax, Maximum Office Special Tax, and Maximum Shoreline Special Tax for Leasehold Interests in Undeveloped Property in all Tax Zones shall be the Expected Maximum Development Special Tax Revenues, Expected Maximum Office Special

Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues shown in Attachment 3 of the Rate and Method, as it may be amended as set forth in the Rate and Method. Each of these Special Taxes shall be escalated beginning July 1, 2020, and each July 1 thereafter, by 2% of the amount in effect in the prior Fiscal Year.

Contingent Services Special Tax. No Contingent Services Special Tax shall be levied on Parcels of Undeveloped Property in any Tax Zone within the Mission Rock STD.

### **Adjustments to the Maximum Special Taxes**

Section D of the Rate and Method describes the circumstances in which the Maximum Special Taxes may be adjusted, including as a result of (i) annual escalation of the Base Development Special Tax for each Tax Zone, the Base Office Special Tax for each Tax Zone; the Base Shoreline Special Tax for each Tax Zone; the Expected Maximum Development Special Tax Revenues, the Expected Maximum Office Special Tax Revenues, and the Expected Maximum Shoreline Special Tax Revenues in Attachment 3 to the Rate and Method; and the Maximum Development Special Tax, the Maximum Office Special Tax, and the Maximum Shoreline Special Tax assigned to the Leasehold Interests in each Taxable Parcel, (ii) annual escalation of the Base Contingent Services Special Tax for each Tax Zone and the Maximum Contingent Services Special Tax assigned to the Leasehold Interests in each Taxable Parcel, (iii) rezoning or other Land Use Changes, (iv) changes in Expected Land Uses, and (v) changes in the boundaries of the Planning Parcels.

In addition, the Base Development Special Tax may be reduced prior to the First Bond Sale as described in Section D.5.

### **Offset of Parcel Increment**

For a discussion of the offset of the Parcel Increment against the Development Special Tax for Assessed Parcels, see Section F.1 of the Rate and Method.

### **Term of the Special Taxes**

Special Taxes shall be collected in the same manner and at the same time as ordinary ad valorem property taxes on the regular tax roll, provided, however, that the City may directly bill Special Taxes, may collect Special Taxes at a different time or in a different manner, and may collect delinquent Special Taxes through foreclosure or other available methods as authorized by the CFD Law. The Board of Supervisors has ordered any Special Taxes to be levied on Leasehold Interests to be levied on the secured roll. The Special Tax bill for any Taxable Parcel subject to a Leasehold Interest will be sent to the same party that receives the possessory interest tax bill associated with the Leasehold Interest unless it is sent directly to the Taxpayer.

In calculating the Development Special Tax Requirement, Office Special Tax Requirement, or Shoreline Special Tax Requirement, under no circumstances may the Development Special Tax, Office Special Tax, or Shoreline Special Tax that is levied on a Leasehold Interest in a Taxable Parcel in a Fiscal Year be increased by more than ten percent (10%) of the Maximum Development Special Tax, Maximum Office Special Tax, or Maximum Shoreline Special Tax for that Parcel (or such lesser amount required by the CFD Law) as a



consequence of delinquency or default in payment of Special Taxes levied on Leasehold Interests in another Parcel(s) in the Mission Rock STD (the “**Delinquency Levy**”).

The Delinquency Levy, if any, is determined when calculating the Development Special Tax Requirement. Accordingly, when determining the levy of Development Special Taxes on Leasehold Interests in Assessed Parcels pursuant to Step 1 of Section F.1 of the Rate and Method, the Delinquency Levy, if any, has already been applied and, therefore, the Administrator shall not levy any additional Delinquency Levy on an Assessed Parcel that has its Development Special Tax levy reduced or eliminated by Parcel Increment.

The Development Special Tax shall be levied and collected on Leasehold Interests in each Taxable Parcel until the earlier of: (i) the Fiscal Year in which the Port determines that all Authorized Expenditures that will be funded by the Mission Rock STD have been funded and all Development Special Tax Bonds have been fully repaid; (ii) the Fiscal Year after the Fiscal Year in which Tax Increment is no longer collected within the Sub-Project Area within which the Taxable Parcel is located and all Development Special Tax Bonds have been fully repaid, as determined by the Administrator with direction from the Deputy Director; and (iii) Fiscal Year 2093-94.

The Office Special Tax shall be levied on and collected from Leasehold Interests in each Taxable Parcel for 120 Fiscal Years.

The Shoreline Special Tax shall be levied on and collected from Leasehold Interests in each Taxable Parcel for 120 Fiscal Years.

Beginning in the first Fiscal Year after the Fiscal Year in which the Trigger Event occurs, the Contingent Services Special Tax shall be levied and collected in perpetuity.

### **Prepayment**

The Special Taxes may not be prepaid.

### **Authorized Facilities and Services**

The authorized facilities that are being paid for by the Development Special Tax, the Office Special Tax, and the Shoreline Special Tax, and by the money received from the sale of bonds that are being repaid by these Special Taxes, are described in Exhibit “B” to the Notice of Special Tax Lien attached hereto as Exhibit 1.

*These facilities may not yet have all been constructed or acquired and it is possible that some may never be constructed or acquired.*

The authorized public services that may be paid for by the Contingent Services Special Tax, if levied, are described in Exhibit “B” to the Notice of Special Tax Lien attached hereto as Exhibit 1.

**Further Information**

YOU MAY OBTAIN A COPY OF THE RESOLUTION OF FORMATION THAT AUTHORIZED CREATION OF MISSION ROCK STD, AND THAT SPECIFIES MORE PRECISELY HOW THE SPECIAL TAXES ARE APPORTIONED TO EACH PARCEL OF THE PROPERTY AND HOW THE PROCEEDS OF THE SPECIAL TAXES WILL BE USED, FROM THE SPECIAL TAX CONSULTANT, GOODWIN CONSULTING GROUP, INC., 333 UNIVERSITY AVE # 160, SACRAMENTO, CA 95825, TELEPHONE: (916) 561-0890. THERE MAY BE A CHARGE FOR THESE DOCUMENTS NOT TO EXCEED THE REASONABLE COST OF PROVIDING THE DOCUMENTS.

**Acknowledgment**

I (WE) ACKNOWLEDGE THAT I (WE) HAVE READ THIS NOTICE AND RECEIVED A COPY OF THIS NOTICE PRIOR TO ENTERING INTO A CONTRACT TO LEASE OR DEPOSIT RECEIPT WITH RESPECT TO THE ABOVE-REFERENCED PROPERTY. I (WE) UNDERSTAND THAT I (WE) MAY TERMINATE THE VERTICAL DDA OR DEPOSIT RECEIPT WITHIN THREE DAYS AFTER RECEIVING THIS NOTICE IN PERSON OR WITHIN FIVE DAYS AFTER IT WAS DEPOSITED IN THE MAIL BY GIVING WRITTEN NOTICE OF THAT TERMINATION TO THE OWNER, SUBDIVIDER, OR AGENT LEASING THE PROPERTY.

DATE: \_\_\_\_\_

**MISSION ROCK PARCEL G OWNER, L.L.C.,**  
a Delaware limited liability company

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

Name: \_\_\_\_\_

Its: **Authorized Signatory** \_\_\_\_\_

**Carl D. Shannon**

EXHIBIT 1  
NOTICE OF SPECIAL TAX LIEN

[See attached]

Recording Requested by

Angela Calvillo  
Clerk of the Board of Supervisors  
City and County of San Francisco  
1 Dr Carlton B Goodlett Place  
San Francisco, CA 94102

When Recorded Mail to

Angela Calvillo  
Clerk of the Board of Supervisors  
City and County of San Francisco  
1 Dr Carlton B Goodlett Place  
San Francisco, CA 94102

Assessor Parcel Numbers (APN) 8719A-002

Address 1051 Third Street and No Site Address



San Francisco Assessor-Recorder  
Carmen Chu, Assessor-Recorder  
**DOC- 2020-K933385-00**

Acct 28-SFCC Board of Supervisors

Friday, MAY 22, 2020 08:44:59

Ttl Pd \$0.00 Rpt # 0006192255

VT1/VV/1-72

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**NOTICE OF SPECIAL TAX LIEN**

(Please fill in Document Title(s) above this line)

This document is exempt from the \$75 Building Homes and Jobs Act Fee (per Government Code §27388 1(a)(2)(D)) as the document is a real estate instrument, paper, or notice executed or recorded by the state or any county, municipality, or other political subdivision of the state

**This page added to provide adequate space for recording information  
(additional recording fee applies)**

## **NOTICE OF SPECIAL TAX LIEN**

### **CITY AND COUNTY OF SAN FRANCISCO Special Tax District No. 2020-1 (Mission Rock Facilities and Services)**

Pursuant to the requirements of Section 3114.5 of the California Streets and Highways Code of California and Section 53328.3 of the California Government Code, the undersigned Clerk of the Board of Supervisors of the City and County of San Francisco, State of California, hereby gives notice that a lien to secure payment of a special tax is hereby imposed by the Board of Supervisors of the City and County of San Francisco, State of California. The special tax secured by this lien is authorized to be levied for the purpose of (1) financing directly the acquisition and construction of all or a portion of the facilities described in Exhibit B attached hereto (the "Authorized Facilities"), (2) financing the services described in Exhibit B attached hereto (the "Authorized Services"), (3) paying principal and interest on bonds (and other debt as defined in the Mello-Roos Community Facilities Act of 1982 cited below), the proceeds of which are being used to finance the acquisition and construction of all or a portion of the Authorized Facilities, and (4) paying the cost of administering the Special Tax District (defined below).

#### **TAXES LEVIED BY THE SPECIAL TAX DISTRICT MAY BE USED TO PAY FOR CLEANUP OF HAZARDOUS SUBSTANCES**

The special tax is authorized to be levied within "City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services)" (the "Special Tax District") which has now been officially formed under the San Francisco Special Tax Financing Law (Admin. Code ch. 43, art. X), which incorporates the Mello-Roos Community Facilities Act of 1982 (Cal. Gov't Code Section 53311 et seq.), and the lien of the special tax is a continuing lien that shall secure each annual levy of the special tax and that shall continue in force and effect until the special tax obligation is prepaid, permanently satisfied, and canceled in accordance with law or until the special tax ceases to be levied and a notice of cessation of special tax is recorded in accordance with Section 53330.5 of the Government Code.

The rate, method of apportionment, and manner of collection of the authorized special tax is as set forth in Exhibit C attached hereto and hereby made a part hereof. Conditions under which the obligation to pay the special tax may be prepaid and permanently satisfied and the lien of the special tax canceled are as follows: None.

Notice is further given that upon the recording of this notice in the office of the Assessor-Recorder the obligation to pay the special tax levy shall become a lien upon all nonexempt real property within the Special Tax District in accordance with Section 3115.5 of the Streets and Highways Code of California. The nonexempt real property consists of leasehold or possessory interests in land owned by the City and County of San Francisco or the San Francisco Port Commission.

The nonexempt leasehold or possessory interests will be in the parcels listed in Exhibit A attached hereto and hereby made a part hereof. Exhibit A lists the name(s) of the owner(s) and the assessor's tax parcel numbers of such parcels.

Reference is made to the boundary map of the Special Tax District recorded in the Assessor-Recorder's Office for the City and County of San Francisco, State of California on March 31, 2020 at 11:03 a.m. as Document No. 2020-K920032-00 in Book 001 Pages 173-174 of the

Book of Maps of Assessment and Special Tax Districts, which map is now the final boundary map of the Special Tax District

For further information concerning the current and estimated future tax liability of owners or purchasers of the leasehold or possessory interests in real property subject to this special tax lien, interested persons should contact the Director of the Office of Public Finance, City and County of San Francisco, 1 Dr Carlton B Goodlett Place, San Francisco, California 94102, Telephone (415) 554-5956.

Dated As of May 21, 2020

By

Angela Calvillo

Angela Calvillo  
Clerk of the Board of Supervisors,  
City and County of San Francisco

**EXHIBIT A**

**NOTICE OF SPECIAL TAX LIEN**

**CITY AND COUNTY OF SAN FRANCISCO  
Special Tax District No. 2020-1  
(Mission Rock Facilities and Services)**

**ASSESSOR'S PARCEL NUMBERS AND OWNERS OF LAND  
WITHIN SPECIAL TAX DISTRICT**

<b>Assessor's Tax Parcel Number</b>	<b>Landowner</b>
8719A-002	CITY AND COUNTY OF SAN FRANCISCO, ACTING BY AND THROUGH THE SAN FRANCISCO PORT COMMISSION

**Note** Upon the recording of this notice in the office of the Assessor-Recorder the obligation to pay the special tax levy shall become a lien upon all nonexempt real property within the Special Tax District in accordance with Section 3115.5 of the Streets and Highways Code of California. The nonexempt real property consists of leasehold or possessory interests in the listed parcels that are owned by the City and County of San Francisco or the San Francisco Port Commission.

## **EXHIBIT B**

### **NOTICE OF SPECIAL TAX LIEN**

#### **CITY AND COUNTY OF SAN FRANCISCO Special Tax District No. 2020-1 (Mission Rock Facilities and Services)**

### **DESCRIPTION OF AUTHORIZED FACILITIES AND SERVICES**

City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services) (as originally configured and as expanded through annexation of property in the future, the "STD"), is authorized to finance the Facilities, Services and Incidental Costs described in this Exhibit A. Capitalized terms used in this Exhibit A but not defined herein have the meanings given them in the Appendix to Transaction Documents for the Mission Rock 28-Acre Site Project, attached as an appendix to the Disposition and Development Agreement ("DDA"), dated as of August 15, 2018, by and between the Port and the Developer, including all exhibits and attachments, as may be amended from time to time. When used in this Exhibit B, "including" has the meaning given to it in the DDA.

### **AUTHORIZED FACILITIES**

The STD is authorized to finance the purchase, construction, reconstruction, expansion, improvement, or rehabilitation of all or any portion of the facilities authorized to be financed by the San Francisco Special Tax Financing Law (Admin Code ch. 43, art. X) and the Mello-Roos Community Facilities Act of 1982 (Cal. Gov't Code Section 53311 et seq.), including

- 1 Land Acquisition – includes, but is not limited to, acquisition of land for public improvements or for other requirements under the DDA
- 2 Demolition and Abatement – includes, but is not limited to, Site Preparation costs, including abatement of hazardous materials, removal of below-grade, at-grade, and above-grade facilities, and recycling or disposal of waste, including demolition and abatement within future vertical sites that is necessary for Horizontal Improvements
- 3 Auxiliary Water Supply System - includes, but is not limited to, main pipe, laterals, valves, fire hydrants, cathodic protection, tie-ins, and any other components required for onsite and offsite high pressure water supply network intended for fire suppression
- 4 Low Pressure Water - includes, but is not limited to, main pipe, laterals, water meters, water meter boxes, back flow preventers, gate valves, air valves, blow-offs, fire hydrants, cathodic protection, tie-ins, and any other components required for onsite and offsite low pressure water supply network intended for domestic use
- 5 Non-Potable Water System (Blackwater Treatment Facility) - includes, but is not limited to, water recycling production equipment such as buffer and treatment tanks, reverse osmosis and ultraviolet treatment equipment, and plant auxiliary equipment such as pumps, valves, and electrical equipment, distribution facilities such as main pipes, laterals, and valves, customer interface equipment such as water meters, back flow preventers,



and valves, along with financing costs and any other components required for non-potable water supply system (whether publicly or privately owned) intended to provide treated wastewater for use in, among other things, irrigation of parks, landscaping, and non-potable uses within buildings, and any other components or administrative costs required for non-potable water system

- 6 District Energy System - includes, but is not limited to, whether publicly or privately-owned, district energy production equipment such as boilers, chillers, heat pumps, cooling towers, bay water interface equipment and piping, and plant auxiliary equipment such as pumps, valves, and electrical equipment, distribution facilities such as main pipes, laterals, and valves, customer interface equipment such as energy meters and energy transfer stations, along with financing costs and any other components or administrative costs required for district energy system intended to provide heating and cooling or domestic hot water within buildings
- 7 Sanitary Sewer, Storm Drain, and Stormwater Management- includes, but is not limited to, retrofit of existing combined sewer facilities, new gravity main pipe, force main pipe and associated valves, laterals, manholes, catch basins, traps, air vents, pump stations, outfalls, lift stations, connections to existing systems, stormwater treatment best management practices (BMPs) such as detention vaults, and any other components required for a network intended to convey storm water and sanitary sewage, including components, such as ejector pumps, associated with vertical buildings to meet design criteria for the Horizontal Improvements
- 8 Joint Trench & Dry Utilities – includes, but is not limited to, installation of primary and secondary conduits, overhead poles, pull boxes, vaults, subsurface enclosures, gas main, and anodes for dry utilities including electrical, gas, telephone, cable, internet, and information systems, as well as any payment obligations related to providing such services
- 9 Earthwork and Retaining Walls – includes, but is not limited to, Site Preparation activities including importation of clean fill materials, clearing and grubbing, slope stabilization, ground improvement, installation of geogrid, surcharging, wick drains, excavation, rock fragmentation, grading, lightweight cellular concrete, geofoam, placement of fill, compaction, retaining walls, subdrainage, erosion control, temporary fencing, and post-construction stabilization such as hydroseeding. Also, includes, but is not limited to, excavation of future vertical development sites if the excavated soils is used on site for purposes of raising Horizontal Improvements
- 10 Roadways – includes, but is not limited to, Public ROWs, roads and paseos in Public Space, road subgrade preparation, aggregate base, concrete roadway base, asphalt wearing surface, concrete curb, concrete gutter, medians, colored asphalt and concrete, pavers, speed bumps, sawcutting, grinding, conform paving, resurfacing, any other components required for onsite and offsite roadways, transit stops, bus facilities, permanent pavement marking and striping, traffic control signage, traffic light signals, offsite traffic improvements, and any other components or appurtenant features as required in the approved Improvement Plan details and specifications through the permitting process
- 11 Streetscape – includes, but is not limited to, subgrade preparation, aggregate base, sidewalks, pavers, ADA curb ramps, detectable tiles, streetlights, light pole foundations,

signage, emergency services infrastructure, landscaping (including trees and Silva cells and/or structural soil), irrigation, street furniture, waste receptacles, bike racks, shared bike parking facilities (whether publicly or privately owned), newspaper stands, any other components or appurtenant features as required in the approved Improvement Plan details and specifications through the permitting process, and wayfinding and interpretative signage and facilities

- 12 Parks and Public Space – includes, but is not limited to, fine grading, storm drainage and treatment, sanitary sewer, low pressure water, park lighting, community wifi, distributed antenna systems, security infrastructure, low-voltage electrical, various hardscaping, irrigation, landscaping, various concrete structures, site furnishings, public art, wayfinding, interpretive and other park signage, viewing platforms, water access facilities (including boat launch), retrofit of shoreline structures and slopes (including demolition, excavation, installation of revetment, structural repair, construction and occupancy costs of park structures, and any other components, e.g., Shoreline Improvements), and any other associated work in publicly accessible spaces such as parks, open spaces, plazas, and mid-block passages, including publicly-accessible parks, plazas, mid-block passages and open space that is located on private property, but identified as public open space in the DDA, Design Controls documents, or Subdivision Map
- 13 Water-based Transportation Improvements – includes, but not limited to, modes of water-based transportation and all infrastructure, design, and permitting costs related to providing water-based transportation facilities at the Project
- 14 Historic Rehabilitation Required for Horizontal Improvements – includes, but is not limited to, eligible cost for relocation, structural retrofit, repair, and rehabilitation of historic Pier 48
- 15 Hazardous Soil Removal – includes, but is not limited to, removal and disposal of contaminated soil which cannot be reused on site in accordance with the Mission Rock Development Soil Management Plan, dated October 18, 2019, Dust Control Plan, dated November 1, 2019, Asbestos Dust Mitigation Plan, dated November 15, 2019, and other related documents, and associated with public improvements
- 16 Shoreline Adaptation Studies - includes, but is not limited to, analysis and planning to characterize the preferred Shoreline Protection Project and alternatives, including pre-entitlement planning and design work, environmental review, negotiation, and Regulatory Approvals related to the Shoreline Protection Facilities
- 17 Shoreline Protection Facilities includes, but is not limited to, waterfront improvements at the San Francisco Bay shoreline to provide stability, to protect the area from perils associated with seismic events and climate change, including sea level rise and floods, and other public improvements approved by the Port Commission and the Board of Supervisors
- 18 Deferred Infrastructure
- 19 Entitlement costs, including Entitlement Costs and costs to obtain approvals necessary to proceed with development incurred after the Reference Date, such as the cost to comply with the California Environmental Quality Act, negotiate transaction documents, permitting of Horizontal Improvements, subdivision mapping, conduct community outreach, and prepare development design and land use requirements, but not expenses related to any

campaign or ballot measure or any other expenses prohibited by law. Entitlement costs may include interim costs as approved from time to time by the Board of Supervisors.

- 20 Associated Public Benefits – including, but not limited to, costs required to provide Associated Public Benefits related to transportation, childcare, public open space, sustainability, community meeting space and programs, and other public-benefitting improvements and expenditures
- 21 Miscellaneous Horizontal Development Costs - any other Horizontal Development Costs associated with implementing the DDA, including any additional costs that the Parties agree shall be incurred by the Developer for the Project, including workforce liaisons, studies and consultants required to comply with the DDA, such as auditors, inspectors, attorneys and appraisers, replacement and rework costs, including repairs to correct incidental damage that occurs throughout the course of construction and restoration of roadway pavement in areas where there are trenches excavated after the initial roadway is paved, and maintenance prior to acceptance by the City and/or Port
- 22 Any other costs authorized to be financed by the STD under the DDA
- 23 Interim improvements required for the use of the Project Site including temporary bike lanes, landscape, hardscape, accessibility infrastructure, grading, furniture and other improvements required for the interim use of the remaining Project Site
- 24 Soft Costs required to support the construction of the Horizontal Improvements and implementation of the DDA, including developer management costs, third party professional services, construction management Fees, and asset management costs
- 25 Developer Mitigation Measures, including the formation of the Transportation Management Association and dust, vibration, asbestos and settlement monitoring
- 26 Insurance, Bonding and Warranty costs as required by the City in connection with the authorized improvements
- 27 Miscellaneous Costs, such as costs associated with implementing the DDA, including any additional costs that the Parties have agreed shall be incurred by the Developer for the Project, such as master planning for each phase, audits, appraisals, workforce development costs (such as a liaison), cash payments and community outreach initiatives

Any facility authorized to be financed by the STD may be financed through the construction and acquisition of the facility or through the payment of fees for such facility.

The facilities authorized to be financed may be located within or outside the boundaries of the STD.

The facilities to be financed shall include all Hard Costs and Soft Costs associated with the facilities, including the costs of the acquisition of land and rights-of-way, the costs of design, engineering and planning, the costs of any environmental or traffic studies, surveys or other reports, costs related to landscaping and irrigation, soils and other environmental testing and observation, permits, plan check, and inspection fees, insurance, legal and related overhead costs, bonding, trailer rental, utility bills, site security, coordination and supervision and any other

costs or appurtenances related to any of the foregoing as further defined in one or more acquisition agreements with the developer of the property in the STD

The facilities to be financed shall also include all incidental expenses, defined as follows

- 1 The cost of planning and designing facilities to be financed by the STD, including the cost of environmental evaluations of those facilities
- 2 The costs associated with the creation of the STD, issuance of bonds, determination of the amount of taxes, collection of taxes, payment of taxes, or costs otherwise incurred in order to carry out the authorized purposes of the STD
- 3 Any other expenses incidental to the construction, completion, and inspection of the authorized work, including costs for temporary facilities with a useful life of at least 3 years that are required to construct an authorized facility.
- 4 Special taxes levied on a property in the STD and paid by the Developer on behalf of a local agency or other landowner prior to the development of the property

The facilities to be financed also includes the interim cost of the facilities, which shall mean the Developer Return or Port Return, as applicable, and any interest payable on any promissory note payable to the STD

The STD may also apply bond proceeds and special taxes to repay the Port Commission for advances made to pay for authorized costs, under any promissory note or otherwise

Special taxes may be collected and set-aside in designated funds and collected over several years (i.e., reserves), and used to fund facilities authorized to be financed by the STD

#### **AUTHORIZED SERVICES**

Special taxes collected in the STD may finance, in whole or in part, the services authorized to be financed by the San Francisco Special Tax Financing Law (Admin Code ch 43, art X) and the Mello-Roos Community Facilities Act of 1982 (Cal Gov't Code Section 53311 et seq ), in the STD and, to the extent permitted by the DDA, outside the STD, including

- Maintenance, capital repair, replacement and operation (including public events) of Public Spaces, including facilities for public enjoyment, such as public parks, public recreational facilities, public access, open space, public paseos and other public amenities, some of which may be rooftop facilities or located on privately leased property but identified as public open space in the DDA or Design Controls or Subdivision Map
- Maintenance, capital repair, replacement and operation of Public Right-of-Ways (ROWs), including public streets, sidewalks, shared public ways, mid-block passages, bicycle lanes, and other paths of travel, associated landscaping and furnishings, maintenance, trenching, backfilling, and monitoring of Lightweight Cellular Concrete infrastructure, retaining walls within the ROWs and related amenities in the STD, some of which may be located on privately leased property but identified as public open space in the DDA or Design Controls
- Maintenance, capital repair, replacement and operation of Shoreline Improvements in and adjacent to the STD that were completed per the DDA, such as shoreline restoration, including installation of stone columns, pilings, secant walls, and other structures to stabilize the seawall or shoreline, removal of bay fill, creation of waterfront public access to or environmental remediation of the San Francisco waterfront

- Maintenance, capital repair, replacement and operation of landscaping and irrigation systems and other equipment, material, and supplies directly related to maintaining and replacing landscaped areas and water features in Public Spaces and Public ROWs
- Maintenance, capital repair, replacement and operation as needed of Public Spaces, including street cleaning and paving
- Maintenance, capital repair, replacement and operation of lighting, rest rooms, trash receptacles, park benches, planting containers, picnic tables, bollards, bicycle racks and corrals and other furniture and fixtures and signage in Public Spaces and Public ROWs
- Maintenance, capital repair, replacement and operation of utilities in Public Spaces and Public ROWs
- General liability insurance for any Public ROWs or structures in Public ROWs that Public Works does not submit to the Board of Supervisors for City acceptance for City General Fund liability purposes and other commercially reasonable insurance coverages
- Port, City, or third party personnel, administrative, and overhead costs related to maintenance or to contracting for and managing third-party maintenance, including rent for storage space needed to support the maintenance activities
- Any other costs authorized to be financed by the STD under the DDA

Special taxes may be collected and set-aside in designated funds and collected over several years (i.e., reserves), and used to fund services authorized to be financed by the STD. The term "operation" includes providing security and hosting special events.

#### **INCIDENTAL COSTS**

Special taxes collected in the STD will also fund, in whole or in part, the incidental costs associated with the facilities and services authorized to be financed. Incidental costs include, but are not limited to:

- 1 Administrative expenses and fees including costs incurred to form the STD, to annex territory to the STD, to annually administer the STD, to levy and collect special taxes for the STD, and any other costs incurred in standard administration of the STD by the City or their authorized consultants,
- 2 Any amounts needed to cure actual or estimated delinquencies in special taxes for the current or previous fiscal years,
- 3 Bond related expenses, including underwriters discount, reserve fund, capitalized interest, bond, disclosure, and underwriter counsel fees and all other incidental expenses, and
- 4 Reimbursement of costs related to the formation of the STD advanced by the City and any landowner(s) in the STD, or any party related to any of the foregoing, as well as reimbursement of any costs advanced by the City or any landowner(s) in the STD or any party related to any of the foregoing, for facilities, fees or other purposes or costs of the STD

### **COMPLIANCE WITH CFD GOALS**

The City hereby waives the requirements of the CFD Goals to the extent inconsistent with this Exhibit A

**EXHIBIT C**

**NOTICE OF SPECIAL TAX LIEN**

**CITY AND COUNTY OF SAN FRANCISCO  
Special Tax District No. 2020-1  
(Mission Rock Facilities and Services)**

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX**

Special Taxes applicable to the Leasehold Interest in each Taxable Parcel in the City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services) shall be levied and collected according to the tax liability determined by the Administrator through the application of the appropriate amount or rate for Leasehold Interests in Taxable Parcels, as described below. The Leasehold Interest in all Taxable Parcels in the STD shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to the STD

Special Taxes shall be levied only on Leasehold Interests in Taxable Parcels. In the event a Leasehold Interest in a Taxable Parcel is terminated, the Special Taxes shall be levied on any successor Leasehold Interest in the Taxable Parcel. If a Leasehold Interest terminates while a Special Tax that was previously levied remains unpaid, the owner of the successor Leasehold Interest will take the interest subject to the obligation to pay the unpaid Special Tax along with any applicable penalties and interest.

The City will covenant in each Indenture that, as long as any Bonds are outstanding, it will not terminate, and it will inhibit the Port from terminating, any Leasehold Interest in a Taxable Parcel unless the Port enters into a new lease the term of which ends on or after the final maturity date of the Bonds and that covers substantially the same real property and improvements as the terminated lease. It will not be a violation of this

covenant if the City or the Port initiates judicial foreclosure of any such lease pursuant to the CFD Law.

#### **A. DEFINITIONS**

The terms hereinafter set forth have the following meanings

**"Administrative Expenses"** means any or all of the following the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of the City carrying out duties with respect to the STD and the Bonds, including, but not limited to, levying and collecting the Special Taxes, the fees and expenses of legal counsel, charges levied by the City, including the Controller's Office, the Treasurer and Tax Collector's Office, the City Attorney, and the Port, costs related to property owner inquiries regarding the Special Taxes, costs associated with appeals or requests for interpretation associated with the Special Taxes and this RMA, costs associated with annexation of property into the STD, amounts needed to pay rebate to the federal government with respect to the Bonds, costs associated with complying with any continuing disclosure requirements for the City and any other major property owner (whether or not deemed to be an obligated person), costs associated with foreclosure and collection of delinquent Special Taxes, and all other costs and expenses of the City in any way related to the establishment or administration of the STD

**"Administrator"** means the Director of the Office of Public Finance or his/her designee who shall be responsible for administering the Special Taxes according to this RMA



**"Affordable Housing Project"** means a residential or primarily residential project, as determined by the Review Authority, within which 100% of the residential units are Affordable Units

**"Affordable Square Footage"** means both (i) the entire square footage of an Affordable Housing Project, and (ii) the aggregate net rentable square footage that is or is expected to be associated with Affordable Units within a building on a Parcel of Developed Property. The Review Authority shall make the final determination as to the amount of Affordable Square Footage within a building in the STD.

**"Affordable Unit"** means a Residential Unit for which a deed restriction has been recorded that (i) limits the rental rates on the unit or (ii) in any other way is intended to restrict the current or future value of the unit, as determined by the Review Authority

**"Appendix"** means the Appendix to the DDA.

**"Assessed Parcel"** means, in any Fiscal Year, any Taxable Parcel that meets all five of the following conditions: (i) there is a building on the Taxable Parcel for which a Certificate of Occupancy has been issued, (ii) based on all information available to the Administrator, the Baseline Assessed Value has been determined for the Taxable Parcel, (iii) ad valorem taxes have been levied on the Taxable Parcel based on the Baseline Assessed Value of the building, (iv) by the end of the prior Fiscal Year, at least one year of ad valorem taxes based upon the Baseline Assessed Value of the building have been paid, and (v) the Taxable Parcel does not have outstanding delinquencies in the payment of ad valorem property taxes or Special Taxes at the latest point at which the Administrator is able to receive delinquency information from the County prior to submitting the Development Special Tax levy in any Fiscal Year. Once a Taxable

Parcel has been categorized as an Assessed Parcel, such Taxable Parcel shall be considered an Assessed Parcel in all future Fiscal Years in which there are no outstanding delinquencies for the Parcel, regardless of increases or decreases in assessed value

**"Assessor's Parcel"** or **"Parcel"** means a lot or parcel shown on an Assessor's Parcel Map with an assigned Assessor's Parcel number.

**"Assessor's Parcel Map"** means an official map of the County Assessor designating Parcels by Assessor's Parcel number

**"Association"** means a homeowners or property owners association, including any master or sub-association, that provides services to, and collects dues, fees, or charges from, property within the STD

**"Association Square Footage"** means square footage within a building that is (i) on property in the STD that is leased to an Association, not including any such property that is located directly under a residential structure, and (ii) used for purposes of the Association and not leased or otherwise used for purposes that are not part of the operation of the Association.

**"Authorized Expenditures"** means, separately with respect to the Development Special Tax, Office Special Tax, Shoreline Special Tax, and Contingent Services Special Tax, those costs, facilities or public services authorized to be funded by the applicable Special Tax as set forth in the Financing Plan and the documents adopted by the Board at STD Formation, as may be amended from time to time

**"Base Contingent Services Special Tax"** means, for any Square Footage Category, the per-square-foot Contingent Services Special Tax for square footage within such Square Footage Category, as identified in Table 4 in Section C below, that can be levied on a Leasehold Interest in a Taxable Parcel.

**"Base Development Special Tax"** means, for any Square Footage Category, the per-square-foot Development Special Tax for Square Footage within such Square Footage Category, as identified in Table 1 in Section C below, that can be levied on a Leasehold Interest in a Taxable Parcel

**"Base Office Special Tax"** means, for Office Square Footage and Excess Exempt Square Footage, the per-square-foot Office Special Tax identified in Table 2 in Section C below, that can be levied on a Leasehold Interest in a Taxable Parcel

**"Base Shoreline Special Tax"** means, for any Square Footage Category, the per-square-foot Shoreline Special Tax for Square Footage within such Square Footage Category, as identified in Table 3 in Section C below, that can be levied on a Leasehold Interest in a Taxable Parcel

**"Base Special Tax"** means, collectively, the Base Development Special Tax, the Base Office Special Tax, the Base Shoreline Special Tax, and the Base Contingent Services Special Tax

**"Baseline Assessed Value"** means, after a Certificate of Occupancy has been issued for a Taxable Parcel, the assessed value that the Port and Vertical Developer mutually agree is the final, unappealable value for the Taxable Parcel

**"Board"** means the Board of Supervisors of the City, acting as the legislative body of STD No. 2020-1.

**"Bond Sale"** means, for the Development Special Tax, issuance of Development Special Tax Bonds, for the Office Special Tax, issuance of Office Special Tax Bonds, and, for the Shoreline Special Tax, issuance of Shoreline Special Tax Bonds

**"Bonds"** means bonds or other debt (as defined in the CFD Law), whether in one or more series, that are issued or assumed by or for the STD to finance Authorized Expenditures including any Development Special Tax Bonds, Office Special Tax Bonds, and Shoreline Special Tax Bonds. The term "Bonds" includes any promissory note executed by or on behalf of STD No. 2020-1 for the benefit of the Port.

**"Capitalized Interest"** means funds in any capitalized interest account available to pay debt service on Bonds.

**"Certificate of Occupancy"** means the first certificate, including any temporary certificate of occupancy, issued by the Port to confirm that a building or a portion of a building has met all of the building codes and can be occupied for residential or non-residential use. For purposes of this RMA, "Certificate of Occupancy" shall not include any certificate of occupancy that was issued prior to January 1, 2019 for a building within the STD, however, any subsequent certificates of occupancy that are issued for new construction, or expansion of a building shall be deemed a Certificate of Occupancy and the Special Taxes shall apply to the associated square footage. For Pier 48, only a certificate of occupancy issued in association with the permanent reuse of the building (as determined by the Port) shall qualify as a "Certificate of Occupancy" for purposes of this RMA.

**"CFD Law"** means the San Francisco Special Tax Financing Law (Admin Code ch. 43, art. X), which incorporates the Mello-Roos Act

**"City"** means the City and County of San Francisco, California.

**"Contingent Services Special Tax"** means a special tax levied in any Fiscal Year after the Trigger Event on a Leasehold Interest in a Taxable Parcel to pay the Services Special Tax Requirement

**"County"** means the City and County of San Francisco, California

**"DDA"** means the Disposition and Development Agreement between the Port and the Developer, including all exhibits and attachments, as may be amended from time to time

**"Deputy Director"** means the Deputy Director of Finance and Administration for the Port or other such official that acts as the chief financial officer for the Port

**"Developed Property"** means, in any Fiscal Year, all Taxable Parcels for which the 24-month anniversary of the Parcel Lease Execution Date has occurred in a preceding Fiscal Year, regardless of whether a Permit has been issued For any Taxable Parcel on which a structure is built and occupied without execution of a Parcel Lease, such Taxable Parcel shall be categorized as Developed Property in the Fiscal Year in which a Certificate of Occupancy was issued on or prior to June 30 of the preceding Fiscal Year.

**"Developer"** means Seawall Lot 337 Associates, LLC, or any successor or assign that takes over as tenant under the Master Lease.

**"Development Approval Documents"** means, collectively, the DDA, any Vertical DDA, any Final Maps, Review Authority approvals, or other such approved or recorded document or plan that identifies the type of structures, acreage, and Market-Rate Residential Square Footage and Office Square Footage approved for development on Taxable Parcels

**"Development Special Tax"** means a special tax levied in any Fiscal Year on a Leasehold Interest in a Taxable Parcel to pay the Development Special Tax Requirement.

**"Development Special Tax Bonds"** means any Bonds secured solely by Development Special Taxes

**"Development Special Tax Requirement"** means the amount necessary in any Fiscal Year to: (i) pay principal and interest on Development Special Tax Bonds that are due in the calendar year that begins in such Fiscal Year; (ii) pay periodic costs on Development Special Tax Bonds, including but not limited to, credit enhancement, liquidity support and rebate payments, (iii) replenish reserve funds created for Development Special Tax Bonds under the Indenture to the extent such replenishment has not been included in the computation of the Development Special Tax Requirement in a previous Fiscal Year, (iv) cure any delinquencies in the payment of principal or interest on Development Special Tax Bonds which have occurred in the prior Fiscal Year, (v) in any Fiscal Year in which there is a Development Special Tax levied on one or more Parcels pursuant to Step 1d in Section F below, pay the fee imposed by the

City for levying such Development Special Tax on the County tax roll, (vi) pay other obligations described in the Financing Plan, and (vii) pay directly for Authorized Expenditures, so long as such levy under this clause (vii) does not increase the Development Special Tax levied on Undeveloped Property. The amount calculated to pay items (i) through (vii) above may be reduced in any Fiscal Year by (a) interest earnings on or surplus balances in funds and accounts for the Development Special Tax Bonds to the extent that such earnings or balances are available to apply against such costs pursuant to the Indenture, (b) in the sole and absolute discretion of the Port, proceeds received by the STD from the collection of penalties associated with delinquent Development Special Taxes, and (c) any other revenues available to pay such costs, as determined by the Administrator, the City, and the Port.

**"Escalator"** means the lesser of the following (i) the annual increase, if any, in the Consumer Price Index (CPI) for All Urban Consumers in the San Francisco-Oakland-Hayward region (base years 1982-1984=100) published by the Bureau of Labor Statistics of the United States Department of Labor, or, if such index is no longer published, a similar escalator that is determined by the Port and City to be appropriate, and (ii) five percent (5%)

**"Estimated Base Development Tax Revenues"** means, at any point in time, the amount calculated by the Administrator by multiplying the Base Development Special Tax by square footage within each Square Footage Category proposed for development and, if applicable, already in completed buildings on a Taxable Parcel

**"Estimated Base Office Special Tax Revenues"** means, at any point in time, the amount calculated by the Administrator by multiplying the Base Office Special Tax by

square footage within each Square Footage Category proposed for development and, if applicable, already in completed buildings on a Taxable Parcel

**"Estimated Base Shoreline Special Tax Revenues"** means, at any point in time, the amount calculated by the Administrator by multiplying the Base Shoreline Special Tax by square footage within each Square Footage Category proposed for development and, if applicable, already in completed buildings on a Taxable Parcel

**"Excess Exempt Square Footage"** means, after the First Bond Sale, any square footage in a building on a Parcel of Developed Property that is determined by the Review Authority to exceed the amount of Exempt Square Footage for such building. Excess Exempt Square Foot means a single square-foot unit of Excess Exempt Square Footage

**"Exempt Square Footage"** means, prior to the First Bond Sale, any square footage in or expected in a building on a Parcel of Developed Property that is determined by the Review Authority to be used or reserved for an Exempt Use. After the First Bond Sale, "Exempt Square Footage" for any building on a Parcel of Developed Property shall be the sum of following, as determined by the Review Authority

1. The Initial Exempt Square Footage for the building, and
2. Square footage in or expected in the building that (i) exceeds the Initial Exempt Square Footage, and (ii) if exempted from Special Taxes, would not reduce coverage on outstanding Bonds below the Required Coverage

**"Exempt Use"** means any of the following uses



- 1) Affordable Square Footage
- 2) Association Square Footage
- 3) Child Care – child care uses that qualify for exemption from the Special Taxes, as determined by the Review Authority after review and consideration of the criteria and requirements set forth in the Parcel Lease and DDA
- 4) Parking – areas reserved for automobile, motorcycle, or bicycle parking
- 5) Retail – commercial establishments that sell general merchandise, hard goods, food and beverage, personal services, and other items directly to consumers, including but not limited to restaurants, bars, entertainment venues, health clubs, laundromats, dry cleaners, repair shops, storage facilities, and parcel delivery shops In addition (i) all street-level retail bank branches, real estate brokerages, and other such ground-level uses that are open to the public, and (ii) any area designated, pursuant to Section 102 of the Planning Code or successor sections, for "Planning, Distribution, and Repair" (PDR) services, which includes but will not be limited to the following uses industrial or agricultural use, ambulance services, animal hospital, automotive service station, automotive repair, automotive wash, arts activities, business services, cat boarding, catering service, commercial storage, kennel, motor vehicle tow service, livery stable, parcel delivery service, public utilities yard, storage yard, trade office, trade shop, wholesale sales, or wholesale storage
- 6) Utilities – areas reserved for facilities associated with the treatment of water or sewer, or the transmission or provision of gas and electricity, or the heating and cooling of buildings.
- 7) Amenity Square Footage – areas reserved for sitewide amenities, such as a welcome center, leasing office, sitewide management, or sitewide security.

**"Expected Land Uses"** means the total Market-Rate Residential Square Footage and Office Square Footage expected on each Planning Parcel in the STD The Expected

Land Uses at STD Formation are identified in Attachment 3 and may be revised pursuant to Sections B, C, D, and E below

**"Expected Maximum Development Special Tax Revenues"** means the aggregate Development Special Tax that can be levied based on application of the Base Development Special Tax to the Expected Land Uses. The Expected Maximum Development Special Tax Revenues for each Planning Parcel at STD Formation are shown in Attachment 3 and may be revised pursuant to Sections B, C, D, and E below

**"Expected Maximum Office Special Tax Revenues"** means the aggregate Office Special Tax that can be levied based on application of the Base Office Special Tax to the Expected Land Uses. The Expected Maximum Office Special Tax Revenues for each Planning Parcel at STD Formation are shown in Attachment 3 and may be revised pursuant to Sections B, C, D, and E below

**"Expected Maximum Shoreline Special Tax Revenues"** means the aggregate Shoreline Special Tax that can be levied based on application of the Base Shoreline Special Tax to the Expected Land Uses. The Expected Maximum Shoreline Special Tax Revenues for each Planning Parcel at STD Formation are shown in Attachment 3 and may be revised pursuant to Sections B, C, D, and E below.

**"Final Map"** means a final map, or portion thereof, recorded by the County pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq ) that creates individual lots on which Permits for new construction or historic rehabilitation may be issued without further subdivision

**"Financing Plan"** means the Financing Plan attached as Exhibit C1 and incorporated into the DDA, as such plan may be amended or supplemented from time to time in accordance with the terms of the DDA

**"First Bond Sale"** means, (i) for the Development Special Tax, a Bond Sale of the first series of Development Special Tax Bonds, (ii) for the Office Special Tax, a Bond Sale of the first series of Office Special Tax Bonds, and (iii) for the Shoreline Special Tax, a Bond Sale of the first series of Shoreline Special Tax Bonds

**"Fiscal Year"** means the period starting July 1 and ending on the following June 30

**"Future Annexation Area"** means that geographic area that, at STD Formation, was considered potential annexation area for the STD and which was, therefore, identified as "future annexation area" on the recorded STD boundary map. Such designation does not mean that any or all of the Future Annexation Area will annex into the STD, but should owners of property designated as Future Annexation Area choose to annex, the annexation may be processed pursuant to the annexation procedures in the CFD Law for territory included in a future annexation area, as well as the procedures established by the Board and any other applicable provisions of the CFD Law.

**"Indenture"** means any indenture, fiscal agent agreement, resolution, or other instrument pursuant to which Bonds are issued, as modified, amended, or supplemented from time to time, and any instrument replacing or supplementing the same

**"Initial Exempt Square Footage"** means, for any building on a Parcel of Developed Property, the square footage in or expected in the building that, at the time the Parcel

became Developed Property, was determined by the Review Authority to be reserved for an Exempt Use

**"Land Use Change"** means a change to the Expected Land Uses after STD Formation

**"Leasehold Interest"** means a Master Lease, ground lease, or any other lease arrangement of a Parcel or Parcels against which Special Taxes may be levied in any current or future Fiscal Year. The Review Authority shall make the final determination as to whether a Parcel or building in the STD is subject to a Leasehold Interest for purposes of this RMA

**"Management Agreement"** means the agreement between the Port and the Association (or related entity) for maintenance, operations, and event planning of the entire public realm (parks, streets, other ROWs) within the Project Site

**"Market-Rate Residential Square Footage"** means, in any building on a Taxable Parcel, the net rentable square footage that is or is expected to be used for one or more of the following uses (i) Market-Rate Units, (ii) any type of group or student housing that provides lodging for a week or more and may or may not have individual cooking facilities, including but not limited to boarding houses, dormitories, housing operated by medical institutions, and single room occupancy units, or (iii) a residential care facility, that is not staffed by licensed medical professionals. As set forth in Section B below, the Review Authority shall make the determination as to the amount of Market-Rate Residential Square Footage on a Taxable Parcel in the STD. Market-Rate Residential Square Foot means a single square-foot unit of Market-Rate Residential Square Footage.

**"Market-Rate Unit"** means a Residential Unit that is not an Affordable Unit.

**"Master Lease"** means a lease for all or part of the Project Site that allows the Developer to take possession of the Master Lease Premises and construct horizontal improvements approved under the DDA and to conduct other uses as provided in the DDA.

**"Master Lease Premises"** means, at any point in time, the area subject to the Master Lease

**"Maximum Contingent Services Special Tax"** means, after the Trigger Event, the greatest amount of Contingent Services Special Tax that can be levied on a Leasehold Interest in a Taxable Parcel in any Fiscal Year determined in accordance with Sections C, D, and E below.

**"Maximum Contingent Services Special Tax Revenues"** means, at any point in time after the Trigger Event, the aggregate Maximum Contingent Services Special Tax that can be levied on all Leasehold Interests in all Taxable Parcels

**"Maximum Development Special Tax"** means the greatest amount of Development Special Tax that can be levied on a Leasehold Interest in a Taxable Parcel in any Fiscal Year determined in accordance with Sections C, D, and E below.

**"Maximum Development Special Tax Revenues"** means, at any point in time, the aggregate Maximum Development Special Tax that can be levied on all Leasehold Interests in all Taxable Parcels

**"Maximum Office Special Tax"** means the greatest amount of Office Special Tax that can be levied on a Leasehold Interest in a Taxable Parcel in any Fiscal Year determined in accordance with Sections C, D, and E below.

**"Maximum Office Special Tax Revenues"** means, at any point in time, the aggregate Maximum Office Special Tax that can be levied on all Leasehold Interests in all Taxable Parcels

**"Maximum Shoreline Special Tax"** means the greatest amount of Shoreline Special Tax that can be levied on a Leasehold Interest in a Taxable Parcel in any Fiscal Year determined in accordance with Sections C, D, and E below

**"Maximum Shoreline Special Tax Revenues"** means, at any point in time, the aggregate Maximum Shoreline Special Tax that can be levied on all Leasehold Interests in all Taxable Parcels

**"Maximum Special Tax"** means, for any Leasehold Interest in a Taxable Parcel in any Fiscal Year, the sum of the Maximum Development Special Tax, Maximum Office Special Tax, Maximum Shoreline Special Tax, and Maximum Contingent Services Special Tax

**"Maximum Special Tax Revenues"** means, collectively, the Maximum Development Special Tax Revenues, Maximum Office Special Tax Revenues, Maximum Shoreline Special Tax Revenues, and Maximum Contingent Services Special Tax Revenues

**"Mello-Roos Act"** means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2 5, (commencing with Section 53311), Part 1, Division 2 of Title 5 of the Government Code of the State of California

**"Office Special Tax"** means a special tax levied in any Fiscal Year on Office Square Footage within a Leasehold Interest in a Taxable Parcel to pay the Office Special Tax Requirement

**"Office Special Tax Bonds"** means any Bonds secured solely by Office Special Taxes.

**"Office Special Tax Requirement"** means the amount necessary in any Fiscal Year to (i) pay principal and interest on Office Special Tax Bonds that are due in the calendar year that begins in such Fiscal Year, (ii) pay periodic costs on Office Special Tax Bonds, including but not limited to, credit enhancement, liquidity support and rebate payments, (iii) replenish reserve funds created for Office Special Tax Bonds under the Indenture to the extent such replenishment has not been included in the computation of the Office Special Tax Requirement in a previous Fiscal Year, (iv) cure any delinquencies in the payment of principal or interest on Office Special Tax Bonds which have occurred in the prior Fiscal Year, (v) pay Administrative Expenses, (vi) pay other obligations described in the Financing Plan, and (vii) pay directly for Authorized Expenditures, so long as such levy under this clause (vii) does not increase the Office Special Tax levied on Undeveloped Property. The amount calculated to pay items (i) through (vii) above may be reduced in any Fiscal Year by (a) interest earnings on or surplus balances in funds and accounts for the Office Special Tax Bonds to the extent that such earnings or balances are available to apply against such costs pursuant to the Indenture, (b) in the sole and absolute discretion of the Port, proceeds received by the STD from the collection of penalties associated with delinquent Office Special Taxes, and (c) any

other revenues available to pay such costs, as determined by the Administrator, the City, and the Port

**"Office Square Footage"** means, within any building on a Taxable Parcel (i) the planning gross square footage for which a Prop. M allocation has been secured, (ii) square footage that is or is expected to be part of a hotel operation, including square footage of hotel rooms, restaurants, meeting and convention facilities, gift shops, spas, offices, and other related uses, and (iii) any other square footage in the building that does not meet the definition of Market-Rate Residential Square Footage, Exempt Square Footage, or Excess Exempt Square Footage. The Review Authority shall make the final determination as to the amount of Office Square Footage within a building in the STD. Office Square Foot means a single square-foot unit of Office Square Footage.

**"Parcel Increment"** means, in any Fiscal Year, the amount of Tax Increment and funds from any tax increment reserve fund maintained by the City that the Deputy Director has determined, pursuant to the Financing Plan, is available to reduce the amount of Development Special Tax levied against Assessed Parcels.

**"Parcel Lease"** means a contract in the form set forth as an exhibit to the DDA by which the Port will convey a leasehold interest in a Taxable Parcel to a Vertical Developer.

**"Parcel Lease Execution Date"** means the effective date of a Parcel Lease that was fully executed by the Port and a Vertical Developer.

**"Permit"** means (i) for Pier 48, a permit issued by the Port that allows for rehabilitation of the existing historic structures, and (ii) for all property in the STD (other than Pier 48 if it is annexed to the STD), the first permit, whether a site permit or building permit,



issued by the Port that, immediately upon issuance or ultimately after addenda to the permit, allows for vertical construction of a building or buildings

**"Pier 48"** is defined in the Appendix

**"Planning Code"** means the Planning Code of the City and County of San Francisco, as it may be amended from time to time

**"Planning Parcel"** means a geographic area within the STD that, for planning and entitlement purposes, has been designated as a separate Parcel with an alpha, numeric, or alpha-numeric identifier to be used for reference until an Assessor's Parcel is created and an Assessor's Parcel number is assigned. The Planning Parcels at STD Formation are identified in Attachment 1 hereto

**"Port"** means the Port of San Francisco

**"Project Area I"** means the area within the City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco) that covers the Project Site and was formed by Ordinance No. 34-18

**"Project Site"** is defined in the Appendix

**"Prop. M"** means Proposition M, the citizen-sponsored initiative passed by San Francisco voters in November 1986 that created an annual limit on the square footage of certain office development in the City, and any subsequent proposition that limits office square footage within the STD.

**"Proportionately"** means, for Developed Property, that the ratio of the actual Contingent Services Special Tax levied in any Fiscal Year to the Maximum Contingent Services Special Tax authorized to be levied in that Fiscal Year is equal for all Parcels of Developed Property For Undeveloped Property, "Proportionately" means that the ratio of the actual Development Special Tax, Office Special Tax, and Shoreline Special Tax levied to the Maximum Development Special Tax, Office Special Tax, and Shoreline Special Tax, respectively, is equal for all Parcels of Undeveloped Property

**"Public Property"** means any property within the boundaries of the STD that is owned by or leased to the federal government, State of California, City, or public agency other than the Port Parcels of Public Property, and/or Leasehold Interests in Public Property, that do not fall within the definition of Exempt Square Footage shall be taxed as Developed Property or Undeveloped Property, as determined by the Administrator pursuant to the definitions set forth in this RMA.

**"Remainder Special Taxes"** means, as calculated between September 1st and December 31st of any Fiscal Year, any Development Special Tax, Office Special Tax, and Shoreline Special Tax revenues that were collected in the prior Fiscal Year and were not needed to (i) pay debt service on the applicable Development Special Tax Bonds, Shoreline Special Tax Bonds, or Office Special Tax Bonds that was due in the calendar year that begins in the Fiscal Year in which the Remainder Special Taxes were levied, (ii) pay periodic costs on the applicable Development Special Tax Bonds, Shoreline Special Tax Bonds, or Office Special Tax Bonds, including but not limited to, credit enhancement, liquidity support and rebate payments (iii) replenish reserve funds created for the applicable Development Special Tax Bonds, Shoreline Special Tax Bonds, or Office Special Tax Bonds under the applicable Indenture, (iv) cure any delinquencies in the payment of principal or interest on applicable Development Special

Tax Bonds, Shoreline Special Tax Bonds, or Office Special Tax Bonds which have occurred in the prior Fiscal Year, or (v) pay Administrative Expenses that have been incurred, or are expected to be incurred, by the City or Port prior to the receipt of Development Special Tax, Shoreline Special Tax or Office Special Tax proceeds

**"Required Coverage"** means (i) for Development Special Tax Bonds, the amount by which the Maximum Development Special Tax Revenues must exceed the Development Special Tax Bond debt service and priority Administrative Expenses (if any), as set forth in the applicable Indenture, Certificate of Special Tax Consultant, or other STD Formation Proceedings or Bond document that sets forth the minimum required debt service coverage, (ii) for Shoreline Special Tax Bonds, the amount by which the Maximum Shoreline Special Tax Revenues must exceed the Shoreline Special Tax Bond debt service and priority Administrative Expenses (if any), as set forth in the applicable Indenture, Certificate of Special Tax Consultant, or other STD Formation Proceedings or Bond document that sets forth the minimum required debt service coverage, and (iii) for Office Special Tax Bonds, the amount by which the Maximum Office Special Tax Revenues must exceed the Office Special Tax Bond debt service and priority Administrative Expenses (if any), as set forth in the applicable Indenture, Certificate of Special Tax Consultant, or other STD Formation Proceedings or Bond document that sets forth the minimum required debt service coverage

**"Residential Unit"** means an individual residential housing unit in a residential or mixed-use building

**"Review Authority"** means the Deputy Director of Real Estate & Development for the Port or an alternate designee from the Port or the City who is responsible for approvals and entitlements of a development project.

**"RMA"** means this Rate and Method of Apportionment of Special Taxes.

**"Services Special Tax Requirement"** means the amount necessary in any Fiscal Year to (i) pay the costs of operations and maintenance or other public services that are included as Authorized Expenditures, (ii) cure delinquencies in the payment of Contingent Services Special Taxes in the prior Fiscal Year, and (iii) pay Administrative Expenses.

**"Shoreline Special Tax"** means a special tax levied in any Fiscal Year to pay the Shoreline Special Tax Requirement

**"Shoreline Special Tax Bonds"** means any Bonds secured solely by Shoreline Special Taxes that have been levied and are available after dividing the Shoreline Special Taxes as set forth in Financing Plan Section 4.7, and factoring in debt service coverage and related Indenture requirements, as determined by the Administrator

**"Shoreline Special Tax Requirement"** means the amount necessary in any Fiscal Year to pay (i) pay principal and interest on Shoreline Special Tax Bonds that are due in the calendar year that begins in such Fiscal Year, (ii) pay periodic costs on Shoreline Special Tax Bonds, including but not limited to, credit enhancement, liquidity support and rebate payments, (iii) replenish reserve funds created for Shoreline Special Tax Bonds under the Indenture to the extent such replenishment has not been included in the computation of the Shoreline Special Tax Requirement in a previous Fiscal Year, (iv) cure any delinquencies in the payment of principal or interest on Shoreline Special Tax Bonds which have occurred in the prior Fiscal Year, (v) pay Administrative Expenses, (vi) pay directly for the costs of shoreline improvements so long as such levy

under this clause (vi) does not increase the Shoreline Special Tax levied on Undeveloped Property, and (vii) pay other obligations described in the Financing Plan. The amount calculated to pay items (i) through (vi) above may be reduced in any Fiscal Year by (a) interest earnings on or surplus balances in funds and accounts for the Shoreline Special Tax Bonds to the extent that such earnings or balances are available to apply against such costs pursuant to the Indenture, (b) in the sole and absolute discretion of the Port, proceeds received by the STD from the collection of penalties associated with delinquent Shoreline Special Taxes, and (c) any other revenues available to pay such costs, as determined by the Administrator, the City, and the Port.

**"Special Taxes"** means the Development Special Tax, Shoreline Special Tax, Office Special Tax, and Contingent Services Special Tax.

**"Square Footage Category"** means, individually, Market-Rate Residential Square Footage, Office Square Footage, and Excess Exempt Square Footage.

**"STD"** or **"STD No. 2020-1"** means the City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services).

**"STD Formation"** means the date on which the Board approved documents to form the STD.

**"STD Formation Proceedings"** means the proceedings to form the STD, including all resolutions, reports, and notices.

**"Sub-Project Areas"** means all sub-project areas designated within Project Area I.

**"Tax-Exempt Port Parcels"** means Port-owned Parcels that are or are intended to be used as streets, walkways, alleys, rights of way, parks, open space, or other similar uses. The final determination as to whether a Parcel is a Tax-Exempt Port Parcel shall be made by the Review Authority

**"Tax Increment"** means the tax increment generated from all Sub-Project Areas.

**"Taxable Parcel"** means any Parcel within the STD that is not a Tax-Exempt Port Parcel or a Parcel for which the Special Tax has been prepaid pursuant to Sections 53317.3 or 53317.5 of the Mello-Roos Act.

**"Taxpayer"** means the lessee of a Taxable Parcel within the STD

**"Tax Zone"** means a separate and distinct geographic area in the STD within which one or more Special Taxes are applied at a rate or in a manner that is different than in other areas within the STD. The two Tax Zones at STD Formation are identified in Attachment 2 hereto. Parcels that annex into the CFD may annex into Tax Zone 1, Tax Zone 2, or establish a new Tax Zone upon annexation. The Port will determine the applicable Tax Zone for Parcels that annex into the STD.

**"Trigger Event"** means the earlier of (i) any amendment to the Management Agreement that expressly authorizes the levy of Contingent Services Special Taxes, (ii) the expiration or earlier termination of the Management Agreement, or (iii) any Taxable Parcel becoming Developed Property prior to a Management Agreement being executed by both the Port and the Association (or related entity)

**"Undeveloped Property"** means, in any Fiscal Year, all Taxable Parcels that are not Developed Property

**"Vertical Developer"** means a developer that has entered into a Parcel Lease for construction of vertical improvements on a Taxable Parcel or rehabilitation of Pier 48

## **B. DATA FOR STD ADMINISTRATION**

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor's Parcel numbers for all Taxable Parcels. The Administrator shall also determine (i) whether each Taxable Parcel is Developed Property or Undeveloped Property, (ii) the Planning Parcel and Tax Zone within which each Taxable Parcel is located, (iii) for Developed Property, the Market-Rate Residential Square Footage and Office Square Footage within each building, (iv) the Taxpayer for each Leasehold Interest in a Taxable Parcel, and (v) the Development Special Tax Requirement, Office Special Tax Requirement, Shoreline Special Tax Requirement, and, if applicable, Services Special Tax Requirement for the Fiscal Year

When a Parcel becomes Developed Property, the Administrator and Review Authority shall reference the Permit for each building on the Parcel to determine the Market-Rate Residential Square Footage and/or Office Square Footage within the building(s). If the Market-Rate Residential Square Footage and/or Office Square Footage is not identified on the Permit, the square footage assumptions used in the appraisal prepared when the Vertical DDA and/or Parcel Lease for such Parcel was executed shall be used to determine Market-Rate Residential Square Footage and/or Office Square Footage within the building. If, after review of the Permit and appraisal, there is still no clear indication of the Market-Rate Residential Square Footage and/or Office Square Footage for a building, the Review Authority shall review the

Development Approval Documents and make a determination as to the amount of Market-Rate Residential Square Footage and/or Office Square Footage in the building

When a Parcel becomes Developed Property, the Administrator and Review Authority shall also identify and document the Initial Exempt Square Footage for the building or buildings on or expected on the Parcel. The Administrator shall keep a record of the Initial Exempt Square Footage broken down by Exempt Use. After the First Bond Sale, as square footage within a building is designated for Exempt Uses, the Administrator shall compare the actual square footage used for each Exempt Use to the Initial Exempt Square Footage by Exempt Use. If, at any point in time, there is determined to be Excess Exempt Square Footage within a building, the Administrator and Review Authority shall use this comparison to determine which square footage should be designated Excess Exempt Square Footage. In addition, the Administrator shall determine whether the Excess Exempt Square Footage resulted in a reduction in Market-Rate Residential Square Footage or Office Square Footage expected in the building and, based on this determination, identify the applicable Maximum Special Taxes for the Excess Exempt Square Footage pursuant to the tables in Section C below.

The Administrator shall also (i) coordinate with the Deputy Director to confirm Parcel Increment, (ii) coordinate with the Treasurer-Tax Collector's Office to determine if there have been any Special Tax delinquencies or repayment of Special Tax delinquencies in prior Fiscal Years, (iii) review the Development Approval Documents and communicate with the Developer and Vertical Developers regarding proposed Land Use Changes, and (iv) upon each annexation, Land Use Change, and notification of Parcel Lease Execution Dates, update Attachment 3 to reflect the then-current Expected Land Uses, Expected Maximum Development Special Tax Revenues,



Expected Maximum Office Special Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues. The Developer, Port, or Vertical Developer shall notify the Administrator each time a Parcel Lease is executed in order for the Administrator to keep track of Parcel Lease Execution Dates. In addition, the Port will (i) provide the Administrator with copies of all leases that establish a Leasehold Interest, (ii) notify the Administrator of renewals of leases that establish a Leasehold Interest, and (iii) identify the buildings, Parcels, and Square Footage subject to such leases that establish a Leasehold Interest. Any time a lease on property within the STD is terminated, the Port will immediately notify the Administrator of such termination.

Prior to the First Bond Sale, the Administrator, Port, Developer, and any Vertical Developers shall coordinate to review the Expected Land Uses and determine if changes should be made to reflect more current estimates for land uses on each Planning Parcel. Based on this review, the Administrator shall update Attachment 3 with the then-current Expected Land Uses and Expected Maximum Development Special Tax Revenues, Expected Maximum Office Special Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues, which will be used to size the sale of Bonds unless and until there are additional updates of Attachment 3.

In any Fiscal Year, if it is determined that (i) a parcel map or condominium plan was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created Parcels into the then current tax roll), (ii) because of the date the map or plan was recorded, the Assessor does not yet recognize the newly-created Parcels, and (iii) one or more of the newly-created Parcels meets the definition of Developed Property, the Administrator shall calculate the Special Taxes for the property affected by recordation of the map or plan by determining the Special Taxes that applies separately to each newly-created Parcel, then applying the sum of

the individual Special Taxes to the Parcel that was subdivided by recordation of the parcel map or condominium plan

### **C. MAXIMUM SPECIAL TAXES**

In calculating Maximum Special Taxes pursuant to this Section C, in any Fiscal Year in which the boundaries of the Planning Parcels are not identical to the boundaries of the then-current Assessor's Parcels, the Administrator shall review the Expected Land Uses for each Planning Parcel and assign the Maximum Special Taxes to the then-current Assessor's Parcels. The Maximum Special Tax Revenues after such allocation shall not be less than the Maximum Special Tax Revenues prior to the allocation

#### **1. Undeveloped Property**

##### **1a. Development Special Tax, Office Special Tax, Shoreline Special Tax**

The Maximum Development Special Tax, Maximum Office Special Tax, and Maximum Shoreline Special Tax for Leasehold Interests in Undeveloped Property in all Tax Zones shall be the Expected Maximum Development Special Tax Revenues, Expected Maximum Office Special Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues shown in Attachment 3 of this RMA, as it may be amended as set forth herein

##### **1b. Contingent Services Special Tax**

No Contingent Services Special Tax shall be levied on Parcels of Undeveloped Property in any Tax Zone within the STD

**2. Developed Property**

**2a. Development Special Tax**

When a Taxable Parcel in Tax Zone 1 or Tax Zone 2 becomes Developed Property, the Administrator shall use the Base Development Special Taxes shown in Table 1 below and apply the steps set forth in this Section 2a to determine the Maximum Development Special Tax for Leasehold Interests in the Taxable Parcel. For property that annexes into the CFD, different maximum rates and different Square Footage Categories may be established by creating a separate Tax Zone for such annexed property. Alternatively, property may be annexed into Tax Zones that were established prior to the annexation, and such property shall be subject to the Maximum Special Taxes applicable to that Tax Zone

<b>Table 1</b> <b>Base Development Special Tax</b>		
<b>Square Footage Category</b>	<b>Base Development Special Tax Tax Zone 1 (FY 2019-20) *</b>	<b>Base Development Special Tax Tax Zone 2 (FY 2019-20) *</b>
Market-Rate Residential Square Footage	\$8.58 per Market-Rate Residential Square Foot	\$8.58 per Market-Rate Residential Square Foot
Office Square Footage	\$6.50 per Office Square Foot	\$6.50 per Office Square Foot
Excess Exempt Square Footage	\$8.58 per Excess Exempt Square Foot if Market-Rate Residential Square Footage was reduced or \$6.50 per Excess Exempt Square Foot if Office Square Footage was reduced	\$8.58 per Excess Exempt Square Foot if Market-Rate Residential Square Footage was reduced or \$6.50 per Excess Exempt Square Foot if Office Square Footage was reduced

**\*\*The Base Development Special Tax shown above for each Tax Zone shall be escalated as set forth in Section D.1.**

**Step 1** Identify the Market-Rate Residential Square Footage, Office Square Footage, and/or Excess Exempt Square Footage in the building(s) on the Taxable Parcel pursuant to Section B above.

**Step 2** Multiply the applicable Base Development Special Tax from Table 1 by the actual and/or expected Market-Rate Residential Square Footage and Office Square Footage included in Leasehold Interests in the Taxable Parcel Prior to the First Bond Sale, the Maximum Development Special Tax for Leasehold Interests in the

Taxable Parcel shall be the sum of the amounts calculated for Market-Rate Residential Square Footage and Office Square Footage, and Step 3 below shall not apply

After the First Bond Sale, the Administrator shall apply Step 3 to determine the Maximum Development Special Tax for Leasehold Interests in the Taxable Parcel.

**Step 3** Compare the Estimated Base Development Special Tax Revenues from Step 2 to the Expected Maximum Development Special Tax Revenues, and, apply one of the following, as applicable

If the Estimated Base Development Special Tax Revenues are (i) greater than or equal to the Expected Maximum Development Special Tax Revenues or (ii) less than the Expected Maximum Development Special Tax Revenues, but the Maximum Development Special Tax Revenues, assuming the same land uses that went into the calculation of the Estimated Base Development Special Tax Revenues, are still sufficient to provide Required Coverage, then the Maximum Development Special Tax for Leasehold Interests in the Taxable Parcel shall be determined by multiplying the applicable Base Development Special Taxes by the actual and/or expected Market-Rate Residential Square Footage and Office Square Footage within each building on the Taxable Parcel. The Administrator shall update Attachment 3 to reflect the change in the Expected Maximum Development Special Tax Revenues.

If the Estimated Base Development Special Tax Revenues are less than the Expected Maximum Development Special Tax Revenues, and the Maximum Development Special Tax Revenues, assuming the same land uses that went into the calculation of the Estimated Base Development Special Tax Revenues, are insufficient to provide Required Coverage, then the Administrator and Review Authority shall coordinate with

the Developer and Vertical Developer, and the Review Authority shall determine which of the following shall occur

(i) the Base Development Special Taxes that were applied to Market-Rate Residential Square Footage and/or Office Square Footage in Step 2 shall be increased proportionately until the amount that can be levied on Leasehold Interests in the Taxable Parcel, combined with the Expected Maximum Development Special Tax Revenues from all other Taxable Parcels in the STD, is sufficient to maintain Required Coverage, or

(ii) if Estimated Base Development Special Tax Revenues are less than the Expected Maximum Development Special Tax Revenues due to Excess Exempt Square Footage, then the Base Development Special Tax for Excess Exempt Square Footage shall be levied against all Excess Exempt Square Footage included in Leasehold Interests in the Taxable Parcel.

If, pursuant to (i) above, the Base Development Special Taxes are proportionately increased to maintain Required Coverage, the Administrator shall use the adjusted per-square-foot rates to calculate the Maximum Development Special Tax for each building on the Taxable Parcel. The Administrator shall revise Attachment 3 to reflect any changes to the Expected Land Uses (including the addition of Excess Exempt Square Footage) and the Expected Maximum Development Special Tax Revenues

If, in any Fiscal Year, the Maximum Development Special Tax is determined for Leasehold Interests in any Parcel of Developed Property for which a Permit had not yet been issued, and if, when a Permit is issued for a building(s) on the Parcel, the Market-Rate Residential Square Footage and/or Office Square Footage of such building(s) is

different than that used to determine the Maximum Development Special Tax, then the Administrator shall once again apply Steps 1 through 3 in this Section C 2a to recalculate the Maximum Development Special Tax for Leasehold Interests in the Parcel based on the Market-Rate Residential Square Footage and/or Office Square Footage that was determined when the Permit was issued

The Administrator shall do a final check of the Market-Rate Residential Square Footage and Office Square Footage within each building when a Certificate of Occupancy is issued. Once again, if the Market-Rate Residential Square Footage and/or Office Square Footage is different than the Market-Rate Residential Square Footage and/or Office Square Footage that was used to determine the Maximum Development Special Tax after the Permit was issued, then the Administrator shall apply Steps 1 through 3 in this Section C 2a to recalculate the Maximum Development Special Tax for Leasehold Interests in the Parcel.

#### **2b. Office Special Tax**

When a Taxable Parcel in Tax Zone 1 or Tax Zone 2 becomes Developed Property, the Administrator shall use the Base Office Special Taxes shown in Table 2 below and apply the steps set forth in this Section 2b to determine the Maximum Office Special Tax for Leasehold Interests in the Taxable Parcel. For property that annexes into the CFD, different maximum rates and different Square Footage Categories may be established by creating a separate Tax Zone for such annexed property. Alternatively, property may be annexed into Tax Zones that were established prior to the annexation, and such property shall be subject to the Maximum Special Taxes applicable to that Tax Zone.

Table 2 Base Office Special Tax		
Square Footage Category	Base Office Special Tax Tax Zone 1 (FY 2019-20) *	Base Office Special Tax Tax Zone 2 (FY 2019-20) *
Office Square Footage	\$1 92 per Office Square Foot	\$1 61 per Office Square Foot
Excess Exempt Square Footage	\$1 92 per Excess Exempt Square Foot	\$1 61 per Excess Exempt Square Foot

\* The Base Office Special Tax shown above for each Tax Zone shall be escalated as set forth in Section D.1.

**Step 1** Identify the Office Square Footage and Excess Exempt Square Footage in the building(s) on the Taxable Parcel pursuant to Section B above.

**Step 2** Multiply the applicable Base Office Special Tax from Table 2 by the actual and/or expected Office Square Footage included in Leasehold Interests in the Taxable Parcel which, prior to the First Bond Sale, shall be the Maximum Office Special Tax for Leasehold Interests in the Taxable Parcel, Step 3 below shall not apply

After the First Bond Sale, the Administrator shall apply Step 3 to determine the Maximum Office Special Tax for Leasehold Interests in the Taxable Parcel

**Step 3.** Compare the Estimated Base Office Special Tax Revenues from Step 2 to the Expected Maximum Office Special Tax Revenues, and, apply one of the following, as applicable



- *If the Estimated Base Office Special Tax Revenues are (i) greater than or equal to the Expected Maximum Office Special Tax Revenues or (ii) less than the Expected Maximum Office Special Tax Revenues, but the Maximum Office Special Tax Revenues, assuming the same Office Square Footage that went into the calculation of the Estimated Base Office Special Tax Revenues, are still sufficient to provide Required Coverage, then the Maximum Office Special Tax for Leasehold Interests in the Taxable Parcel shall be determined by multiplying the applicable Base Office Special Taxes by the actual and/or expected Office Square Footage within each building on the Taxable Parcel. The Administrator shall update Attachment 3 to reflect the change in the Expected Maximum Office Special Tax Revenues*
  
- *If the Estimated Base Office Special Tax Revenues are less than the Expected Maximum Office Special Tax Revenues, and the Maximum Office Special Tax Revenues, assuming the same Office Square Footage that went into the calculation of the Estimated Base Office Special Tax Revenues, are insufficient to provide Required Coverage, then the Administrator and Review Authority shall coordinate with the Developer and Vertical Developer, and the Review Authority shall determine which of the following shall occur*
  - (i) *the Base Office Special Taxes that were applied to Office Square Footage in Step 2 shall be increased proportionately until the amount that can be levied on Leasehold Interests in the Taxable Parcel, combined with the Expected Maximum Office Special Tax Revenues from all other Taxable Parcels in the STD, is sufficient to maintain Required Coverage, or*

(ii) if Estimated Base Office Special Tax Revenues are less than the Expected Maximum Office Special Tax Revenues due to Excess Exempt Square Footage, then the Base Office Special Tax for Excess Exempt Square Footage shall be levied against all Excess Exempt Square Footage included in Leasehold Interests in the Taxable Parcel

If, pursuant to (i) above, the Base Office Special Taxes are proportionately increased to maintain Required Coverage, the Administrator shall use the adjusted per-square-foot rates to calculate the Maximum Office Special Tax for each building on the Taxable Parcel. The Administrator shall revise Attachment 3 to reflect any changes to the Expected Land Uses (including the addition of Excess Exempt Square Footage) and the Expected Maximum Office Special Tax Revenues

If, in any Fiscal Year, the Maximum Office Special Tax is determined for Leasehold Interests in any Parcel of Developed Property for which a Permit had not yet been issued, and if, when a Permit is issued for a building(s) on the Parcel, the Office Square Footage of such building(s) is different than that used to determine the Maximum Office Special Tax, then the Administrator shall once again apply Steps 1 through 3 in this Section C.2b to recalculate the Maximum Office Special Tax for Leasehold Interests in the Parcel based on the Office Square Footage that was determined when the Permit was issued

The Administrator shall do a final check of the Office Square Footage within each building when a Certificate of Occupancy is issued. Once again, if the Office Square Footage is different than the Office Square Footage that was used to determine the Maximum Office Special Tax after the Permit was issued, then the Administrator shall

apply Steps 1 through 3 in this Section C.2b to recalculate the Maximum Office Special Tax for Leasehold Interests in the Parcel

**2c. Shoreline Special Tax**

When a Taxable Parcel in Tax Zone 1 or Tax Zone 2 becomes Developed Property, the Administrator shall use the Base Shoreline Special Taxes shown in Table 3 below and apply the steps set forth in this Section 2c to determine the Maximum Shoreline Special Tax for Leasehold Interests in the Taxable Parcel. For property that annexes into the CFD, different maximum rates and different Square Footage Categories may be established by creating a separate Tax Zone for such annexed property. Alternatively, property may be annexed into Tax Zones that were established prior to the annexation, and such property shall be subject to the Maximum Special Taxes applicable to that Tax Zone

<b>Table 3</b> <b>Base Shoreline Special Tax</b>		
<b>Square Footage Category</b>	<b>Base Shoreline Special Tax Tax Zone 1 (FY 2019-20) *</b>	<b>Base Shoreline Special Tax Tax Zone 2 (FY 2019-20) *</b>
Office Square Footage	\$1 82 per Office Square Foot	\$1.82 per Office Square Foot
Excess Exempt Square Footage	\$1 82 per Excess Exempt Square Foot if Market-Rate Residential Square Footage was reduced or \$1 82 per Excess Exempt Square Foot if Office Square Footage was reduced	\$1 82 per Excess Exempt Square Foot if Market-Rate Residential Square Footage was reduced or \$1.82 per Excess Exempt Square Foot if Office Square Footage was reduced

**\* The Base Shoreline Special Tax shown above for each Tax Zone shall be escalated as set forth in Section D.1.**

**Step 1** Identify the Market-Rate Residential Square Footage, Office Square Footage, and/or Excess Exempt Square Footage in the building(s) on the Taxable Parcel pursuant to Section B above

**Step 2** Multiply the applicable Base Shoreline Special Tax from Table 3 by the actual and/or expected Market-Rate Residential Square Footage and Office Square Footage included in Leasehold Interests in the Taxable Parcel Prior to the First Bond Sale, the Maximum Shoreline Special Tax for Leasehold Interests in the Taxable Parcel shall be the sum of the amounts calculated for Market-Rate Residential Square Footage and Office Square Footage, and Step 3 below shall not apply.

After the First Bond Sale, the Administrator shall apply Step 3 to determine the Maximum Shoreline Special Tax for Leasehold Interests in the Taxable Parcel.

**Step 3** Compare the Estimated Base Shoreline Special Tax Revenues from Step 2 to the Expected Maximum Shoreline Special Tax Revenues, and, apply one of the following, as applicable:

If the Estimated Base Shoreline Special Tax Revenues are (i) greater than or equal to the Expected Maximum Shoreline Special Tax Revenues or (ii) less than the Expected Maximum Shoreline Special Tax Revenues, but the Maximum Shoreline Special Tax Revenues, assuming the same land uses that went into the calculation of the Estimated Base Shoreline Special Tax Revenues, are still sufficient to provide Required Coverage, then the Maximum Shoreline Special Tax for Leasehold Interests in the Taxable Parcel shall be determined by multiplying the applicable Base Shoreline Special Taxes by the actual and/or expected Market-Rate Residential Square Footage and Office Square Footage within each building on the Taxable Parcel. The Administrator shall update Attachment 3 to reflect the change in the Expected Maximum Shoreline Special Tax Revenues.

If the Estimated Base Shoreline Special Tax Revenues are less than the Expected Maximum Shoreline Special Tax Revenues, and the Maximum Shoreline Special Tax Revenues, assuming the same land uses that went into the calculation of the Estimated Base Shoreline Special Tax Revenues, are insufficient to provide Required Coverage, then the Administrator and Review Authority shall coordinate with the Developer and Vertical Developer, and the Review Authority shall determine which of the following shall occur:

(i) the Base Shoreline Special Taxes that were applied to Market-Rate Residential Square Footage and/or Office Square Footage in Step 2 shall be increased proportionately until the amount that can be levied on Leasehold Interests in the Taxable Parcel, combined with the Expected Maximum Shoreline Special Tax Revenues from all other Taxable Parcels in the STD, is sufficient to maintain Required Coverage, or

(ii) if Estimated Base Shoreline Special Tax Revenues are less than the Expected Maximum Shoreline Special Tax Revenues due to Excess Exempt Square Footage, then the Base Shoreline Special Tax for Excess Exempt Square Footage shall be levied against all Excess Exempt Square Footage included in Leasehold Interests in the Taxable Parcel

If, pursuant to (i) above, the Base Shoreline Special Taxes are proportionately increased to maintain Required Coverage, the Administrator shall use the adjusted per-square-foot rates to calculate the Maximum Shoreline Special Tax for each building on the Taxable Parcel. The Administrator shall revise Attachment 3 to reflect any changes to the Expected Land Uses (including the addition of Excess Exempt Square Footage) and the Expected Maximum Shoreline Special Tax Revenues.

If, in any Fiscal Year, the Maximum Shoreline Special Tax is determined for Leasehold Interests in any Parcel of Developed Property for which a Permit had not yet been issued, and if, when a Permit is issued for a building(s) on the Parcel, the Market-Rate Residential Square Footage and/or Office Square Footage of such building(s) is different than that used to determine the Maximum Shoreline Special Tax, then the Administrator shall once again apply Steps 1 through 3 in this Section C 2c to

recalculate the Maximum Shoreline Special Tax for Leasehold Interests in the Parcel based on the Market-Rate Residential Square Footage and/or Office Square Footage that was determined when the Permit was issued.

The Administrator shall do a final check of the Market-Rate Residential Square Footage and Office Square Footage within each building when a Certificate of Occupancy is issued. Once again, if the Market-Rate Residential Square Footage and/or Office Square Footage is different than the Market-Rate Residential Square Footage and/or Office Square Footage that was used to determine the Maximum Shoreline Special Tax after the Permit was issued, then the Administrator shall apply Steps 1 through 3 in this Section C 2c to recalculate the Maximum Shoreline Special Tax for Leasehold Interests in the Parcel

**2d. Contingent Services Special Tax**

In the first Fiscal Year after the Fiscal Year in which the Trigger Event occurs, and in each Fiscal Year thereafter, this Section C 2d shall be applied to determine the Contingent Services Special Tax for each Taxable Parcel in the STD

When a Taxable Parcel in Tax Zone 1 or Tax Zone 2 becomes Developed Property, the Administrator shall use the Base Contingent Services Special Taxes shown in Table 4 below and apply the steps set forth in this Section 2d to determine the Maximum Contingent Services Special Tax for Leasehold Interests in the Taxable Parcel For property that annexes into the CFD, different maximum rates may be established by creating a separate Tax Zone for such annexed property Alternatively, property may be annexed into Tax Zones that were established prior to the annexation, and such property shall be subject to the Maximum Special Taxes applicable to that Tax Zone.

<p align="center"><b>Table 4</b> <b>Base Contingent Services Special Tax</b></p>		
<b>Square Footage Category</b>	<b>Base Contingent Services Special Tax Tax Zone 1 (FY 2019-20) *</b>	<b>Base Contingent Services Special Tax Tax Zone 2 (FY 2019-20) *</b>
Market-Rate Residential Square Footage	\$1.40 per Market-Rate Residential Square Foot	\$1.40 per Market-Rate Residential Square Foot
Office Square Footage	\$1.40 per Office Square Foot	\$1.40 per Office Square Foot
Excess Exempt Square Footage	\$1.40 per Excess Exempt Square Foot	\$1.40 per Excess Exempt Square Foot

**\* The Base Contingent Services Special Tax for each Tax Zone shown above shall be escalated as set forth in Section D.2.**

**Step 1** Identify the Market-Rate Residential Square Footage, Office Square Footage, and/or Excess Exempt Square Footage in the building(s) on the Taxable Parcel pursuant to Section B above.

**Step 2** Multiply the applicable Base Contingent Services Special Tax from Table 4 by the actual and/or expected Market-Rate Residential Square Footage, Office Square Footage, and Excess Exempt Square Footage included in Leasehold Interests in the Taxable Parcel. The Maximum Contingent Services Special Tax for Leasehold Interests in the Taxable Parcel shall be the sum of the amounts calculated for Market-Rate Residential Square Footage, Office Square Footage, and Excess Exempt Square Footage.



If additional structures are anticipated to be built on the Taxable Parcel as shown in the Development Approval Documents, the Administrator shall, regardless of the definitions set forth herein, categorize each building for which a Permit has been issued as Developed Property, and any remaining buildings for which Permits have not yet been issued shall not be subject to a Contingent Services Special Tax until a Permit is issued for such remaining buildings. To determine the Contingent Services Special Tax for any such Taxable Parcel, the Administrator shall take the sum of the Contingent Services Special Taxes determined for each building

**D. CHANGES TO THE MAXIMUM SPECIAL TAXES**

**1 Annual Escalation of Development Special Tax, Office Special Tax, and Shoreline Special Tax**

Beginning July 1, 2020 and each July 1 thereafter, each of the following amounts shall be increased by 2% of the amount in effect in the prior Fiscal Year the Base Development Special Tax for each Tax Zone, the Base Office Special Tax for each Tax Zone, the Base Shoreline Special Tax for each Tax Zone, the Expected Maximum Development Special Tax Revenues, the Expected Maximum Office Special Tax Revenues, and the Expected Maximum Shoreline Special Tax Revenues in Attachment 3, and the Maximum Development Special Tax, the Maximum Office Special Tax, and the Maximum Shoreline Special Tax assigned to the Leasehold Interests in each Taxable Parcel

**2. Annual Escalation of Contingent Services Special Tax**

Beginning July 1, 2020 and each July 1 thereafter, the Base Contingent Services Special Tax for each Tax Zone and the Maximum Contingent Services Special Tax assigned to the Leasehold Interests in each Taxable Parcel shall be adjusted by the Escalator

**3. Changes in Square Footage Category on a Parcel of Developed Property**

If any Parcel that had been taxed as Developed Property in a prior Fiscal Year is rezoned or otherwise has a Land Use Change, as determined by the Review Authority, the Administrator shall, separately for each of the Special Taxes, multiply the applicable Base Special Tax by the new square footage within each Square Footage Category, if the First Bond Sale has not yet occurred, this amount shall be the Maximum Special Tax for Leasehold Interests in the Parcel. If the First Bond Sale has taken place, the Administrator shall apply the remainder of this Section D.3

If the Maximum Special Tax that would apply to Leasehold Interests in the Parcel after the Land Use Change is greater than the Maximum Special Tax that applied to Leasehold Interests in the Parcel prior to the Land Use Change, the Administrator shall increase the Maximum Special Tax for the Parcel to the amount calculated for each new Square Footage Category. If the Maximum Special Tax after the Land Use Change is less than the Maximum Special Tax that applied prior to the Land Use Change, there will be no change to the Maximum Special Tax for Leasehold Interests in the Parcel. Under no circumstances shall the Maximum Special Tax on Leasehold Interests in any Parcel of Developed Property be reduced, regardless of changes in Square Footage Category or square footage on the Parcel, including reductions in square footage that may occur due to demolition, fire, water damage, or acts of God

#### **4. Changes to Planning Parcels and Expected Land Uses**

If, at any time prior to the First Bond Sale, the Developer or a Vertical Developer makes changes to the boundaries of the Planning Parcels or the Expected Land Uses within one or more Planning Parcels, as determined by the Review Authority, the Administrator shall update the Expected Land Uses and Expected Maximum Development Special Tax Revenues, Expected Maximum Office Special Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues, which will be reflected on an updated Attachment 3. In addition, the Administrator will request updated Attachments 1 and 2 from the Developer. Updated attachments shall be maintained by the Administrator for purposes of applying this RMA, and such updates shall not require recordation of an amended RMA.

If, after the First Bond Sale, the Developer or a Vertical Developer proposes to make changes to the boundaries of the Planning Parcels or the Expected Land Uses within one or more Planning Parcels, the Administrator shall meet with the Port, Developer, and any affected Vertical Developers to review the proposed changes and evaluate the impact on the Expected Maximum Development Special Tax Revenues, Expected Maximum Office Special Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues. If the Administrator determines that such changes will not reduce Required Coverage on Bonds that have been or will be issued, the Port will decide whether to allow the proposed changes and corresponding redistribution of the Expected Maximum Development Special Tax Revenues, Expected Maximum Office Special Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues. If such changes are permitted, the Administrator will update Attachment 3 and request updated Attachments 1 and 2 from the Developer. Updated attachments shall be maintained by the Administrator for purposes of applying this RMA, and such updates

shall not require recordation of an amended RMA. If the Administrator determines that the proposed changes will reduce Required Coverage on Bonds that have been issued, the Port will not permit the changes.

#### **5 Reduction in Maximum Development Special Taxes Prior to First Bond Sale**

Prior to the First Bond Sale, if the City, Port and Developer determine that assumptions that were factored into estimates of Tax Increment at STD Formation have changed, and the estimated Tax Increment is expected to be lower than the original estimates, the Port and Developer may agree to a proportional or disproportional reduction in the Base Development Special Tax as set forth in Section 4.5(e) of the Financing Plan. If the parties agree to such a reduction, the Port will direct the Administrator to use the reduced Base Development Special Tax for purposes of levying the taxes pursuant to this RMA, and an amended Notice of Special Tax Lien reflecting the reduction will be recorded against all Taxable Parcels within the STD. The reduction shall be made without a vote of the qualified STD electors.

#### **E. ANNEXATIONS**

If, in any Fiscal Year, a property owner within the Future Annexation Area wants to annex property into the STD, the Administrator shall apply the following steps as part of the annexation proceedings:

**Step 1** Working with Port staff, the Administrator shall determine the Expected Land Uses for the area to be annexed and the Tax Zone into which the property will be placed.

*Step 2*        The Administrator shall prepare or have prepared updated Attachments 1, 2, and 3 to reflect the annexed property and identify the revised Expected Land Uses, Expected Maximum Development Special Tax Revenues, Expected Maximum Office Special Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues. After the annexation is complete, the application of this RMA shall be based on the adjusted Expected Land Uses and Maximum Development Special Tax Revenues, Maximum Office Special Tax Revenues, and Maximum Shoreline Special Tax Revenues, as applicable, including the newly annexed property.

*Step 3*        The Administrator shall ensure that a Notice of Special Tax Lien is recorded against all Parcels that are annexed to the STD.

#### **F.     METHOD OF LEVY OF THE SPECIAL TAXES**

##### **1.     Development Special Tax**

Each Fiscal Year, the Administrator shall determine the Development Special Tax Requirement for the Fiscal Year, and the Development Special Tax shall be levied according to the steps outlined below.

*Step 1.*        The Administrator shall determine the Development Special Tax to be levied on Leasehold Interests in each Taxable Parcel of Developed Property, as follows:

**Step 1a.** Calculate the Maximum Development Special Tax for each Leasehold Interest in each Parcel of Developed Property

**Step 1b** In consultation with the City, determine which Parcels of Developed Property are Assessed Parcels.

**Step 1c.** For all Parcels of Developed Property that are not Assessed Parcels, levy the Maximum Development Special Tax on Leasehold Interests in such Parcels  
Any Remainder Special Taxes collected shall be applied pursuant to the Financing Plan

**Step 1d** For all Assessed Parcels

**Step 1dA.** Determine the amount of the Parcel Increment.

**Step 1dB** If the total amount of Parcel Increment available is equal to or greater than the total aggregate Maximum Development Special Taxes for all Assessed Parcels, then the levy on each Assessed Parcel shall be zero (\$0)

**Step 1dC** If the total amount of Parcel Increment available is less than the aggregate Maximum Development Special Taxes for all Assessed Parcels, the Administrator shall apply the appropriate sub-step below

**Substep 1dC(i).** If, after coordination with the City and Port, the Administrator is provided with a breakdown of Parcel Increment on a Parcel-by-Parcel basis in time for submission of the Special Tax levy, the Administrator shall determine the net tax levy on Leasehold Interests in each Assessed Parcel (the "Net Assessed Parcel Tax Levy") by

taking the following steps in the following order of priority (i) subtract from the Maximum Development Special Tax for each Assessed Parcel the amount of Parcel Increment generated from the applicable Assessed Parcel, and (ii) for each Assessed Parcel whose tax levy was not reduced to \$0 pursuant to item (i) in this paragraph, apply any remaining Parcel Increment that was not applied pursuant to item (i) in this paragraph to each such Assessed Parcel on a pro rata basis (based on the Assessed Parcel's net remaining tax levy as a percentage of the aggregate net remaining tax levy for all Assessed Parcels for which Parcel Increment was insufficient to pay the full amount of the Assessed Parcel's Maximum Development Special Tax) The Administrator shall levy on Leasehold Interests in each Assessed Parcel the Net Assessed Parcel Tax Levy for such Assessed Parcel. Any Remainder Special Taxes collected shall be applied pursuant to the Financing Plan

*Substep 1dC(ii)* If, after coordination with the City and Port, the Administrator determines that a breakdown of Parcel Increment on a Parcel-by-Parcel basis cannot be provided in time for submission of the Special Tax levy, the Administrator shall determine the net tax levy on the Leasehold Interest in each Assessed Parcel (the "Net Assessed Parcel Tax Levy") by subtracting from the Maximum Development Special Tax for each Assessed Parcel a pro rata share of the Parcel Increment, with such pro rata share determined based on each Assessed Parcel's Maximum Development Special Tax as a percentage of the aggregate Maximum Development Special Tax for all Assessed Parcels in the STD The Administrator shall levy on the Leasehold Interest in each Assessed Parcel the Net Assessed Parcel Tax Levy for such Assessed Parcel. Any Remainder Special Taxes collected shall be applied pursuant to the Financing Plan

The Review Authority shall make the final determination regarding available Parcel Increment, the Maximum Development Special Tax that applies to a Parcel based on the Leasehold Interests in the Parcel, and the application of Parcel Increment pursuant to Substeps 1dC(i) and 1dC(ii) above

*Step 2* After the First Bond Sale, if additional revenue is needed after Step 1 in order to meet the Development Special Tax Requirement after Capitalized Interest has been applied to reduce the Development Special Tax Requirement, the Development Special Tax shall be levied Proportionately on Leasehold Interests in each Taxable Parcel of Undeveloped Property, in an amount up to 100% of the Maximum Development Special Tax for Leasehold Interests in each Taxable Parcel of Undeveloped Property for such Fiscal Year

## **2. Office Special Tax**

Each Fiscal Year, the Administrator shall determine the Office Special Tax Requirement for the Fiscal Year, and the Office Special Tax shall be levied according to the steps outlined below

*Step 1.* Levy the Maximum Office Special Tax on Leasehold Interests in each Taxable Parcel of Developed Property Any Remainder Special Taxes collected shall be applied pursuant to the Financing Plan

*Step 2* After the First Bond Sale, if additional revenue is needed after Step 1 in order to meet the Office Special Tax Requirement after Capitalized Interest has been applied to reduce the Office Special Tax Requirement, the Office Special Tax shall be levied Proportionately on Leasehold Interests in each Taxable Parcel of



Undeveloped Property, in an amount up to 100% of the Maximum Office Special Tax for Leasehold Interests in each Taxable Parcel of Undeveloped Property for such Fiscal Year

### **3. Shoreline Special Tax**

Each Fiscal Year, the Administrator shall determine the Shoreline Special Tax Requirement for the Fiscal Year, and the Shoreline Special Tax shall be levied according to the steps outlined below

*Step 1* Levy the Maximum Shoreline Special Tax on Leasehold Interests in each Taxable Parcel of Developed Property Any Remainder Special Taxes collected shall be applied pursuant to the Financing Plan.

*Step 2* After the First Bond Sale, if additional revenue is needed after Step 1 in order to meet the Shoreline Special Tax Requirement after Capitalized Interest has been applied to reduce the Shoreline Special Tax Requirement, the Shoreline Special Tax shall be levied Proportionately on Leasehold Interests in each Taxable Parcel of Undeveloped Property, in an amount up to 100% of the Maximum Shoreline Special Tax for Leasehold Interests in each Taxable Parcel of Undeveloped Property for such Fiscal Year

### **4. Contingent Services Special Tax**

Each Fiscal Year after the Fiscal Year in which the Trigger Event occurs, the Administrator shall coordinate with the City and the Port to determine the Services Special Tax Requirement for the Fiscal Year The Contingent Services Special Tax

shall then be levied Proportionately on Leasehold Interests in each Taxable Parcel of Developed Property, in an amount up to 100% of the Maximum Contingent Services Special Tax for Leasehold Interests in each Parcel of Developed Property for such Fiscal Year until the amount levied is equal to the Services Special Tax Requirement. The Contingent Services Special Tax may not be levied on Undeveloped Property.

#### **G. COLLECTION OF SPECIAL TAXES**

Special Taxes shall be collected in the same manner and at the same time as ordinary ad valorem property taxes on the regular tax roll, provided, however, that the City may directly bill Special Taxes, may collect Special Taxes at a different time or in a different manner, and may collect delinquent Special Taxes through foreclosure or other available methods as authorized by the CFD Law. The Board of Supervisors has ordered any Special Taxes to be levied on Leasehold Interests to be levied on the secured roll. The Special Tax bill for any Taxable Parcel subject to a Leasehold Interest will be sent to the same party that receives the possessory interest tax bill associated with the Leasehold Interest unless it is sent directly to the Taxpayer.

In calculating the Development Special Tax Requirement, Office Special Tax Requirement, or Shoreline Special Tax Requirement, under no circumstances may the Development Special Tax, Office Special Tax, or Shoreline Special Tax that is levied on a Leasehold Interest in a Taxable Parcel in a Fiscal Year be increased by more than ten percent (10%) of the respective Maximum Development Special Tax, Maximum Office Special Tax, or Maximum Shoreline Special Tax for that Parcel (or such lesser amount required by the CFD Law) as a consequence of delinquency or default in payment of Special Taxes levied on Leasehold Interests in another Parcel(s) in the STD (the "Delinquency Levy").

The Delinquency Levy, if any, is determined when calculating the Development Special Tax Requirement. Accordingly, when determining the levy of Development Special Taxes on Leasehold Interests in Assessed Parcels pursuant to Step 1 of Section F.1, the Delinquency Levy, if any, has already been applied and, therefore, the Administrator shall not levy any additional Delinquency Levy on an Assessed Parcel that has its Development Special Tax levy reduced or eliminated by Parcel Increment.

The Development Special Tax shall be levied and collected on Leasehold Interests in each Taxable Parcel until the earlier of (i) the Fiscal Year in which the Port determines that all Authorized Expenditures that will be funded by the STD have been funded and all Development Special Tax Bonds have been fully repaid, (ii) the Fiscal Year after the Fiscal Year in which Tax Increment is no longer collected within the Sub-Project Area within which the Taxable Parcel is located and all Development Special Tax Bonds have been fully repaid, as determined by the Administrator with direction from the Deputy Director, and (iii) Fiscal Year 2093-94.

The Office Special Tax and the Shoreline Special Tax shall be levied on and collected from Leasehold Interests in each Taxable Parcel for 120 Fiscal Years.

Beginning in the first Fiscal Year after the Fiscal Year in which the Trigger Event occurs, the Contingent Services Special Tax shall be levied and collected in perpetuity.

#### **H. EXEMPTIONS**

Notwithstanding any other provision of this RMA, no Special Taxes will be levied on fee simple interests in the STD, including Tax-Exempt Port Parcels.

## **I. INTERPRETATION OF SPECIAL TAX FORMULA**

The Crty may interpret, clarify, and revise this RMA to correct any inconsistency, vagueness, or ambiguity, by resolution or ordinance, as long as such interpretation, clarification, or revision does not materially affect the levy and collection of the Special Taxes and any security for any Bonds

## **J. SPECIAL TAX APPEALS**

Any Taxpayer who wishes to challenge the accuracy of computation of the Special Taxes in any Fiscal Year may file an application with the Administrator. The Administrator, in consultation with the Crty Attorney, shall promptly review the Taxpayer's application. If the Administrator concludes that the computation of the Special Taxes was not correct, the Administrator shall correct the Special Tax levy and, if applicable in any case, a refund shall be granted. If the Administrator concludes that the computation of the Special Taxes was correct, then such determination shall be final and conclusive, and the Taxpayer shall have no appeal to the Board from the decision of the Administrator.

The filing of an application or an appeal shall not relieve the Taxpayer of the obligation to pay the Special Taxes when due

Nothing in this Section J shall be interpreted to allow a Taxpayer to bring a claim that would otherwise be barred by applicable statutes of limitation set forth in the CFD Law or elsewhere in applicable law

**ATTACHMENT 1  
CITY AND COUNTY OF SAN FRANCISCO  
SPECIAL TAX DISTRICT NO. 2020-1  
(MISSION ROCK FACILITIES AND SERVICES)**

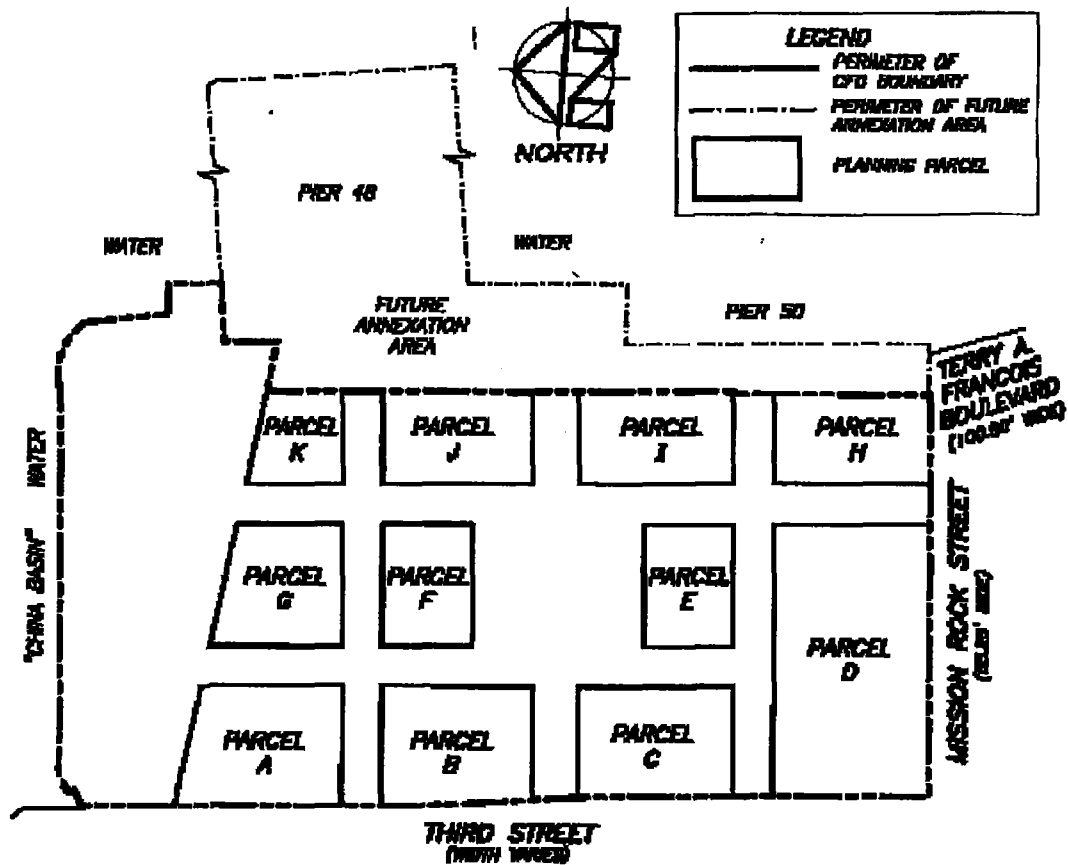
**IDENTIFICATION OF PLANNING PARCELS**

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## ATTACHMENT 1

City and County of San Francisco  
Special Tax District No. 2020-1  
(Mission Rock Facilities and Services)

### IDENTIFICATION OF PLANNING PARCELS



MARTIN M. RON ASSOCIATES, INC.  
Land Surveyors  
250 HARRISON STREET, SUITE 200  
San Francisco, California 94107  
C-VEVE, EXHIBIT-CF'S 2020.010  
JANUARY 31, 2020

**ATTACHMENT 2**

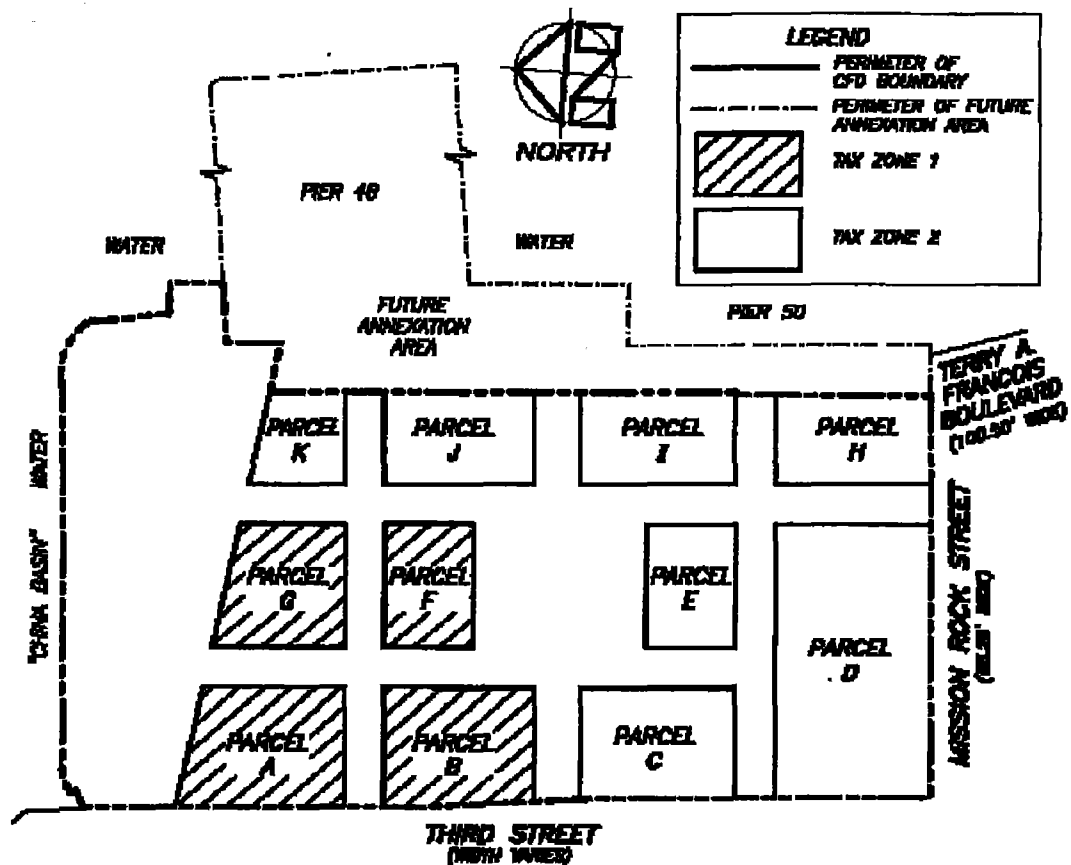
**CITY AND COUNTY OF SAN FRANCISCO  
SPECIAL TAX DISTRICT NO. 2020-1  
(MISSION ROCK FACILITIES AND SERVICES)**

**IDENTIFICATION OF TAX ZONES**

## ATTACHMENT 2

City and County of San Francisco  
Special Tax District No. 2020-1  
(Mission Rock Facilities and Services)

### IDENTIFICATION OF TAX ZONES



MARTIN M. RON ASSOCIATES, INC.  
Land Surveyors  
850 HARRISON STREET, SUITE 200  
San Francisco, California 94107  
D:\PERS\EXHIBIT-CFS 2107.dwg  
JANUARY 31, 2020



**ATTACHMENT 3**  
**City and County of San Francisco**  
**Special Tax District No. 2020-1**  
**(Mission Rock Facilities and Services)**

**Expected Land Uses, Expected Maximum Development Special Tax Revenues,  
Expected Maximum Office Special Tax Revenues, and  
Expected Maximum Shoreline Special Tax Revenues**

Planning Parcel	Expected Land Uses	Expected Square Footage	Expected Maximum Development Special Tax Revenues (FY 2019-20)*	Expected Maximum Office Special Tax Revenues (FY 2019-20)*	Expected Maximum Shoreline Special Tax Revenues (FY 2019-20)*
<b><i>Tax Zone 1</i></b>					
Parcel A	Market Rate Residential Square Footage	146,000	\$1,252,680	\$0	\$0
	Office Square Footage	48,447	\$314,906	\$93,018	\$88,174
Parcel B	Market Rate Residential Square Footage	0	\$0	\$0	\$0
	Office Square Footage	255,008	\$1,657,552	\$489,615	\$464,115
Parcel G	Market Rate Residential Square Footage	0	\$0	\$0	\$0
	Office Square Footage	283,323	\$1,841,600	\$543,980	\$515,648
Parcel F	Market Rate Residential	113,000	\$969,540	\$0	\$0

Planning Parcel	Expected Land Uses	Expected Square Footage	Expected Maximum Development Special Tax Revenues (FY 2019-20)*	Expected Maximum Office Special Tax Revenues (FY 2019-20)*	Expected Maximum Shoreline Special Tax Revenues (FY 2019-20)*
	Square Footage				
	Office Square Footage	0	\$0	\$0	\$0
<b>Tax Zone 2</b>					
Parcel C	Market Rate Residential Square Footage	0	\$0	\$0	\$0
	Office Square Footage	355,000	\$2,307,500	\$571,550	\$646,100
Parcel D	Market Rate Residential Square Footage	76,800	\$658,944	\$0	\$0
	Office Square Footage	0	\$0	\$0	\$0
Parcel E	Market Rate Residential Square Footage	0	\$0	\$0	\$0
	Office Square Footage	141,000	\$916,500	\$227,010	\$256,620
Parcel H	Market Rate Residential Square Footage	96,000	\$823,680	\$0	\$0
	Office Square Footage	49,999	\$324,994	\$80,498	\$90,998

Planning Parcel	Expected Land Uses	Expected Square Footage	Expected Maximum Development Special Tax Revenues (FY 2019-20)*	Expected Maximum Office Special Tax Revenues (FY 2019-20)*	Expected Maximum Shoreline Special Tax Revenues (FY 2019-20)*
Parcel I	Market Rate Residential Square Footage	0	\$0	\$0	\$0
	Office Square Footage	152,000	\$988,000	\$244,720	\$276,640
Parcel J	Market Rate Residential Square Footage	0	\$0	\$0	\$0
	Office Square Footage	152,000	\$988,000	\$244,720	\$276,640
Parcel K	Market Rate Residential Square Footage	62,400	\$535,392	\$0	\$0
	Office Square Footage	49,999	\$324,994	\$80,498	\$90,998
<b>TOTAL EXPECTED REVENUES (FY2019-20)</b>			<b>\$13,904,280</b>	<b>\$2,575,611</b>	<b>\$2,705,932</b>

\*Beginning July, 2020 and each July 1 thereafter, the Base Development Special Tax, the Base Office Special Tax, and the Base Shoreline Special Tax shall be escalated as set forth in Section D.1.

**EXHIBIT H**

**CFD and Assessment Matters**

## Parcel Lease Exhibit H: CFD and Assessment Matters

All matters addressed in this Exhibit relate to the following actions (the “**CFD Actions**”), all of which the City undertook 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**”), approved by the Board of Supervisors pursuant to a resolution of formation (the “**Formation Resolution**”) to form the Special Tax District (as defined herein) to implement the Financing Plan in the DDA between the Master Developer and the Port (collectively, the “**CFD Provisions**”). Capitalized terms not otherwise defined hereinafter shall have the meaning set forth in the DDA (as such term is defined in the Parcel Lease). 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 CFD Actions included:

- (a) formation of a special tax district designated as “*City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services)*” (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 of special taxes for the Special Tax District (the “**Rate and Method**”), a copy of which is attached to the Formation Resolution, for the calculation and levy of (i) the Development Special Tax, the Shoreline Special Tax, and the Office Special Tax (as each term is defined in the Rate and Method and collectively referred to herein as the “**Facilities Special Taxes**”), and (ii) the Contingent Services Special Tax (as such term is defined in the Rate and Method and referred to herein as the “**Contingent Services Special Tax**” and together with the Facilities Special Taxes, 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 pursuant to California Government Code Section 53328.3;
- (e) authorization to issue bonds secured by one or more of the Facilities Special Taxes (“**Bonds**”);
- (f) authorization to use Bond proceeds and Facilities Special Taxes to finance the construction, completion, and acquisition of improvements described in the Formation Resolution (the “**CFD Improvements**”); and
- (g) following the Trigger Event (as defined in the Rate and Method), authorization to levy and use Contingent Services 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 Interest Subject to CFD Provisions. The Tenant acknowledges and agrees as follows.

(a) Its leasehold interest in the Premises will be 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 leasehold interest in the Premises were reduced or eliminated, coordination of CFD Improvements and Services 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 leasehold interest in the Premises;

iv. the authorization to issue, and the timing, amount, and structure of the issuance of, 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 Taxes 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 the Parcel Lease has on the date of execution of the Parcel 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 the Parcel Lease;
- ii. a review of documents that the person determined were reasonably necessary to obtain knowledge of the matters set forth in the Parcel 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 without 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:

(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 executed in connection with the issuance of municipal bonds relating to Related Property in projects in California.

6. Acknowledgment of the Special Tax Rates. The Rate and Method has been provided to the Tenant prior to the Effective Date of the Parcel Lease. The Tenant has read and, if deemed necessary, consulted with counsel, regarding the Rate and Method.

7. Issuance of Bonds. This Section will apply to the Special Tax District's issuance of each and every series 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 leasehold interest in 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 Premises;
- 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. customary 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. any 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. customary opinions of counsel for the Tenant requested by any of the Financing Participants, which may include any of the matters 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 with the consent of the Master Developer in accordance with the Financing Plan 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 leasehold interest in 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 leasehold interest in 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 the Parcel 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 customarily 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, (i) 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, and (ii) the assumption of any continuing disclosure agreement will be a condition precedent to the Effective Date of the Parcel 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 leasehold interest in 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. Intentionally Omitted.

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) Tenant may initiate a Reassessment to reduce a Baseline Assessed Value of the Premises, but may not initiate and waives any right to initiate, a Reassessment of the Subsequent 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:

- i. For each year during the period provided in clause (ii) below, 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.
- ii. 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 IFD Termination Date; and (B) when the Assessment Shortfall is reduced to zero.
- iii. Payment of the Assessment Shortfall will constitute a cure of any Event of Default with respect to any breach by "Tenant" of the covenant and waiver in Section 5.2(d)(i) (Tenant Waiver and Covenant) of the Parcel Lease.

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 tenant of the entirety of the Premises and require each such tenant 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 tenants

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 the Parcel 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 hereto as Exhibit E and the Tenant shall execute and return to the Port a copy of the Notice of Special Tax within three business days after being provided a copy of the Notice of Special Tax.

(f) The covenants and provisions contained in this Exhibit remain in effect for the term of the Parcel Lease.

Attachment 1: Certain Representations of Tenant  
Exhibit G to Parcel Lease: Notice of Special Tax

**Attachment 1:**

**Certain Representations of Tenant**

None.

EXHIBIT I

Assessor Information

## PARCEL LEASE EXHIBIT I - ASSESSORS INFORMATION

### Overview of major events

- Pre-event information
- Assessable/actionable events for ASR
  - Initial land sale/transfer of title
  - Mapping
  - Tax certificates
  - Lien date new construction
  - Completed new construction
  - Final ownership changes/sales to users

### Pre-event information

- Project timeline of major events
- Points of contact for the project (City PM, developer, etc.)
- Physical boundaries and clear legal descriptions of what is being conveyed, built, sold, etc. in each phase of the project and at the time of map recordation
- Anticipated final land use for each phase of the project
- Current federal/state maps if available

*Advance notice and communication of updates at each step in the process*

### Event information

#### 1. Initial land sale / transfer of title

- a. Assessable: any recorded change in ownership or ground lease/changes to existing ground lease
- b. Information needed:
  - i. Deeds (transfer maps do not convey title for ASR purposes)
  - ii. Subdivision maps and how they correspond to recorded deeds
  - iii. Appraisal for transfers from government entities or non-arm's length transactions
- c. Timing: at the time of recording for a basis of calculating transfer tax

#### 2. Mapping

- a. Justification/Purpose: ASR needs this information to reserve new block and lot numbers for the project.
- b. Information needed:
  - i. Tentative maps that overlay future parcel changes and project phases (with current APNs and future reserved APNs)
  - ii. Federal/state maps if applicable
  - iii. Timeline of subdivision activity and how the current parcels will be divided/combined/adjusted in each phase of the subdivision
  - iv. Initial subdivision maps and what deeds they correspond to
- c. Timing:
  - i. Upon request to reserve APNs for new project



### 3. Tax certificates (Treasurer & Tax Collector's Office provides to ASR)

- a. Justification: ASR needs this information to (1) ensure that any outstanding changes in ownership have been recorded and any completed or anticipated new construction has been valued and (2) to generate a new assessed value for TTX to use for tax pre-payment purposes.
- b. Information needed:
  - i. Pre-final map
  - ii. TTX Form A and B (depending on how complicated the development is)
- c. Timing: whenever requested by the taxpayer, ASR has four weeks to review and determine new value

### 4. Lien date new construction

- a. Justification/Purpose: ASR needs this information to accurately assess the value of new construction in progress as of January 1<sup>st</sup> as required by the Revenue & Taxation Code.
- b. Information needed:
  - i. The date construction started and the estimated completion date. If construction was in progress on January 1<sup>st</sup>, the percentage of construction completed.
  - ii. A complete list of all the construction and/or demolition cost incurred as of this date, including direct and indirect costs and entrepreneurial profit. *(sample provided for reference)*
  - iii. Copies of any leases signed.
  - iv. A detailed description of all work to be completed or any changes to the work description.
  - v. A copy of the pro forma, feasibility study or appraisal used to support the building of this project.
  - vi. Copies of all application for building permits.
  - vii. Certified copy of the lender's disbursement of funds.
  - viii. Cost not funded by construction loan.
  - ix. Details on any current or anticipated efforts to sell the property, if applicable.
  - x. Any additional information, if not referenced above, that would influence the market value of the property.
  - xi. Name, mailing address, phone number and e-mail of person(s) to contact regarding additional questions and inspection of property.
- c. Timing:
  - i. By January 31<sup>st</sup> of each year the construction is in progress

### 5. Completed new construction

- a. Justification: ASR needs this information to accurately assess the value of completed new construction as of the date of completion as required by the Revenue & Taxation Code.
- b. Information needed:
  - i. All property types
    - 1. The date construction started and completion date.
    - 2. A detailed description of all work completed (attach referenced floor plans, etc.)
    - 3. Copies of all applications for building permits.
    - 4. A complete list of all construction costs (see form) including direct, indirect costs and anticipated or actual entrepreneurial profit.
    - 5. Detailed information on costs not funded by construction loans.
    - 6. A copy of the pro forma, feasibility study or appraisal used to support the building of this project.
    - 7. Details on any current or anticipated efforts to sell the property, if applicable.
    - 8. Copies of any leases signed or currently in negotiation. Please include asking rents for spaces not leased.
    - 9. A copy of the land lease or other document that indicates the value of the land, if applicable.
    - 10. Projected or actual income and expense statement and a schedule of asking rent, if applicable. For actual statements, please provide the source document.

11. Certified copy of the lender's disbursement of funds.
  12. Details on parking stall rents and any miscellaneous income.
  13. Any appraisal completed.
  14. Any additional information, if not referenced above, that would influence the market value of the property.
  15. Name, address, phone number and email of person to contact for questions/arrange for a site inspection.
- ii. Office
1. Rent roll showing net rentable areas by floor and area leased by each tenant; the type of lease (FSG, NNN or IG); the date and terms of each lease; the move in date; options to renew; escalation clauses; tax clauses; free rent or any lease concessions, landlord tenant improvement allowances.
  2. The gross and net rentable areas of the building.
  3. Projected or actual sales volume of the property.
  4. A copy of any existing operating agreements, if applicable.
  5. A copy of the feasibility study.
  6. A copy of the stacking plan, if applicable.
  7. XFactor or BOMA recalculation of square footage, if applicable.
  8. If the construction project includes a parking garage:
    - a. How will it be operated (i.e. leased to a second party for contract rent or net income to the owner)?
    - b. What is the anticipated number of spaces and vehicle capacity (with valet services if applicable)?
    - c. What will be the monthly fee for parking?
- iii. Retail
1. Rent roll showing net rentable areas by floor and area leased by each tenant; the type of lease (FSG, NNN or IG); the date and terms of each lease; the move in date; options to renew; escalation clauses; tax clauses; free rent or any lease concessions, landlord tenant improvement allowances.
  2. The gross and net rentable areas of the building.
  3. Details on parking stall rents and any miscellaneous income.
  4. Projected or actual sales volume of the property.
  5. A copy of the operating agreement signed with the mall owner, if applicable.
- iv. Apartments
1. Tenant Rent Roll for residential and commercial units that includes the unit number, unit type (number of beds/baths), number of rooms, market rate or BMR unit, occupancy, square footage, contract rental rate, date lease signed, market rental rate, other fees collected – parking, storage, pet. Overall parking spaces, any upgrades, floor and view premiums (if applicable). Please provide a rent roll as of the certificate of occupancy and/or when stabilized occupancy is achieved.
  2. A finish schedule.
  3. Total square footage of improvements allocated by use (residential, retail, common area, parking, etc.). Area (sq. ft.) of each floor including basement, mezzanine, penthouse, etc.
- v. Condos
1. The Parcel Split/Condo Conversion Questionnaire (*attached, Excel is strongly preferred.*)
  2. For any units retained by the developer (i.e. parking, storage, retail, etc.), please provide copies of any signed leases, details on any leases in negotiation or proposed, or a summary of asking rents. Include a tenant rent roll, projected or actual income and expense statements, and net rentable area of each retained unit.
  3. Condo map/plan (if applicable) – required for us to split a new condo project or condo conversion

vi. Hotel

1. A list of the number of hotel rooms, the average daily rates, and projected occupancy levels.
  2. Percentage of guest segmentation.
  3. A copy of the Management Agreement.
  4. A copy of the Franchise Fee Agreement, specifically identifying the franchise fees and how they are determined.
  5. Breakdown of real property and personal property.
  6. Current or projected rent roll showing any net rentable areas of the building by floor and area leased by each retail tenant (if any); the type of lease (FSG, NNN, or IG); the date and terms of each lease, the move in date; options to renew, escalation clauses, tax clauses, free rent or any lease concessions, or landlord/tenant improvement allowances. If there are no leasable office or retail areas on the property, so state.
- c. Timing: within 60 days upon completion of construction for each project phase

6. Final ownership changes/sales to users

- a. Event: any recorded change in ownership or new lease/changes to existing lease
- b. Information needed:
  - i. All property types
    1. Information about the sale:
      - a. The purchase agreement and closing statement
      - b. Identify the broker or agent on the sale
      - c. Original list price
      - d. Days on market
    2. Details and terms of financing the property.
    3. Details on any anticipated deferred maintenance costs or capital expenditures anticipated by buyer at the time of the sale (i.e. renovations, major repairs, seismic retrofitting, and asbestos abatement) and a detailed schedule of when the work is to be completed.
    4. If the purchase price was not considered market value for the property, an explanation of why.
    5. Detailed anticipated income and expense operating statements of the new owner at time of purchase and/or acquisition and the prior two (2) years.
    6. Copies of any leases or lease abstracts, amendments or renewals, including free rent and tenant improvement allowances agreed to.
    7. Marketing materials and/or asking rents to lease vacant space as of the transfer date.
    8. Any anticipated changes in use.
  - ii. Office
    1. A copy of the Offering Memorandum distributed by selling agent.
    2. Copies of any appraisal prepared for purchase financing.
    3. The investor's pro-forma and market rent assumptions generated by Argus investment analysis or other format (Excel preferred).
    4. A rent roll as of the change in ownership date showing; all tenants with corresponding suite numbers, suite sizes (sf), monthly or annual rent, date and terms of leases, scheduled rent escalations and any vacant rentable space (Excel format preferred).
    5. Indicate if any lease expense agreements are other than full-service gross with a base year (FSG).
    6. If vacancy is above 10%, provide historical vacancy or occupancy ratios (on an annual or bi-annual basis) over the previous three (3) years.
    7. A detailed annual income and expense summary for the year of sale and the prior two (2) years. If historical income and operating statements were not provided by the seller, please substitute your operating budget as of the purchase date (Excel format preferred).

iii. Retail

1. Any cash flow analysis, pro forma worksheets or investment analysis in the acquisition of the property.
2. Any appraisal prepared for the acquisition or financing of the subject property.
3. Details on the financing involved for the purchase and/or acquisition of the subject property.
4. Current rent roll showing net rentable areas by floor and area leased by each tenant; the type of lease (FSG, NNN or IG); the date and terms of each lease; the move in date; options to renew; escalation clauses; tax clauses; free rent or any lease concessions, landlord tenant improvement allowances.
5. The gross and net rentable areas of the building.
6. At the time of transfer, indicate the amount of net rentable vacant space, identify its location within the building and indicate the asking rental rates.
7. The anticipated sales volume of the property.

iv. Apartments

1. Rent roll as of the change in ownership date, showing the list of all tenants with monthly rent and move-in date. For retail tenants, please provide copies of the lease(s), including any amendments or renewals (Excel format preferred).
2. The anticipated rental rates for any vacant units.
3. The anticipated operating income and expenses at the time of purchase/change in ownership. If available, provide the operating income and expenses statements for the two (2) years preceding change in ownership (Excel format preferred).
4. Details on any miscellaneous income (parking, laundry, storage, etc.)
5. A copy of any appraisal prepared for any purpose (financing, insurance, investment) within two (2) years of the event date.
6. A description of each unit; number of rooms, bedrooms, bathrooms, furnished or unfurnished.

v. Hotel

1. Any appraisal, pro forma or feasibility study made to assist in the acquisition of the subject property, or for any other purpose (i.e. insurance, investment, financing) prepared within two (2) years of the event date.
2. List of the number of hotel rooms, the average daily rates and occupancy levels as of the change in ownership date and for the previous two (2) years.
3. The guest segmentation, by percentage.
4. Detailed, historic income and expense statement for the two (2) years prior to the event date, and the budgeted or anticipated income and expense statement for the first year following the change in ownership date.
5. Copy of the Management Agreement.
6. Copy of the Franchise Agreement, specifically identifying the franchise fees and how they are determined.
7. Copy of the Smith Travel Report for the property, as of the same year as the change in ownership.
8. The current rent roll showing net rentable areas by floor and area leased by each retail tenant (if any); the type of lease (FSG, NNN or IG); the date and terms of each lease; the move in date; options to renew; escalation clauses; tax clauses; free rent or any lease concessions, landlord tenant improvement allowances. If there are no leasable areas of the property, so state.
9. Copy of the sale agreement with detailed itemizations of all real property and business personal property components included in the sale.

vi. Single Family Homes/Condos

1. No additional information needed, recorded deed is sufficient

c. Timing: within 60 days of a change to the fee owner of the property

## Attachments

1. In Progress and Completed New Construction Cost Report template
2. Parcel Split/Condo Conversion Questionnaire

EXHIBIT J

Leasing Activity Report

Parcel Lease Exhibit J

Form of Leasing Activity Report

**LEASING ACTIVITY REPORT**

Parcel: [ ]

Date: [ ]

This Leasing Activity Report is being delivered to Port pursuant to Section 9.3(a) of that certain Lease dated \_\_\_\_\_ by and between \_\_\_\_\_ ("Tenant") and the Port. Initially capitalized terms used herein are defined in the Lease.

Item	As of the Above-Listed Date
Total square footage available for Sublease at the Premises	
Total square footage of Subleased Space	
Number of Subtenants	
Average rental rate for Subleased Space (expressed as monthly rate of dollars per square foot of Subleased Space)	
Gross revenues from the Premises [Note: If gross revenues haven't been made available in other public forums, such as government filings, then Tenant is not required to disclose the same in this Leasing Activity Report and may write "N/A" in the column at right]	

The contents of this Leasing Activity Report were prepared by the undersigned, who, as an officer of the Tenant, certified that to the best of his/her knowledge this Leasing Activity Report is a true and correct copy. The undersigned has executed this Leasing Activity Report in his/her capacity as an officer of Tenant, and shall incur no personal liability in connection herewith.

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT K

Mitigation Monitoring and Reporting Program



MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
NOTE: Each mitigation measure in this document applies to the proposed project and all variants, unless noted otherwise.				
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility (Public Agency)	Monitoring Schedule
MITIGATION MEASURES FOR THE SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
<del>Cultural Resources/Archeological Resources/Mitigation Measures</del>				
<b>M-CP-2: Archeological Testing.</b> 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 sponsor shall retain the services of an archeological consultant from the rotational Qualified Archeological Consultants List (QACL) maintained by the Planning Department archeologist. The project sponsor shall contact the Planning 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 4 weeks. At the direction of the ERO, the suspension of construction can be extended beyond 4 weeks only if such a suspension is the only feasible means to reduce to a less-than-significant level of potential effects on a significant archeological resource, as defined in CEQA Guidelines, Sections 15064.5 (a) and (c).	Permittee for horizontal improvements, such as infrastructure, in public right-of-ways, and public spaces (hereinafter "infrastructure developer") or vertical developer(s) for work on vertical development parcels and related improvements (hereinafter "vertical developer(s)"). <sup>1</sup> as applicable, to retain qualified professional archaeologist from the rotational pool of archaeological consultants maintained by the Planning	Prior to issuance of site permits.	Infrastructure developer or vertical developer, as applicable, to retain the qualified archeological consultant for the project who shall report to the ERO. Qualified archeological consultant will scope archeological testing program with ERO.	Considered complete when infrastructure developer or vertical developer(s), as applicable, retains a qualified professional archaeological consultant and archeological consultant has approved scope by the ERO and submits any required reports to ERO for the archeological testing program.

<sup>1</sup> Where applicable, "vertical developer" includes the Pier 48 developer.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
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MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility (Public Agency)	Monitoring Schedule
<p><i>Consultation with Descendant Communities:</i> On discovery of an archeological site<sup>2</sup> associated with descendant Native Americans, the overseas Chinese, or other potentially interested descendant group, an appropriate representative<sup>3</sup> 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 offer recommendations to the ERO regarding appropriate archeological treatment of the site, recovered data from the site, and, if applicable, 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>Department, Infrastructure developer or vertical developer(s) (as applicable) and archaeological consultant.</p>	<p>For the duration of soil-disturbing activities and data recovery of potentially significant archeological sites.</p>	<p>Infrastructure developer or vertical developer(s) (as applicable) and/or archaeological consultant shall contact the ERO and descendant group representative upon discovery of an archeological site associated with descendant Native Americans, Overseas Chinese, or interested descendant group. 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 archeological treatment of the site, of recovered data from the site, and, if applicable, any interpretative treatment of the associated archeological site. Archaeological Consultant shall prepare a Final Archaeological Resources</p>	<p>Considered complete upon submittal of Final Archaeological Resources Report.</p>

<sup>2</sup> The term "archeological site" is intended here to include any archeological deposit, feature, burial, or evidence of burial.

<sup>3</sup> An "appropriate representative" of the descendant group is here defined to mean, in the case of Native Americans, any individual listed in the current Native American contact list for the City and County of San Francisco maintained by the NAHC or, in the case of overseas Chinese, the Chinese Historical Society of America. An appropriate representative of other descendant groups should be determined in consultation with the department archeologist.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
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MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility (Public Agency)	Monitoring Schedule
			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.	
<i>Archeological Testing Program.</i> 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 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 identify and evaluate whether any archeological resource encountered on the site constitutes a historical resource under CEQA.	Infrastructure developer or vertical developer(s) (as applicable) and archeological consultant in consultation with the ERO. Development of ATP for a defined geographic area and/or specified construction activities.	Prior to any excavation, site preparation or construction, and prior to testing, submit an ATP for a defined geographic area and/or specified construction activities to and obtain approval by the ERO. A single ATP or multiple ATPs may be produced to address project phasing.	Archeological consultant to undertake ATP in consultation with ERO.	Prior to any soil disturbing activities. Considered complete upon approval of the ATP by the ERO and finding by the ERO that the ATP is implemented.
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. No archeological data recovery shall be undertaken without the prior approval of the ERO or the Planning Department archeologist. 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 sponsor:	Infrastructure developer or vertical developer(s) (as applicable) and archeological consultant in consultation with the ERO.	Upon completion of the archeological testing program.	Archeological consultant to submit results of testing, and, in consultation with ERO, determine whether additional measures are warranted. If significant archeological resources are present and may be adversely affected, the infrastructure developer or vertical developer(s) (as applicable), at its discretion, may elect to redesign a project, or implement data	Considered complete after ERO review and approval of report(s) on ATP findings.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
NOTE: Each mitigation measure in this document applies to the proposed project and all variants, unless noted otherwise.				
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility (Public Agency)	Monitoring Schedule
			recovery program, unless ERO determines the archaeological resource is of greater interpretive than research significance and that interpretive use is feasible.	
<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>	Written report on ATP findings: Infrastructure developer or vertical developer(s) (as applicable) and archaeological consultant in consultation with the ERO.	At the completion of each archaeological testing program.	Archeological consultant shall submit report of the findings of the ATP to the ERO.	After completion of archeological testing program.
<p><i>Archeological Monitoring Program.</i> If the ERO, in consultation with the archaeological consultant, determines that an archeological monitoring program shall be implemented, the archeological monitoring program shall include the following provisions:</p> <ul style="list-style-type: none"> <li>The archaeological consultant, project sponsor, and ERO shall meet and consult on the scope of the archeological monitoring program reasonably prior to any project-related soil-disturbing activities commencing. The ERO, in consultation with the archaeological consultant, shall determine what project activities shall be archeologically monitored. In most cases, any soil-disturbing activities, such as demolition, foundation removal, excavation, grading, utility installation, foundation work, pile driving (foundation, shoring, etc.), site remediation, etc., shall require archeological monitoring because of the risk these activities pose to potential archeological resources and their depositional context.</li> <li>The archaeological consultant shall advise all project contractors to be on the alert for evidence of the presence of the expected resource(s), know how to identify evidence of the expected resource(s), and know the appropriate protocol in the event of apparent discovery of an archeological</li> </ul>	Infrastructure developer or vertical developer(s) (as applicable) and archaeological consultant in consultation with the ERO.	The archaeological consultant, infrastructure developer or vertical developer(s) (as applicable), and ERO shall meet prior to the commencement of soil-disturbing activities for a defined geographic area and/or specified construction activities. The ERO in consultation with the archaeological	If required, archaeological consultant to prepare the AMP in consultation with the ERO. Infrastructure developer or vertical developer(s) (as applicable), project archaeological consultant, and infrastructure developer's or vertical developer(s) contractors shall implement the AMP, if required by the ERO.	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.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
NOTE: Each mitigation measure in this document applies to the proposed project and all variants, unless noted otherwise.				
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility (Public Agency)	Monitoring Schedule
<p>resource;</p> <ul style="list-style-type: none"> <li>The archeological monitor(s) shall be present on the project site according to the 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> <li>If an intact archeological deposit is encountered, all soil-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, the pile-driving activity shall be terminated 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.</li> <li>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.</li> </ul>		consultant shall determine what archaeological monitoring is necessary. A single AMP or multiple AMPs may be produced to address project phasing.		
<p><i>Archeological Data Recovery Program.</i> The archeological data recovery program shall be conducted in accordance with an archeological data recovery plan (ADRP). The archeological consultant, project sponsor, 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</p>	Infrastructure developer or vertical developer(s) (as applicable) and archaeological consultant in consultation with 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, archaeological consultant to prepare an ADRP(s) in consultation with the ERO.	Considered complete upon review and approval of the ADRP(s) by the ERO.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
NOTE: Each mitigation measure in this document applies to the proposed project and all variants, unless noted otherwise.				
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility (Public Agency)	Monitoring Schedule
<p>address the applicable research questions. Data recovery, in general, should 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 any portions of the archeological resources if nondestructive methods are practical.</p> <p>The scope of the ADRP shall include the following elements:</p> <ul style="list-style-type: none"> <li>Field Methods and Procedures. Descriptions of proposed field strategies, procedures, and operations.</li> <li>Cataloging and Laboratory Analysis. Description of selected cataloging system and artifact analysis procedures.</li> <li>Discard and Deaccession Policy. Description of and rationale for field and post-field discard and deaccession policies.</li> <li>Interpretive Program. Consideration of an onsite/offsite public interpretive program during the course of the archeological data recovery program.</li> <li>Security Measures. Recommended security measures to protect the archeological resource from vandalism, looting, and nonintentionally damaging activities. Final Report. Description of proposed report format and distribution of results.</li> <li>Curation. 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><i>Final Archeological Resources Report.</i> The archeological consultant shall submit a Draft 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. A separate, brief, non-confidential summary of findings that can be made available to the public shall be submitted with each FARR.</p>	Infrastructure developer or vertical developer(s) (as applicable) and archaeological consultant in consultation with the ERO.	For infrastructure developer-prior to acceptance of work. Prior to issuance of Certificate of Temporary or Final Occupancy, whichever occurs first.	If applicable, archaeological consultant to submit a Draft FARR to ERO.	Considered complete on submittal of FARR and approval by ERO.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
NOTE: Each mitigation measure in this document applies to the proposed project and all variants, unless noted otherwise.				
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility (Public Agency)	Monitoring Schedule
Once approved by the ERO, copies of the FARR shall be distributed as follows: California Archeological Site Survey Northwest Information Center (NWIC) shall receive one copy, the ERO shall receive a copy of the transmittal of the FARR to the NWIC, and 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 public interest in or high interpretive value of the resource, the ERO may require a final report content, format, and distribution different from that presented above. --	Archaeological consultant at the direction of the ERO.	Upon approval of the FARR by the ERO.	Archaeological consultant to distribute FARR.	Considered complete when archaeological consultant provides written certification to the ERO that the required FARR distribution has been completed.
<b>M-CP-3: Treatment of Human Remains, Associated or Unassociated Funerary Objects.</b> The treatment of human remains and associated or unassociated funerary objects discovered during any soil-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 Native American Heritage Commission (NAHC), which shall appoint a Most Likely Descendant (MLD) (PRC Section 5097.98). The ERO will also be immediately notified. The archeological consultant, project sponsor, ERO, and MLD shall have up to but not beyond 6 days after the discovery to make all reasonable efforts to develop an agreement for the treatment of human remains and associated or unassociated funerary objects with appropriate dignity (CEQA Guidelines, Section 15064.5(d)). The agreement should take into consideration the appropriate excavation, removal, recordation, analysis, custodianship, curation, and final disposition of the human remains and associated or unassociated funerary objects. Nothing in existing state regulations or in this mitigation measure compels the project sponsor and the ERO to accept recommendations of an MLD. The archeological consultant shall retain possession of any Native American human remains and associated or unassociated funerary 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.	Infrastructure developer or vertical developer(s) (as applicable) and archaeological consultant, in consultation with the San Francisco Coroner, NAHC, ERO, and MLD.	In the event human remains and/or funerary objects are encountered during soils disturbing activity.	Archaeological consultant or archaeological monitor or infrastructure developer or vertical developer(s) or contractor to contact San Francisco County Coroner and ERO implement regulatory requirements, if applicable, regarding discovery of Native American human remains and associated and/or unassociated funerary objects. Contact archaeological consultant and ERO.	Considered complete on notification of the San Francisco County Coroner, ERO, and NAHC, if necessary, and completion of treatment agreement and/or analysis.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
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<p><b>M-CP-4: Tribal Cultural Resources Interpretive Program.</b></p> <p>If the ERO determines that a significant archeological resource is present, and if in consultation with the affiliated Native American tribal representatives, the ERO determines that the resource constitutes a tribal cultural resource (TCR) and that the resource could be adversely affected by the proposed project, the proposed project shall be redesigned so as to avoid any adverse effect on the significant tribal cultural resource, if feasible.</p> <p>If the Environmental Review Officer (ERO) determines that preservation-in-place of the tribal cultural resource (TCR) pursuant to Mitigation Measure M-CP-2, Archeological Testing, is both feasible and effective, then the archeological consultant shall prepare an archeological resource preservation plan (ARPP). Implementation of the approved ARPP by the archeological consultant shall be required when feasible.</p> <p>If the Environmental Review Officer (ERO), if in consultation with the affiliated Native American tribal representatives and the Project Sponsor, determines that preservation-in-place of the tribal cultural resources is not a sufficient or feasible option, the project sponsor shall implement an interpretive program of the TCR in consultation with affiliated tribal representatives. An interpretive plan produced in consultation with the ERO and affiliated tribal representatives, at a minimum, and approved by the ERO would be required to guide the interpretive program. The plan shall identify, as appropriate, proposed locations for installations or displays, the proposed content and materials of those displays or installation, the producers or artists of the displays or installation, and a long-term maintenance program. The interpretive program may include artist installations, preferably by local Native American artists, oral histories with local Native Americans, artifacts displays and interpretation, and educational panels or other informational displays.</p>	Infrastructure developer or vertical developer(s) (as applicable), archeological consultant, and ERO, in consultation with the affiliated Native American tribal representatives.	If significant archeological resources are present, during implementation of the project.	Infrastructure developer, vertical developer(s), or archeological consultant shall implement the project redesign, completion of archeological resource preservation plan, or interpretive program of the TCR, if required.	Considered complete upon project redesign, completion of ARPP, or interpretive program of the TCR, if required.
<b>Transportation and Circulation Mitigation Measures</b>				
<p><b>M-TR-3: Parking Garage and Intersection Queue Impacts.</b></p> <p>The easternmost driveway on Long Bridge Street (i.e., closest to Bridgeview Street) shall be restricted to right-in, right-out access during all times. Restricted access could be accomplished by placing signage (i.e., on Long Bridge Street to direct westbound traffic to the westernmost garage driveway, and within the parking garage for exiting traffic to indicate outbound right</p>	Infrastructure developer, garage operator, or vertical developer(s) of garage.	Prior to issuance of certificate of occupancy of Block D2 parking garage. Note: Mitigation	SFMTA, in consultation with the Planning Department and the Port, to review and sign off on detailed plans regarding driveways to ensure design will	Considered complete upon approval of the final driveway plans by SFMTA.



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turn movement only allowed) as well as delineators of a sufficient length in the middle of Long Bridge Street to block left-turn access to the driveway.		Measure M-TR-3 is not applicable to Variant 3 (Reconfigured Parking).	sufficiently restrict movements at driveway to right-in, right-out.	Planning Department, and the Port.
<p><b>M-TR-4.1: Provide Fair-Share Contribution to Improve 10 Townsend Line Capacity.</b></p> <p>Upon completion and occupancy of Phase 1 of the proposed project and upon completion and occupancy of each subsequent phase as defined in the Development Agreement the project sponsor shall obtain from SFMTA the current ridership on the 10 Townsend and conduct an assessment of the capacity utilization at the screenline's Maximum Load Point (MLP) for weekday AM and PM peak hour conditions.</p> <p>If the capacity utilization exceeds 85 percent, a fair share contribution payment shall be made to SFMTA by the project sponsor, calculated as further provided in a Transit Mitigation Agreement described below, and attached to or incorporated into the Development Agreement. Such payment shall be adjusted, as appropriate, to the extent, if any, that the proposed project reflects either the High Residential Assumption or High Commercial Assumption based upon all phases of the proposed project that have been completed up to such date. Accordingly, the fair share contributions by phase may differ by scenario because the number of transit riders varies due to different mixes of land use.</p> <p>If the capacity utilization based on SFMTA's ridership data is less than 85 percent, then the project sponsor's fair share payment for that phase shall be \$0 and the process will repeat at the next subsequent phase. Each subsequent fair share calculation shall take account of amounts paid for prior phases, to ensure that payments are not duplicative for the same transit rider impacts.</p> <p>The project sponsor shall enter into a Transit Mitigation Agreement with the SFMTA pursuant to which the project sponsor will make a fair share contribution to the cost of providing additional bus service or otherwise improving service on the 10 Townsend. The fair share contribution as documented in the Transportation Impact Study for the proposed project shall not exceed the following amounts, in total across all phases:</p> <p>a. \$991,230 for High Commercial Assumption</p>	Infrastructure developer and/or vertical developer(s), Transportation Coordinator, and SFMTA.	Prior to issuance of certificate of occupancy of Phase 1 of the proposed project, enter into Transit Mitigation Agreement. Upon issuance of a certificate of occupancy for each phase of development as defined in the Development Agreement, SFMTA to provide ridership data and assess capacity utilization and, if capacity utilization exceeds 85 percent, the infrastructure developer/vertical developer(s) would pay fair share contribution fees as specified in this measure, which would be used by	Infrastructure developer and/or vertical developer(s) and Transportation Coordinator to obtain current ridership on the 10 Townsend from SFMTA and conduct an assessment of the capacity utilization associated with the project, as described in the measure. If the capacity utilization of the 10 Townsend line at its maximum load point exceeds 85 percent as measured at the completion of any individual project phase, and the SFMTA has committed to implement M-TR-4.1, the infrastructure developer shall provide a fair share contribution subject to the limits stated in M-TR-4.1 to capital costs for SFMTA to implement one of the designated capacity enhancement measures.	Considered complete upon execution of Transit Mitigation Agreement and payment of fair share contribution as described in this M-TR-4.1 for any phase of development for which such contribution is determined to be necessary.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
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<p>b. \$782,706 for High Residential Assumption</p> <p>SFMTA will determine whether adding bus(es) or other measures are more desirable to increase capacity along the route and will use the funds provided by the project sponsor to implement the most desirable measure(s), which may include but is not limited to the following measures:</p> <ol style="list-style-type: none"> <li>1. Convert to using higher-capacity vehicles on the 10 Townsend route. In this case, the project sponsor's fair share contribution may be utilized 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 be extended by removing one or more parking spaces at locations where appropriate space is available.</li> <li>2. Instead of adding more buses to a congested route, increase travel speeds along the route which would allow for buses to move faster thus increasing efficiency and reliability. In this case, the project sponsor's fair share contribution may 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 enough to increase capacity along the bus route. Such improvements could include transit only lanes, transit signal priority, and transit boarding improvements.</li> <li>3. Increase capacity along the corridor by adding a new Muni service route in this area. If this option is selected, the project sponsor's fair share contribution may fund the purchase of the new vehicles.</li> </ol>		SFMTA to increase capacity.		
<p><b>M-TR-4.2: Provide Fair-Share Contribution to Improve 30 Stockton Line Capacity Proposed Project.</b></p> <p>Upon completion and occupancy of Phase I of the proposed project and upon completion and occupancy of each subsequent phase as defined in the Development Agreement, the project sponsor shall obtain from SFMTA the current ridership on the 30 Stockton and conduct an assessment of the capacity utilization at the Maximum Load Point (MLP) on the route between the proposed project and Market Street for weekday PM peak hour conditions.</p> <p>If the capacity utilization exceeds 85 percent, a fair share contribution payment shall be made by the project sponsor, calculated as further provided in Transit Mitigation Agreement described below, and attached to or incorporated into the Development Agreement. Such payment shall be</p>	Infrastructure developer and/or vertical developer(s), or Transportation Coordinator, and SFMTA.	Prior to issuance of certificate of occupancy of Phase I of the proposed project, enter into Transit Mitigation Agreement. Upon issuance of a certificate of occupancy for each phase of development as	Infrastructure developer or Transportation Coordinator to obtain current ridership on the 30 Stockton from SFMTA and conduct an assessment of the capacity utilization associated with the project, as described in the measure. If the capacity utilization of the 30 Stockton line at its maximum load point exceeds 85 percent as measured at	Considered complete upon execution and implementation of Transit Mitigation Agreements and payment of fair share contribution as described in this M-TR-4.2 for any phase for which

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<p>adjusted, as appropriate, to the extent, if any, that the proposed project reflects either the High Commercial Assumption or the High Residential Assumption, the latter of which does not require any fair share contribution. The fair share contributions differ by scenario because the number of transit riders varies due to different mixes of land use.</p> <p>If the capacity utilization based on SFMTA's ridership data is less than 85 percent, then the project sponsor's fair share payment for that phase shall be \$0 and the process will repeat at the next subsequent phase. Each subsequent fair share calculation shall take account of amounts paid for prior phases, to ensure that payments are not duplicative for the same transit rider impacts.</p> <p>The project applicant shall enter into a Transit Mitigation Agreement with the SFMTA pursuant to which the project applicant will make a fair share contribution to the cost of providing additional bus service or otherwise improving service on the 30 Stockton. The fair share contribution as documented in the Transportation Impact Study for the proposed project shall not exceed the following amounts, in total across all phases:</p> <ul style="list-style-type: none"> <li>a. \$417,691 for High Commercial Assumption</li> <li>b. \$0 for High Residential Assumption</li> </ul> <p>SFMTA will determine whether adding bus(es) or other measures are more desirable to increase capacity along the route and will use the funds provided by the project sponsor to implement the most desirable measure(s), which may include but is not limited to the following measures:</p> <ol style="list-style-type: none"> <li>1. Convert to using higher-capacity vehicles on the 30 Stockton route. In this case, the project sponsor's fair share contribution may be utilized 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 be extended by removing one or more parking spaces at locations where appropriate space is available.</li> <li>2. Instead of adding more buses to a congested route, increase travel speeds along the route which would allow for buses to move faster thus increasing efficiency and reliability. In this case, the project sponsor's fair share contribution may 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 enough to increase capacity along the</li> </ol>		<p>defined in the Development Agreement, SFMTA to provide ridership data and assess capacity utilization and, if capacity utilization exceeds 85 percent, the infrastructure developer/vertical developer(s) would pay fair share contribution fees as specified in this measure, which would be used by SFMTA to increase capacity.</p>	<p>the completion of any individual project phase, and the SFMTA has committed to implement M-TR-4.2, the infrastructure developer shall provide the fair share contribution subject to the limits stated in M-TR-4.2 to capital costs for SFMTA to implement one of the designated capacity enhancement measures.</p>	<p>such contribution is determined to be necessary.</p>

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<p>bus route. Such improvements could include transit only lanes, transit signal priority, and transit boarding improvements.</p> <p>3. Increase capacity along the corridor by adding a new Muni service route in this area. If this option is selected, the project sponsor's fair share contribution may fund the purchase of the new vehicles.</p>				
<p><b>M-TR-6: Parking Garage and Intersection Queue Impacts on Transit Delay</b></p> <p>A. The westernmost driveway on Mission Rock Street (i.e., closest to Third Street) shall be restricted to right-in, right-out access and closed during large AT&amp;T Park events. Restricted access could be accomplished by placing signage as well as delineators of a sufficient length on the center line on Mission Rock Street, east of Third Street to block left-turn access to the driveway.</p>	Infrastructure developer and/or garage operator SFMTA, Planning Department, Transportation Coordinator, onsite transportation staff, parking garage management staff, event staff.	Prior to certificate of occupancy for Block D garage.	SFMTA, in consultation with the Planning Department and the Port, to review and sign off on detailed plans regarding driveways to ensure design will sufficiently restrict movements at driveway to right-in, right-out.	Infrastructure developer's/garage operator's obligations deemed complete once construction of listed improvements are complete.
<p>B. A "keep clear" zone shall be provided in front of the easternmost driveway on Mission Rock Street (i.e., closest to Bridgeview Street) to prevent westbound queues at the Third Street/Mission Rock traffic signal from blocking inbound access to the driveway. The Keep Clear pavement markings shall be placed in the westbound lane immediately in front of the easternmost driveway for the Block D2 parking garage.</p>	Infrastructure developer and/or garage operator SFMTA, Planning Department, Transportation Coordinator, onsite transportation staff, parking garage management staff, event staff.	Prior to the opening of the Block D2 garage.	SFMTA, in consultation with the Planning Department and the Port, to review and sign off on detailed plan regarding the easternmost driveway keep clear zone.	Infrastructure developer's/garage operator's obligations deemed complete once construction of listed improvements are complete.
<p>C. The southbound left-turn lane at the Third Street/Mission Rock Street intersection shall be restriped to extend the length of the left-turn lane to 350 feet. Advance traffic signal detection equipment shall be installed at the end of the newly striped left-turn pocket to detect when queues fill up the left-turn pocket and extend north to the end of the pocket near the Third Street/Channel Street intersection, allowing additional green time to be allocated to the southbound left-turn movement at the Third Street/Mission Rock Street traffic signal.</p>	Infrastructure developer and/or garage operator SFMTA, Planning Department, Transportation Coordinator, onsite transportation staff, parking garage	Prior to certificate of occupancy for Block D garage; sequencing and selection of interventions outlined within Item C shall be at the direction of the	SFMTA, in consultation with the Planning Department and the Port, to review and sign off on detailed plans regarding extension of the left-turn pocket on Third Street/Mission Rock Street.	Infrastructure developer's/garage operator's obligations deemed complete once construction of listed improvements are complete.

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	management staff, event staff.	SFMTA. In the case that the SFMTA identifies any of these intervention as technically challenging, infeasible, or undesirable because of resultant operational issues, other interventions must be selected.		
D. Wayfinding signs including Static and Variable Message Signs will be installed to provide directions to the parking garages and to provide traffic alerts, messages, and alternate driving routes for drivers traveling to the Block D2 aboveground garage, to destinations in the vicinity, or through the area. Four High Visibility Static Signs will be installed, three on the approaches to the Third Street/Mission Rock Street intersections (for southbound, eastbound and northbound directions) and one for northbound drivers on Terry A. Francois Boulevard, south of Mission Rock Street. One permanent Variable Message Sign shall be installed for southbound drivers on Third Street, between King Street and Berry Street.	Infrastructure developer and/or garage operator SFMTA, Planning Department, Transportation Coordinator, onsite transportation staff, parking garage management staff, event staff.	Prior to certificate of occupancy for Block D garage.	SFMTA, in consultation with the Planning Department and the Port, to review and sign off on detailed plans regarding wayfinding signs including Static and Variable Message Signs.	Infrastructure developer's/ garage operator's obligations deemed complete once construction of listed improvements is complete.
E. The project sponsor shall enter into an Event Mitigation Agreement with the SFMTA that provides for Parking Control Officers (PCOs) to manage traffic within the project site adjacent to the proposed project's parking garages and on Exposition Street (between Third Street and the Shared Public Way) during all AT&T Park events and on-site events with 15,000 or more attendees.	Infrastructure developer and/or garage operator, SFMTA, Planning Department, Transportation Coordinator, onsite transportation staff, parking garage management staff.	Enter into Event Mitigation Agreement prior opening of the Block D2 parking garage. Prior to commencement of construction on the site, and on-going	Infrastructure developer and/or garage operator to enter in Event Management Agreement with SFMTA, who should provide for implementation of all of these items, as well as closure of the westernmost driveway during AT&T events per Item A.	Considered complete upon Infrastructure developer and SFMTA entering into Event Mitigation Agreement.

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	event staff.	through the life of project.		
F. The site's transportation coordinator shall be a member of the Mission Bay Ballpark Transportation Coordination Committee and provide notification prior to the start of any on-site event that would overlap with an event at AT&T Park or the Warriors arena.	Infrastructure developer and/or garage operator SFMTA, Planning Department, Transportation Coordinator, onsite transportation staff, parking garage management staff, event staff.	Enter into Event Mitigation Agreement prior opening of the Block D2 parking garage. With commencement of construction, and on-going through life of the project.	Infrastructure developer and/or garage operator to enter into Event Management Agreement with SFMTA, who should provide for implementation of all of these items, as well as closure of the westernmost driveway during AT&T events per Item A.	Upon infrastructure developer and SFMTA entering into Event Mitigation Agreement and ongoing during project operations.
G. Traffic destined for the proposed project's parking garages will be monitored by the owner/operator during all AT&T Park events and on-site events with 15,000 or more attendees, and periodically during weekday a.m. and p.m. peak hours, to ensure that garage access queues do not affect operations of the T Third transit line. Action will be taken by the Mission Rock Transportation Coordinator, onsite transportation staff, parking garage management staff, event staff, and/or PCOs assigned to event traffic management to implement real-time traffic management strategies (i.e., alternative traffic routing, temporal parking pricing, enhanced garage driveway controls, etc.) to reduce vehicle garage access queues so they do not affect operations of the T Third line.	Infrastructure developer and/or garage operator SFMTA, Planning Department, Transportation Coordinator, onsite transportation staff, parking garage management staff, event staff.	Enter into Event Mitigation Agreement prior opening of the Block D2 parking garage. With commencement of construction, and on-going through life of the project; the weekday (non-event) AM and PM peak-hour monitoring shall be conducted quarterly on a Tuesday, Wednesday, or Thursday of a	Infrastructure developer and/or garage operator to enter into Event Management Agreement with SFMTA, who should provide for implementation of all of these items, as well as closure of the westernmost driveway during AT&T events per Item A.	Upon Infrastructure developer and SFMTA entering into Event Mitigation Agreement and ongoing during project operations.

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<p>11. If the SFMTA Director, or his or her designee, receives information that a recurring queue that could affect the operation of the T Third line is imminent or present, SFMTA shall notify the property owner in writing. Upon request, the owner/operator shall hire a qualified transportation consultant to evaluate the conditions at the site for no less than 7 days. The consultant shall prepare a monitoring report to be submitted to SFMTA for review. If SFMTA determines that a recurring queue does exist, the facility owner/operator shall have 45 days from the date of the written determination to abate the excessive recurring queue. Approaches to queue abatement could include but are not limited to: changing parking access and revenue collection system (PARCS) technology to process vehicles more rapidly; adjusting the layout of the garage's ground floor to accommodate more queuing vehicles within the garage; implementing peak-period surge pricing to encourage garage access and egress outside of times with recurrent excessive queues; installing additional variable message signage further upstream from the site to direct drivers to garage access routes away from affected intersections; and/or closing, limiting or controlling Mission Rock Street access from Third Street during times with excessive recurrent queuing and redirecting garage-bound traffic to Terry A. Francois Boulevard.</p>	<p>Infrastructure developer and/or garage operator vertical. SFMTA, Planning Department, Transportation Coordinator, onsite transportation staff, parking garage management staff, event staff.</p>	<p>non-holiday week.  As may be requested during operations, per written notification by SFMTA With commencement of operation of the Block D2 garage and on-going through the life of the project. If analysis is requested, the analysis shall be conducted during a period that is representative of standard traffic patterns, e.g. on week that does not contain a holiday, is not during winter break, or off-season, etc. The analysis period chosen by the infrastructure developer/garage operator and consultants must be approved by the SFMTA.</p>	<p>SFMTA.</p>	<p>Ongoing during project operations after opening of Block D2 garage.</p>

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<p><b>M-TR-9: Install Traffic Signals and Related Intersection Improvements at Unsignalized Intersections on Fourth Street at Mission Rock Street and Long Bridge Street.</b></p> <p>Prior to issuance of approval of the third building site permit, but in no event later than the site permit for the Block D2 parking garage, the project sponsor shall provide funding to SFMTA, for a maximum amount of \$1 million for SFMTA to design and construct (1) a traffic signal at the intersection of Fourth Street/Long Bridge Street and (2) a traffic signal at the intersection of Fourth Street/Mission Rock Street. These improvements should be constructed by SFMTA prior to opening of the Block D2 parking garage.</p>	Infrastructure developer. SFMTA.	Payment to SFMTA: Prior to issuance of approval of the third building site permit, but in no event later than the site permit for the Block D2 parking garage. Installation of traffic signals: Prior to opening of the Block D2 parking garage.	SFMTA.	Infrastructure developer's obligations deemed complete once payment is made. SFMTA's obligations deemed complete once traffic signals are constructed.
<p><b>M-TR-10: Bicycle-Truck Interface at Pier 48.</b></p> <p>The project shall construct a highly visible crossing treatment across the driveway as well as bollards and detectable warning pavers that satisfy ADA requirements at the Pier 48 driveway's beginning and end locations along the Blue Greenway path to warn cyclists and pedestrians of the upcoming driveway crossing.</p>	Pier 48 developer.	Prior to occupancy of Pier 48.	Planning Department will monitor.	Considered complete when crossing treatment is constructed.
<p>The project shall provide a traffic control staff at the junction of the Blue Greenway and the driveway to the Pier 48 valley during deliveries to manage bicycle and truck traffic. A flagger shall be provided to manage bicycle and pedestrian travel along the Blue Greenway at the Pier 48 valley driveway whenever trucks back into Pier 48.</p>	Pier 48 developer.	During deliveries.	Pier 48 developer to document arrangement for traffic control staff to manage traffic during deliveries. Planning Department to review documentation.	Ongoing during deliveries.



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<p><b>M-TR-II.1: Commercial Loading Supply – Monitor Loading Activity and Implement Additional Loading Management Strategies as Needed.</b></p> <p>After completion of the first phase of the proposed project and prior to approval of each subsequent phase, the project sponsor shall conduct a study of utilization of commercial loading spaces. The methodology for the study shall be reviewed and approved by the Planning Department prior to completion. 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 sponsor shall implement additional loading management strategies and/or provide additional or expanded off-street loading supply sufficient to meet the loading demand in subsequent phases of the project in either the garages or in off-street parking in individual buildings, consistent with the proposed project's design intent. Additional loading strategies could include (but are not limited to): expanding efforts to coordinate with parcel delivery companies to schedule deliveries to the site during hours outside the peak hour of loading; installing parcel lock boxes that allow parcel delivery personnel unsupervised access to enable off-hour deliveries; coordinating delivery services across buildings to enable the delivery of several buildings' packages to a single location, and/or encouraging deliveries to the retail and restaurant components of the projects to happen during early morning or late evening hours. The project sponsor may also address a shortfall by reserving parking spaces for smaller delivery vehicles such as autos or vans, which comprise approximately two-thirds of the vehicle types for freight delivery service, on the ground floor of the Block D2 garage during peak or appropriate business hours for small-vehicle deliveries and, in connection therewith, providing hand trucks, bicycles, or electric wheeled carts for distribution of packages to buildings throughout the site.</p> <p>If plans for individual buildings include a driveway to off-street loading or parking (maximum 10 off-street spaces) along a frontage that has a designated on-street loading zone, an equivalent amount or level of off-street loading space shall be provided to effectively replace the lost on-street loading area.</p>	Infrastructure developer, vertical developer(s) or garage operators (as applicable).	<p>Study completion: after completion of the first phase of the proposed project and prior to approval of each subsequent phase.</p> <p>If additional loading management strategies ongoing in subsequent phases are needed: after completion of each phase for which additional strategies are applicable.</p>	Planning Department, in consultation with the SFMTA, will review and approve methodology of utilization study. Infrastructure developer, vertical developer(s), and garage operators (as applicable) will provide report to Planning Department on implementation of additional loading management strategies, if required.	Considered complete for each phase after Planning Department staff reviews and approves the study, in consultation with the SFMTA, and, if deemed necessary, the infrastructure developer, vertical developer(s), and garage operators (as applicable) incorporate provides a report of how it incorporated any additional management strategies for loading into each applicable phase.

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<p><b>M-TR-11.2: Coordinate Deliveries and Tenant Moving Activities.</b></p> <p>The project's transportation coordinator and in-building concierges shall coordinate with building tenants and delivery services to minimize deliveries and moving activities during peak periods, and endeavor to spread deliveries across the full day and moving activities to time periods after regular working hours, thereby reducing activity during the peak hour for loading. Although many deliveries cannot be limited to specific hours, the transportation coordinator and in-building concierges shall work with tenants to find opportunities to consolidate deliveries and reduce the need for peak-period deliveries, wherever possible.</p>	Project Transportation Coordinator and vertical developer(s).	Ongoing.	Planning Department will monitor.	On-going during project operations.
<p><b>M-C-TR-4: Provide Fair-Share Contribution to Improve 10 Townsend Line Capacity Proposed Project.</b></p> <p>Upon completion and occupancy of Phase I and upon completion and occupancy of each subsequent phase of the proposed project as defined in the Disposition and Development Agreement, the project sponsor shall fund a transit capacity study to be reviewed and approved by the SFMTA. The project sponsor shall obtain from SFMTA the current ridership on the 10 Townsend and conduct an assessment of the capacity utilization at the screenline's Maximum Load Point (MLP) for weekday AM and PM peak hour conditions.</p> <p>If the capacity utilization exceeds 85 percent, a fair share payment shall be made to SFMTA by the project sponsor, calculated as further provided in a Transit Mitigation Agreement. Such payment shall be calculated in light of the project's progress towards one or the other of the development scenario (i.e. High Commercial or High Residential) as reflected by all phases of the project that have been completed up to such date. The fair share contributions by phase differ by scenario because the number of transit riders varies due to different mixes of land use.</p> <p>If the capacity utilization based on SFMTA's ridership data is less than 85 percent, then the project sponsor's fair share payment for that phase shall be \$0 and the process will repeat at the next subsequent phase. Each subsequent fair share calculation shall take account of amounts paid for prior phases, to ensure that payments are not duplicative for the same transit rider impacts.</p>	Infrastructure developer and/or vertical developer(s), Transportation Coordinator, and SFMTA.	Prior to issuance of certificate of occupancy of Phase I of the proposed project, enter into Transit Mitigation Agreement. Upon issuance of a certificate of occupancy for each phase of development as defined in the Development Agreement, SFMTA to provide ridership data and assess capacity utilization and, if capacity utilization exceeds 85 percent, the infrastructure developer/vertical developer(s) would pay fair share contribution fees as	Infrastructure developer and/or vertical developer(s) and Transportation Coordinator to obtain current ridership on the 10 Townsend from SFMTA and conduct an assessment of the capacity utilization associated with the project as described in the measure. If the capacity utilization of the 10 Townsend line at its maximum load point exceeds 85 percent as measured at the completion of any individual project phase, and the SFMTA has committed to implement M-C-TR-4, the infrastructure developers shall provide the fair share contribution subject to the limits stated in M-C-TR-3 to capital costs for SFMTA to implement one of the designated capacity enhancement measures.	Considered complete upon execution of Transit Mitigation Agreement for each phase of development, for which this measure is determined to be necessary.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
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<p>The project sponsor shall enter into a Transit Mitigation Agreement with the SFMTA under which the agreement shall provide for the project sponsor to make a fair share contribution to the cost of providing additional bus service or improving service on the 10 Townsend by paying a fee. The fair share contribution as documented in the Transportation Impact Study from the proposed project shall not exceed the following amounts, in total across all phases:</p> <p>a. \$391,179 for High Commercial b. \$324,595 for High Residential</p> <p>SFMTA may determine that other measures to increase capacity along the route would be more desirable than adding buses and may use the funds provided by the project sponsor to implement these other measures, which include but are not limited to the following measures:</p> <ol style="list-style-type: none"> <li>1. Convert to using higher-capacity vehicles on the 10 Townsend route. In this case, the project sponsor's fair share contribution may be utilized 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 be extended by removing one or more parking spaces at locations where appropriate space is available.</li> <li>2. Instead of adding more buses to a congested route, it would be more desirable to increase travel speeds along the route which would allow for buses to move faster thus increasing efficiency and reliability. In this case, the project sponsor's fair share contribution may 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 enough to increase capacity along the bus route. Such improvements could include transit only lanes, transit signal priority, and transit boarding improvements.</li> <li>3. Another option to increase capacity along the corridor is to add a new Muni service route in this area. If this option is selected, the project sponsor's fair share contribution may fund the purchase of the new vehicles.</li> </ol>		specified in this measure, which would be used by SFMTA to increase capacity.		

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<i>Noise and Vibration Mitigation Measures</i>				
<p><b>M-NOI-1: Prepare and Implement a Construction Noise Control Plan to Reduce Construction Noise at Noise-Sensitive Land Uses.</b></p> <p>The project sponsor shall develop a noise control plan that requires the following:</p> <ul style="list-style-type: none"> <li>Construction contractors shall specify noise-reducing construction practices that will be employed to reduce construction noise from construction activities. The measures specified by the project sponsor shall be reviewed and approved by the City prior to the issuance of building permits. Measures that can be used to limit noise include, but are not limited to, those listed below. <ul style="list-style-type: none"> <li>Locate construction equipment as far as feasible from noise-sensitive uses.</li> <li>Require that all construction equipment powered by gasoline or diesel engines have sound control devices that are at least as effective as those originally provided by the manufacturer and that all equipment be operated and maintained to minimize noise generation.</li> <li>Idling of inactive construction equipment for prolonged periods shall be prohibited (i.e., more than 5 minutes).</li> <li>Prohibit gasoline or diesel engines from having unmuffled exhaust systems.</li> <li>Use noise-reducing enclosures around noise-generating equipment that has the potential to disturb nearby land uses.</li> <li>Ensure that equipment and trucks used for project construction utilize the best available noise control techniques (e.g., improved mufflers, equipment redesign, intake silencers, ducts, engine enclosures, acoustically attenuating shields or shrouds) wherever feasible.</li> <li>Monitor the effectiveness of noise attenuation measures by taking noise measurements. A plan for noise monitoring shall be provided to the City for review prior to the commencement of each construction phase.</li> </ul> </li> </ul>	Infrastructure developer and/or vertical developer(s) (as applicable).	Prior to the issuance of building permits; implementation ongoing during construction.	Infrastructure developer or vertical developer(s) (as applicable) to submit the Construction Noise Control Plan to the Port's Building Permit Group. <sup>4</sup> A single Noise Control Plan or multiple Noise Control Plans may be produced to address project phasing.	Considered complete upon submittal of the Construction Noise Control Plan to the Port's Building Permit Group.

<sup>4</sup> The Port may designate another agency, such as the Planning Department, to carry out monitoring and reporting, and any reference to Port responsibilities includes such designated agencies.

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<ul style="list-style-type: none"> <li>Impact tools (e.g., jack hammers, pavement breakers, rock drills) used for project construction shall be "quiet" gasoline-powered compressors or electrically powered compressors, and electric rather than gasoline- or diesel-powered engines shall be used to avoid noise associated with compressed air exhaust from pneumatically powered tools. However, where the use of pneumatic tools is unavoidable, an exhaust muffler on the compressed air exhaust shall be used; this muffler can lower noise levels from the exhaust by up to about 10 dBA. External jackets on the tools themselves shall be used; which could achieve a reduction of 5 dBA. Quieter equipment shall be used when feasible, such as drills rather than impact equipment.</li> <li>Construction contractors shall be required to use "quiet" gasoline-powered compressors or electrically powered compressors and electric rather than gasoline- or diesel-powered forklifts for small lifting.</li> <li>Stationary noise sources, such as temporary generators, shall be located as far from nearby receptors as possible: they shall be muffled and enclosed within temporary enclosures and shielded by barriers, which could reduce construction noise by as much as 5 dB, or other measures, to the extent feasible.</li> </ul>				
<ul style="list-style-type: none"> <li>Prior to the issuance of the building permit, along with the submission of construction documents, the project sponsor shall submit to the Planning Department and Department of Building Inspection a list of measures for responding to and tracking complaints pertaining to construction noise. These measures shall include: <ul style="list-style-type: none"> <li>Identification of measures that will be implemented to control construction noise.</li> <li>A procedure and phone numbers for notifying the Department of Building Inspection, the Department of Public Health, or the Police Department of complaints (during regular construction hours and off hours).</li> <li>A sign posted onsite describing noise complaint procedures and a complaint hotline number that shall be answered at all times during construction.</li> <li>Designation of an onsite construction complaint and enforcement manager for the project.</li> </ul> </li> </ul>	Infrastructure developer and/or vertical developer(s) (as applicable).	Prior to the issuance of each building permit for duration of the project.	Infrastructure developer and/or vertical developer(s) (as applicable) to submit a list of measures for handling noise complaints to the Planning Department and Department of Building Inspection.	Considered complete upon review and approval of the complaint tracking measures by the Planning Department and Department of Building Inspection.

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<ul style="list-style-type: none"> <li>A plan for notification of neighboring residents and nonresidential building managers within 300 feet of the project construction area at least 30 days in advance of extreme noise-generating activities (defined as activities that generate noise levels of 90 dBA or greater) about the estimated duration of the activity and the associated control measures that will be implemented to reduce noise levels.</li> </ul>				
<p><b>Mitigation Measure M-NOI-2.1: Noise Control Plan for Special Outdoor Amplified Sound.</b></p> <p>To reduce potential impacts related to noise generated by events in project outdoor use areas, the project sponsor 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 sponsor shall comply with noise controls and restrictions in applicable entertainment permit requirements for outdoor concerts, and shall comply with the Port of San Francisco's "Good Neighbor" standards, unless the Port Commission makes a specific finding that a particular condition is unnecessary or infeasible.</li> <li>Speaker systems shall be directed away from the nearest sensitive receptors to the degree feasible.</li> <li>In order to limit or prevent sleep disturbance, events with amplified sound shall, to the extent reasonable and appropriate given the nature and context of the event, end at 10:00 p.m.</li> </ul>	Infrastructure developer and/or park manager, the Port, parks management entity and/or parks programming entity.	Prior to the issuance of event permit.	Infrastructure developer and/or park manager, the Port, parks management entity and/or parks programming entity to submit the Noise Control Plan to the Port.	Considered complete upon submission and approval of the Noise Control Plan by the Port, although the Noise Control Plan may be adjusted as needed.
<p><b>Mitigation Measure M-NOI-2.2: Stationary Equipment Noise Controls.</b></p> <p>Noise attenuation measures shall be incorporated into all stationary equipment (including HVAC equipment and emergency generators) installed on all buildings that include such stationary equipment as necessary to meet noise limits specified in Section 2909 of the Police Code. Interior 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 residential uses, and restriction of generator testing to the daytime hours.</p>	Vertical developer(s).	Prior to the issuance of certificate of occupancy for each building located on the site.	The Port's Building Permit Group to review construction plans regarding noise attenuation measures for stationary equipment.	Considered complete after submittal and approval of plans including noise attenuation measures by the Port's Building Permit Group.

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<p><b>Mitigation Measure M-NOI-2.3: Design of Future Noise-Sensitive Uses.</b> Prior to issuance of a building permit for a residential building on Mission Rock Boulevard between Terry A. Francois Boulevard and Third Street, a noise study shall be conducted by a qualified acoustician to 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 the projected increase in traffic noise as a result of project traffic along Mission Rock Boulevard between Terry A. Francois Boulevard and Third Street and 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>	Vertical developer(s) and qualified acoustician.	Prior to the issuance of the building permit for vertical construction of any residential building on each parcel on Mission Rock Boulevard between Terry A. Francois Boulevard and Third Street.	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.
<p><b>Mitigation Measure M-NOI-2.4: Design of Future Noise-Generating Uses near Residential Uses.</b> Future land uses shall be designed to minimize the potential for sleep disturbance (defined as exceeding 45 dBA at residential interiors during the hours of 10 p.m. to 7 a.m.) at any future adjacent residential uses. Design approaches including, but not limited to, the following shall 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>• Design of Future Noise-Generating Uses. To reduce potential conflicts between sensitive receptors and new noise-generating land 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 (e.g., residences). If this is not feasible, these types of facilities shall be enclosed or equipped with appropriate noise shielding.</li> <li>• Design of Future Above-Ground Parking Structure on Block D2. For parking garage on Block D2, 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>	Garage developer (for Block D2 garage) and vertical developer(s) (for commercial/office buildings).	Prior to the issuance of a building permit for each commercial/office building, and prior to issuance of building permit for Block D2 parking garage.	The Port's Building Permit Group to review construction plans to confirm that future noise-generating land uses meet the requirements of this Measure M-NOI-2.4.	Considered complete after submittal and approval of construction plans by the Port's Building Permit Group.

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<p><b>M-NOI-3.1: Pile-Driving Control Measures – Annoyance.</b></p> <p>To reduce impacts associated with pile driving, a set of site-specific vibration attenuation measures shall be implemented under the supervision of a qualified acoustical consultant during the project construction period. These attenuation measures shall include as feasible, in consideration of technical and structural requirements and conditions, the following control strategy, as well as any other effective strategies to the extent necessary to achieve a PPV vibration level at neighboring properties of less than the strongly perceptible level of 0.10 in/sec.</p> <p>The project sponsor shall require the construction contractor to limit pile-driving activity so that the PPV vibration level at neighboring uses is less than 0.10 in/sec to the extent it is practical and necessary, and, to the extent it is practical, implement "quiet" pile-driving technology, such as predrilling piles, using sonic pile drivers, or using more than one pile driver to shorten the total duration of pile driving.</p>	Infrastructure developer and/or vertical developer(s) (as applicable), qualified acoustical consultant.	Prior to issuance of building permit for each proposed building.	Infrastructure developer or vertical developer(s) (as applicable) to submit the Construction Noise Control Plan (detailed in M-NOI-1) to the Port's Building Permit Group documenting site-specific vibration attenuation measures. A single Noise Control Plan or multiple Noise Control Plans may be produced to address project phasing.	Considered complete upon submittal and approval of the Construction Noise Control Plan (including vibration attenuation measures) to the Port's Building Permit Group.
<p><b>M-NOI-3.2: Pile-Driving Vibration Control Measures – Damage.</b></p> <p>To reduce the potential for damage to Pier 48, the following measures shall be implemented:</p> <ul style="list-style-type: none"> <li>The Port of San Francisco shall be notified in writing prior to construction activity that construction may occur within 100 feet of the Pier 48 buildings.</li> <li>The project sponsor shall retain a structural engineer, an architectural historian, and a licensed historical architect (hereafter referred to as the building evaluation team) to evaluate potentially affected buildings and determine their susceptibility to damage. The structural engineer shall evaluate the building structure. The architectural historian and licensed historical architect shall evaluate architectural elements. This building evaluation team shall then establish building-specific vibration thresholds that will (a) identify the level of vibration affected historic buildings will tolerate so as to preclude structural damage to the building of a nature that would result in material damage to any historic features of the buildings, and (b) identify the level of vibration at which cosmetic damage may begin to occur to buildings.</li> <li>The building evaluation team shall inventory and document existing cracks in paint, plaster, concrete, and other building elements.</li> </ul>	Infrastructure developer and/or vertical developer(s) (as applicable), building evaluation team.	Prior to construction activities adjacent to Pier 48.	Infrastructure developer or vertical developer(s) (as applicable) to submit proposed building-specific vibration thresholds with input from structural engineer, architectural historian, and historic architect; an inventory of the condition of Pier 48; a vibration monitoring plan; and results of the inspection following construction activities to the Port's Building Permit Group for review and approval.	Considered complete upon submittal and approval of documentation incorporating identified measures by the Port's Building Permit Group.



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<ul style="list-style-type: none"> <li>The building evaluation team shall develop a ground-borne vibration monitoring plan that will include monitoring vibration at the buildings of concern to determine if the established thresholds are exceeded.</li> <li>The project sponsor shall retain a qualified acoustical consultant or engineering firm to implement the vibration monitoring plan at Pier 48. As part of the monitoring plan, the consultant shall conduct regular periodic inspections for cosmetic damage to each building within 160 feet of planned ground-disturbing activity on the project site.</li> <li>Should vibration levels be observed in excess of the cosmetic damage threshold or cosmetic damage be observed below that level, the driving of piles within 100 feet of the Pier 48 structure (or within the impact distance determined by the study of building-specific vibration thresholds, per second bullet above, whichever distance is shorter) shall be halted until measures are implemented to prevent cosmetic damage to the extent feasible. These measures include use of alternative construction techniques, including, but not limited to, use of pre-drilled piles if soil conditions allow, use of smaller, lighter equipment, using vibratory hammers in place of impact hammers, and using pile cushioning or equipping the impact hammer with wooden cushion blocks to increase the period of time over which the energy from the driver is imparted to the pile. Should cosmetic damage to a building occur as a result of ground-disturbing activity on the site notwithstanding the use of alternative construction techniques, the building(s) shall be remediated to its pre-construction condition at the conclusion of ground-disturbing activity on the site.</li> <li>Should vibration levels be observed that reach the threshold designed to protect historic buildings from material damage to historic features, pile-driving within impact distances of the Pier 48 building, as determined by the building evaluation team, shall be halted and a structural bracing program or other appropriate protective measures for the potentially affected buildings shall be designed by the building evaluation team and implemented by the project sponsor. The structural bracing program or other protective measures shall be designed to prevent damage to the potentially affected buildings that could materially impair their historic resource status consistent with CEQA Guidelines Section 15064.5(b)(2).</li> </ul>				

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<p>In addition, the structural bracing program shall be consistent with the proposed rehabilitation of the Pier 48 buildings and meet the Secretary of the Interior's Standards for Rehabilitation.</p> <p>Following completion of construction, the project sponsor shall conduct a second inspection to inventory changes in existing cracks and new cracks or damage, if any, that occurred as a result of pile driving. If new damage is found, then the project sponsor shall promptly arrange to have the damage repaired in accordance with recommendations made by the building evaluation team.</p>				
<b>Air Quality Mitigation Measures</b>				
<p><b>Mitigation Measure M-AQ-1.1: Off-Road Construction Equipment Emissions Minimization.</b></p> <p>The project sponsor shall require all construction contractors to implement the following measures to reduce construction emissions.</p> <p><b>A. Engine Requirements</b></p> <ol style="list-style-type: none"> <li>1. All off-road equipment greater than 25 horsepower and operating for more than 20 total hours over the entire duration of construction activities shall have engines that meet or exceed either USEPA or ARB Tier 4 Interim off-road emissions standards. Tier 4 final equipment, which may be largely available in the Bay Area, may be used to comply with this requirement (since Tier 4 final engines must comply with a stricter standard than Tier 4 interim engines, Tier 4 final engines meet Tier 4 interim standards and thus comply with this requirement).</li> <li>2. Where access to alternative sources of power are available, portable diesel engines shall be prohibited.</li> <li>3. Diesel engines, whether for off-road or on-road equipment, shall not be left idling for more than 2 minutes at any location, except as provided in exceptions to the applicable state regulations regarding idling for off-road and on-road equipment (e.g., traffic conditions, safe operating conditions). The contractor shall post legible and visible signs in English, Spanish, and Chinese in designated queuing areas and at the construction site to remind operators of the 2-minute idling limit.</li> </ol>	Infrastructure developer and/or vertical developer(s) (as applicable).	<p>Prepare and Implement Construction Emissions Minimization Plan: Prior to issuance of grading, excavation, or demolition permits and ongoing during demolition and construction activities.</p> <p>Quarterly Monitoring Reports: Quarterly after start of construction activities.</p> <p>Final Construction Report: After completion of construction activities but prior to receiving a final certificate of occupancy.</p>	Infrastructure developer and/or vertical developer(s) (as applicable) or contractor to submit a Construction Emissions Minimization Plan to Port staff for review and approval.	<p>Quarterly reports to be submitted to Port staff documenting compliance with the plan for review and approval.</p> <p>Final Construction Report to be submitted to Port staff for review and approval.</p>

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<p>4. The contractor shall instruct construction workers and equipment operators regarding the maintenance and tuning of construction equipment and require that such workers and operators properly maintain and tune equipment in accordance with manufacturers' specifications.</p> <p>B. Waivers</p> <p>1. The Planning Department's Environmental Review Officer (ERO) or designee may waive the requirement for an alternative source of power from Subsection (A)(2) if an alternative source of power is limited or infeasible at the project site. If the ERO grants the waiver, the contractor must submit documentation that the equipment used for onsite power generation meets the requirements of Subsection (A)(1).</p> <p>2. The ERO may waive the equipment requirements of Subsection (A)(1) if use of a particular piece of off-road equipment with a Tier 4 interim-compliant engine is not feasible or reasonable, the equipment would not produce the desired emissions reductions because of the expected operating modes, installation of the equipment would create a safety hazard or impair visibility for the operator, or there is a compelling emergency that requires use of off-road equipment that is not Tier 4 interim-compliant. If seeking an exception, the project sponsor shall demonstrate to the ERO's satisfaction that the resulting construction emissions would not exceed the health risk thresholds of significance for cancer risk and PM2.5 concentrations with respect to sensitive receptors, as identified within the EIR under Impact AQ-4. If the ERO grants the waiver, the contractor must use the next-cleanest piece of available off-road equipment, according to the table below.</p> <p>3. Off-road Equipment Compliance Step-down Schedule</p> <table><tr><th>Compliance Alternative</th><th>Engine Emissions Standard</th><th>Emissions Control</th></tr><tr><td>1</td><td>Tier 3</td><td>ARB Level 2 VDECS</td></tr><tr><td>2</td><td>Tier 2</td><td>Alternative Fuel*</td></tr></table> <p>VDECS = Verified Diesel Emissions Control Strategies * Alternative fuels are not a VDECS.</p>	Compliance Alternative	Engine Emissions Standard	Emissions Control	1	Tier 3	ARB Level 2 VDECS	2	Tier 2	Alternative Fuel*				
Compliance Alternative	Engine Emissions Standard	Emissions Control											
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<p>4. How to use the table: If the ERO determines that the equipment requirements cannot be met, then the project sponsor must attempt to meet Compliance Alternative 1. If the ERO determines that the contractor cannot supply off-road equipment that meets Compliance Alternative 1, then the contractor must meet Compliance Alternative 2.</p> <p>C. Construction Emissions Minimization Plan</p> <p>Before starting onsite construction activities, the contractor shall submit a Construction Emissions Minimization Plan to the ERO for review and approval. The plan shall state, in reasonable detail, how the contractor shall meet the requirements of Section A.</p> <ol style="list-style-type: none"> <li>1. The plan shall include estimates of the construction timeline by phase, with a description of each piece of off-road equipment required for every construction phase. The description may include, as such information is available, but is 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 VDECS installed, the description may include technology type, serial number, make, model, manufacturer, ARB verification number level, and installation date and hour meter reading on installation date. For off-road equipment using alternative fuels, the description shall also specify the type of alternative fuel being used. Renewable diesel shall be considered an alternative fuel if it can be demonstrated to the Planning Department or the City's air quality specialists that it is compatible with tiered engines and that emissions of ROG and NOx from the transport of fuel to the project site will not offset its NOx reduction potential.</li> <li>2. The project sponsor shall ensure that all applicable requirements of the plan have been incorporated into the contract specifications. The plan shall include a certification statement, stating that the contractor agrees to comply fully with the plan.</li> <li>3. The contractor shall make the plan available to the public for review onsite during working hours. The contractor shall post at the construction site a legible and visible sign summarizing the plan. The sign shall also state that the public may ask to inspect the plan for the project at any time during working hours and explain how to request</li> </ol>				

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<p>to inspect the plan. The contractor shall post at least one copy of the sign in a visible location on each side of the construction site facing a public right of way.</p> <p>D. Monitoring</p> <p>After start of construction activities, the contractor shall submit quarterly reports to the ERO, documenting compliance with the plan. After completion of construction activities but prior to receiving a final certificate of occupancy, the project sponsor shall submit to the ERO a final report, summarizing construction activities, including the start and end dates, the duration of each construction phase, and the specific information required in the plan.</p>				
<p><b>Mitigation Measure M-AQ-1.2: On-Road Material Delivery and Haul Trucks Construction Emissions Minimization.</b></p> <p>The project sponsor shall require all construction contractors to implement the following measures to reduce construction haul truck emissions.</p> <p>A. Engine Requirements</p> <p>1. The project sponsor shall also ensure that all on-road heavy-duty diesel trucks with a gross vehicle weight rating of 19,500 pounds or greater used at the project site (such as haul trucks, water trucks, dump trucks, and concrete trucks) be model year 2010 or newer.</p> <p>B. Construction Emissions Minimization Plan</p> <p>As part of the <i>Construction Emissions Minimization Plan</i> identified above for Mitigation Measure M-AQ-1.1 Section C, the contractor shall state, in reasonable detail, how the contractor shall meet the requirements of Section A.</p> <p>1. The plan shall include estimates of the construction timeline by phase, with a description of how the on-road haul truck fleet required for every construction phase will comply with the engine requirements stated above. The plan shall also include expected fuel usage (or miles traveled) and hours of operation for the on-road haul truck fleet. For on-road trucks using alternative fuels, the description shall also specify the type of alternative fuel being used. Renewable diesel shall be considered as an alternative fuel if it can be demonstrated to the Planning Department or the City's air quality specialists that it is compatible with on-road truck engines and that emissions of ROG and NOx from transport of fuel to the project site will not offset its NOx reduction potential.</p>	Infrastructure developer and/or vertical developer(s) (as applicable).	Prepare and Implement Construction Emissions Minimization Plan including engine requirements: Prior to issuance of a grading, excavation, or demolition permits and ongoing during demolition and construction activities. Quarterly Monitoring Reports: Quarterly after start of construction activities. Final Construction Report: After completion of construction	Infrastructure developer and/or vertical developer(s) (as applicable) or contractor to submit a Construction Emissions Minimization Plan including engine requirements to Port staff for review and approval. Quarterly reports to be submitted to Port staff documenting compliance with the plan for review and approval. Final Construction Report to be submitted to Port staff for review and approval.	Considered complete upon Port review and approval of Construction Emissions Minimization Plan, ongoing review and approval of quarterly reports, and review and approval of final construction report.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
NOTE: Each mitigation measure in this document applies to the proposed project and all variants, unless noted otherwise.				
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility (Public Agency)	Monitoring Schedule
<p>a. See Mitigation Measure M-AQ-1.1 Section C, Part 2.</p> <p>b. See Mitigation Measure M-AQ-1.1 Section C, Part 3.</p> <p>C. Monitoring</p> <p>See Mitigation Measure M-AQ-1.1 Section D.</p>		activities but prior to receiving a final certificate of occupancy.		
<p><b>Mitigation Measure M-AQ-1.3: Low-VOC Architectural Coatings.</b></p> <p>The project sponsor shall use low-VOC (i.e., ROG) coatings, beyond local requirements (i.e., Regulation 8, Rule 3: Architectural Coatings), for at least 90 percent of all residential and nonresidential interior and exterior paints. This includes all architectural coatings applied during both construction and reapplications throughout the project's operational lifetime. At least 90 percent of coatings applied must meet the "super-compliant" VOC standard of less than 10 grams of VOC per liter of paint. After start of construction activities, the contractor shall submit quarterly reports to the ERO documenting compliance with this measure by providing an inventory listing the VOC content of all coatings purchased and applied during construction activities.</p> <p>For the reapplication of coatings during the project's operational lifetime, the Declaration of Covenants, Conditions, and Restrictions shall also contain a stipulation that low-VOC coatings must be used and a list of potential coatings shall be provided. A list of "super-compliant" coatings can be found on the South Coast Air Quality Management District's website: <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>.</p>	Vertical developer(s).	At the start of construction activities and quarterly during construction and the project's operational lifetime.	Vertical developer(s) to submit initial report and quarterly reports to the Port's Building Permit Group documenting compliance for review and approval.	Ongoing throughout construction and operation.
<p><b>Mitigation Measure M-AQ-1.4: Best Available Control Technology for In-Water Construction Equipment.</b></p> <p>The project sponsor shall require all construction contractors to implement the following measures to reduce emissions from in-water equipment.</p> <p>A. Engine Requirements</p> <ol style="list-style-type: none"> <li>1. The project sponsor shall ensure that the construction barge shall have engines that meet or exceed USEPA marine engine Tier 3 emissions standards.</li> <li>2. The project sponsor shall also ensure that the construction work boat engine shall be model year 2005 or newer or meet NOx and PM emissions standards for that model year.</li> </ol>	Pier 48 developer.	Prepare and Implement Construction Emissions Minimization Plan including barge and work boat engine requirements: Prior to issuance of a grading, excavation, or demolition permits	Pier 48 developer or contractor to submit a Construction Emissions Minimization Plan including barge and work boat engine requirements to Port staff for review and approval. Quarterly reports to be submitted to Port staff documenting compliance with the plan for review and approval.	Considered complete upon Port review and approval of Construction Emissions Minimization Plan, ongoing review and approval of quarterly reports, and review and

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
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<p><b>B. Construction Emissions Minimization Plan</b> As part of the <i>Construction Emissions Minimization Plan</i> identified above for Mitigation Measure M-AQ-1.1 Section C, the contractor shall state, in reasonable detail, how the contractor shall meet the requirements of Section A.</p> <p>1. The plan shall include estimates of the construction timeline by phase, with a description of how each in-water equipment piece (e.g. barge engines, work boats) required for every construction phase will comply with the engine requirements stated above. The plan shall also include expected fuel usage and hours of operation for in-water equipment. For in-water equipment using alternative fuels, the description shall also specify the type of alternative fuel being used. Renewable diesel shall be considered as an alternative fuel if it can be demonstrated to the Planning Department or the City's air quality specialists that it is compatible with tiered engines and that emissions of ROG and NOx from transport of fuel to the project site will not offset its NOx reduction potential.</p> <p>a. See Mitigation Measure M-AQ-1.1 Section C, Part 2. b. See Mitigation Measure M-AQ-1.1 Section C, Part 3.</p> <p><b>C. Monitoring</b> See Mitigation Measure M-AQ-1.1 Section D.</p>		<p>and ongoing during demolition and construction activities.</p> <p>Quarterly Monitoring Reports: Quarterly after start of construction activities.</p> <p>Final Construction Report: After completion of construction activities but prior to receiving a final certificate of occupancy.</p>	Final Construction Report to be submitted to Port staff for review and approval.	approval of final construction report.
<p><b>Mitigation Measure M-AQ-1.5: Emissions Offsets for Construction and Operational Ozone Precursor Emissions.</b> Prior to the estimated first year of exceedance, the project sponsor, with oversight of the Planning Department, shall elect to either:</p> <p>1. Directly implement a specific offset project or program to achieve emission reductions of up to 9.6 tons of ozone precursors to offset the combined emissions from construction and operations remaining above significance levels after implementation of identified mitigation measures. To qualify under this mitigation measure, the specific emissions reduction project must result in emissions reductions within the SDBAAB that are real, surplus, quantifiable, and enforceable and would not otherwise be achieved through compliance with existing regulatory requirements or any other legal requirement. Prior to implementation of the offset project, the project sponsor must obtain the</p>	Infrastructure developer.	<p>Implement a specific offset project or program:</p> <p>Prior to the estimated first year of exceedance and notify the Port within 6 months of completion of the offset project.</p> <p>Mitigation Fee: Installment for each development block to be paid</p>	<p>Implementation of specific offset project or program: Port approval of proposed offset program. Port verification of successful completion of offset program.</p> <p>Mitigation Fee: Infrastructure developer, BAAQMD, and Port to determine fee. BAAQMD and infrastructure developer to develop and implement MOU.</p>	<p>Implementation of specific offset project or program: Complete upon Port's verification of successful completion of offset program.</p> <p>Mitigation Fee: Complete for each block upon payment of fee</p>

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
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MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation - Schedule	Monitoring/Reporting Responsibility (Public Agency)	Monitoring Schedule
<p>Planning Department's approval of the proposed offset project by providing documentation of the estimated amount of emissions of ROG and NO<sub>x</sub> to be reduced (tons per year) within the SFBAAB from the emissions reduction project(s). The project sponsor shall notify the Planning Department within 6 months of completion of the offset project for Planning Department verification.</p> <p>2. Pay a mitigation offset fee to the BAAQMD Bay Area Clean Air Foundation (Foundation) in installments, as further described below, with each installment amount to be determined prior to the estimated first year of exceedance. This fee is intended to fund emissions reduction projects to achieve reductions totaling up to 10.5 tons of ozone precursors per year, the estimated maximum tonnage of operational and construction-related emissions offsets required to reduce emissions below significance levels after implementation of other identified mitigation measures. This total emissions offset amount was calculated by summing the maximum daily construction and operational emissions of ROG and NO<sub>x</sub> (pounds/day), multiplying by 260 work days per year for construction and 365 days per year for operation, and converting to tons. The amount represents the total estimated operational and construction-related ROG and NO<sub>x</sub> emissions offsets required.</p> <p>The fee shall be paid in up to 12 installments, each installment payable at the time of application for a site permit for each development block, representing the portion of the 10.5 tons of ozone precursors per year attributable to each building, as follows: (a) Blocks A, G, and K: 6.6% or 0.70 tons per each development block; (b) Pier 48: 18.6% or 1.95 tons; (c) Blocks B, C, and D: 9% or 0.95 tons per each development block; (d) Blocks E and F: 10.3% or 1.08 tons per each development block; and (e) Blocks H, I, and J: 4.6% or 0.49 tons per each development block. The mitigation offset fee, currently estimated at approximately \$18,262 per weighted ton, shall not exceed \$35,000 per weighted ton of ozone precursors plus an administrative fee of no more than 5 percent of the total offset to fund one or more emissions reduction projects within the SFBAAB. The not to exceed amount of \$35,000 will be adjusted to reflect annual California Consumer Price Index adjustments between 2017 and the estimated first year of exceedance. Documentation of payment shall be provided to the Planning Department.</p>		with site permit application for each block, if no specific project or program is identified. Enter into MOU with BAAQMD Foundation and pay offset fee in installments for each development block.		installment outlined in the MOU.



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Unless directly implementing a specific offset project (or program) as described above, the project sponsor would enter into a Memorandum of Understanding (MOU) with the BAAQMD Foundation in connection with each installment payment described above. The MOU will include details regarding the funds to be paid, the administrative fee, and the timing of the emissions reductions project. Acceptance of this fee by the BAAQMD shall serve as acknowledgment and a commitment to (1) implement an emissions reduction project(s) within a time frame to be determined, based on the type of project(s) selected, after receipt of the mitigation fee to achieve the emissions reduction objectives specified above and (2) provide documentation to the Planning Department and the project sponsor describing the project(s) funded by the mitigation fee, including the amount of emissions of ROG and NOx reduced (tons per year) within the SFBAAB from the emissions reduction project(s). To qualify under this mitigation measure, the specific emissions reduction project must result in emission reductions within the SFBAAB that are real, surplus, quantifiable, and enforceable and would not otherwise be achieved through compliance with existing regulatory requirements or any other legal requirement.				
<b>Mitigation Measure M-AQ-2.1: Best Available Control Technology for Operational Diesel Generators.</b> The project sponsor shall ensure that the operational backup diesel generators comply with the following: (1) ARB Airborne Toxic Control Measure (ATCM) emissions standards for model year 2008 or newer engines; and (2) meet or exceed one of the following emission standards for particulate matter: (A) Tier 4 interim certified engine or (B) Tier 2 or Tier 3 certified engine that is equipped with an ARB Level 3 VDECS. A nonverified diesel emissions control strategy may be used if the filter has the same particulate matter reduction as the identical ARB-verified model and BAAQMD approves of its use. The project sponsor shall submit documentation of compliance with the BAAQMD NSR permitting process (Regulation 2, Rule 2. and Regulation 2, Rule 5) and the emissions standard requirement of this measure to the Planning Department for review and approval prior to issuance of a permit for a backup diesel generator from any City agency.	Vertical developer(s).	Prior to issuance of permit for each backup diesel generator from BAAQMD.	Vertical developer(s) shall submit documentation of compliance to the Port for review and approval.	Considered complete upon review and approval of documentation by Port staff.

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<p><b>Mitigation Measure M-AQ-2.2: Reactive Organic Gases Emissions Reduction Measures.</b></p> <p>To reduce ROG emissions associated with the project, the project sponsor shall provide education for residential and commercial tenants to help reduce area source (e.g., architectural coatings, consumer products, and landscaping) emissions associated with residential and building operations. Prior to receipt of any building permit and every 5 years thereafter, the project sponsor shall work with the San Francisco Department of Environment to develop electronic correspondence, which will be distributed by email annually to tenants of the project that encourages the purchase of consumer products that are better for the environment and generate fewer VOC emissions. The correspondence shall encourage environmentally preferable purchasing and include contact information and links to SF APPROVED. While microbreweries do not typically implement emission control devices, to further reduce ROG (primarily ethanol) emissions associated with Pier 48 industrial operations, the project sponsor shall implement technologies to reduce ethanol emissions if available and practicable. Such measures could include wet scrubbers, ethanol recovery and capture (e.g., carbon absorption) or incineration. At the time when specific designs for the Pier 48 use are submitted to the City for approval, the project sponsor shall provide an analysis that quantifies the emissions, based on the specific design proposal, and evaluates ROG emission control technologies.</p>	Vertical developer(s).	Prior to issuance of any building permit and every 5 years thereafter.	Vertical developer(s) to work with the San Francisco Department of Environment to develop materials. San Francisco Department of the Environment to review and approve materials.	Considered complete after documentation provided to the Department of distribution of educational materials to residential and commercial tenants.
<p><b>Mitigation Measure M-AQ-2.3: Transportation Demand Management.</b></p> <p>The project sponsors shall prepare and implement a Transportation Demand Management (TDM) Plan. The TDM Plan shall have a goal of reducing estimated aggregate daily one-way vehicle trips by 20 percent compared to the aggregate daily one-way vehicle trips identified in the project's travel demand memo, prepared by Advant Consulting, dated June 30, 2015 ("Travel Demand Memo"), and attached as Appendix 4-4 to the Draft EIR. The project sponsors shall be responsible for monitoring implementation of the TDM Plan and proposing adjustments to the TDM Plan if its goal is not being achieved, in accordance with the following provisions. The TDM Plan may include, but is not limited to, the types of measures summarized below by way of example. TDM Plan measures shall generally be consistent with the City's adopted TDM Program Standards and the draft</p>	Transportation Coordinator and/or infrastructure developer to prepare the TDM Plan, which will be implemented by the Transportation Coordinator and will be binding on all development parcels.	Transportation Coordinator and/or Infrastructure developer to prepare TDM Plan and submit to Planning Department staff prior to approval of the project.	Transportation Coordinator to submit the TDM Plan to Planning Department staff for review and approval. Transportation Coordinator to submit monitoring report annually to Planning Department staff and implement TDM Plan Adjustments (if required).	The TDM Plan is considered complete upon approval by the Planning Department staff, in consultation with the SFMTA. Annual monitoring reports would be on-going during project buildout.

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<p>proposed TDM Plan prepared by Nelson Nygaard, dated September 2016, and attached as Appendix 4-5 to the Draft EIR. The TDM Plan describes the scope and applicability of candidate measures in detail, and may include, for example:</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 wayfinding signage, transportation information displays, and tailored transportation marketing services;</li> <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 describe each measure, including the degree of implementation (e.g., how long will it be in place, how many tenants or visitors it will benefit, on which locations within the site it will be placed, etc.) and the population that each measure is intended to serve (e.g., residential tenants, retail visitors, employees of tenants, visitors). The TDM Plan shall commit to monitoring vehicle trips to and from the project site to determine the TDM Plan's effectiveness, as required by TDM Plan Monitoring and Reporting outlined below.</p> <p>The TDM Plan shall have been approved by the Planning Department prior to site permit application for the first building and the TDM Plan shall be implemented as to each new building upon the issuance of the certificate of occupancy for that building.</p>				<p>or until five consecutive reporting periods show that the fully-built project has met its reduction goals, at which point reports would be submitted every three years.</p>

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
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<p>The TDM Plan shall remain a component of the proposed project to be implemented for the duration of the project.</p> <p><i>TDM Plan Monitoring and Reporting.</i> the Transportation Coordinator shall collect data, prepare monitoring reports and submit them to the Planning Department. To ensure the goal of reducing by 20 percent the aggregate daily one-way vehicle trips is reasonably achievable, the project sponsor shall monitor daily one-way vehicles trips for all buildings that have received a Certificate of Occupancy, and compare these vehicle trips to the aggregate daily one-way vehicle trips anticipated for the those buildings based on the trip generation rates contained within the proposed project Travel Demand Memo.</p> <ul style="list-style-type: none"> <li>• <b>Timing:</b> The Transportation Coordinator shall collect monitoring data and shall begin submitting monitoring reports to the Planning Department beginning 18 months after the completion and commencement of operation of the proposed garage on Block D. Thereafter, annual monitoring reports shall be submitted (referred to as "reporting periods") until five consecutive reporting periods show that the project has met the reduction goal, at which point monitoring data shall be submitted to the Planning Department once every 3 years. The project sponsor shall complete each trip count and survey (see below for description) 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 project sponsor shall modify the timing of monitoring reports such that a new monitoring report is submitted 12 months after adjustments are made to the TDM Plan in order to meet the reduction goal, as may be required under the "TDM Plan Adjustments" heading, below. In addition, the Planning Department may modify the timing of monitoring reports as needed to consolidate this requirement with other monitoring and/or reporting requirements for the project, such as annual reporting under the proposed project Development Agreement.</li> <li>• <b>Term:</b> The Project Sponsor shall monitor, submit monitoring reports, and make plan adjustments as provided below until the earlier of: (i) the expiration of the Development Agreement, or (ii) the reduction goal has been met for up to eight consecutive reporting periods as determined by the Planning Department. Notwithstanding the foregoing or any other provision of this mitigation measure, all obligations for monitoring.</li> </ul>				

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<p>reporting and for making adjustments to the TDM Plan shall terminate if the project sponsor has paid and/or made a commitment to pay the offset fee for any shortfall in the TDM Plan's meeting the reduction goal as provided below.</p> <ul style="list-style-type: none"> <li> <b>Components:</b> The monitoring and reporting, including trip counts, surveys and travel demand information, shall include the following components or comparable alternative methodology and components, as approved, accepted or provided by Planning Department staff: <ul style="list-style-type: none"> <li> <b>Trip Count and Intercept Survey:</b> Provide a site-wide trip count and intercept survey of persons and vehicles arriving and leaving the project site, other than on AT&amp;T Park ballgame or other major event (e.g., concert or other event substantially occupying the capacity of AT&amp;T Park) days or hours, for no less than two days during 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 survey consultant, and the Planning Department shall approve the methodology prior to the Project Sponsors conducting the components of the trip count and intercept survey. The Planning Department anticipates it will have a standard trip count and intercept survey methodology developed and available to project sponsors at the time of data collection. </li> <li> <b>Travel Demand Information:</b> The above trip count and survey information shall be able to provide the 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> <b>Documentation of Plan Implementation:</b> The transportation coordinator shall work in conjunction with the Planning Department to develop a survey (online or paper) that can be reasonably completed by the transportation coordinator and/or Transportation </li> </ul> </li> </ul>				

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<p>Management Association (TMA) staff members to document implementation of TDM program elements and other basic information during the reporting period. The project sponsors shall include this survey in the monitoring report submitted to the Planning Department.</p> <ul style="list-style-type: none"> <li>Assistance and Confidentiality: The Planning Department will assist the transportation coordinator with questions regarding the components of the monitoring report and will assist the transportation coordinator in determining ways to protect the identity of individual survey responders.</li> </ul> <p><b>TDM Plan Adjustments.</b> The project sponsors shall adjust the TDM Plan according to the 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 the Planning Department and may require refinements to existing measures (e.g., changes to subsidies, increased bicycle parking), inclusion of new measures (e.g., a new technology or project operational changes not inconsistent with any agreements with the Port), or removal of existing measures (e.g., measures that are ineffective or induce vehicle trips).<sup>5</sup> If three consecutive reporting periods' monitoring results demonstrate that measures within the TDM Plan are not achieving the reduction goal, the project sponsors shall propose TDM Plan adjustments to be incorporated in the TDM Plan within 270 days following the last reporting period. The project sponsors shall implement the TDM Plan adjustments until the results of three consecutive reporting periods demonstrate that the reduction goal is being achieved.</p> <p>If after implementing TDM Plan adjustments as described above, and the project sponsors have not met the reduction goal for up to eight consecutive reporting periods as determined by the Planning Department, the project sponsors may, at any time thereafter, elect to address the shortfall in meeting the TDM Plan reduction target by, in addition to paying the emission offset fees set forth in Mitigation Measure M-AQ-1.5, also paying an additional</p>				

<sup>5</sup> No parking-related restrictive measures on the project site shall by design or effect, restrict parking on the project site for patrons of AT&T ballpark games or events.

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offset fee in accordance with Mitigation Measure M-AQ-1.5, in the amount required to address, both the shortfall in reduction during the previously monitored years and the anticipated shortfall in the remaining expected years of project operations, the latter of which shall be based on the shortfall that occurred in the most recently monitored year. Calculations of emissions to be offset shall be based on the total amount of emissions anticipated to be reduced by achieving the 20 percent TDM goal adjusted for the actual percentage of aggregate daily one-way vehicle trip reduction achieved in the most recently monitored year.				
<i>Wind and Shadow Mitigation Measures</i>				
<p><b>M-WS-1: Assessment and Mitigation of Wind Hazards on a Building-by-Building Basis.</b></p> <p>1. Prior to or as part of the submittal package for the schematic design of a new building (Proposed Building), the Proposed Building developer shall submit to the Planning Department, for its review and approval, a scope of work and, following approval of the scope, a report from a Qualified Wind Consultant (QWC) that reviews the Proposed Building schematic design, absent landscaping.<sup>6</sup> "QWC" means a wind consultant retained by the Proposed Building(s) developer and approved by the Planning Department for preparation of the report. The EIR wind consultant for the proposed project and any other wind consultant on the City's then approved list or otherwise approved by the City will be considered a QWC.</p> <p>2. The QWC report shall evaluate whether the Proposed Building(s) would create a Significant Wind Impact. "Significant Wind Impact" means a substantial increase on a site-wide basis in the number of hours per year that the 26 mph wind hazard criterion is exceeded or, if baseline wind conditions are greater than 26 mph, a substantial increase in the area subjected to winds greater than 26 mph. This analysis shall focus on the entire project area that was studied in wind tunnel tests conducted for the EIR and not just the area immediately surrounding the Proposed Building(s).</p>	Vertical developer(s) and qualified wind consultant.  Vertical developer(s) to implement architectural or landscaping features, or a combination of such features, that have been demonstrated in wind tunnel to reduce the Proposed Building's wind hazards to a level no greater than those of either	Prior to or as part of the submittal package for the schematic design of a new building.	Vertical developer(s) to submit to the Planning Department and the Port, for their review and approval, a scope of work and, following the approval of the scope of work by Planning Department and Port staff, a report from a qualified wind consultant that determines building-specific wind conditions.	Considered complete upon approval of wind report by the Planning Department and Port.

<sup>6</sup> The scope of work for this report shall use the same methodology and wind test point locations as the Wind Study prepared for this EIR.

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MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility (Public Agency)	Monitoring Schedule
<p>3. The QWC shall consider the Proposed Building(s) in the context of the "Current Project," which, at any given time during construction of the Project, shall be defined as the building masses used in the Original Model (Wind Study Configuration B),<sup>7</sup> except as updated to reflect schematic design submittals for any previously approved building that has not yet commenced construction, and construction permit designs for on-site buildings that are under construction or have completed construction. This model shall be referred to as the "Current Project" and shall be updated over time as architectural design for each proposed project block/building is completed.</p> <p>4. The Proposed Building shall be tested in the wind tunnel as proposed, including any architectural features that can be shown on plans to mitigate wind effects.<sup>8</sup> Testing may not include any existing or proposed onsite landscaping. A separate test shall be conducted with existing and proposed onsite landscaping included, if required per Section 5, below. The accompanying report shall compare the wind tunnel results analyzing the Proposed Building in the context of the Current Project to the following two baselines: (1) the EIR baseline conditions for the project site (Wind Study Configuration A), and (2) Existing Plus Project (i.e., with Mission Rock proposed project) conditions used in the EIR (Wind Study Configuration B).</p> <p>5. No further analysis shall be required if the QWC concludes, and the Planning Department concurs, that the Proposed Building's schematic design, absent proposed onsite landscaping, would not create a Significant Wind Impact. If the QWC concludes that the Proposed Building's schematic design, absent proposed onsite and existing offsite landscaping, would create a Significant Wind Impact, as defined above, then a second wind tunnel test shall be conducted, taking into account proposed onsite landscaping and existing offsite landscaping. The intent of landscaping is</p>	Wind Study Configuration A or Wind Study Configuration B.			

<sup>7</sup> All references to the Wind Study refer to the Mission Rock EIR Pedestrian Wind Study Wind Tunnel Tests Report prepared by RWDI, final report, January 25, 2017, which can be found in Appendix 7-1 to this EIR.

<sup>8</sup> These could include features such as setbacks, wind baffles, randomized balconies, overhangs, canopies, awnings and the like, provided they are consistent with the project's Design Controls and shown on schematic architectural plans for the Proposed Building.



MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
NOTE: Each mitigation measure in this document applies to the proposed project and all variants, unless noted otherwise.				
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility (Public Agency)	Monitoring Schedule
<p>to emulate the function and effect of a manmade wind screen. The following parameters have been determined to be the minimum requirements for landscaping features to be effective in controlling wind:<sup>9</sup></p> <ul style="list-style-type: none"> <li>It is the combined effect of a cluster or group of landscaping features that is most effective, rather than the maturity of one tree.</li> <li>Since a general rule is that vertical wind control features should be taller than the average height of a person, foliage from the ground up is most effective at a height of approximately 6 to 8 feet.</li> <li>Since winds can easily flow under tree crowns, underplantings (e.g., shrub plantings at the base of a tree) should be included where trunks are bare for the first 5 to 6 feet of a tree measured from the ground.</li> <li>Tree crowns with at least 60 percent cover (density of leafage) and even spread of branches are most effective.</li> </ul>				
<b>Biological Resources Mitigation Measures</b>				
<p><b>M-BI-3.1: Conduct Impact Hammer Pile Driving during Periods that Avoid Special-Status Fish Species' Spawning and Migration Seasons.</b> In-water pile installation using impact hammers shall occur within the work window of June 1 to November 30, which has been established for dredging in San Francisco Bay to reduce potential effects on special-status fish species.</p>	Pier 48 developer.	During the construction work window of June 1 to November 30.	Pier 48 developer to submit detailed construction schedule to Port staff for review and approval.	Considered complete upon approval of construction schedule by Port staff.
<p><b>M-BI-3.2: Pile-Driving Noise Reduction for the Protection of Fish.</b> Prior to the start of pile driving in the Bay, the project sponsor shall develop an underwater noise monitoring and attenuation plan and obtain approval from NMFS. The NMFS-approved plan or any modifications shall be provided to the City Planning Department for determination of consistency with the requirements in this measure. The plan shall provide details regarding the estimated underwater sound levels expected, sound attenuation methods, methods used to monitor and verify sound levels during pile-driving activities, and management practices</p>	Pier 48 developer.	Prior to the start of pile driving in the Bay.	Pier 48 developer to prepare an underwater noise monitoring and attenuation plan and obtain approval from NMFS. The NMFS-approved plan or any modifications to be provided to the Port staff for determination of consistency with the requirements in this	Considered complete upon review and approval of the sound attenuation and monitoring plan by NMFS and consistency determination by

<sup>9</sup> RWDI, Landscaping, December 8, 2016.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
NOTE: Each mitigation measure in this document applies to the proposed project and all variants, unless noted otherwise.				
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility (Public Agency)	Monitoring Schedule
<p>to be taken to reduce pile-driving sound in the marine environment to below NMFS thresholds for injury to fish. The plan shall incorporate, but not be limited to, the following BMPs:</p> <ul style="list-style-type: none"> <li>All steel pilings shall be installed with a vibratory pile driver to the deepest depth practicable. An impact pile driver may be used only where necessary, as determined by the contractor and/or project engineer, to complete installation of the steel pilings, in accordance with seismic safety or other engineering criteria.</li> <li>The smallest pile driver and minimum force shall be used to complete the work necessary to meet NMFS requirements, as determined by the contractor and/or project engineer.</li> <li>The hammer shall be cushioned using a 12-inch-thick wood block during all impact hammer pile-driving operations.</li> <li>To reduce impacts to levels below injury thresholds, based on hydroacoustic monitoring and the amount of impact pile driving occurring on a particular day, a bubble curtain, wood block cushion, air barrier, or similar technology shall be employed during impact pile-driving activities.</li> <li>A "soft start"<sup>10</sup> technique shall be employed upon initial pile-driving activities every day to allow fish an opportunity to vacate the area.</li> <li>During impact pile driving, the contractor shall limit the number of strikes per day to the minimum necessary to complete the work, as determined by the contractor and/or project engineer.</li> <li>No pile driving shall occur at night.</li> <li>During impact pile driving, a qualified fish biologist shall monitor the project site for fish that exhibit signs of distress. If fish are observed exhibiting signs of injury or distress, work shall be halted by the biologist, and the cumulative SEL up to that point shall be examined. If the cumulative SEL is close to the threshold or exceeds the threshold, then pile-driving activities will cease until the next day.</li> </ul>			measure.	Port staff.

<sup>10</sup> Soft starts require an initial set of three strikes from the impact hammer at 40 percent energy, followed by a 1-minute waiting period between subsequent three-strike sets. Soft starts for vibratory hammers will initiate noise at 15 seconds at reduced energy, followed by a 1-minute waiting period between subsequent starts. This process should continue for a period of no less than 20 minutes.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
NOTE: Each mitigation measure in this document applies to the proposed project and all variants, unless noted otherwise.				
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility (Public Agency)	Monitoring Schedule
<ul style="list-style-type: none"> <li>All pile-driving and pile-removal activity shall be monitored by a NMFS-approved biological monitor before and during all pile driving. The biological monitor shall maintain a monitoring log of daily pile-driving activities, any field sound measurements, fish sightings, and implementation of soft-start and shut-down requirements. A monitoring report shall be prepared for submission to NMFS and the City (submitted monthly and at the completion of all pile-driving/pile-removal activities).</li> </ul>				
<p><b>M-BI-3.3: Pile-Driving Noise Reduction for Protection of Marine Mammals.</b> Prior to the start of pile driving in the Bay, as part of the underwater noise monitoring and attenuation plan required by Mitigation Measure M-BI-3.2, the project sponsor shall provide details regarding the estimated underwater sound levels expected, not just from impact hammer pile driving that may affect fish but also from vibratory pile driving and removal because these sound levels may affect marine mammals. The plan shall also address sound attenuation methods, methods used to monitor and verify sound levels during pile-driving activities, and management practices to be taken to reduce pile-driving sound in the marine environment to below NMFS thresholds for injury to marine mammals. As part of implementation of the sound attenuation monitoring plan, the project sponsor shall take actions to reduce the effect of underwater noise transmission on marine mammals. These actions shall include, at a minimum:</p> <ul style="list-style-type: none"> <li>The establishment of initial safety zones, based on the estimated NMFS injury threshold contours for the different marine mammals (as shown in Table 4.L-8 and Table 4.L-9). The initial size of the safety zones may be modified, based on subsequent analysis of the anticipated noise levels and the actually proposed piles, equipment, and activity prior to construction but only with the approval of NMFS.</li> <li>Hydroacoustic monitoring, according to the NMFS-approved sound attenuation and monitoring plan, shall be completed during initial pile driving to verify projected isopleths for pile driving and removal. The plan shall require real-time hydroacoustic monitoring for a sufficient number of piles to determine and verify modeled noise isopleths. The safety zones established prior to construction may be modified, based on field measurements of noise levels from different pile-driving activities, if the field measurements indicate that different noise threshold contours than those estimated prior to construction are appropriate but only with approval of NMFS.</li> </ul>	Pier 48 developer.	Prior to the start of pile driving in the Bay.	Pier 48 developer to prepare an underwater noise monitoring and attenuation plan (including estimated underwater sound levels expected) and obtain approval from NMFS. The NMFS-approved plan or any modifications to be provided to Port staff for determination of consistency with the requirements in this measure.	Considered complete upon review and approval of the sound attenuation and monitoring plan by NMFS and consistency determination by Port staff.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
NOTE: Each mitigation measure in this document applies to the proposed project and all variants, unless noted otherwise.				
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility (Public Agency)	Monitoring Schedule
<ul style="list-style-type: none"> <li>Halting of work activities when a marine mammal enters a safety zone (specific to that species) and resumed only after the animal has not been observed within the safety zone for a minimum of 15 minutes.</li> <li>Use of a "soft start"<sup>11</sup> technique each day upon commencement of pile-driving activity, any time after ceasing pile-driving activity for more than 1 hour, and any time after shutdown due to marine mammal entry into a safety zone.</li> <li>Monitoring by an NMFS-approved biological monitor of all pile-driving and pile-removal activity before and during all pile driving/removal to inspect the work zone and adjacent Bay waters for marine mammals and implement the safety zone requirements described above. The biological monitor shall maintain a monitoring log of daily pile-driving/removal activities, any field sound measurements, marine mammal sightings, and implementation of soft-start, shut-down, and safety-zone requirements. A monitoring report shall be prepared for submission to the City and NMFS (submitted monthly and at the completion of all pile-driving/pile-removal activities).</li> </ul>				
<b>M-BI-5: Conduct Pre-Construction Surveys for Nesting Migratory Birds.</b> To facilitate compliance with state and federal laws (California Fish and Game Code and the MBTA) and prevent impacts on nesting migratory birds, the project sponsor shall avoid vegetation/structure removal, ground-disturbing activities, and elevated noise levels near suitable nesting habitat during the nesting season (February 1 through August 31) or conduct pre-construction surveys, as described below. Alternatively, the project sponsor may remove vegetation or structures that may support nesting birds outside of the breeding season such that no breeding habitat would be present should construction start in the normal breeding season.	Infrastructure or vertical developer(s) (as applicable), qualified wildlife biologist (if necessary).	Infrastructure or vertical developer(s) (as applicable) to avoid vegetation and/or structure removal, ground-disturbing activities, and elevated noise levels near suitable nesting habitat	Avoid Removal during Nesting Season: contractor to provide detailed construction schedule to Port to confirm affected activities fall outside nesting season or removal of trees and/or structures occurs outside breeding season. Nesting Surveys: If necessary, wildlife biologist to complete a memorandum	Avoid Removal during Nesting Season: complete upon review and approval of construction schedule by Port staff. Nesting Surveys: Considered complete upon review and

<sup>11</sup> Soft starts require an initial set of three strikes from the impact hammer at 40 percent energy, followed by a 1-minute waiting period between subsequent three-strike sets. Soft starts for vibratory hammers will initiate noise at 15 seconds at reduced energy, followed by a 1-minute waiting period between subsequent starts. This process should continue for a period of no less than 15 minutes.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
NOTE: Each mitigation measure in this document applies to the proposed project and all variants, unless noted otherwise.				
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility (Public Agency)	Monitoring Schedule
<p>If it is not feasible to avoid the nesting season and suitable nesting areas remain on the project site, the project sponsor shall hire a qualified wildlife biologist with demonstrated nest-searching experience to conduct surveys for nesting birds, including raptors. The following list details the nesting bird survey requirements for this project.</p> <ul style="list-style-type: none"> <li>One nesting bird assessment is required at the beginning of each year, at the start of the nesting bird season (February), to determine if suitable nesting habitat remains or has been reinstated (e.g., the project site is revegetated).</li> <li>If suitable nesting habitat is present, one nesting survey shall be conducted between February and April, and one nesting survey shall be conducted between April and June.</li> <li>Additional nesting surveys are required when construction work stops at a portion of the site where suitable nesting habitat remains for more than 15 days or if construction is phased in such a way that no disturbance has occurred in a portion of the project site.</li> <li>If active nests are observed during construction when the wildlife biologist is not present, all work within 250 feet of the nest shall stop, and wildlife biologist shall be contacted immediately. All personnel shall move at least 250 feet away from the nest. To the extent feasible, after consulting with the wildlife biologist, construction equipment shall be shut down or moved 250 feet away from the nest.</li> </ul> <p>Nesting bird surveys shall be performed no earlier than 7 days prior to the commencement of ground-disturbing activities and vegetation removal (including clearing, grubbing, and staging). The area surveyed shall include all construction areas as well as areas within 250 feet outside the boundaries of the areas to be cleared or as otherwise determined by the biologist.</p> <p>If the wildlife biologist finds any active nests (e.g., a nest with eggs, chicks, or young) during the survey, the biologist shall establish no-disturbance species-specific buffer zones for each nest, marked with high-visibility fencing, flagging, or pin flags. No construction activities shall be allowed within the buffer zones. The size of the buffer shall be based on the species' sensitivity to disturbance and planned work activities in the vicinity; typical buffer sizes are 250 feet for raptors and 50 feet for other birds. The buffer shall remain in effect until the chicks have fledged from the nest or the nest is no longer active, which will be verified by the biologist.</p>		<p>during the nesting season (February 1 through August 31), conduct pre-construction surveys (February through June), or remove vegetation and/or structures outside breeding season.</p>	<p>detailed the survey effort and results and submit the memorandum to the infrastructure developer or vertical developer (s) (as applicable) and Port staff within 7 days of survey completion. Port staff to review and approve report.</p>	<p>approval of nesting surveys by Port staff.</p>

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
NOTE: Each mitigation measure in this document applies to the proposed project and all variants, unless noted otherwise.				
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility (Public Agency)	Monitoring Schedule
<p>If inactive nests are identified, the project sponsor or its contractor shall remove those nests from the structure/vegetation and install nest exclusion measures on structures (i.e., fine mesh netting, panels, or metal projectors) outside of the nesting season, if deemed necessary and suitable by the qualified wildlife biologist. All exclusionary devices shall be monitored and maintained throughout the breeding season to ensure that they are successful in preventing the birds from accessing the cavities or nest sites.</p> <p>After each survey and/or after nest-deterrence activities are completed, the wildlife biologist shall complete a memorandum detailing the survey effort and results and submit the memorandum to the project sponsor within 7 days of survey completion.</p>				
<b>Geology and Soils Mitigation Measures</b>				
<p><b>M-GE-5: Accidental discovery of paleontological resource.</b></p> <p>Given the potential for paleontological resources to be present at the project site at excavation depths within the Colma Formation, the following measures shall be undertaken to avoid any significant adverse effect from the proposed project on paleontological resources. Before the start of any drilling or pile-driving activities, the project sponsor shall retain a qualified paleontologist, as defined by the SVP, who is experienced in teaching nonspecialists. The qualified paleontologist shall train all construction personnel who are involved with earthmoving activities, including the site superintendent, regarding the possibility of encountering fossils, the appearance and types of fossils that are likely to be seen during construction, and proper notification procedures should fossils be encountered. Procedures to be conveyed to workers include halting construction within 50 feet of any potential fossil find and notifying a qualified paleontologist, who shall evaluate the significance.</p> <p>If paleontological resources are discovered during earthmoving activities, the construction crew shall immediately cease work near the find and notify the project sponsor and the San Francisco Planning Department. Construction work in the affected areas shall remain stopped or be diverted to allow recovery of fossil remains in a timely manner. The project sponsor shall retain a qualified paleontologist to evaluate the resource and prepare a recovery plan in accordance with SVP guidelines. The recovery plan may include a field survey, construction monitoring, sampling and data recovery</p>	Infrastructure developer and/or vertical developer(s) (as applicable), and qualified paleontologist.	Before the start of any drilling or pile-driving activities.	Infrastructure developer or vertical developer(s) (as applicable) to retain qualified paleontologist and notify Port staff. Port staff to approve selection of paleontologist. If necessary, paleontologist to prepare and submit a recovery plan for Port review and approval.	Considered complete once training is complete, once construction is complete, or once the Planning Department approves the recovery plan and the infrastructure developer or vertical developer(s) and qualified paleontologist implements the plan.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
NOTE: Each mitigation measure in this document applies to the proposed project and all variants, unless noted otherwise.				
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility (Public Agency)	Monitoring Schedule
procedures, museum storage coordination for any specimen recovered, and a report of findings. Recommendations in the recovery plan that are determined by the San Francisco Planning Department to be necessary and feasible shall be implemented before construction activities can resume at the site where the paleontological resources were discovered. The San Francisco Planning Department shall be responsible for ensuring that the monitor's recommendations regarding treatment and reporting are implemented.				
IMPROVEMENT MEASURES FOR THE SEAWALL LOT 337 AND PIER 48 MIXED-USED PROJECT				
<p><b>I-TR-1: Construction Management Plan.</b></p> <p><b>Traffic Control Plan for Construction</b> – To reduce potential conflicts between construction activities and pedestrians, bicyclists, transit and autos during construction activities, the project sponsor 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 sponsor and their construction contractor(s) should 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. This includes coordinating project construction activities with nearby City construction projects, such as the Third Street Rehabilitation Project. For any work within the public right-of-way, the contractor would be required to comply with the San Francisco's Regulations for Working in San Francisco Streets, which establishes rules and permit requirements so that construction activities can be conducted safely and with the least possible interference with pedestrians, bicyclists, transit, and vehicular traffic. Additionally, restrict truck movements and deliveries to the maximum feasible extent during peak hours (generally 7:00 to 9:00 a.m. and 4:00 to 6:00 p.m., or other times, as determined by SFMTA and the 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 sponsor 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</p>	Infrastructure developer and/or developer(s) (as applicable) (s).	Construction Management Plan for Construction: Prior to the issuance of a grading, excavation, or building permit. Project Construction Updates: ongoing throughout construction activities.	Infrastructure developer and/or vertical developer(s) (as applicable) and construction contractor(s) to submit Traffic Control Plan for Construction to the Port and SFMTA for review and approval. Project construction update materials would be provided in the annual mitigation and monitoring plan.	Ongoing during project construction.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
NOTE: Each mitigation measure in this document applies to the proposed project and all variants, unless noted otherwise.				
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility (Public Agency)	Monitoring Schedule
<p>impacts. The project sponsor, 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><u>Reduce Single-Occupant Vehicle Mode Share for Construction Workers</u> – To minimize parking demand and vehicle trips associated with construction workers, the project sponsor should require the construction contractor to include in the Traffic Control Plan for Construction methods to encourage walking, bicycling, carpooling, and transit access to the project construction sites 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 sponsor 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>I-TR-7: Garage Access – Pedestrian Design Features.</b> During the final design process for the parking facilities and the pedestrian realm of adjacent streets, improvements should be designed for the safe interface of vehicles and pedestrians at parking facility driveways. This design shall include adequate sight distance, signing, striping, warning devices, and lighting.</p>	Garage developer.	During the final design process for the parking facilities and the pedestrian realm of adjacent streets.	Garage developer to design parking facilities and pedestrian realm for the safe interface of vehicles and pedestrians. SFMTA, in consultation with the Planning Department to review and approve plans.	Considered complete once SFMTA and Planning Department signs off on final plans.
<p><b>I-TR-10: Garage Access – Bicycle-Vehicle Design Features.</b> During the final design process for Long Bridge Street, adequate sight distance should be provided through a combination of signing, striping, and lighting improvements, which should be designed for the safe interface of vehicles and cyclists at the two Block D2 parking facility driveways.</p>	Garage developer.	During final design process for Long Bridge Street.	Garage developer to design Long Bridge Street with adequate sight distance. SFMTA to review and approve plans.	Considered complete once SFMTA signs off on final plans.



MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
NOTE: Each mitigation measure in this document applies to the proposed project and all variants, unless noted otherwise.				
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility (Public Agency)	Monitoring Schedule
1-TR-12: Strategies to Enhance Transportation Conditions During Large Events. The project's Transportation Coordinator should participate as a member of the Mission Bay Ballpark Transportation Coordination Committee and provide at least 1-month notification prior to the start of any large event that would overlap with an event at AT&T Park.	Project Transportation Coordinator.	Ongoing.	Transportation Coordinator to provide at least 1-month notification to Port, Planning Department, and SFMTA prior to the start of any large event that would overlap with an event at AT&T Park.	On-going during project operations.

EXHIBIT L

Form of Facilities Condition Report

**Parcel Lease Exhibit L  
Form of Facilities Condition Report**

**FACILITIES CONDITION REPORT**

**Parcel [ ]**

**Date: [ ]**

This Facilities Condition Report is being delivered to Port pursuant to Section 10.2 of that certain Lease dated \_\_\_\_\_ by and between \_\_\_\_\_ ("Tenant") and the Port with respect to the property commonly known as \_\_\_\_\_ (the "Property"). The purpose of this Facilities Condition Report is to document the condition of the Property and to assist Tenant in developing cost estimates needed for capital planning, deferred maintenance and life-cycle replacement costs.

This Facilities Condition Report was prepared by \_\_\_\_\_ following a visual inspection of the Property and review of written notices of Building Code violations, if any, received by the Property owner (a "Code Violation Notice").

<b><u>Building System or Component</u></b>	<b><u>Narrative Summary of Condition</u></b>	<b><u>Immediate Repair Recommended to Address any Code Violation Notice</u></b> (If none, write "None")	<b><u>Short Term Repair and Renewal Recommendations<sup>1</sup></u></b> (If none, write "None")	<b><u>Long Term Repair and Renewal Recommendations<sup>2</sup></u></b> (If none, write "None")	<b><u>Estimated Cost of Recommended Repair</u></b>	<b><u>Estimated Remaining Useful Life</u></b>
1. Building Site (Topography, drainage, retaining walls, paving, curbing, lighting)						

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- <sup>1</sup> Short term repairs will include any repair recommended to occur prior to the next regularly scheduled Facilities Condition Report.  
<sup>2</sup> Long term repairs will include any repair recommended to occur following the next regularly scheduled Facilities Condition Report.

<u>Building System or Component</u>	<u>Narrative Summary of Condition</u>	<u>Immediate Repair Recommended to Address any Code Violation Notice</u> (If none, write "None")	<u>Short Term Repair and Renewal Recommendations<sup>1</sup></u> (If none, write "None")	<u>Long Term Repair and Renewal Recommendations<sup>2</sup></u> (If none, write "None")	<u>Estimated Cost of Recommended Repair</u>	<u>Estimated Remaining Useful Life</u>
2. Building Envelope (Windows and Walls)						
3. Structural (Foundation and Framing)						
4. Interior Elements (Stairways, hallways, common areas)						
5. Roofing Systems						
6. Major Mechanical Systems (Heating, Ventilation, and Air Conditioning)						
7. Major Plumbing Systems						
8. Major Electrical Systems						
9. Vertical						

<u>Building System or Component</u>	<u>Narrative Summary of Condition</u>	<u>Immediate Repair Recommended to Address any Code Violation Notice</u> (If none, write "None")	<u>Short Term Repair and Renewal Recommendations<sup>1</sup></u> (If none, write "None")	<u>Long Term Repair and Renewal Recommendations<sup>2</sup></u> (If none, write "None")	<u>Estimated Cost of Recommended Repair</u>	<u>Estimated Remaining Useful Life</u>
Transportation (Elevators and escalators)						
10. [If Tenant elects to include in the Facilities Condition Report: Site-specific testing, such as infrared thermography for energy loss, air leakage, roofing and building envelope moisture intrusion]						

EXHIBIT M

Workforce Development Plan

**EXHIBIT M**  
**WORKFORCE DEVELOPMENT PLAN**

For purposes of this ***Exhibit M***, references to Exhibit B6-A in the attached Workforce Development Plan will mean this ***Exhibit M*** to this Lease.

## **Parcel Lease Exhibit M**

### **Workforce Development Plan**

The development plan for Mission Rock under the Transaction Documents provides for the development of a new mixed-use neighborhood composed of commercial/office, retail, garage, market rate and affordable residential uses and major new and expanded parks. This Workforce Development Plan sets forth the activities Port, Developer and Vertical Developer shall undertake, and require their Contractors, Consultants, Subcontractors, Subconsultants, Commercial Tenants, Lessees, Service Providers and Professional Service Providers, as applicable, to undertake, to support workforce development in the pre-construction, construction and end use phases of the Project, as set forth in this Exhibit B6-A.<sup>1</sup>

The Port and Developer shall enter into the DDA which will provide for the development of the 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 Project. Developer will enter into contracts with Contractors and Consultants to construct all Horizontal Improvements allowed under the Master Lease.

Developer will submit Phase Submittals to the Port pursuant to the Transaction Documents. Following each Phase Approval, the Port will authorize the Chief Harbor Engineer to issue Port permits necessary for Developer to begin to construct Horizontal Improvements in accordance with the DDA and the Master Lease. Upon exercise of an Option in accordance with the DDA, the Port will convey each Development Parcel through Parcel Leases to a Vertical Developer. A Vertical Developer will enter into contracts with Contractors and Consultants to construct the Vertical Improvements, including residential and commercial improvements, in accordance with the Parcel Lease and Vertical DDA. 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.

The foregoing summary is provided for convenience and for informational purposes only. In case of any conflict, the provisions of the DDA and each Vertical DDA shall control.

#### **A. First Source Operations and Pre-Construction Hiring Agreement.**

1. Developer shall, with respect to Horizontal Improvements, and the Port shall require that each Vertical Developer shall, with respect to each Vertical Improvement, comply with the operational requirements of the First Source Hiring Program pursuant to San Francisco Administrative Code Chapter 83 ("**Chapter 83**") and upon entering into: (a) leases or any other occupancy contracts for commercial space at Vertical Improvements that are subject to Chapter 83 with a tenant ("**Lessee**"), provided, however, that no Lessee occupying less than 5,000 square

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<sup>1</sup> Any capitalized term used in this Exhibit B6-A, including its Attachments, that is not defined herein, or in such Attachments, or in the referenced Administrative Code Sections, shall have the meaning given to such term in the DDA.



feet in floor area within the Project Site shall have an obligation to enter into a First Source Hiring Agreement or comply with the requirements of Chapter 83; or (b) janitorial, security, landscape, operations and maintenance contracts, will include in each such lease or contract a requirement that such third party enter into a First Source Hiring Agreement in the form attached hereto as Attachment A, and provide a signed copy thereof to the Office of Economic and Workforce Development within 10 business days of execution. The Port shall cause (i) Developer to comply with the above requirements by including such requirements as a material term in the Master Lease applicable to such Contract and (ii) each Vertical Developer to comply with the above requirements by including such requirements as a material term in the Vertical DDA applicable to such Contract.

2. Further, Developer shall, with respect to Horizontal Improvements, and the Port shall require that each Vertical Developer shall, with respect to each Vertical Improvement, voluntarily include within its good faith efforts to comply with Chapter 83 a requirement to include pre-construction work within the Project's First Source Hiring Program and upon entering into professional services contracts for architectural and engineering services, provided, however, that no professional services firm performing work through a contract valued at less than \$500,000 or a contract for services relating to the construction of any tenant improvements within a leased premises comprised of less than 15,000 square feet in floor area shall have an obligation to enter into a First Source Hiring Agreement, include in each such contract a requirement that such third party enter into a First Source Hiring Agreement in the form attached hereto as Attachment A, and provide a signed copy thereof to the Office of Economic and Workforce Development within 10 business days of execution. The Port shall cause (i) Developer to comply with the above requirements by including such requirements as a material term in the Master Lease applicable to such Contract and (ii) each Vertical Developer to comply with the above requirements by including such requirements as a material term in the Vertical DDA applicable to such Contract.

3. Residential units within the Project shall not be subject to any obligations under this Section A and the tenants of such residential units shall have no obligation to enter into a First Source Hiring Agreement.

4. The Office of Economic and Workforce Development ("**OEWD**") is the sole administrator of the First Source Hiring Program per San Francisco Administrative Code Chapter 83. OEWD's Business Services team will manage the First Source Hiring Agreement and will be the point of contact for Lessees and Service Providers. OEWD's Business Team will provide Referrals for the permanent Entry Level Positions located within the Project where required under Chapter 83.

5. Incorporation into contract provisions.

i. Developer or Vertical Developer shall include in its Contracts provisions that require Lessees and Service Providers to enter into a First Source Hiring Agreement and follow the good faith efforts within such agreements towards the hiring goals of Chapter 83. Developer or Vertical Developer shall also include in such 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.

ii. Developer or Vertical Developer shall include in its Professional Service Contracts provisions that require Professional Service Providers to enter into a First Source Hiring Agreement and follow the good faith efforts within such agreement towards the hiring goals of Chapter 83. Developer or Vertical Developer shall also include in such Professional Service Contracts provisions that require Professional 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.

6. Pre-start conference and access.

i. Developer or Vertical Developer shall meet with OEWD prior to initial occupancy of Vertical Improvements at the Project Site for a pre-start conference to assess the operation goals of the First Source Hiring Program, including commercial tenant operations, janitorial, security, landscape, operations and maintenance services and provide projections for Entry Level Position employment opportunities within such fields with respect to the Horizontal Improvements or Vertical Improvements. Developer or Vertical Developer shall also provide OEWD access to meet Lessees and Service Providers at the Project Site and encourage the same to meet with OEWD regarding their respective First Source Hiring Obligations.

ii. With respect to each Horizontal Improvement, Developer shall meet with OEWD upon submission of a Phase Submittal, and, with respect to each Vertical Improvement, Vertical Developer shall meet with OEWD upon entering into a Vertical DDA at the Project Site for a pre-start conference to assess the pre-construction goals of the First Source Hiring Program, including architectural and engineering services and provide projections for Entry Level Position employment opportunities within such fields with respect to such Horizontal Improvement or Vertical Improvement. Developer or Vertical Developer shall also provide OEWD access to meet Professional Service Providers at the Project Site and encourage the same to meet with OEWD regarding their respective First Source Hiring Obligations.

7. Compliance with the operational goals of Chapter 83 shall be determined on an individual Contract or Professional Service Contract basis. Lessees and Service Providers shall demonstrate good faith efforts towards the hiring goals of Chapter 83. Professional Service Providers shall demonstrate good faith efforts towards the hiring goals of their First Source Hiring Agreement.

8. For the purposes of a First Source Hiring Agreement, (i) Contract shall mean: (a) any commercial lease or other commercial occupancy agreement with respect to a Vertical Improvements; and (b) any contract for janitorial, security, landscape, or operations and maintenance services performed at a Horizontal Improvement or Vertical Improvement; (ii) Professional Service Contract shall mean any contract for architectural or engineering services performed with respect to a Horizontal Improvement or Vertical Improvement, (iii) Service Provider shall mean any person(s), firm, partnership, corporation, government agency, nonprofit or combination thereof, who owns or operates a commercial business that enters into a Contract to perform janitorial, security, landscape, and operations and maintenance services with respect a Horizontal Improvement or Vertical Improvement, and (iv) Professional Service Provider shall mean any person(s), firm, partnership, corporation, government agency, nonprofit or combination thereof, who owns or operates a commercial business that enters into a Contract to

perform architectural or engineering services with respect a Horizontal Improvement or Vertical Improvement.

9. OEWD shall notify any Lessees, Service Providers or Professional Service Providers in writing, with a copy to Developer or Vertical Developer, as applicable, and to the Port, of any alleged breach on the part of that entity of its obligations under the First Source Hiring Agreement, as applicable, and provide such entity a reasonable opportunity to cure its alleged breach before seeking an assessment of liquidated damages pursuant to Section 83.12 of the Administrative Code. OEWD sole remedy against a Lessees, Service Providers and Professional Service Providers shall be as set forth in Chapter 83, including the enforcement process. Upon OEWD's request, Port, Developer or Vertical Developer, as applicable, shall reasonably cooperate with OEWD in any such enforcement action against any Lessees, Service Providers or Professional Service Providers, provided in no event shall Port, Developer or Vertical Developer, as applicable, be liable for any breach by a Lessees, Service Providers or Professional Service Providers.

10. If Port, Developer or Vertical Developer, as applicable, fulfills its obligations as set forth in this Section A, it shall not be held responsible for the failure of Lessee, Service Provider or Professional Service Provider or any other person or party to comply with the requirements of Chapter 83, their applicable First Source Hiring Agreement or this Section A. If Developer or Vertical Developer, as applicable, fails to fulfill its obligations under this Section A, the applicable provisions of Chapter 83 shall apply as to Developer or Vertical Developer, as applicable, though the Port and Developer shall have the right to invoke the dispute resolution process set forth in Article 10 of the DDA.

11. This Section A is an approved "First Source Hiring Agreement" as referenced in Sections 83.9 and 83.11 of the Administrative Code.

**B. Local Hiring Agreement.**

1. Developer, with respect to each Horizontal Improvement, shall, and the Port shall require that each Vertical Developer, with respect to each Vertical Improvement, shall (i) include in each Contract for construction work a provision requiring each Contractor to enter into a Local Hiring Agreement in the form attached hereto as Attachment B before beginning any construction work, and (ii) provide a signed copy thereof to the Office of Economic and Workforce Development ("OEWD") and CityBuild within 10 business days of execution, provided, however, that no person or entity entering into leases or other occupancy contracts for commercial space at a Vertical Improvement within the Project site ("**Commercial Tenant**") which occupies less than 15,000 square feet in floor area within such Vertical Improvement shall have an obligation to enter into a Local Hiring Agreement or be subject to the Local Hiring Program pursuant to Chapter 82, as defined below.<sup>2</sup> All future tenant improvements performed subsequent to any initial tenant improvements within such Vertical Improvement shall be subject to the local hiring requirement within Attachment B on a good faith basis only. The Port shall cause (i) Developer to comply with the above requirements by including such requirements as a

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<sup>2</sup> Any capitalized term used in this Section B that is defined in Attachment B will have the definition given to such term in such Attachment.

material term in the Master Lease applicable to such Contract and (ii) each Vertical Developer to comply with the above requirements by including such requirements as a material term in the Vertical DDA applicable to such Contract.

2. CityBuild shall represent OEWD and will provide referrals of Targeted Workers for positions on the construction work for Improvements subject to a Local Hiring Agreement in accordance with San Francisco Administrative Code Chapter 82 ("**Chapter 82**").

3. Incorporation into contract provisions. Developer and Vertical Developer, as applicable, shall include in their respective contracts provisions that require prospective Contractors and Subcontractors to comply with the requirements set forth in the Local Hiring Agreement Attachment B.

4. Tenant improvements performed within any residential units within the Project shall not be subject to any obligations under this Section B and the tenants of such residential units shall have no obligation to enter into a Local Hiring Agreement.

5. Compliance with the construction requirements of Chapter 82 for Horizontal Improvements shall be determined on a Phase by Phase basis. Compliance will be measured by dividing the number of Construction Work Hours performed by Local Residents or Apprentices, as applicable, by the total number of Construction Work Hours performed on Horizontal Improvements within a Phase. If Developer exceeds its obligations set forth in its applicable Local Hiring Agreement with respect to an individual Horizontal Improvement, Developer may, at its option, allocate such excess towards the compliance of another Horizontal Improvement within the Project Site, subject to the requirements of Attachment B. Notwithstanding anything to the contrary, Developer may, at its election, require that compliance be determined on a Project-wide basis by giving notice to OEWD and the Port of such election during the submission of the penultimate Phase Submittal.

6. Compliance with the construction requirements of Chapter 82 for Vertical Improvements shall be determined on an individual Vertical Improvement basis. Compliance will be measured by dividing the number of Construction Work Hours performed by Local Residents or Apprentices, as applicable, by the total number of Construction Work Hours performed on the Vertical Improvement. If a Vertical Developer exceeds its obligations set forth in its applicable Local Hiring Agreement with respect to an individual Vertical Improvement, the Vertical Developer of such Vertical Improvement may, at its option, allocate such excess towards the compliance of another Vertical Improvement within the Project Site, subject to the requirements of Attachment B. Notwithstanding anything to the contrary, Developer may, at its election, require that compliance be determined on a Phase-wide basis by giving notice to OEWD and the Port of such election during the submission of a Phase Submittal.

7. OEWD shall notify Contractor, Subcontractor and Commercial Tenant, as applicable, in writing, with a copy to the Port and Developer or Vertical Developer, as applicable, of any alleged breach on the part of that entity of its obligations under Chapter 82 or its Local Hiring Agreement, as applicable, and provide such entity an opportunity to cure its obligations before seeking an assessment of liquidated damages pursuant to Section 82.8 of the Administrative Code. OEWD's sole remedies against a Contractor, Subcontractor or Commercial

Tenant shall be as set forth in Chapter 82, including the enforcement process. Upon OEWD's request, Port, Developer or Vertical Developer, as applicable, shall reasonably cooperate with OEWD in any such enforcement action against any Contractor, Subcontractor or Commercial Tenant, provided that in no event shall Port, Developer or Vertical Developer, as applicable, be liable for any breach by a Contractor, Subcontractor or Commercial Tenant.

8. If Port, Developer or Vertical Developer, as applicable, fulfills its obligations as set forth in this Section B, it shall not be held responsible for the failure of a Contractor, Subcontractor, Commercial Tenant or any other person or party to comply with the requirements of Chapter 82 or this Section B. If Developer or Vertical Developer, as applicable, fails to fulfill its obligations under this Section B, the applicable provisions of Chapter 82 shall apply, though the Port and Developer, as applicable, shall have the right to invoke the process set forth in Article 10 of the DDA.

9. This Section B complies with the requirements of Chapter 82, including Sections 82.5 and 82.7 and the requirements of Chapter 83 related to construction work.

**C. Workforce Job Readiness and Training Funds.**

Vertical Developers, on behalf of the Project, shall contribute to OEWD \$1,000,000 (One Million Dollars) to support workforce job readiness and training ("Workforce Job Readiness and Training Funds") for allocation to OEWD's CityBuild and First Source Hiring programs and qualified local community based organizations. Such funds shall be paid to OEWD, and used as provided below, over the course of the Project on a Development Parcel by Development Parcel basis in eleven equal installments. Each equal installment shall be paid by a Vertical Developer at issuance of site permit for the development of Vertical Improvements upon a Development Parcel, except for the development of the parking garage parcel, pursuant to a Vertical DDA.

Priority for OEWD's use and allocation of Workforce Job Readiness and Training Funds shall be to organizations that have backgrounds in workforce readiness and training, an established program with a demonstrated history of performing workforce readiness and training and an existing track record of working in economically disadvantaged communities within San Francisco, including, but not limited to the Bayview/Hunters Point, Chinatown, Mission, South of Market, Tenderloin, Visitacion Valley and Western Addition neighborhoods.

1. **Community Based Organizations:** \$500,000 (Five Hundred Thousand Dollars) of the Workforce Job Readiness and Training Funds shall be dedicated to funding community-based organizations that provide services which seek to: reduce barriers to employment for individuals within at-risk populations (the "**Barrier Removal Funds**"); and/or provide job readiness and training ("**Job Readiness Training Funds**") (together, the "**CBO Funds**"). OEWD shall allocate the CBO Funds to qualified local community based organizations based on a competitive process, and distribute the CBO Funds during the construction and operation of the Project until exhausted. The funds will be primarily targeted to support Bayview/Hunters Point, Chinatown, Mission, South of Market, Tenderloin, Visitacion Valley and Western Addition neighborhood residents and residents of surrounding areas. OEWD shall prioritize allocating funds to organizations that have a background in workforce readiness and training, an established program with a demonstrated history of performing workforce readiness and training and an

existing track record of working in economically disadvantaged communities. OEWD shall use good faith efforts to promptly initiate and complete the competitive process and begin distribution of the Barrier Removal Funds within one hundred and eighty (180) days after OEWD's initial receipt of such funds, but in a manner that ensures the resulting programs and services will correspond directly to preparing participants for the jobs created by the project.

i. CBO Funds. OEWD shall allocate a portion of the CBO Funds to support the delivery of services to assist individuals within at-risk populations, including low-income youth and adults with histories of incarceration, homelessness, substance abuse or other factors that may create barriers to employment, with reducing barriers to employment and/or providing job readiness and training. The CBO Funds shall fund programs that provide case management, supportive services (i.e. union dues, tools, uniform/boots), life skills training, basic education, barrier removal (including assistance with attaining a GED or driver's license, if applicable), wrap-around social services, job training, job placement or retention services with a goal of allowing participants to become CityBuild or First Source Hire-ready.

2. **OEWD: \$500,000 (Five Hundred Thousand Dollars)** of the Workforce Job Readiness and Training Funds shall be dedicated to OEWD's programs that train economically disadvantaged adults, workers and local residents in the fields of construction, end use operations and hospitality (the "**OEWD Funds**"). OEWD shall identify and partner with local community-based organizations to promote the programs and identify and recruit program participants. OEWD shall allocate the funds throughout the construction and operation of the Project until exhausted. The resources shall be primarily targeted to support and prepare individuals in the Bayview/Hunters Point, Chinatown, Mission, South of Market, Tenderloin, Visitacion Valley and Western Addition and surrounding areas for construction and operation jobs at the Project. OEWD shall partner with organizations that have a background in workforce readiness and training, an established program with a demonstrated history of performing workforce readiness and training and an existing track record of working in economically disadvantaged communities. OEWD shall use good faith efforts to promptly begin distribution of the OEWD Funds within one hundred eighty (180) days after OEWD's initial receipt of such funds, but in a manner that ensures the resulting programs and services will correspond directly to preparing participants for the jobs created by the project.

i. Operations Training Resources. OEWD, in its discretion, shall dedicate a portion of the OEWD Funds to support programs that provide end use operations job training programs for economically disadvantaged adults, including individuals designated as a targeted population by the San Francisco Workforce Development Board, as an individual who is, or is at risk of, relying upon, or returning to, public assistance, including unemployment benefits, formerly incarcerated, homeless, veterans, out-of-school youth, pregnant or parenting teens, youth in the juvenile justice or foster care systems, people with disabilities, limited English populations, dislocated workers, or residents of public housing (the "**Operations Training Resources Funds**"). OEWD shall allocate Operations Training Resources Funds to programs performing vocational training in the retail, food service, janitorial, landscaping, facilities/open space operations and maintenance employment sectors. The intended use of the Operations Training Resources Funds is to provide additional training tailored towards future employment opportunities at the Project. The programs may also include working with potential

employers regarding any necessary accommodations or additional training, and ongoing support following job placement.

ii. Construction Training Resources. OEWD, in its discretion, shall dedicate a portion of the OEWD Funds to support programs that train disadvantaged workers and local residents in the field of construction work (the “**Construction Training Resources**”). OEWD shall allocate the Construction Training Resources Funds to programs such as 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.

iii. Pile Driving Training Program. OEWD, in its discretion, shall dedicate a portion of the OEWD Funds to support the development and implementation of a pile driving training program for disadvantaged workers and local residents, including individuals that have formerly been incarcerated or are experiencing homelessness (the “**Pile Driver Training Funds**”). The Pile Driving Training Funds shall be managed and implemented by OEWD in conjunction with local unions and community-based organizations. The programs may also include working with potential employers regarding any necessary accommodations or training, and ongoing support following job placement. The Pile Driving Training Program will address the shortage of skilled pile drivers in San Francisco and will augment the pipeline of skilled workers by providing specific training in a high-demand trade. By providing training in a high-demand trade, the program will help to ensure that more local residents are equipped with the education and skills necessary to be successful in the construction industry, thereby supporting local economic empowerment and upward mobility.

3. Accounting. Developer shall 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 Exhibit b<sup>^</sup>-A. The Workforce 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.

4. In the event individuals trained by the programs supported by the Workforce Job Readiness and Training Funds are hired to perform work at the Project, Developer may receive credit toward First Source and Local Hire obligations under San Francisco Administrative Code Chapters 82 and 83, as mutually determined with OEWD.

5. Board Authorization. Any interest earned on the Workforce Job Readiness and Training Funds shall remain in designated accounts for use by OEWD for workforce readiness and training consistent with this Exhibit B6-A and shall not be transferred to the City's general fund.

# City and County of San Francisco First Source Hiring Program



*London N. Breed, Mayor*

Office of Economic and  
Workforce  
Development  
Workforce  
Development Division

## Attachment A: First Source Hiring Agreement

### For Operations and Preconstruction Services

This First Source Hiring Agreement (this "FSHA Agreement"), is made as of \_\_\_\_\_, by and between [(the "Lessee"/ "Service Provider"/ "Professional Service Provider")], and the Office of Economic and Workforce Development, ("OEWD"), collectively the "Parties":

#### RECITALS

[Use for Lessee - WHEREAS, [Lessee has plans to occupy a portion of the Vertical Improvement at [Address] (the "Premises") which requires a First Source Hiring Agreement with OEWD 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; and

WHEREAS, as a material part of the consideration given by Lessee under such contract, Lessee has agreed to execute this FSHA Agreement and participate in the First Source Hiring Program managed by OEWD as established by the City and County of San Francisco pursuant to Chapter 83 of the San Francisco Administrative Code ("Chapter 83"), as modified herein;]

[Use for Service Providers contracts - WHEREAS, [Service Provider has plans to provide [ ] services to the [Horizontal Improvement/ Vertical Improvement] at [Address] (the "Premises") which requires a First Source Hiring Agreement with OEWD 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 janitorial, security, landscape, or operations and maintenance contracts that provide services to the Premises; and

WHEREAS, as a material part of the consideration given by Service Provider under such contract, Service Provider has agreed to execute this FSHA Agreement and participate in the First Source Hiring Program managed by OEWD as established by the City and County of San Francisco pursuant to Chapter 83 of the San Francisco Administrative Code ("Chapter 83");]



**[Use for Professional Service Providers contracts -** WHEREAS, [Professional Service Provider has plans to provide [ ] services to the [Horizontal Improvement/ Vertical Improvement] at [Address] (the “Premises”) which requires a First Source Hiring Agreement with OEWD 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 architectural or engineering contracts that provide services to the Premises; and

WHEREAS, as a material part of the consideration given by Professional Service Providers under such contract, Professional Service Providers has agreed to execute this FSHA Agreement and participate in the First Source Hiring Program managed by OEWD as established by the City and County of San Francisco pursuant to Chapter 83 of the San Francisco Administrative Code (“Chapter 83”);]

**[Use for [Developer/Vertical Developer] operations of Vertical Improvement -** WHEREAS, Lessee has plans to operate the building at [Address] (the “Premises”) which required a First Source Hiring Agreement between Lessee and FSHA because the Premises is subject to a property contract between Lessee and the City acting through the San Francisco Port Commission; and

WHEREAS, as a material part of the consideration given by Lessee under the property contract, Lessee has agreed to execute this FSHA Agreement and participate in the Workforce System managed by 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 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. “Contract” shall mean: (a) any commercial lease or other commercial occupancy agreement with respect to the Vertical Improvement; and (b) any contract for janitorial, security, landscape, or operations and maintenance services performed at the Horizontal Improvement or Vertical Improvement.
- c. “DA” means that certain Development Agreement between Developer and the City and County of San Francisco, acting by and through the San Francisco Port Commission with respect to the Project Site.

- d. "DDA" means that certain Disposition and Development Agreement between Developer and the City and County of San Francisco, acting by and through the San Francisco Port Commission with respect to the Project Site.
- e. "Developer" has the meaning set forth in the DDA, including any successor during the term of this FSHA Agreement.
- f. "Horizontal Improvement" has the meaning set forth in the DDA.
- g. "Lessee" includes every commercial tenant, subtenant, or any other entity occupying a Vertical 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, provided, however, that in no event shall the meaning of Lessee include a commercial tenant, subtenant, or any other entity occupying less than 5,000 square feet in floor area within the Vertical Improvement.
- h. "OEWD Resume Database" shall mean the web portal administered by OEWD that connects Lessees, Service Providers and Professional Service Providers with qualified job seekers. The web portal is a free recruiting service to all Lessees, Service Providers and Professional Service Providers and is to be used by the Lessees, Service Providers and Professional Service Providers as part of their FSHA Agreement.
- i. "Professional Service Contract" shall mean any contract for architectural or engineering services performed with respect to a Horizontal Improvement or Vertical Improvement, except for contracts for architectural or engineering services related to the construction of any tenant improvements within a leased premises comprised of less than 15,000 square feet in floor area within a Vertical Improvement.
- j. "Professional Service Provider" shall mean any person(s), firm, partnership, corporation, government agency, nonprofit or combination thereof, who owns or operates a commercial business that enters into a Contract to perform architectural or engineering services with respect the Horizontal Improvement or Vertical Improvement, provided, however, that no professional services firm performing work through a contract valued at less than \$500,000 shall have an obligation to enter into this First Source Hiring Agreement.
- k. "Project Site" shall mean the area consisting of an approximately 16-acre parcel located south of Mission Creek/China Basin Channel, bordered by Third Street on the west, Mission Rock Street on the south, and Terry Francois Boulevard on the east, as reconfigured in accordance with AB 2797.
- l. "Service Provider" shall mean any person(s), firm, partnership, corporation, government agency, nonprofit or combination thereof, who owns or operates a commercial business that enters into a Contract to perform janitorial, security,

landscape, or operations and maintenance with respect the Horizontal Improvement or Vertical Improvement.

- m. "Referral" shall mean a qualified job seeker identified by OEWD as having the appropriate training, background and skill sets for a [Lessee/ Service Provider] specified Entry Level Position.
- n. "Vertical Developer" shall mean [*insert name of applicable Vertical Developer*], including any successor during the term of a FSHA Operations Agreement.
- o. "Vertical Improvement" has the meaning set forth in the DDA.

## 2. LESSEE AND SERVICE PROVIDER OEWD WORKFORCE PARTICIPATION

- a. Lessee or Service Provider, as applicable, shall contact OEWD's Business Services team to provide headcount projections for Entry Level Positions and register with the OEWD Resume Database upon execution of its Contract.
- b. Lessee or Service Provider, as applicable, shall notify OEWD's Business Team of every available Entry Level Position by posting job openings for Entry Level Positions on the OEWD Resume Database. Lessee or Service Provider, as applicable, shall provide OEWD a period of time to recruit and refer qualified candidates prior to advertising such position to the general public, starting on the date that the Lessee or Service Provider, as applicable, posts the job opening on the OEWD Resume Database, and ending on the earlier of: (i) 10 business days; or (ii) the date upon which such Lessee or Provider has received OEWD's list of Referrals and has considered such Referrals for the available Entry Level Position in good faith, subject to Section 5 below. OEWD shall develop a pipeline of potential candidates and shall develop a staffing and implementation plan that is generally designed to allow OEWD to provide Lessee or Service Provider, as applicable, with its list of Referrals within 3 business days after such Lessee or Service Provider has posted a job opening. In the event the OEWD Resume Database is inaccessible, Lessee or Service Provider, as applicable, shall contact OEWD directly regarding their FSHA obligations by emailing [Business.Services@sfgov.org](mailto:Business.Services@sfgov.org), or other email address as may be mutually agreed upon by Professional Service Provider's single point of contact and OEWD, and submitting Attachment A-1.
- c. Lessee or Service Provider, as applicable, shall consider and screen all Referrals that meet the minimum qualifications of a Lessee's or Service Provider's, as applicable, job opening and shall use the OEWD Resume Database to provide feedback regarding Referrals that were screened, interviewed and hired. Hiring decisions shall be entirely at the discretion of Lessee or Service Provider, as applicable.

3. LESSEE AND SERVICE PROVIDER GOOD FAITH EFFORT TO COMPLY WITH ITS OBLIGATIONS HEREUNDER

Lessee or Service Provider, as applicable, will make good faith efforts to comply with its obligations under this FSHA Agreement. Determination of good faith efforts shall be based on all of the following:

- a. Lessee or Service Provider, as applicable, shall execute this FSHA Agreement and Attachment A-1 upon entering into Contracts. Lessee or Service Provider will also accurately complete and submit Attachment A-1 annually to reflect employment conditions.
- b. Lessee or Service Provider, as applicable, shall register with the OEWD Resume Database. Lessee or Service Provider, as applicable, using a resume database not associated with OEWD will not be considered towards the requirements of the FSHA Agreement.
- c. Lessee or Service Provider, as applicable, shall provide OEWD a period of time to recruit and refer qualified candidates prior to advertising such position to the general public, starting on the date that the Lessee or Service Provider, as applicable, posts the job opening on the OEWD Resume Database, and ending on the earlier of: (i) 10 business days; or (ii) the date upon which such Lessee or Provider has received OEWD's list of Referrals and has considered such Referrals for the available Entry Level Position in good faith, subject to Section 5 below. Lessee or Service Provider, as applicable, 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. Lessee or Service Provider, as applicable, shall use the OEWD Resume Database to provide feedback regarding Referrals that were screened, interviewed and hired.

4. PROFESSIONAL SERVICES - ARCHITECTURAL AND ENGINEERING SERVICE PROVIDERS

- a. This section incorporates additional requirements for Professional Service Providers performing architectural or engineering services. Professional Service Providers obligations relate only to preconstruction work and shall terminate upon the completion of the Professional Service Provider's Professional Service Contract.
- b. Participation.
  - i. Professional Service Provider shall contact OEWD's Business Services team to provide headcount projections for Entry Level Positions and register with the OEWD Resume Database upon execution of its Professional Services Contract.
  - ii. Professional Service Provider shall notify OEWD's Business Team of every available Entry Level Position by posting job openings for Entry Level Positions on the OEWD Resume Database. Professional Service Provider shall provide OEWD a period of time

to recruit and refer qualified candidates prior to advertising such position to the general public, starting on the date that the Lessee or Service Provider, as applicable, posts the job opening on the OEWD Resume Database, and ending on the earlier of: (i) 10 business days; or (ii) the date upon which such Lessee or Provider has received OEWD's list of Referrals and has considered such Referrals for the available Entry Level Position in good faith, subject to Section 5 below. In the event the OEWD Resume Database is inaccessible, Professional Service Provider shall contact OEWD directly regarding their FSHA obligations and submit Attachment A-1.

iii. Professional Service Provider shall consider and screen all Referrals that meet the minimum qualifications of a Professional Service Provider's, as applicable, job opening and shall use the OEWD Resume Database to provide feedback regarding Referrals that were screened, interviewed and hired. Hiring decisions shall be entirely at the discretion of Professional Service Provider.

iv. Within 30 days of executing a Professional Services Contract, Professional Service Provider will email OEWD and schedule to meet with staff from the First Source Hiring Program. At the meeting, the Professional Service Provider will provide information on new and available Entry Level Positions, anticipated job opening projections, start dates and rate of pay.

c. Good Faith Compliance.

Compliance with the requirements of subsections i through iv below shall demonstrate Professional Service Provider's good faith compliance with its obligations under this FSHA Agreement.

i. Over the life of the Contract, Professional Service Provider shall make good faith efforts to hire Referrals from the First Source Hiring Program to fulfill new and available Entry Level Positions. Professional Service Provider may decline to hire a Referral if the Contractor considers the Referral in good faith and deems the Referral is not qualified. The final decision to hire a Referral shall be made by the Professional Service Provider.

ii. Professional Service Provider, as applicable, shall execute this FSHA Agreement and Attachment A-1 upon entering into Professional Service Contracts. Professional Service Provider will also accurately complete and submit Attachment A-1 annually to reflect employment conditions.

iii. Professional Service Provider shall register with the OEWD Resume Database. Professional Service Provider using a resume database not associated with OEWD will not be considered towards the requirements of the FSHA Agreement.

iv. Professional Service Provider shall notify OEWD's Business Services Team of all available Entry Level Positions by posting job openings for Entry Level Positions on the OEWD Resume Database. Professional Service Provider shall provide OEWD a period of time to recruit and refer qualified candidates prior to advertising such position to the general public, starting on the date that the Lessee or Service Provider, as applicable, posts the job opening on the OEWD Resume Database, and ending on the earlier of: (i) 10 business days; or (ii) the date upon which such Lessee or Provider has received OEWD's list of Referrals and

has considered such Referrals for the available Entry Level Position in good faith, subject to Section 5 below. OEWD shall develop a pipeline of potential candidates and shall develop a staffing and implementation plan that is generally designed to allow OEWD to provide Lessee or Service Provider, as applicable, with its list of Referrals within 3 business days after such Lessee or Service Provider has posted a job opening. Professional Service Provider 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. Professional Service Provider shall use the OEWD Resume Database to provide feedback regarding Referrals that were screened, interviewed and hired. In the event the OEWD Resume Database is inaccessible, Professional Service Provider shall contact OEWD directly regarding their FSHA obligations by emailing Business.Services@sfgov.org, or other email address as may be mutually agreed upon by Professional Service Provider's single point of contact and OEWD, and submitting Attachment A-1.

- d. OEWD Requirements. OEWD's Referrals to such Professional Service Provider s shall be economically disadvantaged workers identified by OEWD that either: (a) graduated from OEWD's Entry Level Professional Services Training Program; or (b) have the appropriate training, employment background and skill set for any new and available Entry Level Position specified by the Professional Service Provider.

## 5. COMPLIANCE AND ENFORCEMENT

- a. Compliance with the operational goals of Chapter 83 shall be determined on an individual Contract basis and compliance with the voluntary professional service goals within this FSHA Agreement shall be determined on an individual Professional Service Contract basis.
- b. Lessee's, Service Provider's or Professional Service Provider's failure to meet the criteria set forth in Section 3 or 4 above, as applicable, does not impute "bad faith", but shall trigger a review of the Referral process and compliance with this FSHA Agreement. Failure and noncompliance with this FSHA Agreement may result in penalties as defined in Chapter 83, provided, however, that Lessee, Service Provider or Professional Service Provider shall be provided notice and a reasonable opportunity to cure such noncompliance prior to the assessment of any penalties. Lessee or Service Provider, as applicable, agrees to review SF Chapter 83, and execution of the FSHA Agreement denotes that Lessee or Service Provider agrees to its terms and conditions. OEWD agrees and acknowledges that Professional Service Provider's obligations hereunder are opted into voluntarily and such obligations are not based on the requirements of Chapter 83.
- c. Notwithstanding anything to the contrary herein, nothing in this FSHA Agreement precludes Lessees, Service Providers or Professional Service Providers 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 Agreement to make good faith efforts to fill such vacancies permanently with Referrals remains in effect. For these

purposes, "essential functions" means those functions necessary to remain open for business. If Lessee, Service Provider or Professional Service Provider has an immediate need to fill an Entry Level Position that perform essential functions, Lessee, Service Provider or Professional Service Provider 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.

- d. Nothing in this FSHA Agreement shall be interpreted to prohibit the continuation of existing collective bargaining agreements or existing employment policies, including, but not limited to, advertising job openings to existing employees. In the event of a conflict between this FSHA Agreement and an existing collective bargaining agreement, the terms of the existing agreement shall supersede this FSHA Agreement.

## 6. FSHA AGREEMENT DURATION

- a. Lessees and Service Providers: This FSHA Agreement shall be in full force and effect up to 10 years from the date of the temporary certificate of occupancy of the Vertical Improvement or the earlier termination of Lessee's Contract with regard to Lessee and 10 years from the date of substantial completion of the Horizontal Improvement or the earlier termination of Service Provider's Contract with regard to Services Provider. Upon termination of this FSHA Agreement, the Project will be subject to Existing City Laws, as defined in the DA, including the applicable requirements of Chapter 83.
- b. Professional Service Providers: This FSHA Agreement shall be in full force and effect up to the completion of a Professional Service Contract or the earlier termination of such Professional Service Contract.

## 7. NOTICE

All notices to be given under this FSHA Agreement shall be in writing and sent via mail or email as follows:

If to OEWD:

ATTN:

If to Lessee:

ATTN:

If to Service Provider:

ATTN:

If to Professional Service Provider:

ATTN:

If to Port

ATTN:

If to Developer:

ATTN:

If to Vertical Developer:

ATTN:

8. ENTIRE AGREEMENT

This FSHA 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 Agreement shall be held invalid or unenforceable, the remainder of this FSHA Agreement shall not be affected. If this FSHA 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 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 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.



IN WITNESS WHEREOF, the following have executed this FSHA Agreement as of the date set forth above.

Date: \_\_\_\_\_ Signature: \_\_\_\_\_

Name of Authorized Signer: \_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

## Attachment A-1 Employer Services Form

The First Source Hiring Program is administered by the Office of Economic and Workforce Development (OEWD) and provides recruiting services at no cost to the employer. To find out how we can support your hiring needs, please visit our website at [www.oewd.org/workforce](http://www.oewd.org/workforce).

**Instructions:** Please complete this form and email to [Business.Services@sfgov.org](mailto:Business.Services@sfgov.org)

### **Step 1: Employer Info**

Employer Name: \_\_\_\_\_

Contact Name: \_\_\_\_\_ Phone: \_\_\_\_\_

Job Title: \_\_\_\_\_ Email: \_\_\_\_\_

### **Step 2: Check all that apply to your business**

- |  |   |   |
|--|---|---|
| <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"/> Operations & Maintenance | <input type="checkbox"/> Janitorial                                   |
| <input type="checkbox"/> Landscape           | <input type="checkbox"/> Technology               | <input type="checkbox"/> I don't see my industry<br>(Please Describe) |

### **Step 3: Tell me about your Entry Level Positions**

Job Title	Number of Job Openings	Projected Start Date

**Done! Thank you for taking the time to complete the form.**

**Please email to [Business.Services@sfgov.org](mailto:Business.Services@sfgov.org) and  
a representative will follow up on how we can best support your hiring needs.**

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  
Email : [Business.Services@sfgov.org](mailto:Business.Services@sfgov.org) Website: [www.oewd.org/workforce](http://www.oewd.org/workforce)

## **Attachment B: Local Hiring Agreement**

This Local Hiring Agreement ("Local Hiring Agreement") is made as of , by and between , the San Francisco Office of Economic and Workforce Development, (the "OEWD"), 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 **[Horizontal Improvements, including [specify improvements]] OR [Vertical Improvements, including [specify improvements]]** ("Construction Work") at , Lots in Assessor's Block , San Francisco California ("Site"), and a copy of this Local Hiring 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 Local Hiring Agreement and comply with the local hiring requirements established by the City and County of San Francisco, pursuant to Chapter 82 of the San Francisco Administrative Code ("Chapter 82"), as further modified herein;

WHEREAS, the provisions of the San Francisco Local Hiring Policy for Construction (the "Policy") as set forth in Chapter 82, as modified herein, are hereby incorporated as a material term of the Contract. Where used in this Attachment B, "Policy" shall include the modifications herein.

WHEREAS, Contractor agrees that (i) Contractor shall comply with all applicable requirements of the Policy; (ii) the provisions of this Local Hiring Agreement 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 Policy.

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:

#### **1.1 SUMMARY**

- A. This Local Hiring Agreement incorporates applicable requirements consistent with the Policy as set forth in Chapter 82. The provisions of the Policy are hereby incorporated as a material term of the DDA. Contractor agrees that (i) Contractor shall comply with all applicable requirements of the Policy; (ii) the provisions of 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 Policy.
- B. OEWD is responsible for administering the Policy and will be administering the applicable requirements for the Contract. For more information on the Policy and its implementation, please visit the OEWD website at:  
[www.workforcedevelopmentsf.org](http://www.workforcedevelopmentsf.org).

- C. Capitalized terms not defined herein shall have the meanings ascribed to them in the DDA.

## 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: (i) in the case of Horizontal Improvements, the construction of all Horizontal Improvements required or permitted to be made to the Project Site during a Phase and to be carried out by Developer under the DDA; or (ii) in the case of Vertical Improvements, the construction of a Vertical Improvement to be carried out by a Vertical Developer on a Development Parcel pursuant to an applicable Vertical DDA and Parcel Lease and all tenant improvements therein, except for the construction of any tenant improvements within a leased premises comprised of less than 15,000 square feet in floor area.
- D. "Construction Work Hours" means the total onsite work hours worked on a construction contract for a Construction Work by all apprentices and journey-level workers, whether those workers are employed by the Contractor or any Subcontractor.
- E. "Contractor" means a prime contractor, general contractor, or construction manager contracted by Developer or a Vertical Developer who performs Construction Work on the Project.
- F. "DDA" means that certain Disposition and Development Agreement between Developer and the City and County of San Francisco, acting by and through the San Francisco Port Commission.
- G. "Disadvantaged Worker" means a local resident, who (i) resides in a census tract within the City with a rate of unemployment in excess of 150% of the City unemployment rate; or (ii) at the time of commencing work on a covered project has a household income of less than 80% of the AMI, or (iii) faces or has overcome at least one of the following barriers to employment: being homeless; being a custodial single parent; receiving public assistance; lacking a GED or high school diploma; participating in a vocational English as a second language program; or having a criminal record or other involvement with the criminal justice system.
- H. "Developer" has the meaning set forth in the DDA, including any successor during the term of this Local Hiring Agreement.

- I. “Development Parcel” has the meaning set forth in the DDA.
- J. “Excess Credit Hours” shall mean the number of Construction Work Hours performed within a trade by Local Residents or Apprentices, as applicable, on a Construction Work that exceed the obligations set forth in Section 1.3.
- K. “Horizontal Improvement” has the meaning set forth in the DDA.
- L. “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.
- M. “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 a portion of the Project.
- N. “Non-Covered Construction Work” means any construction work not covered by the San Francisco Local Hiring Policy and the construction of any tenant improvements within a leased premises comprised of less than 15,000 square feet in floor area.
- O. “Parcel Lease” has the meaning set forth in the DDA.
- P. “Phase” has the meaning set forth in the DDA.
- Q. “Project Site” has the meaning set forth in the DDA.
- R. “Specialized Trades” means a list of trades designated as “Specialized Trades” published by OEWD for which the local hiring requirements of the Policy will not apply.
- S. “Targeted Worker” means any Local Resident or Disadvantaged Worker.
- T. “Vertical DDA” has the meaning set forth in the DDA.
- U. “Vertical Developer” has the meaning set forth in the DDA.
- V. “Vertical Improvement” has the meaning set forth in the DDA.

### 1.3 LOCAL HIRING PARTICIPATION

- A. The Contractor will work with OEWD’s CityBuild Program to achieve the following employment participation levels for all Construction Work:
  - 1. Total Construction Work Hours By Trade. For all contracts for Construction Work, the mandatory participation level in terms of Construction Work Hours within each trade to be performed by Local Residents is 30%, with a goal, which is not mandatory under this

agreement, of no less than 15% of Construction Work Hours within each trade to be performed by Disadvantaged Workers.

2. Apprentices. For all Construction Work, at least 30% of the Construction Work Hours performed by apprentices within each trade is required to be performed by local residents. OEWD has a goal of 50%, which is not mandatory under this agreement, and OEWD will work with contractors to look for feasible opportunities by trade to achieve the 50% goal. Where the candidate pool at a given time includes both apprentices referred by CityBuild and other apprentices, Contractors, shall undertake reasonable efforts to interview the apprentices referred by CityBuild first. This Local Hiring Agreement also establishes a goal, which is not mandatory under this agreement, of no less than 15% of Construction Work Hours performed by apprentices within each trade to be performed by Disadvantaged Workers.
  3. Out-of-State Workers. For all Construction Works, Construction Work Hours performed by residents of states other than California will not be considered in calculation of the number of Construction Work Hours to which the local hiring requirements apply. Contractors and Subcontractors shall report to OEWD the number of Construction Work Hours performed by residents of states other than California.
- B. Pre-construction or other Local Hire Meeting. Prior to commencement of construction on Construction Works, Contractor and its Subcontractors whom have been engaged by contract and, identified in the forms required under Section 1.6 below as contributing toward the mandatory local hiring requirement, shall attend a preconstruction or other Local Hire meeting convened by OEWD staff. Representatives from Contractor and the Subcontractor(s) who attend such pre-construction or other Local Hire meeting will have hiring authority. OEWD shall approve applicable Construction Work-specific Specialized Trade exemptions, in addition to the list of trades designated by OEWD as Specialized Trades in accordance with the Section 82.5 of the Policy, during such meeting. Contractor and its Subcontractors who are engaged after the commencement of construction shall attend a future preconstruction meeting or meetings as mutually agreed by Contractor and OEWD staff.
- C. The Policy does not limit Contractor's or its Subcontractors' ability to assess qualifications of prospective workers, and to make final hiring and retention decisions. In no event shall hiring preferences required hereunder prevent Contractor's or its Subcontractors' ability to comply with applicable labor agreements or union dispatch procedures. No provision of the Policy 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.
- D. Tenant Improvements. All future tenant improvements performed within a Construction Work subsequent to any initial tenant improvements within such

Construction Work ("Subsequent Tenant Improvements") shall not be subject to the mandatory participation levels set forth in subsection A above. With respect to Subsequent Tenant Improvements, Contractor or Subcontractor, as applicable, are required only to make good faith efforts to hire Local Residents and Disadvantaged Workers to perform construction work for Subsequent Tenant Improvements. Good faith efforts shall include Contractor's or Subcontractor's, as applicable, attendance at a pre-construction or other Local Hire meeting, requesting to connect with potential workers through Citybuild, considering Targeted Workers provided by CityBuild and submitting Local Hiring Forms 1 and 2.

**1.4 COMPLIANCE WITH PARTICIPATION OBLIGATIONS CITYBUILD  
WORKFORCE DEVELOPMENT PROGRAM: EMPLOYMENT NETWORKING  
SERVICES**

- A. OEWD administers the CityBuild Program. CityBuild shall be the primary resource for Contractor and Subcontractors to use to meet Contractor's local hiring requirements under the Policy. CityBuild has two main goals:
  - 1. Assist with local hiring requirements under the Policy 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 Contractor's or its Subcontractors' preferred or preexisting hiring or staffing procedures or labor agreements for a Construction Work do not enable Contractor to satisfy the local hiring requirements of the Policy, 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 the Policy. Neither Contractor nor its Subcontractors are required to make an independent determination of whether any worker is "disadvantaged" as defined in the Policy.
- C. **Basis of Compliance:**

1. With regard to Horizontal Improvements, OEWD shall determine compliance with this Agreement for each trade on a Phase by Phase basis. OEWD shall measure compliance by dividing the number of Construction Work Hours performed by Local Residents or Apprentices, as applicable, within a trade by the total number of Construction Work Hours performed within the same trade on the Horizontal Improvements within a Phase. In lieu of a Phase by Phase basis, Developer may determine that it can best achieve compliance with this Local Hire Agreement on a Project-wide basis, and may elect to comply on a Project-wide basis by delivering notice to OEWD and the Port of such election during the submission of the penultimate Phase Submittal. After such election, compliance shall be established upon the completion of the Project. In each case, once compliance is established, any Excess Credit Hours shall be confirmed by OEWD and shall be available for Developer, provided developer remains a Giants Affiliate, as defined in the DDA, to use to offset shortfalls in the same trade elsewhere on the Project Site, provided, however that Excess Credits may only be transferred to Horizontal Improvements that complied with the procedures set forth in Sections 1.3B, 1.4B and 1.6 and at completion are still short of attaining the participation levels set forth in Section 1.3A.
2. With regard to Vertical Improvements, OEWD shall determine compliance with this Agreement for each trade on an individual Vertical Improvement basis. OEWD shall measure compliance by dividing the number of Construction Work Hours performed by Local Residents or Apprentices, as applicable, within a trade by the total number of Construction Work Hours performed within the same on the Vertical Improvement. In lieu of an individual Vertical Improvement basis, Developer may determine that it can best achieve compliance with this Local Hire Agreement on a Phase by Phase basis, and may elect to comply on a Phase by Phase basis by delivering notice to OEWD and the Port of such election during the submission of a Phase Submittal. After such election, compliance shall be established upon the completion of the Phase, as applicable. In each case, once compliance is established, any Excess Credit Hours shall be confirmed by OEWD and shall be available to the Vertical Developer of the Vertical Improvement that generated such Excess Credit Hours, to transfer to another Vertical Developer, provided that such Vertical Developer is a Giants Affiliate, as defined in the DDA, to offset shortfalls in the same trade on a Vertical Improvements elsewhere on the Project Site, provided, however that Excess Credits may only be transferred to Vertical Improvements that complied with the procedures set forth in Sections 1.3B, 1.4B and 1.6 and at completion are still short of attaining the participation levels set forth in Section 1.3A.

#### 1.5 WAIVER FROM LOCAL HIRING REQUIREMENTS



A. Contractor or the Subcontractor may request waivers as follows: (1) Requests for waivers based on Specialized Trades or other non-availability of workers (subsection 1); and (2) other requests for waivers, which may be considered as conditional waivers by OEWD in its discretion, or based on credit for Non-Covered Construction Work or other construction work specified in subsection 3, and/or participation in the programs described in subsections 4 and 5 below or alternative programs identified by OEWD (subsection 2).

1. Specialized Trades and Other Non-Availability Waivers. Specialized Trades are exempt from local hiring requirements and established in accordance with Section 1.3(B). OEWD shall grant waivers based on a Specialized Trades exemption, provided that (a) the Specialized Trade appears on OEWD's approved list or has been approved as a Construction Work-specific Specialized Trade exemption, and (b) notwithstanding the exemption, Contractor and its Subcontractors have reported to OEWD for its records any Construction Work Hours utilized in each designated Specialized Trade and in each OEWD-approved Construction Work-specific Specialized Trade. As of the date of this Agreement, Specialized Trades include any marine diving, underwater, or marine-related pile-driving work, helicopter pilot, crane operators and oilers, boat, barge, dredge, and/or floating equipment operators, deck engineers, oilers, tunnel/underground work performed by operating engineers and laborers, lineman/cable splicer, stainless steel welders, ironworker connectors and millwrights.

In addition to Specialized Trades, Contractor or Subcontractor may from time to time seek a waiver based on non-availability of workers in one or more other trades ("Non-availability Waiver"). OEWD may apply any Excess Credit Hours (on a 1:1 basis of Excess Credit Hours to shortfall hours) to address any shortfalls identified with respect to a completed Construction Work that would otherwise be entitled to request a Non-availability Waiver under this subsection. At OEWD's discretion, Excess Credit Hours may be allocated anywhere within the Project Site, and to either the same or a different trade. Once Excess Credit Hours are allocated by OEWD such Excess Credit Hours shall no longer be available to Developer elsewhere on the Project Site. OEWD shall grant a Non-Availability Waiver pursuant to this subsection regardless of whether Excess Credit Hours are available to address any shortfall in a trade's Construction Work Hours with respect to a Construction Work, provided that Contractor or Subcontractor has submitted evidence of compliance with the procedures set forth in Sections 1.3B, 1.4B and 1.6.

2. Other Non-Compliance and Corrective Action Plan. In the event Contractor or Subcontractor fails to meet the requirements of Section 1.3 on a basis other than as set forth in subsection 1, OEWD may, in its discretion, negotiate a Corrective Action Plan with the Contractor or Subcontractor. The Corrective Action Plan may include a conditional

waiver that allows the Contractor or Subcontractor to avoid financial penalties. In determining whether to approve the waiver, OEWD may establish alternative means to achieve the participation levels set forth in Section 1.3, including, but not limited to, credit accumulated pursuant to subsection 3 or participation in the programs specified in subsections 4 and 5.

3. Credit for Hiring on Non-Covered Construction Work. Contractor and its Subcontractors may accumulate credit hours for hiring Targeted Workers on Non-Covered Construction Work or on other construction work for which for which the Contractor has exceeded project goals in the nine-county San Francisco Bay Area and apply those credit hours to contracts for Construction Work to meet the mandatory local hiring requirement. For hours performed by Targeted Workers on Non-Covered Construction Work, the hours shall be credited toward the local hiring requirement for the Contract provided that:
  - a. the Targeted Workers are paid the prevailing wages or union scale for work on the Non-Covered Construction Work; 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 Construction Work. 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.
4. Sponsoring Apprentices. Contractor or a Subcontractor may agree to sponsor new apprentices in trades in which noncompliance is likely and retain those apprentices for the period of Contractor's or a Subcontractor's work on the Construction Work, provided that OEWD verifies 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.
5. 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 the Policy by Contractor or Subcontractor 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, such as Helmets to

Hardhats, to hire and retain Targeted Workers. Such exception from assessments of penalties is subject to review and approval by OEWD.

## 1.6 LOCAL HIRING FORMS

A. The Contractor shall provide CityBuild with information about the Contractor's employment needs under the Contract for each Construction Work by utilizing the City's online Project Reporting System ("PRS"). Contractor shall submit the following forms, as applicable, to OEWD:

1. Form 1: Local Hiring Workforce Projection. This Form 1 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 Construction Works 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 Construction Work using OEWD Form 2. Form 2 shall be initially submitted prior to the start of construction and updated quarterly by the Contractor until all subcontracting is completed. Upon commencement of work, Contractor and its Subcontractors may submit Job Notifications to CityBuild to connect with local trades workers.
3. Form 3: Intentionally Omitted.
4. Form 4: Waivers. To be completed by Contractor in the event that Contractor or a Subcontractor believes the local hiring requirements cannot be met. Refer to Articles 1.4 and 1.5 for more information regarding such waivers.

## 1.7 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 Local Hiring Agreement. All Subcontractors performing construction work on the Construction Work shall be responsible for complying with the recordkeeping and reporting requirements set forth in this Local Hiring Agreement.

B. 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 the 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 the Construction Work.

1. Such records shall include the name, address and social security number of each worker who worked on the Construction Work, 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 Construction Work (e.g., core workforce, name call, union hiring hall, CityBuild referral source, or recruitment or hiring method).

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.
- C. Reporting. Contractor shall submit certified payrolls to the City electronically using the Project Reporting System. OEWD will monitor compliance with the Policy electronically.
- D. Monitoring. From time to time and in its sole discretion, OEWD may monitor and investigate compliance of Contractor and Subcontractors working on a Construction Work with requirements of this Local Hiring Agreement and the Policy. Contractor shall allow representatives of OEWD, in the performance of its duties, to engage in random inspections of a Construction Work. Contractor and all Subcontractors shall also allow representatives of OEWD to have access to employees of Contractor and Subcontractors and the records required to be maintained under this Local Hiring Agreement.
- E. Noncompliance and Penalties. Failure of Contractor and/or its Subcontractors to comply with the requirements of this Local Hiring Agreement and the obligations set forth in the Local Hiring Plan may subject Contractor to the consequences of noncompliance, including but not limited to the assessment of penalties if a waiver is not granted. The assessment of penalties for noncompliance shall not preclude the City from exercising any other rights or remedies to which it is entitled.
- a. **Penalties Amount**. Any Contractor or Subcontractor who fails to satisfy Local Hiring Requirements of this agreement applicable to Construction Work Hours performed by Local Residents and who does not receive a waiver shall forfeit to the City, and, in the case of any Subcontractor so failing, the Contractor 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 Construction Work 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 under this agreement.

- b. **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, OEWD shall provide Contractor or Subcontractor, as applicable, notice of such failure and provide such entity a reasonable opportunity to cure its failure. If such entity does not cure such failure, OEWD 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 Construction Work 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 agreement.
- c. **Recourse Procedure.** If the Contractor or Subcontractor disagrees with the assessment of penalties, then the following procedure applies:
  - i. 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.
  - ii. 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.
  - iii. 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.

- iv. 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.
- v. 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 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 Local Hiring Agreement and a Collective Bargaining Agreement, the terms of the Collective Bargaining Agreement shall supersede this Local Hiring Agreement.

## 1.9 DURATION OF THIS AGREEMENT

This Local Hiring Agreement shall be in full force and effect throughout the term of the Contract. Upon expiration of the Contract, or its earlier termination, this Local Hiring Agreement shall terminate and it shall be of no further force and effect on the parties hereto.

## 1.10 NOTICE

All notices to be given under this Local Hiring 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 OEWD: OEWD  
1 South Van Ness 5th Fl. San Francisco, CA 94103  
Attn: Ken Nim, Compliance Manager,  
ken.nim@sfgov.org

If to CityBuild: CityBuild Compliance Manager  
OEWD, 1 South Van Ness 5th Fl.  
San Francisco, CA 94103  
Attn: Ken Nim, Compliance Manager,  
ken.nim@sfgov.org

If to Port:

Attn:

If to Developer:

Attn:

If to Vertical Developer:

Attn:

If to Contractor:

Attn:

If to Subcontractor:

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.

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 OEWD 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.

#### 1.11 ENTIRE AGREEMENT

This Local Hiring Agreement and the Transaction Documents contain the entire agreement between the parties to this Local Hiring 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. This Local Hiring 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 Contractor, their obligations shall be joint and several.

#### 1.12 SEVERABILITY

If any term or provision of this Local Hiring Agreement shall, to any extent, be held invalid or unenforceable, the remainder of this Local Hiring Agreement shall not be affected.

#### 1.13 COUNTERPARTS

This Local Hiring 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.

#### 1.14 HEADINGS

Section titles and captions contained in this Local Hiring Agreement are inserted as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Local Hiring Agreement or the intent of any of its provisions

**1.15 GOVERNING LAW**

This Local Hiring Agreement shall be governed and construed by the laws of the State of California, and interpreted consistent with the requirements of Chapter 82.



IN WITNESS WHEREOF, the following have executed this Local Hiring Agreement as of the date set forth above.

**CONTRACTOR:**

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Name of Authorized Signer: \_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_



## **FORM 1: LOCAL HIRING WORKFORCE PROJECTION**

**Contractor:** \_\_\_\_\_ **Project Name:** \_\_\_\_\_

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	Contractor X	Journey	800	250	31%
		Apprentice	200	100	50%
<i>Example:</i> Laborer	Contractor Y	Journey	500	100	20%
		Apprentice	0	0	0
<i>Example:</i>	<b>TOTAL LABORER</b>	Journey	1300	350	27%
		Apprentice	200	100	50%
<i>Example:</i>	<b>TOTAL</b>		<b>1500</b>	<b>450</b>	<b>30%</b>
		Journey			
		Apprentice			
		Journey			
		Apprentice			
		Journey			
		Apprentice			

**DISCLAIMER:** If the Total Work Hours for a Trade Craft are less than 5% of the Total Construction Work Hours, the Trade Craft is exempt from the Mandatory Requirement. Subsequently, if the Trade Craft exceeds 5% of the Total Construction 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: \_\_\_\_\_

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 Construction 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 Construction 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: WAIVERS**

Contractor: \_\_\_\_\_ Project Name: \_\_\_\_\_

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.

**TRADE WAIVER INFORMATION:** 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 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 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:**

Construction Trade	Est. # of Sponsor Positions	Union (Yes / No)	If Yes, Local #	Est. Start Date	Est Duration of Working Days	Est Total Work Hours Performed
		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:**

Labor Trade, Position, or Title	Est. # of Off-site Hires	Est Total Work Hours Performed	Offsite Project Name	Project Address
Journey				
Apprentice				

OEWD APPROVAL:

☐ Yes

☐ No

OEWD Signature:

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**DDA EXHIBIT B6-B**

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**LOCAL BUSINESS ENTERPRISE UTILIZATION PROGRAM**

**DDA Exhibit B6 - B**

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**Local Business Enterprise (LBE) Utilization Program.**

The development plan for Mission Rock under the Transaction Documents provides for the development of a new mixed-use neighborhood composed of commercial/office, retail, garage, market rate and affordable residential uses and major new and expanded parks. This Workforce Development Plan sets forth the activities Developer and Vertical Developer shall undertake, and require their Contractors, Consultants, Subcontractors, Subconsultants, and Commercial Tenants, as applicable, to undertake, to support local business enterprises in both the construction and operations phases of the Project, as set forth in this Exhibit B6-B.<sup>1</sup>

The Port and Developer shall enter into the DDA which will provide for the development of the 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 Project. Developer will enter into contracts with Contractors and Consultants to construct all Horizontal Improvements allowed under the Master Lease.

Developer will submit Phase Submittals to the Port pursuant to the Transaction Documents. Following each Phase Approval, the Port will authorize the Chief Harbor Engineer to issue Port permits necessary for Developer to begin to construct Horizontal Improvements in accordance with the DDA and the Master Lease. Upon exercise of an Option in accordance with the DDA, the Port will convey each Development Parcel through Parcel Leases to a Vertical Developer. A Vertical Developer will enter into contracts with Contractors and Consultants to construct the Vertical Improvements, including residential and commercial improvements, in accordance with the Parcel Lease and Vertical DDA. 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.

The foregoing summary is provided for convenience and for informational purposes only. In case of any conflict, the provisions of the DDA and each Vertical DDA shall control.

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<sup>1</sup> Any capitalized term used in this Exhibit B6-B, including its Attachments, that is not defined herein, or in such Attachments, or in the referenced Administrative Code Sections, shall have the meaning given to such term in the DDA.

### **LBE Utilization Plan.**

Developer, with respect to Horizontal Improvements, shall, and the Vertical Developer, with respect to each Vertical Improvement, shall comply and require their respective Contractors and Consultants to comply with the Local Business Enterprise Utilization Plan (the "LBE Utilization Plan") set forth in Attachment A hereto. The Port shall cause (i) Developer, pursuant to the DDA and Master Lease, to comply with the Plan by including such requirements as a material term in the DDA and Master Lease applicable to all phases of Horizontal Improvements and (ii) each Vertical Developer to comply with the Plan by including such requirements as a material term in the VDDA and Parcel Lease applicable to each Vertical Improvement. The Port and Developer will seek to, whenever practicable, engage contracting teams to reflect the diversity of the City and include participation of both businesses and residents from the City's most disadvantaged communities including, but not limited to the Bayview/Hunters Point, Chinatown, Mission, South of Market, Tenderloin, Visitacion Valley and Western Addition neighborhoods.

Compliance with the construction requirements of the LBE Utilization Plan for Horizontal Improvements shall be determined on a Phase by Phase basis. Compliance will be measured by dividing the cost of all Contracts for a Phase of Horizontal Improvement awarded to LBE Prime Contractors, Subcontractors, Prime Consultants or Subconsultants divided by the total cost of all Contracts awarded to Prime Contractors, Subcontractors, Prime Consultants or Subconsultants for such Phase of Horizontal Improvement. If Developer exceeds the goals set forth in the LBE Utilization Plan with respect to an individual Horizontal Improvement, Developer may, at its option, allocate such excess, subject to terms outlined below, towards the compliance of another Horizontal Improvement within the Project Site, subject to the requirements of Attachment A. Notwithstanding anything to the contrary, Developer may, at its election, require that compliance be determined on a Project-wide basis by giving notice to CMD and the Port of such election during the submission of the penultimate Phase Submittal.

Compliance with the construction requirements of the LBE Utilization Plan for Vertical Improvements shall be determined on an individual Vertical Improvement basis. Compliance will be measured by dividing the cost of all Contracts for a Vertical Improvement awarded to LBE Prime Contractors, Subcontractors, Prime Consultants or Subconsultants divided by the total cost of all Contracts awarded to Prime Contractors, Subcontractors, Prime Consultants or Subconsultants for such Vertical Improvement. If a Vertical Improvement exceeds goals set forth in the LBE Utilization Plan, the Vertical Developer of such Construction Work may, at its option, allocate such excess towards the compliance of another Vertical Improvement within the Project Site or transfer such excess to another Vertical Developer within the Project Site, subject to the requirements of Attachment A. Notwithstanding anything to the contrary, Developer may, at its election, require that compliance be determined on a Phase-wide basis by giving notice to CMD and the Port of such election, pursuant to Attachment A, during the submission of a Phase Submittal.

The Developer, Vertical Developer(s) and CMD seek to reduce barriers to LBE participation, cost, and time. As such, the Developer and Vertical Developer(s) shall work in



good faith with CMD to design and implement for each Horizontal and Vertical Improvement insurance programs which provides to LBE participating subcontractors access to the required coverage through either the owner, Owner-Controlled Insurance Policy (OCIP), general contractor, Contractor-Controlled Insurance Policy (CCIP), or such other insurance program as may become reasonably commercially available.

CMD shall notify Contractors, Consultants, Subcontractors and Subconsultants, as applicable, in writing, with a copy to the Port and Developer or Vertical Developer, as applicable, of any alleged breach on the part of that entity of its obligations under San Francisco Administrative Code Chapter 14B ("Chapter 14B") or its LBE Utilization Plan, as applicable, and provide such entity an opportunity to cure its failure before seeking an assessment of liquidated damages. CMD's sole remedies against a Contractor, Consultant, Subcontractor and Subconsultant shall be as set forth in the applicable LBE Utilization Plan, including the enforcement process. Upon CMD's request, Port, Developer or Vertical Developer, as applicable, shall reasonably cooperate with CMD in any such enforcement action against any Contractors, Consultants, Subcontractors and Subconsultants, provided that in no event shall Port, Developer or Vertical Developer, as applicable, be liable for any breach by a Contractor, Consultant, Subcontractor or Subconsultant.

If the Port, Developer or Vertical Developer, as applicable, fulfills its obligations as set forth in this Exhibit B2, it shall not be held responsible for the failure of a Contractor, Consultant, Subcontractor and Subconsultant or any other person or party to comply with the requirements of San Francisco Administrative Code Chapter 14B ("Chapter 14B") or this Exhibit B2. If Developer or Vertical Developer, as applicable, fails to fulfill its obligations under this Exhibit B6-B, the applicable provisions of Chapter 82 shall apply, though the Port and Developer, as applicable, shall have the right to invoke the process set forth in Article 10 of the DDA.

This Exhibit B6-B complies with the requirements of Chapter 14B, including Sections 14B.20.

## Attachment A

### **Local Business Enterprise Utilization Plan**

1. **Purpose and Scope.** This Local Business Enterprise Utilization Plan (this "LBE Utilization Plan") governs the Local Business Enterprise obligations of the Workforce Improvement or the Construction Work pursuant to San Francisco Administrative Code Section 14B.20 and satisfies the obligations of Developer, Vertical Developer and their Contractors and Consultants for a LBE Utilization Plan as set forth herein. In the event of any conflict between San Francisco Administrative Code Chapter 14B ("Chapter 14B") and this attachment, this LBE Utilization Plan shall govern.
2. **Roles of Parties.** In connection with the design and construction phases of each Construction Work (as defined below) and the operations of each Workforce Improvement, 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 Vertical shall participate in a local business enterprise program, and the City's Contract Monitoring Division ("CMD") 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 Developer, Vertical Developer, Contractor or professional services firm retained to work on a Construction Work or Workforce Improvement, as the case may be (each, a "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 Developer or Vertical Developer or a Contractor or professional services firm. When Developer or Vertical Developer or a Contractor or professional services firm requires and seeks products from an LBE supplier or distributor, no more than sixty percent of the cost of the product shall be credited towards LBE participation goals. If the listed supplier or distributor does not regularly stock or is a specially manufactured item(s), the required product, no more than five percent of the cost of the product shall be credited towards LBE participation goals.
  - c. "Consultant" shall mean a person or company that has entered into a professional services contract for monetary consideration with Developer or Vertical Developer to provide advice or services to Developer directly related to the architectural or landscape design, physical planning, and/or civil, structural or

environmental engineering of a Construction Work or Workforce Improvement.

- d. "Construction Work" shall mean: (i) in the case of Horizontal Improvements, construction of all Horizontal Improvements required or permitted to be made to the Project Site during a Phase and to be carried out by Developer under the DDA subject to Chapter 14B; or (ii) in the case of Vertical Improvements, a Vertical Improvement and all tenant improvements therein, except for the construction of any tenant improvements within a leased premises comprised of less than 15,000 square feet in floor area, to be constructed by a Vertical Developer on a Development Parcel pursuant to an applicable Vertical DDA and Parcel Lease.
- e. "Contract(s)" shall mean an agreement, whether a direct contract or subcontract, for Consultant or Contractor services for all or a portion of a Construction Work or Workforce Improvement.
- f. "Contractor" shall mean a person or entity that enters into a direct Contract with Developer or Vertical Developer to build or construct all or a portion of a Construction Work or operate a Workforce Improvement.
- g. "DDA" means the Disposition and Development Agreement between Developer and the City and County of San Francisco, acting by and through the San Francisco Port Commission.
- h. "Developer" has the meaning set forth in the DDA, including any successor during the term of this LBE Utilization Plan.
- i. "Development Parcel" has the meaning set forth in the DDA.
- j. "Excess Credit" shall mean the total cost of all Contracts for a Construction Work awarded to LBE Prime Contractors, Subcontractors, Prime Consultants or Subconsultants that are Small and Micro-LBEs that exceeds the goals set forth in Section 4.
- k. "Horizontal Improvement" has the meaning set forth in the DDA.
- l. "Good Faith Efforts" shall mean procedural steps taken by Developer, Vertical Developer, Contractor or Consultant with respect to the attainment of the LBE participation goals, as set forth in Section 6 below.
- m. "Local Business Enterprise" or "LBE" means a business that is certified as an LBE under Chapter 14B.3.
- n. "LBE Liaison" shall mean Developer's and Vertical Developer'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.

- o. "Parcel Lease" has the meaning set forth in the DDA.
- p. "Phase" has the meaning set forth in the DDA.
- q. "Port" has the meaning set forth in the DDA.
- r. "Project" has the meaning set forth in the DDA.
- s. "Project Site" has the meaning set forth in the DDA.
- t. "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 a Construction Work or Workforce Improvement.
- u. "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 a Construction Work or Workforce Improvement.
- v. "Vertical DDA" has the meaning set forth in the DDA.
- w. "Vertical Developer" has the meaning set forth in the DDA.
- x. "Workforce Improvement" shall mean all completed Vertical Improvements, but excluding within: (a) any commercial premises occupying less than 15,000 square feet in floor area, and (b) any residential units therein, subject to Chapter 14B.

4. **LBE Participation Goal.** Developer and Vertical Developer agree to participate in this LBE Utilization Plan and CMD agrees to work with Developer and Vertical Developer in this effort, as set forth in this LBE Utilization Plan. As long as this LBE Utilization Plan remains in full force and effect, Developer, with respect to the construction of Horizontal Improvements, and Vertical Developer, with respect to the construction of Vertical Improvements, shall make good faith efforts as defined below to achieve an overall LBE participation goal of 20% of the total cost of all Contracts for a Construction Work awarded to LBE Prime Contractors, Subcontractors, Prime Consultants or Subconsultants that are Small and Micro-LBEs, as set forth in Administrative Code Section 14B.8(A) and a participation goal of 10% during the pre-construction phase of the Project.

5. **Developer/Vertical Developer Obligations.** Developer, with respect to the construction of Horizontal Improvements, and Vertical Developer, with respect to the construction of Vertical Improvements, shall comply with the requirements of this Attachment A as follows: Upon entering into a Contract with a Contractor or Consultant, Developer or Vertical Developer, as applicable, will include each such Contract a provision requiring the Contractor or Consultant to comply with the terms of this Attachment A, and setting forth the applicable percentage goal for such Contract, and provide a signed copy thereof to CMD and the Port within 10 business days of execution. Such Contract shall specify the notice information for the

Contractor or Consultant to receive notice pursuant to Section 16. Developer and each Vertical Developer shall identify a "LBE Liaison" as its main point of contact for outreach/compliance concerns and shall be available to meet with CMD staff on a regular basis or as necessary regarding the implementation of this Attachment A. If Developer, with respect to Horizontal Improvements, or a Vertical Developer, with respect to construction of the Vertical Improvements, fulfills its obligations as set forth in this Section 5 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 Developer or Vertical Developer, as applicable, 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 A.

6. Good Faith Efforts. City acknowledges and agrees that Developer, Vertical Developer, 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 in Section 5, it will nonetheless be deemed to satisfy the good faith effort obligation of this Section 6 and thereby satisfy the requirements and obligations of this Attachment A if the Contractor, Consultants and their Subcontractors and Subconsultants, as applicable, perform the good faith efforts set forth in this Section 6 as follows:

- a. Advance Notice. Notify CMD and the Port in writing of all upcoming solicitations of proposals for work under a Contract at 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, Developer, Vertical Developer, Contractor, Consultant, Subcontractor or Subconsultant will 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. Developer, Vertical Developer, Contractor, Consultant, Subcontractor or Subconsultant will advertise for at least 30 days prior to the opening of bids or proposals, 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 Developer or Vertical Developer or their respective Prime Contractor or Consultant, as applicable. As practicable, convene pre-bid or pre-solicitation meetings no less than 15 days prior to the opening of bids and proposals to all for LBEs to ask questions about the selection process and technical specifications/requirements. Developer or Vertical Developer may request CMD's permission to award a contract without advertising if the work consists of specialty services or otherwise does not provide

opportunities for LBE participation.

- 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.** Developer or Vertical Developer or their respective 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.** Developer or Vertical Developer or their respective 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) shall be or work with a LBE Consultant with experience in and responsibility for making recommendations on how to maximize engagement of local small businesses from disadvantaged communities including, but not limited to the Bayview/Hunters Point, Chinatown, Mission, South of Market, Tenderloin, Visitacion Valley and Western Addition neighborhoods, and 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.** Developer or Vertical Developer shall include in its 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 overall LBE participation goal and any LBE percentage that may be required under such Contract.
- 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. **Insurance and Bonding.** Recognizing that lines of credit, insurance and bonding are problems common to local businesses, 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. Contractor, Subcontractor, Consultant and Subconsultant will work with the Developer, Vertical Developer and CMD in good faith to design and implement for each Horizontal and Vertical Improvement insurance programs which provides to LBE participating subcontractors access to the required coverage through either the owner, Owner-Controlled Insurance Policy (OCIP), general contractor, Contractor-Controlled Insurance Policy (CCIP), or such other insurance program as may become reasonably commercially available.
  - l. **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 9 below to identify a strategy to meet the LBE goal;
  - m. **Quarterly Reports.** During design and construction, the LBE Liaison(s) shall prepare a quarterly report of LBE participation goal attainment and submit to CMD as required by Section 9 herein; and
  - n. **Meet and Confer.** Attend the meet and confer process described in Section 9.
7. **Good Faith Outreach.** Good faith efforts shall be deemed satisfied solely by compliance with Section 6. 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 6.b, and following CMD's notice under Section 8.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.
8. **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 6.b, CMD will work with Developer or its prime 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 Developer or Vertical Developer or their Contractors, Subcontractors, Consultants and Subconsultants in meeting LBE participation goals and/or satisfying good faith efforts requirements.

9. Meet and Confer Process. Commencing with the first Contract that is executed for a Construction Work, and every six (6) months thereafter, or more frequently if requested by either CMD, Developer or a Contractor or Consultant each Contractor and 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 A. When deficiencies are noted, meet and confer with CMD to ascertain and execute plans to increase LBE participation.

10. Prohibition on Discrimination. Developer and Vertical Developer 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 6 and 9 above.

11. Collective Bargaining Agreements. Nothing in this Attachment A 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 A and a Collective Bargaining Agreement, the terms of the Collective Bargaining Agreement shall supersede this Attachment A.

12. 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 6. Developer and Vertical Developer 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 prime 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.

13. Basis of Compliance:

- a. With regard to Horizontal Improvements, CMD shall determine compliance with this Agreement on a Phase-wide basis and measure compliance by dividing the cost of all Contracts for a Construction Work awarded to LBE Prime Contractors, Subcontractors, Prime Consultants or Subconsultants divided by the total cost of all Contracts awarded to Prime Contractors, Subcontractors, Prime Consultants or Subconsultants for such Construction Work. Notwithstanding anything to the contrary, Developer may, at its election, require that compliance be determined on a Project-wide basis by giving notice to CMD and the Port of such election not later than the submission of the penultimate Phase Submittal. After such election, compliance shall be measured upon the completion of the Project. In each case, once compliance is established, any Excess Credit shall be confirmed by CMD and shall be available for Developer, provided Developer remains a Giants Affiliate, as defined in the DDA, to offset shortfalls elsewhere on the Project Site, provided, however that Excess Credits may only be transferred to Horizontal Improvements that complied with the procedures set forth in Section 6 and at completion are short of attaining the participation levels set forth in Section 4.
- b. With regard to Vertical Improvements, CMD shall determine compliance with this Agreement on an individual Vertical Improvement basis and measure compliance by dividing the cost of all Contracts for a Construction Work awarded to LBE Prime Contractors, Subcontractors, Prime Consultants or Subconsultants divided by the total cost of all Contracts awarded to Prime Contractors, Subcontractors, Prime Consultants or Subconsultants for such Vertical Improvement. Notwithstanding anything to the contrary, Developer may, at its election, require that compliance be determined on a Phase-wide basis, as Developer plans to develop each Vertical Improvement in such Phase, by giving notice to CMD and the Port of such election during the submission of a Phase Submittal. After such election, compliance shall be measured upon the completion of the Phase, as applicable. In each case, once compliance is established, any Excess Credits shall be confirmed by CMD and shall be available to the Vertical Developer of the Vertical Improvement that generated such Excess Credits to transfer to another Vertical Developer, provided that such Vertical Developer is a Giants Affiliate, as defined in the DDA, to offset shortfalls in the same trade on Vertical Improvements elsewhere on the Project Site, provided, however that Excess Credits may only be transferred to Vertical Improvements that complied with the procedures set forth in Section 6 and at completion are still short of attaining the participation levels set forth in Section 4.

14. Workforce Improvement Operations. Each Vertical Developer will use good faith efforts to hire LBEs for ongoing service contracts within Workforce Improvements 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.

15. Monitoring and Enforcement. CMD shall both monitor and enforce the standards and requirements, including the good faith efforts, of this Program. CMD Compliance Officers shall schedule meetings with the LBE Liaison(s) through the term of this Program to promote consistent communication and practice.

16. 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 Developer, Vertical Developer, Contractor, Subcontractor, Consultant or Subconsultant, then CMD shall provide written notice to Developer or Vertical Developer, as applicable, each affected prime Contractor or Consultant and, if applicable, also to its Subcontractor or Subconsultant. The prime 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 A. When deficiencies are noted CMD staff will work with the appropriate LBE Liaison(s) to remedy such deficiencies.

17. Remedies. Notwithstanding anything to the contrary in the DDA, the following process and remedies shall apply with respect to any alleged violation of this Attachment A:

Mediation and conciliation shall be the administrative procedure of first resort for any and all compliance disputes arising under this Attachment A. 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 Developer, 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 Developer, Contractor, Consultant, Subcontractor or Subconsultant to file a request for judicial relief.

If a Developer, Vertical Developer, Contractor, Consultant, Subcontractor or Subconsultant is found to be in willful breach of the obligations set forth in this Attachment A, assess against the noncompliant Developer, Vertical Developer, 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 Developer, Vertical Developer, 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 A,  
the sole remedy for violation shall be specific performance.

18. Duration of this Agreement. This Attachment A shall terminate (i) at the expiration of the Development Agreement, as defined in the DDA, and; (ii) for any Construction Work that has commenced before the termination of the Development Agreement, but is not yet complete upon the termination of the Development Agreement, upon the completion of such Construction Work. Upon such termination, this Attachment A shall be of no further force and effect.

19. Notice. All notices to be given under this Attachment A 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 the Port:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

If to Developer:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

If to Vertical Developer:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

If to Contractor:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

If to Consultant:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

**EXHIBIT N**

**Development Agreement Section 5.8(f) (Electricity)**

## EXHIBIT N

### DEVELOPMENT AGREEMENT SECTION §5.8(F) (ELECTRICITY)

#### 5.8 Future City Approvals

##### (f) SFPUC Power.

(i) In accordance with Administrative Code chapter 99, the SFPUC has performed a feasibility study and has determined that it will be able to provide electric power to the Project. SFPUC agrees that applicable SFPUC service will be reasonably available to meet the Project's needs and Developer's schedule, and that the projected price for applicable SFPUC service and related Utility Infrastructure cost allocations are comparable to rates in San Francisco for comparable service. SFPUC will work with Developer to provide applicable SFPUC service for temporary construction and permanent use pursuant to SFPUC *Rules and Regulations for Electric Service*.

(ii) Developer understands and agrees that all applicable SFPUC service for the Project Site will be provided by SFPUC Power under the terms of an ESA to be completed between SFPUC Power and Developer. Among other things, the ESA, in addition to the ESA's standard terms and conditions, will address some or all of the following:

- (1) development schedules and milestones for applicable SFPUC service;
- (2) termination rights and costs;
- (3) offsite Utility Infrastructure requirements, development, costs, and any cost allocation;
- (4) onsite Utility Infrastructure requirements, development, costs, and cost allocations; and
- (5) Developer-provided space for SFPUC electric facilities.

(iii) The Parties agree to act in good faith to finalize the ESA within 180 days after the Reference Date. If the Parties' good faith efforts do not result in a final ESA within 180 days, the Parties will agree to a reasonable extension of time to complete the ESA. If the Parties' diligent good faith negotiations to enter into an ESA as set forth above are unsuccessful, Developer may elect to pursue alternative service arrangements.

EXHIBIT O

Form of Assignment and Assumption Agreement

RECORDING REQUESTED BY:  
AND WHEN RECORDED MAIL TO:

FOR RECORDER'S USE ONLY

APN: Lot [ ], Block [ ]

**PARCEL LEASE EXHIBIT O**  
**ASSIGNMENT AND ASSUMPTION AGREEMENT AND RELEASE**  
(Parcel Lease [and DA])

This ASSIGNMENT AND ASSUMPTION AGREEMENT (this "**Agreement**"), effective as of [ ], (the "**Effective Date**"), is entered into by and between [ ], a [ ] ("**Transferor**"), and [ ], a [ ] ("**Transferee**").

**RECITALS**

A. Seawall Lot 337 Associates, LLC, a Delaware limited liability company ("**Horizontal Developer**") and the City entered into that certain Development Agreement (the "**Development Agreement**") dated as of [ ], 2018 for reference purposes, with respect to certain real property owned by Assignor, as such property is more particularly described in the Development Agreement ("**Mission Rock**"). The Development Agreement was recorded in the Official Records on [ ], 2018 as Instrument No. [ ].

B. The Development Agreement was assigned by Horizontal Developer to Transferor by that certain Development Agreement Assignment and Assumption Agreement dated as of [ ], 20[xx] and recorded in the Official Records on [ ], 20[xx] as Instrument No. [ ]. [Note: add if applicable any intervening amendment and/or assignments]

C. Port and Transferor entered into that certain Lease No. L-XXXX dated as of [ ], 20XX (the "**Lease**"), a memorandum of which was recorded in the Official Records on [ ], 20XX as Instrument No. [ ].

D. The Property is located within the mixed-use development commonly known as Mission Rock. The Lease, and [Note: add other agreements if applicable] any other agreements or documents entered into by and between Port and Transferor pursuant to the Lease are referred to herein collectively, as the "**Property Agreements**."

E. Transferor and Transferee have entered into an agreement (the "**Purchase Agreement**") pursuant to which Transferor has agreed to assign all of its right, title and interest in and to the Property Agreements [and certain right title and interest in the Development Agreement] to Transferee, and Transferee has agreed to assume all of Transferor's right title and interest in and to the Property Agreements [and certain right title and interest in the Development Agreement] from Transferor.

F. In order to consummate the transactions contemplated by the Purchase Agreement, Transferor desires to assign and Transferee desires to assume the Property Agreements [and the Development Agreement] on the terms and conditions set forth in this Agreement.

#### AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Transferor and Transferee agree as follows:

1. **Assignment by Transferor.** Transferor hereby assigns to Transferee as of the Effective Date each and all of the right, title, interest and obligations of Transferor under the Property Agreements [and certain right title and interest in the Development Agreement and any other agreements or documents entered into by and between City and Transferor pursuant to the Development Agreement] to the extent first arising after the Effective Date.

2. **Assumption by Transferee.**

2.1. **Assumption by Transferee.** Transferee hereby assumes from Transferor as of the Effective Date each and all of the right, title, interest and obligations of Transferor under the Property Agreements [and certain right title and interest in the Development Agreement and any other agreements or documents entered into by and between City and Transferor pursuant to the Development Agreement] to the extent first arising after the Effective Date. Transferee hereby acknowledges that Transferee has reviewed the Property Agreements [and the Development Agreement and any other agreements or documents entered into by and between City and Transferor pursuant to the Development Agreement] and agrees to be bound by all such agreements and all conditions and restrictions to which Transferor is subject under such agreements[ and to which Horizontal Developer (or the Transferor, as applicable) is subject under the Development Agreement to the extent applicable to the Property].

2.2. **[Note: add if applicable to residential rental projects] [To be confirmed-subject to further modification]** Costa-Hawkins Waiver. Without limiting the foregoing assumption of rights and obligations by Transferee, Transferee specifically acknowledges that the Development Agreement and the DDA, which includes the Affordable Housing Plan attached thereto as Exhibit [XX], [provide regulatory concessions and significant public investment to Mission Rock that directly reduce development costs at Mission Rock]. The regulatory concessions and public investment include a direct financial contribution of net tax increment and other forms of public assistance specified in California Government Code section 65915. These public contributions result in identifiable, financially sufficient, and actual cost reductions for the benefit of Horizontal Developer and Transferors under California Government Code section 65915. In consideration of the City's direct financial contribution and other forms of public assistance, the parties understand and agree that the Costa-Hawkins Act does not apply to any BMR Unit or Inclusionary Units developed under the AHP for Mission Rock.

3. **Representations and Warranties of Transferor.** Transferor hereby makes the following representations and warranties to Transferee, Port, and the City as of the Effective Date:

3.1. Transferor is a [ ] duly organized and validly existing under the laws of the State of [ ]. Transferor has the requisite power and authority to own its property and conduct its business as presently conducted. Transferor is in good standing in the State of California and is authorized to do business in the State of California and is in good standing therein.

3.2. Transferor has the requisite power and authority to execute and deliver this Agreement and the Transfer Agreement (collectively, the "Transaction Documents") and the agreements contemplated hereby and to carry out and perform all of the terms and covenants of the Transaction Documents and the agreements contemplated hereby to be performed by Transferor.

3.3. Neither Transferor's [articles of organization or operating agreement], nor any applicable Law, prohibits Transferor's entry into the Transaction Documents or its performance



thereunder. 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 the Transaction Documents by Transferor and Transferor's performance thereunder, 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 Transferor, and Transferor has not received notice of the filing of any pending suit or proceedings against Transferor before any court, governmental agency, or arbitrator, which might materially adversely affect the enforceability of the Transaction Documents or the business, operations, assets or condition of Transferor.

**3.4.** The execution and delivery of the Transaction Documents and the performance by Transferor thereunder have been duly and validly authorized. When executed and delivered, the Transaction Documents will be legal, valid and binding obligations of Transferor.

**3.5.** The execution, delivery and performance of the Transaction Documents (i) do not and will not violate or result in a violation of, contravene or conflict with, or constitute a default by Transferor under (A) any agreement, document or instrument to which Transferor is a party or by which Transferor is bound, (B) any law, statute, ordinance, or regulation applicable to Transferor or its business, or (C) the articles of organization or the operating agreement of Transferor, and (ii) do not result in the creation or imposition of any lien or other encumbrance upon the assets of Transferor (other than the lien of a Mortgage in accordance with the Parcel Lease).

**3.6.** Except to the extent disclosed to Port in writing, (i) Transferor is not in default under, and has not received notice asserting that it is in default under, any agreement for borrowed money, (ii) Transferor 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 Transferor's ability to meet its obligations under the Transaction Documents, and (iv) to Transferor's knowledge, no involuntary petition naming Transferor as debtor has been filed under any chapter of the U.S. Bankruptcy Code.

**4. Representations and Warranties of Transferee.** Transferee hereby makes the following representations and warranties to Transferor, Port, and the City as of the Effective Date:

**4.1.** Transferee is a [ ] duly organized and validly existing under the laws of the State of [ ]. Transferee has the requisite power and authority to own its property and conduct its business as presently conducted. Transferee is in good standing in the State of California and is authorized to do business in the State of California and is in good standing therein.

**4.2.** Transferee has the requisite power and authority to execute and deliver the Transaction Documents and the agreements contemplated hereby and to carry out and perform all of the terms and covenants of the Transaction Documents and the agreements contemplated hereby to be performed by Transferee.

**4.3.** Neither Transferee's [articles of organization or operating agreement], nor any applicable Law, prohibits Transferee's entry into the Transaction Documents or its performance thereunder. 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 the Transaction Documents by Transferee and Transferee's performance thereunder, 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 Transferee, and Transferee has not received notice of the filing of any pending suit or proceedings against Transferee before any court, governmental agency, or arbitrator, which might materially adversely affect the enforceability of the Transaction Documents or the business, operations, assets or condition of Transferee.

4.4. The execution and delivery of the Transaction Documents and the performance by Transferee thereunder have been duly and validly authorized. When executed and delivered, the Transaction Documents will be legal, valid and binding obligations of Transferee.

4.5. The execution, delivery and performance of the Transaction Documents (i) do not and will not violate or result in a violation of, contravene or conflict with, or constitute a default by Transferee under (A) any agreement, document or instrument to which Transferee is a party or by which Transferee is bound, (B) any law, statute, ordinance, or regulation applicable to Transferee or its business, or (C) the articles of organization or the operating agreement of Transferee, and (ii) do not result in the creation or imposition of any lien or other encumbrance upon the assets of Transferee (other than the lien of a Mortgage in accordance with the Parcel Lease).

4.6. Except to the extent disclosed to Port in writing, (i) Transferee is not in default under, and has not received notice asserting that it is in default under, any agreement for borrowed money, (ii) Transferee 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 Transferee's ability to meet its obligations under the Transaction Documents, and (iv) to Transferee's knowledge, no involuntary petition naming Transferee as debtor has been filed under any chapter of the U.S. Bankruptcy Code.

5. **Qualified Transferee.** Transferee is a Qualified Transferee. "Qualified Transferee" means any transferee that satisfies each of the following criterion: (1) has, or has engaged a property manager with at least ten (10) years' experience operating [use for commercial development parcels: major commercial projects] [use for residential development parcels: residential projects]; (2) satisfies the Net Worth Requirement; and (3) is subject to jurisdiction of the courts of California.

6. **Investigation of Property; No Port or City Representations.** Transferee has conducted a thorough investigation and due diligence of the Property, including all Material Systems, the roof and the structural integrity of the Improvements [Add only if transfer occurs after 20th Anniversary of the Commencement Date] and has received and reviewed the Facilities Condition Report dated \_\_\_\_\_ prepared by or on behalf of Transferor]. Transferee has reviewed and is familiar with the terms and conditions of the Property Agreements [and the Facilities Condition Report]. Transferee recognizes and acknowledges that Port makes no representation or warranty hereby, express or implied, regarding the Property, the Improvements, [the Facilities Condition Report] or the amount, nature, or extent of any representations or warranties with respect to the obligation, liability, or duty under any of the Property Agreements.

7. **Release of Indemnified Parties and the State Lands Indemnified Parties.** Transferee, on behalf of itself and its successors and assigns, waives or will be deemed to waive, any right to recover from, and forever releases, acquits, and discharges Indemnified Parties and the State Lands Indemnified Parties under the Property Agreements of all Losses against the Indemnified Parties and the State Lands Indemnified Parties for the condition of the Improvements or the real property or any claims assignor may have against the Indemnified Parties arising prior to the Effective Date 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.

Transferee understands and expressly accepts and assumes the risk that any facts concerning the Losses released, waived, and discharged in this Agreement includes known and unknown claims, disclosed and undisclosed, and anticipated and unanticipated claims pertaining to the subject matter of the releases, waivers, and discharges, and might be found later to be other than or different from the facts now believed to be true, and agrees that the releases, waivers, and discharges in this Agreement will remain effective. Accordingly, with respect to the claims released, waived, and discharged in this Agreement, Transferee expressly waives the benefits of Section 1542 of the California Civil Code, which provides as follows:

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

By placing its initials below, Transferee specifically acknowledges and confirms the validity of  
the releases, waivers, and discharges made above and the fact that Transferee was represented  
by counsel who explained, at the time this agreement was made, the consequences of the  
above releases, waivers and discharges.

TRANSFEEEE INITIALS: \_\_\_\_\_

**8. Release of Transferor.**

From and after the Effective Date, Transferor will be released from all obligations and liability  
under Parcel Lease to the extent first arising after the Effective Date as long as Transferee has  
assumed all such obligations and liabilities. In no event will Transferor be liable for a new  
default under Parcel Lease first arising after the Effective Date so long as Transferee has  
assumed all obligations and liabilities under Parcel Lease arising as of the Effective Date. The  
effectiveness of any Transfer hereunder is not in any way to be construed to relieve Transferor  
of any liability arising out of or with regard to the performance of any covenants or obligations  
to be performed by Transferor under Parcel Lease before the Effective Date.

**9. General Provisions.**

**9.1. Attorneys' Fees.** If either Party hereto fails to perform any of its respective  
obligations under this Agreement or if any dispute arises between the parties hereto  
concerning the meaning or interpretation of any provision of this Agreement, then the  
defaulting Party or the Party not prevailing in such dispute, as the case may be, will pay any and  
all costs and expenses incurred by the other party on account of such default or in enforcing or  
establishing its rights hereunder, including, without limitation, court costs and reasonable  
attorneys' fees and disbursements.

**9.2. Notices.** The provisions of Section 38 of the Parcel Lease [and Section 14.1 of the  
Development Agreement] are incorporated by reference with the same effect as if set forth  
herein; provided, however, the address for Transferee is as follows:

[\_\_\_\_\_]
[\_\_\_\_\_]
[\_\_\_\_\_]
Attn: [\_\_\_\_\_]

With a copy to:

[\_\_\_\_\_]
[\_\_\_\_\_]
[\_\_\_\_\_]
Attn: [\_\_\_\_\_]

**9.3. Successors and Assigns.** This Agreement shall be binding upon and inure to the  
benefit of each of the parties hereto and their respective executors, administrators, successors,  
and assigns.

**9.4. Counterparts.** This Agreement may be executed in one or more counterparts,  
each of which shall constitute an original and all of which shall constitute one instrument.

**9.5. Captions.** Any captions to, or headings of, the Articles, Paragraphs, or  
subparagraphs of this Agreement are solely for the convenience of the parties hereto, are not a

part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.

**9.6. Amendment to Agreement.** The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the parties hereto.

**9.7. Exhibits.** The Exhibits attached hereto are hereby incorporated herein by this reference for all purposes.

**9.8. Waiver.** The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

**9.9. Applicable Law.** This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of California.

**9.10. Fees and Other Expenses.** Except as otherwise provided herein, each of the parties shall pay its own fees and expenses in connection with this Agreement.

**9.11. Partial Invalidity.** If any portion of this Agreement as applied to any party or to any circumstances shall be adjudged by a court to be void or unenforceable, such portion shall be deemed severed from this Agreement and shall in no way affect the validity or enforceability of the remaining portions of this Agreement.

**9.12. Independent Counsel.** Each party hereto acknowledges that: (a) it has been represented by independent counsel in connection with this Agreement; (b) it has executed this Agreement with the advice of such counsel; and (c) this Agreement is the result of negotiations between the parties hereto and the advice and assistance of their respective counsel.

**9.13. Defined Terms.** All capitalized terms not defined herein are set forth in the Parcel Lease.

*[The remainder of this page has been intentionally left blank]*

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the Effective Date.

**TRANSFEROR:**

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

**TRANSFeree:**

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

The CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, operating by and through the SAN FRANCISCO PORT COMMISSION, hereby executes this Agreement with respect only to Article 8 (Release of Transferor) of this Agreement.

**PORT:**

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

By: \_\_\_\_\_  
[NAME]  
Executive Director

**APPROVED AS TO FORM:**

DENNIS J. HERRERA, City Attorney

By: \_\_\_\_\_  
[NAME OF DEPUTY]  
Deputy City Attorney

**[Note: Applicable only if DA is assigned and assumed]**

**DEVELOPMENT AGREEMENT RELEASE**

In accordance with Section 11.1 of the Development Agreement, the City hereby releases and discharges [insert Transferor ("**Transferor**")]] from all obligations that are transferred to, and assumed by, [insert transferee ("**Transferee**")]] under the foregoing Assignment and Assumption Agreement between Transferor and Transferee, dated as of [\_\_\_\_], 20XX (the "**Assignment and Assumption Agreement**"), to which this Release is attached. All capitalized terms not defined in this Release are as defined in the Assignment and Assumption Agreement.

**CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation

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

\_\_\_\_\_  
Director of Planning

Date: \_\_\_\_\_

APPROVED AS TO FORM:  
DENNIS J. HERRERA, City Attorney

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

Name: [Name of Deputy]  
Deputy City Attorney

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)  
Signature of Notary Public

**EXHIBIT A**

**LEGAL DESCRIPTION OF PROPERTY**

*[INSERT LEGAL DESCRIPTION FROM PARCEL LEASE]*



**EXHIBIT P**

**Significant Change Certificate**

PARCEL LEASE EXHIBIT P

FORM OF SIGNIFICANT CHANGE CERTIFICATE

Port of San Francisco

Pier 1

San Francisco, CA 94111

Attn: Executive Director

Re: Mission Rock -- Lease No. L-[\_\_\_\_\_]

Re: Significant Change Certificate for Parcel [XX]

This Significant Change Certificate (this "Certificate") is delivered to Port, pursuant to [Use before Certificate of Completion is issued: Section 18.1(b)(ii)] [Use after Certificate of Completion is issued: Section 18.1(g)] of that certain Lease No. L-[\_\_\_\_\_] between the CITY AND COUNTY OF SAN FRANCISCO, operating by and through the SAN FRANCISCO PORT COMMISSION ("Port") and \_\_\_\_\_ ("Tenant"), and dated \_\_\_\_\_, \_\_\_\_ (as may be amended, the "Parcel Lease").

[Use before Certificate of Completion issued: Section 18.1(b)(ii)] [Use after Certificate of Completion issued: Section 18.1(g)] of the Parcel Lease, an officer of Tenant hereby certifies to Port the following information regarding the proposed Significant Change

List (each) Purchaser: \_\_\_\_\_

List Ownership Interest of (each) Purchaser: \_\_\_\_\_% \_\_\_\_\_%

Purchase price for (each) Purchaser: \_\_\_\_\_

Net Sale Proceeds

(as defined in the Parcel Lease)

owed to Port (if applicable): \_\_\_\_\_

[Use after Certificate of Completion issued: Section 18.1(g)] All other members/partners of Tenant and their respective ownership interest: \_\_\_\_\_% \_\_\_\_\_%

Furthermore, Tenant hereby reaffirms that it will continue to be obligated under all the terms and conditions of the Parcel Lease and Tenant will be, if not already, a Qualified Transferee immediately following the Significant Change. As the [insert title of person signing] of Tenant, the undersigned certifies that this Certificate is true, accurate and complete. All capitalized terms not defined in this Certificate are defined in the Parcel Lease.

This Certificate is made as of \_\_\_\_\_, 20[ ] and is for the benefit and protection of Port, with the understanding that the Port has the right to rely upon this Certificate.

**[NAME OF TENANT]**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT Q

Form of Tenant Estoppel Certificate

**PARCEL LEASE EXHIBIT Q**  
**FORM OF TENANT ESTOPPEL CERTIFICATE**

[\_\_\_\_\_] a [\_\_\_\_\_] ("**Tenant**"), is the tenant of the real property having an address at [\_\_\_\_\_] [\_\_\_\_\_] within the mixed-use development commonly known as "Mission Rock" 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**" or "**Landlord**") [and to \_\_\_\_\_] the following as of [\_\_\_\_\_] 20XX:

1. That there is presently in full force and effect that certain Lease [\_\_\_\_\_] dated as of [\_\_\_\_\_] 20[XXX], (as 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, attached hereto as **Exhibit A** is, to the best of Tenant's knowledge, true, correct and complete and has not been modified, assigned, supplemented or amended except as follows: \_\_\_\_\_.
3. **[Note: Use only in connection with request for NDA:]** That the attached Sublease and summary of basic terms attached hereto as **Exhibit B** are true, correct and complete in all material respects and that there have been no changes in the executed Sublease and summary from the electronic copies previously delivered to Port on [\_\_\_\_\_] 20XX.
4. That the Lease [and the following documents: [\_\_\_\_\_]] represents the entire agreement between Landlord and Tenant with respect to the Premises.
5. That the commencement date under the Lease was [\_\_\_\_\_] 20[XXX], and the expiration date of the Lease is [\_\_\_\_\_] 20[XXX].
6. That the present monthly Base Rent (as defined in the Lease) under the Lease is \$\_\_\_\_\_.
7. That the Percentage Rent (as defined in the Lease) paid by Tenant for the most recent calendar quarter prior to the date set forth above was \$\_\_\_\_\_. **[Insert "Not Applicable" if no percentage rent due under the Lease.]**
8. That the security deposits held by Landlord under the terms of the Lease are as follows: \$\_\_\_\_\_.
9. That Tenant has accepted possession of the Premises and that, to the best of Tenant's actual knowledge after diligent inquiry, all conditions of the Lease to be satisfied by Landlord have been completed or satisfied to the satisfaction of Tenant.
10. That, to the best of Tenant's actual knowledge after diligent inquiry, Tenant, as of the date set forth above, has no right or claim of deduction, charge, lien or offset against Landlord 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 \_\_\_\_\_.
11. That, to Tenant's actual knowledge, Landlord is not in default or breach of the Lease, nor has Landlord 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 Landlord.
12. That, to the best of Tenant's actual knowledge after diligent inquiry, 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.

13. Except for the following: \_\_\_\_\_, (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, and (iv) to Tenant's knowledge, no involuntary petition naming Tenant as debtor has been filed under any chapter of the U.S. Bankruptcy Code.

14. [Note: Delete if Initial Improvements are complete] The Initial Improvements [have not been completed but approximately XX% has been completed to date] [have not yet commenced].

This Certificate is binding upon Tenant and will inure to the benefit of Port, [ ] and their respective successors and assigns.

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

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

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT R**

**Form of Subtenant Estoppel Certificate**

**PARCEL LEASE EXHIBIT R**  
**FORM OF SUBTENANT ESTOPPEL CERTIFICATE**

[\_\_\_\_\_] a [\_\_\_\_\_] ("**Subtenant**"), is the subtenant of the real property having an address at [\_\_\_\_\_] [\_\_\_\_\_] within the mixed-use development commonly known as "**Mission Rock**" 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 [\_\_\_\_\_] 20XX:

1. That there is presently in full force and effect that certain Sublease [\_\_\_\_\_] dated as of [\_\_\_\_\_] 20[XXX], (as modified, assigned, supplemented and/or amended as set forth in **paragraph 3 below**, the "**Sublease**"), between Subtenant, as tenant, and [\_\_\_\_\_] as landlord ("**Landlord**"), covering the Property and other improvements, as further described in the Sublease (the "**Subleased Premises**").

2. The Sublease is subject to that certain Lease No. L-[XXX] dated as of [\_\_\_\_\_] 20[XXX], as amended from time to time, between Landlord, as tenant, and Port, as landlord.

3. **[Note: Use only if Subtenant has an NDA:]** That to the best of Subtenant's knowledge, the Sublease, attached hereto as **Exhibit A** is true, correct and complete and has not been modified, assigned, supplemented or amended except as follows:

\_\_\_\_\_. **[Note: add if Sublease has been amended:]** The dates of Port approval for such amendments are as follows: [\_\_\_\_\_].]

4. That Subtenant has not sub-subleased any portion of the Subleased Premises other than to [\_\_\_\_\_] pursuant to that certain [insert description of the sub-subleases].

5. That the Sublease [and the following documents: [\_\_\_\_\_]] represents the entire agreement between Landlord and Subtenant with respect to the Subleased Premises.

6. That the commencement date under the Sublease was [\_\_\_\_\_] 20[XXX], and the expiration date of the Sublease is [\_\_\_\_\_] 20[XXX].

7. That the present minimum monthly base rent which Subtenant is paying under the Sublease is \$\_\_\_\_\_.

8. That the percentage rent paid by Subtenant for the most recent full calendar month prior to the date set forth above was \$\_\_\_\_\_.] **[Insert "Not Applicable" if no percentage rent due under the Sublease.]**

9. That the security deposits held by Landlord under the terms of the Sublease are as follows: \$\_\_\_\_\_.

10. That Subtenant has accepted possession of the Subleased Premises and that, to the best of Subtenant's actual knowledge after diligent inquiry, all conditions of the Sublease to be satisfied by Landlord have been completed or satisfied to the satisfaction of Subtenant.

11. That, to the best of Subtenant's actual knowledge after diligent inquiry, Subtenant, as of the date set forth above, has no right or claim of deduction, charge, lien or offset against Landlord 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 \_\_\_\_\_.



12. That, to Subtenant's actual knowledge after diligent inquiry, Landlord is not in default or breach of the Sublease, nor has Landlord 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 Landlord.

13. That, to the best of Subtenant's actual knowledge after diligent inquiry, 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.

14. Except for the following: \_\_\_\_\_, (i) Subtenant is not in default under, and has not received notice asserting that it is in default under, any agreement for borrowed money, (ii) Subtenant 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 Subtenant's ability to meet its Sublease obligations hereunder, and (iv) to Subtenant's knowledge, no involuntary petition naming Subtenant as debtor has been filed under any chapter of the U.S. Bankruptcy Code.

This Certificate is binding upon Subtenant and will inure to the benefit of Port, [ ] and their respective successors and assigns.

[\_\_\_\_\_] ,  
a [\_\_\_\_\_]

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT S

Form of Non-Disturbance Agreement

## PARCEL LEASE EXHIBIT S

### FORM OF NON-DISTURBANCE AND ATTORNMENT AGREEMENT

This NON-DISTURBANCE AND ATTORNMENT AGREEMENT (this "Agreement") is made as of [\_\_\_\_\_, 20XXX] (the "Effective Date"), by and among the CITY AND COUNTY OF SAN FRANCISCO ("City"), operating by and through the SAN FRANCISCO PORT COMMISSION ("Port"), [\_\_\_\_\_, a [\_\_\_\_\_] ("Tenant" or "Sublandlord"), and [\_\_\_\_\_, a [\_\_\_\_\_] ("Subtenant"). The exhibits and the recitals and this Agreement are construed as a single instrument and are referred herein as this "Agreement."

### RECITALS

A. Port and Sublandlord entered into that certain Lease No. L-XXXX as may be amended from time to time dated [\_\_\_\_\_, 20XX], ("Parcel Lease") pursuant to which Port leased to Sublandlord that certain premises having an address at [\_\_\_\_\_] (the "Premises"), located in the City and County of San Francisco, California.

B. Subtenant desires to sublease from Sublandlord [insert description of premises, i.e. suite or floor numbers] within the Premises (the "Subleased Premises") pursuant to the terms of the Sublease Agreement between Sublandlord and Subtenant, dated as of [\_\_\_\_\_] (the "Sublease"). A summary of the basic terms of the Sublease certified by an authorized representative of Sublandlord as true, correct, and complete, is attached hereto as *Exhibit A* ("Sublease Summary"). A true, correct, and complete copy of the Sublease is attached hereto as *Exhibit B*.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, Port, Sublandlord and Subtenant agree as follows:

#### 1. SUBLEASE SUBJECT TO PARCEL LEASE.

The Sublease is subordinate at all times to the Parcel Lease and subject to all of its applicable provisions, covenants and conditions thereof.

#### 2. PRE-CONDITIONS TO RECOGNITION.

Port has no obligation to recognize Subtenant's rights under the Sublease or otherwise comply with *Section 4*: (a) if the Parcel Lease is terminated as a result of Sublandlord exercising its termination option due to (i) change in Laws in accordance with [Section 7.3 of the Parcel Lease], (ii) casualty or condemnation in accordance with [Articles 14 and 15 of the Parcel Lease], or (iii) certain Remediation obligations during the last ten (10) years of the Parcel Lease term, as further described in [Section 21.4(d) of the Parcel Lease], or (b) unless all of the following conditions are satisfied as of the effective date the Parcel Lease terminates ("Parcel Lease Termination Date"):

(i) there is no uncured Subtenant event of default, giving effect to any notice and cure period provided therein;

(ii) Subtenant delivers to Port, promptly following Port's notice to Subtenant that the Parcel Lease has terminated, an executed estoppel certificate, substantially in the form attached hereto as *Exhibit C* certifying as of the Parcel Lease Termination Date, among other things:

(1) that the attached Sublease and Sublease Summary are true, correct, and complete copies, and that the Sublease is in full force and effect, or if such Sublease is not in full force and effect, so stating,

(2) which amendments, if any, to the Sublease have been previously approved by Port in writing, including the dates of approval;

(3) the dates, if any, to which any rent and other sums payable thereunder have been paid,

(4) that Sublandlord is not in default, nor is it aware of any events which, with the passage of time or notice or both, would result in a default, except as to those specified in said certificate, and

(5) that Subtenant is not in default, nor is it aware of any events which, with the passage of time or notice or both, would result in a default, except as to those specified in said certificate.

(iii) Without limiting *Section 1*, from and after the Parcel Lease Termination Date, Subtenant hereby agrees that the provisions of [*Article 45* (Other City Requirements)] of the Parcel Lease (collectively, the “Special Provisions”) are deemed to be incorporated by reference and made a part of the Sublease as if set forth in full in the Sublease, except that the term “Tenant” in such sections will mean the Subtenant; and

(iv) [Note: Insert if Parcel Lease includes section related to Port’s reservation of rights.] As described in [Section 1.1(l) of the Parcel Lease], Subtenant hereby agrees that Port will have the continuing rights described in such section (without being in default under the Sublease) and in the event of any conflict with the Sublease, the terms of such section of the Parcel Lease will control.

### 3. NO OBLIGATION TO RECOGNIZE CERTAIN SUBLEASE PROVISIONS.

Notwithstanding *Section 4*, Subtenant agrees and acknowledges that Port’s recognition of the Sublease from and after the Parcel Lease Termination Date, does not include, and in no event will Port be subject to, liable for, or bound by, any term or condition in the Sublease for any of the following:

(a) Any security deposit, prepaid rent or other charges previously paid by Subtenant to Sublandlord, unless such deposits, prepaid rents, or other charges are transferred to Port;

(b) Any sublandlord indemnity obligation or sublandlord waiver or release of claims under the Sublease for the benefit of Subtenant or any other party;

(c) Any requirement or obligation of the Sublandlord to pay (i) any liquidated damages, or (ii) any unpaid or unreimbursed tenant improvement allowance (provided, however, if Subtenant incurs costs after the Parcel Lease Termination Date that are reimbursable from any remaining and unpaid tenant allowance (“Reimbursable Subtenant Costs”), then so long as Subtenant is not in default under the Sublease and Subtenant provides Port with all the information required in the Sublease for Sublandlord to confirm or validate the amount of the tenant improvement allowance payable to Subtenant, and Port has validated such costs, then Subtenant may receive a rent credit of up to fifty percent (50%) of the monthly base rent then payable until the Reimbursable Subtenant Costs are fully reimbursed or the Sublease terminates, whichever is earlier.

(d) Any requirement or obligation of the Sublandlord to perform tenant improvement work; provided, however, if any such tenant improvement work has not been completed by the Parcel Lease Termination Date (the “Incomplete TI Work”), then so long as Subtenant is not in default under the Sublease, Subtenant will have the right to perform the Incomplete TI Work and will receive a rent credit of up to fifty percent (50%) of the monthly base rent then payable until Subtenant has received a rent credit equal to the Remaining TI Cost. “Remaining TI Cost” means the lesser of (i) the original estimated cost of the tenant improvement work which was to be performed by Sublandlord, as set forth in the attached Sublease Summary, or (ii) the actual cost of completing the Incomplete TI Work. [Note: If Sublease requires the sublandlord to perform tenant improvement work, then the summary of basic terms must include the original estimated cost of the TI work.]

(e) Without limiting *Sections 3(c)* and *3(d)*, any offsets, defenses or claims that Subtenant may be able to assert against Tenant as its sublandlord; provided however, the foregoing (other than any matters relating to *Sections 3(c) and 3(d)*) will not limit Port's obligations to correct any conditions that existed as of the date of attornment that violate Port's obligations as the sub landlord under the Sublease;

(f) Any Subtenant right of first offer to purchase, first negotiation to purchase or first refusal to purchase Sublandlord's interest in the Subleased Premises;

(g) Any Sublease term, including options to renew, that extend beyond the scheduled expiration date of the Parcel Lease;

(h) Any sublandlord obligation to pay or be liable for any indirect, consequential, incidental, punitive or special damages;

(i) Any limitation on Subtenant's obligation to indemnify any sublandlord parties based on Subtenant's insurance coverage;

(j) Any limitation on sublandlord's ability to transfer its interest in the Sublease (including any requirement to deliver prior notice to Subtenant or obtain Subtenant's prior approval);

(k) Any confidentiality obligations set forth in the Sublease, whether as the landlord under the Parcel Lease or the Sublease, to the extent that such obligations conflict with Port's obligations under the Public Records Act or the City's Sunshine Ordinance;

(l) Subject to the provisions of *Section 18.5* of the Parcel Lease, Any modification or amendment of the Sublease made without Port's written consent that increase Sublandlord's obligations under the Sublease or decrease the Subtenant's obligations under the Sublease unless such amendment or modification has previously been approved by Port in writing; and

(m) Any sublease provision that conflicts with *Section 18.3(a)* (Qualifying Subleases) of the Parcel Lease.

#### **4. RECOGNITION OF SUBTENANT RIGHTS.**

Provided all the conditions set forth in *Section 2* are fully satisfied, and further subject to the limitations set forth in *Sections 3 and 5*, if the Parcel Lease terminates for any reason other than Sublandlord terminating the Parcel Lease due to change in laws, casualty or condemnation, or certain Remediation obligations, all as further described in *Section 2*, Port agrees that from and after the Parcel Lease Termination Date: Port will (i) not disturb Subtenant's tenancy under the Sublease, (ii) perform the obligations of sublandlord under the Sublease arising after the Parcel Lease Termination Date until such obligations are assumed by another sublandlord or other transferee of Port's interest in the Sublease, and (iii) recognize Subtenant's rights under the Sublease with respect to the Subleased Premises.

#### **5. ATTORNMENT.**

Following the Parcel Lease Termination Date, Subtenant will attorn to Port and continue to perform all of Subtenant's obligations under the Sublease for the benefit of Port or any future sublandlord or other assignee of Port's rights under the Sublease. For such purposes, as between Port and Subtenant, notwithstanding the termination of the Parcel Lease as between Port and Sublandlord, the provisions of the Parcel Lease will be deemed to continue to apply to, and will continue to be incorporated by reference into, the Sublease, and Subtenant will continue to comply with such provisions, to the same extent that such provisions were incorporated into and Subtenant was required to comply with such provisions pursuant to the terms of the Sublease prior to the Parcel Lease Termination Date; provided, however, if there is any conflict between Subtenant's obligation to comply with such provisions in the Sublease and the Special Provisions, the Special Provisions will control.

**6. SELF-OPERATIVE PROVISIONS.**

The provisions contained in *Sections 2(iii)*, [Note: insert as applicable: *2(iv)*], *3, 4, 5* are to be effective and self-operative without the necessity of the execution or delivery of any other documents on the part of either Port or Subtenant.

**7. NOTICE AND OPPORTUNITY TO CURE UNDER SUBLEASE.**

Port will be entitled to notice and the opportunity to cure any default by Sublandlord under the Sublease as follows:

(a) Subtenant will give Port a copy of any and all notices of an event of default (*i.e.*, following the expiration of any notice and cure period) from time to time given to Sublandlord as sublandlord under the Sublease, by Subtenant at the same time as and whenever any such notice will thereafter be given by Subtenant to Sublandlord. Such notice will be addressed to Port in the manner for delivery of notices provided in the Parcel Lease.

(b) In the case of any notice of default given by Subtenant to Sublandlord and Port in accordance with *Section 7(a)*, Port will have the same right (and time period) to cure Sublandlord's default as given to any mortgagee under the Sublease, and Subtenant will accept such performance by or at the instance of Port as if the same had been made by Sublandlord.

**8. BROKERAGE FEES.**

Sublandlord and Subtenant each acknowledge that Port's execution hereof does not operate to impose on Port any liability or obligation whatsoever in connection with the payment of any brokerage or finder's fees or commissions in connection with or relating to the Sublease. In the event any broker, agent or finder makes a claim against Port for payment of any such fees or commission, Sublandlord will indemnify, defend, and hold harmless Port from any losses arising out of such claim.

**9. NO ASSUMPTION OF SUBLEASE.**

Except to the extent specifically provided under *Section 4*, Port will have no liability or obligation to Subtenant relating to Subtenant's occupation of the Subleased Premises under the Sublease, and Port does not assume any of the obligations of Sublandlord set forth therein.

**10. REPRESENTATIONS AND WARRANTIES.**

**10.1. Summary of Basic Terms.** Sublandlord and Subtenant each represent and warrant to Port that the Sublease Summary is true and correct in all material respects, and includes all of the basic terms of the Sublease..

**10.2. Copy of Sublease.** Sublandlord and Subtenant each represent and warrant to Port that attached as *Exhibit B* is a true, correct, and complete copy of the Sublease and that the Sublease complies with *Sections 18.3* (Subletting by Tenant) and *18.4(b)* (Conditions for Issuance of Non-Disturbance Agreements) of the Parcel Lease.

**10.3. Sublandlord Representations and Warranties.** Sublandlord represents and warrants to Port that as of the Effective Date:

(a) Sublandlord has accepted possession of the Premises and that, to the best of Sublandlord's actual knowledge after diligent inquiry, all conditions of the Parcel Lease to be satisfied by Port have been completed or satisfied to the satisfaction of Sublandlord;

(b) To the best of Sublandlord's actual knowledge after diligent inquiry, Sublandlord, as of the date set forth above, has no right or claim of deduction, charge, lien or offset against Port under the Parcel Lease or otherwise against the rents or other charges due or to become due pursuant to the terms of the Parcel Lease other than \_\_\_\_\_;

(c) To Sublandlord's actual knowledge, Port is not in default or breach of the Parcel 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 Parcel Lease by Port;

(d) To the best of Sublandlord's actual knowledge after diligent inquiry, Sublandlord is not in default or in breach of the Parcel Lease, nor 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 Parcel Lease by Sublandlord;

(e) Except for the following: \_\_\_\_\_,  
(i) Sublandlord is not in default under, and has not received notice asserting that it is in default under, any agreement for borrowed money, (ii) Sublandlord 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 Sublandlord's ability to meet its Parcel Lease obligations thereunder, and (iv) to Sublandlord's knowledge, no involuntary petition naming Sublandlord as debtor has been filed under any chapter of the U.S. Bankruptcy Code.

#### 11. EXCULPATION.

Sublandlord and Subtenant each covenant and agree that Port and City will not be responsible for or liable for, and, to the fullest extent allowed by law, each waives all rights against City, Port and their agents and release City, Port and their agents from any and all losses or liabilities relating to any disputes that may exist between Sublandlord and Subtenant relating to the Sublease or the Subleased Premises.

#### 12. GENERAL.

**12.1. Successors and Assigns.** This Agreement will be binding upon, and inure to the benefit of, the parties hereto and their respective successors, heirs, administrators and assigns.

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

**12.3. Amendment.** Neither this Agreement nor any of its terms may be terminated, amended, or modified except by a written instrument executed by the parties.

**12.4. Governing Law; Selection of Forum; Notices.** This Agreement will be governed by, and interpreted in accordance with, the laws of the State of California and the City Charter. As part of the consideration for Port's entering into this Agreement, Sublandlord and Subtenant agree that all actions or proceedings arising directly or indirectly under this Agreement may, at the sole option of Port, be litigated in courts within the State of California, and Sublandlord and Subtenant consents to the jurisdiction of any such state or federal court, and consents that any service of process in such action or proceeding may be made by personal service upon Sublandlord or Subtenant wherever Sublandlord or Subtenant, as applicable, may then be located, or by certified or registered mail directed to Sublandlord at the address set forth in the Parcel Lease for the delivery of notices and Subtenant at the address set forth below (or at such other address as may from time to time be specified by written notice to all parties to this Agreement):

To Subtenant:	
With a copy to:	

--	--

**12.5. Attorneys' Fees.** If any party brings an action or proceeding (including any cross-complaint or counterclaim) against any other party by reason of a default, or otherwise arising out of this Agreement, the prevailing party in such action or proceeding will be entitled to recover from the other party its costs and expenses of suit, including but not limited to reasonable attorneys' fees, which will be payable whether or not such action is prosecuted to judgment. "**Prevailing party**" will include a party who substantially obtains or defeats, as the case may be, the relief sought in the action, whether by compromise, settlement, judgment or the abandonment by the other party of its claim or defense. Attorneys' fees under this **Section 12.5** will include reasonable attorneys' fees and all other reasonable costs and expenses incurred in connection with any appeal. For purposes of this Agreement, reasonable fees of attorneys of the 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.

*[Remainder of this page left intentionally blank.]*



IN WITNESS WHEREOF the parties have executed this Agreement as of the date first above written.

*Port:*

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

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

*Sublandlord:*

**[INSERT SUBLANDLORD SIGNATURE BLOCK]**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

*Subtenant:*

**[INSERT SUBTENANT SIGNATURE BLOCK]**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A  
SUBLEASE SUMMARY**

**EXHIBIT B  
COPY OF SUBLEASE**

**EXHIBIT C  
SUBTENANT ESTOPPEL CERTIFICATE**

EXHIBIT T

Insurance Requirements

**EXHIBIT T**  
**INSURANCE REQUIREMENTS**

**20. Insurance.** Tenant will maintain or caused to be maintained throughout the Term, and cause Subtenants, contractors, subcontractors or others in connection with their use or occupancy of, or their activities in, on, under, around, or about the Premises, to maintain throughout the Term, the insurance described in this *Article 20*.

**20.1 Required Insurance Coverage.** Tenant, at no cost to Port, shall maintain, or cause to be maintained, the types and amounts of insurance detailed below; provided, however, that Tenant reserves the right, at its sole discretion, to utilize an owner controlled insurance program (OCIP) or contractor controlled insurance program (CCIP) to satisfy these insurance requirements. Such insurance shall remain in place from the Commencement Date to the later of (i) the last day of the Term, or (ii) the last day Tenant (A) is in possession of the Premises or (B) has the right of possession of the Premises (except as otherwise specified in this *Article 20*).

(a) **General Liability Insurance.** Commercial general liability insurance, with limits not less than Fifteen Million Dollars (\$15,000,000.00) each occurrence and annual aggregate for bodily injury and property damage, including coverages for contractual liability, independent contractors, broad form property damage, personal injury and products and completed operations, as well as damage to premises rented to you with limits not less than Two Hundred Fifty Thousand Dollars (\$250,000.00). Tenant's CGL policy shall contain no exclusion for explosion, collapse and underground liability during any period in which Tenant is conducting any such activity on or Subsequent Construction or Improvement to the Premises with risk of explosion, collapse or underground hazards. This policy or the Automobile Liability Policy described below must also cover non-owned and for-hire vehicles and all mobile equipment or unlicensed vehicles, such as forklifts. A policy written on an Insurance Services Office (ISO) form GC 00 01 as in effect on the Effective Date, or a form at least as broad as such form, meets the requirement of this paragraph.

(b) **Automobile Liability Insurance.** Automobile liability insurance with limits not less than Five Million Dollars (\$5,000,000.00) combined single limit each accident 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.

(c) **Worker's Compensation; Employer's Liability; Jones Act; U.S. Longshore and Harborworker's Act Insurance.** If applicable, 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, if applicable, 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) **Business Personal Property Insurance.** If Tenant uses business personal property in, on, or about the Premises, Tenant, at its sole cost and expense, shall procure or cause to be maintained on all of its business personal property, in, on, or about the Premises, property insurance on an all risk form, excluding earthquake and flood, to the extent of full replacement value.

(e) **Construction Activities.** Insurance required in connection with construction of Initial Improvements and Subsequent Construction, as applicable, is as set forth below:

(i) **Contractor Requirements.** Tenant must require its general contractor(s) and its(their) subcontractors to maintain the following coverages, if applicable:

(1) An Insurance Services Office (or equivalent) Commercial general liability insurance with limits of not less than Five Million (\$5,000,000) each occurrence and annual aggregate for general contractors, and One Million (\$1,000,000) each occurrence and annual aggregate for subcontractors;

(2) An Insurance Services Office (or equivalent) Automobile liability insurance with a policy combined single limit of not less than \$5 million each occurrence for general contractors.

(3) Worker's compensation insurance with statutory limits and employer's liability insurance with limits of not less than One Million (\$1,000,000) each accident, injury, or illness;

(4) Marine liability insurance (only if the scope of work of the particular contractor involves operating watercraft) including protection and indemnity insurance with limits not less than \$6 million each occurrence, or with Port approval, lesser limits and deductible as are readily available in the insurance market at a commercially reasonable cost, including wreck removal, and damages "In Rem" (the vessel), provided on a P&I, Marine General Liability, Marine Bumbershoot and/or other form reasonably acceptable to Port;

(5) Vessel pollution liability insurance (only if the scope of the work of the particular contractor involves operating watercraft with engines or fuel usage) with limits not less than Five Million Dollars (\$5,000,000) per occurrence and Five Million Dollars (\$5,000,000) in the aggregate with a deductible not to exceed \$50,000 without Port approval, which approval shall not be unreasonably withheld if such deductibles as are readily available in the insurance market at a commercially reasonable cost;

(6) Contractor's pollution liability insurance with limits of not less than Five Million Dollars (\$5,000,000) per claim and in the annual aggregate for general contractors; and.

(7) Property insurance on an all risk form, excluding earthquake and flood, on all of its business personal property whether owned, leased or rented, including any of their respective tools and equipment, in, on, or about the Premises.

(ii) **Builder's Risk Requirements.** In addition, if any of the following exposures are not covered by the insurance already required elsewhere Tenant or General Contractor must carry Builder's Risk Insurance: Contractor shall provide "Special Form" (All Risk) including Earthquake, Builder's Risk Insurance on a replacement cost basis as follows:

(1) Amount of Coverage: The amount of coverage shall be equal to the full replacement cost on a completed value basis, including periodic increases or decreases in values through change orders. The policy shall provide for no deduction for depreciation. The Builder's Risk Insurance shall also include the full replacement cost of all City-furnished equipment, if any.

(2) Parties Covered: The Builder's Risk policy shall identify the City and County of San Francisco as loss payee as its interest may appear. The policy shall include as additional named insureds the City and County of San Francisco, Tenant, the Contractor and its subcontractors of every tier. Each insured shall waive all rights of subrogation against each of the other insureds to the extent that the loss is covered by the Builder's Risk Insurance.

(3) Included Coverage: The Builder's Risk Insurance shall include, but shall not be limited to, 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 Project site, to construction plant and temporary structures.

b. The perils of fire, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, smoke damage, damage by aircraft or vehicles, vandalism and malicious mischief, theft, collapse, and water damage.

c. The costs of debris removal, including demolition as may be made reasonably necessary by such covered perils, resulting damage, and any applicable law, ordinance, or regulation with a sub-limit of not less than the lesser of (i) Fifty Million Dollars, or (ii) 25% of the value of the construction contract.

d. Start up and testing and machinery breakdown including electrical arcing.

e. Soft costs and loss of business income for any delayed completion period as caused by any of the perils or hazards set forth in and required to be insured pursuant to *Section 20.1(a)(i)*, for a delay period of not less than two (2) years with a limit of not less than One Million Dollars (\$1,000,000); provided however that Tenant may request approval from the Port, which shall not be unreasonably withheld, of a lesser delay period or limit.

f. If available at commercially reasonable rates, such builders risk insurance will also extend to cover the peril of terrorism.

g. Damages due to earthquake and tidal wave as described below.

(4) Deductibles: The Builder's Risk Insurance may have a deductible clause not to exceed the amounts below. Contractor shall be responsible for paying any and all deductible costs. The deductible for coverage of All Perils shall not exceed \$100,000. Deductibles for earthquake and tidal wave coverage will be subject to the reasonable approval of the Port.

(iii) **Professional Services Requirements.** Tenant will maintain or require to be maintained, project-specific professional liability (errors and omissions) insurance, with limits not less than Five Million Dollars (\$5,000,000) each claim and annual aggregate, with respect to architectural, engineering, geotechnical, and environmental professional services, reasonably necessary or incidental to the construction of the Initial Improvements, with any deductible/self-insured retention not to exceed One Hundred Thousand Dollars (\$100,000). Notwithstanding the foregoing, Tenant may elect, instead of obtaining the foregoing coverages in this paragraph, to require that any architects, contractors and sub-contractors performing professional services in connection with the Initial Improvements carry professional liability insurance (errors and omissions) in an amount not less than Two Million Dollars (\$2,000,000) each claim and annual aggregate with a deductible/self-insured retention not to exceed One Hundred Thousand Dollars (\$100,000). Coverage provided architects, contractors and sub-contractors performing professional services may be provided with a lower limit if either (i) the Tenant maintains an owners' protective professional indemnity (OPPI) policy for the difference or (ii) upon the prior written approval of Port, if requested by Tenant to accommodate the needs and limitations of LBE contractors used by Tenant. Such insurance will provide coverage during the period when such professional services are performed and for a period of three (3) years after Completion of the Initial Improvements. With respect to Subsequent Construction, Tenant will require that any architect, contractor or subcontractor performing professional services in connection with such Subsequent Construction, carry professional liability insurance (errors and omissions) in an amount not less than One Million Dollars (\$1,000,000) each claim and annual aggregate with a deductible/self-insured retention not to exceed One Hundred Thousand Dollars (\$100,000).

(iv) **Contractor's Pollution Legal Liability Insurance.** Tenant will cause to be maintained during the period of construction of the Initial Improvements and during any periods of Subsequent Construction that could reasonably be anticipated to involve a Release of Hazardous Materials on or about the Premises, Contractor's Pollution Legal Liability Insurance for Losses caused by pollution conditions, that are sudden, accidental or gradual, resulting from the Contractor's operations, or for which Contractor is legally liable, in connection with the construction of the Initial Improvements or Subsequent Construction, if applicable, whether such operations be by the Contractor or subcontractors, consultants or suppliers of the Contractor. The foregoing policy will contain minimum liability limits of Five Million Dollars (\$5,000,000) per occurrence and Five Million Dollars (\$5,000,000) in the aggregate with a deductible not to exceed One Hundred Thousand Dollars (\$100,000). The foregoing policy will at a minimum contain coverage for or be specifically endorsed to include coverage for pollution conditions resulting in, arising from or in connection with: (i) bodily injury (including death), property damage and environmental cleanup costs (on-site and off-site) resulting from construction of the Initial Improvements or Subsequent Construction, if applicable; (ii) the use or operation of motor vehicles (whether owned, non-owned or leased) in connection with construction of the Initial Improvements or Subsequent Construction, if applicable, including transportation of any Hazardous Materials to or from the project site, including any interim or temporary storage or transfer sites (such transportation coverage will also include loading/unloading of materials); (iii) claims by third parties (other than a disposal site owner) for bodily injury or property damage arising from any disposal location or facility, both final and temporary, to which any waste that is generated in connection with the construction of the Improvements under the Vertical DDA (if in effect) or any Subsequent Construction for which such coverage is required or in connection with any remediation obligation of Tenant pursuant to *Section 21* is delivered; all such disposal locations/facilities, both final and (where commercially available) temporary, will be scheduled to the foregoing policy as Non-Owned Disposal Sites for coverage under such policy. The foregoing policy will be written on an occurrence form and be in effect during the construction periods described above, or, if not available on an occurrence form, then on a claims-made form. If the foregoing policy is written on a claims made form, then the foregoing policy will be maintained for, or contain an extended reporting period of, at least five (5) years. The foregoing policy definition of "Covered Operations" or any other such designation of services or operations performed by the Contractor must include all work or services performed by such Contractor and its subcontractors, consultants, or suppliers as part of the construction of the Initial Improvements or Subsequent Construction, if applicable.

(f) **Property Insurance; Earthquake and Flood Insurance.**

(i) **Property Insurance.** Upon Substantial Completion of the Initial Improvements, and upon completion of Subsequent Construction of any additional Improvements, Tenant will maintain, or require to be maintained, property insurance policies with coverage at least as broad as Insurance Services Office form CP 10 30 06 95 ("Causes of Loss Special Form" (or its replacement)), in an amount not less than 100% of the then-current full replacement cost of the Improvements including any foundations, pilings, excavations and footings, including increased cost of construction and demolition of damaged and undamaged structures due to the enforcement of Laws, (with a deductible not to exceed One Hundred Thousand Dollars, except as to earthquake and flood insurance). If available at commercially reasonable rates, such insurance will extend to cover the peril of terrorism. In addition to the foregoing, Tenant may insure its Personal Property in such amounts as Tenant deems appropriate; and Port will have no interest in the proceeds of such Personal Property insurance.

(ii) **Earthquake Insurance.**

(1) During Construction, and prior to Substantial Completion, of the Initial Improvements, earthquake insurance will be in an amount equal to at least the lesser of (i) the Probable Maximum Loss to the Initial Improvements or, (ii) the maximum amount that

is available at commercially reasonable rates from recognized insurance carriers (with a deductible of up to but not to exceed ten percent (10%)) of the then-current, full replacement cost of the Initial Improvements without sub-limits for excavations and footings; provided that earthquake coverage is available at commercially reasonable rates), except that a greater deductible will be permitted to the extent that such coverage is not available from recognized insurance carriers or at commercially reasonable rates). "Probable Maximum Loss" means the scenario upper loss (SUL) estimate of damage that may occur to the structures with a ninety percent (90%) confidence of non-exceedance as a result of an earthquake with a return period of 224 years as determined prior to Completion of the Initial Improvements and thereafter not less frequently than every ten (10) years by a consultant chosen and paid for by Tenant who is reasonably satisfactory to Port;

(2) From and after Substantial Completion of the Initial Improvements, earthquake insurance will be in an amount equal to at least the lesser of (i) the Probable Maximum Loss to the Improvements, or (ii) the amount that is available at commercially reasonable rates from recognized insurance carriers, in each case, with a deductible of up to but not to exceed ten percent (10%) of the then-current, full replacement cost of the Initial Improvements, except that a greater deductible will be permitted to the extent that such coverage is not available from recognized insurance carriers or at commercially reasonable rates; and

(3) If Tenant determines that earthquake insurance should not be carried on the Improvements because it is not (or no longer) available at commercially reasonable rates or, in Tenant's reasonable business judgment, is imprudent, then Tenant will request in writing Port's consent to the absence or deletion thereof.

(iii) **Flood Insurance.**

(1) If the Premises is in a designated flood zone as depicted on current Flood Insurance Rate Maps ("FIRMs") issued by the U.S. Department of Homeland Security's Federal Emergency Management Agency ("FEMA") or its successor, then Tenant will, during construction, and prior to Substantial Completion of the Initial Improvements, obtain flood insurance from recognized insurance carriers (or through the National Flood Insurance Program ("NFIP")) equal to at least the lesser of (i) the maximum amount that is available at commercially reasonable rates from recognized insurance carriers or NFIP, or (ii) the then-current, full replacement cost of the Initial Improvements, as applicable, (including building code upgrade coverage and without any deduction being made for depreciation), with a deductible of up to but not to exceed ten percent (10%) of the then-current, full replacement cost of the Improvements, except that a greater deductible will be permitted to the extent that such coverage is not available from recognized insurance carriers or at commercially reasonable rates.

(2) If the Premises is not in a designated flood zone as depicted on current FIRMs issued by the FEMA or its successor, Tenant will, during construction of the Initial Improvements, obtain flood insurance, to the extent available at commercially reasonable rates from recognized insurance carriers (or through the NFIP), in an amount equal to the maximum amount of the then-current, full replacement cost of the Initial Improvements (including building code upgrade coverage and without any deduction being made for depreciation), with a deductible of up to but 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 insurance carriers (or through the NFIP) at commercially reasonable rates;

(3) From and after Substantial Completion of the Initial Improvements, flood insurance will be in an amount equal to at least the amount available at commercially reasonable rates from recognized insurance carriers or through the NFIP, with a deductible of up to but not to exceed ten percent (10%) of the then-current, full replacement cost of the Improvements, except that a greater deductible will be permitted to the extent that such



coverage is not available from recognized insurance carriers or at commercially reasonable rates; and

(4) If Tenant determines that flood insurance should not be carried on the Improvements because it is not (or no longer) available at commercially reasonable rates (or through the NFIP) or, in Tenant's reasonable business judgment, is imprudent, then Tenant will request in writing Port's consent to the absence or deletion thereof.

(g) **Boiler and Machinery Insurance.** If any of the following exposures are not covered by the insurance required by *Section 20.1(a)(ii)(1)*, Tenant will maintain, or require to be maintained, boiler and machinery insurance covering damage to or loss or destruction of machinery and equipment located in, on, under, around, or about the Premises that is used by Tenant for heating, ventilating, air-conditioning, power generation and similar purposes, in an amount not less than one hundred percent (100%) of the actual replacement value of such machinery and equipment.

(h) **Business Income Insurance.** If any of the following exposures are not covered by the insurance required by *Section 20.1(a)(ii)(1)*, from and after Completion of the Initial Improvements, Tenant will maintain business income insurance, including loss of rents and extra expense caused by any of the perils or hazards set forth in and required to be insured pursuant to *Section 20.1(a)(ii)* covering an interruption period of not less than two (2) years, with a limit of not less than twenty-four (24) months' of Gross Income.

(i) **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 carriers 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.

(j) **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* 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 *Section 20.1(c)*, as determined by Port.

## **20.2 General Requirements.**

(a) Insurance provided pursuant to this Section

(i) As to all insurance required hereunder, such insurance 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 will name the Tenant as the first named insured, and will name the Port as a loss payee as its interest may appear. As to general liability, automobile liability, and umbrella or excess liability insurance (including blanket policies), such insurance will name as additional insureds by written

endorsement: "THE CITY AND COUNTY OF SAN FRANCISCO AND THE SAN FRANCISCO PORT COMMISSION AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS" and if applicable, Tenant as additional insureds for claims arising in connection with the Insured's operations.

(iii) As to all insurance required hereunder, such insurance will be evaluated by Port and Tenant for adequacy every five (5) years from the Commencement Date. Following consultation with Tenant, Port may require, upon not less than ninety (90) days prior written notice, that Tenant increase the insurance limits for all or any of its general liability policies if in the reasonable judgment of the City's Risk Manager it is the general commercial practice in San Francisco to carry insurance for facilities or development projects of comparable size and use to the Premises in amounts substantially greater than the amounts being carried by Tenant with respect to risks comparable to those associated with the uses of the Premises. As part of such evaluation, Tenant may request that insurance limits for all or any of its general liability policies be decreased and, if the City's Risk Manager reasonably determines that the insurance limits required under *Section 20.1* may be decreased in light of such commercial practice and the risks associated with the uses of the Premises, Port will notify Tenant of such determination, and Tenant will have the right to decrease the insurance coverage required under this Lease accordingly. In such event, Tenant will promptly deliver to Port a certificate evidencing such new insurance amounts and additional insured endorsements in form reasonably satisfactory to Port, as applicable. If Tenant determines that such other insurance or coverage amount should not be required because it is not available from recognized carriers at commercially reasonable rates, then Tenant will provide to Port evidence supporting Tenant's determination of commercial unreasonableness as to the applicable coverage and any cost to maintain such additional insurance, if required by Port, shall be borne by Port and not by Tenant. 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.

(iv) Thirty (30) days' advance written notice shall be provided to the Port of cancellation, intended non-renewal, or material reduction in coverages, except for non-payment for which no less than ten (10) days' notice shall be provided to Port. Notices shall be sent to the Port address set forth in *Section 38.1* entitled "Notices".

(v) As to commercial general liability and automobile liability insurance, such insurance will provide that it constitutes primary insurance with respect to claims arising in connection with Tenant's completed and ongoing operations, and shall provide cross liability coverage (separation of insureds or severability of interests provision);

(vi) As to liability, automobile, worker's compensation and property insurance required hereunder, such insurance 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 of the type covered under the policies required by *Section 20.1(a)*; and

(vii) All insurance will be subject to the approval of Port, which approval will be limited to whether or not such insurance meets the terms of this Lease, such approval not to be unreasonably withheld. As to any minimum deductible specified hereunder, Tenant may request approval from the Port, which shall not be unreasonably withheld, of a higher deductible.

(b) **Certificates of Insurance; Right of Port to Maintain Insurance.** Tenant will furnish Port certificates and additional insured endorsements in form reasonably satisfactory to Port with respect to the policies required under this Section within thirty (30) days, (i) on or prior to the Commencement Date (to the extent such policy is required to be carried as of the Commencement Date), (ii) for such policies required to be carried after the Commencement Date, on or prior to the date such policies are required, and (iii) with respect to

renewal policies, the policy renewal date of each such policy. Within thirty (30) days after Port's request, Tenant also will provide Port with copies of each such policy, or will otherwise make such policy available to Port for its review. If Tenant has determined that obtaining earthquake or flood insurance prior to commencement of construction of the Initial Improvements pursuant to **Section 20.1(a)(ii)(4)** is not commercially reasonable, then Tenant will provide Port with such documents evidencing such determination. If at any time Tenant fails to maintain the insurance required pursuant to this **Section 20.1**, or fails to deliver certificates and/or endorsements as required pursuant to this **Section 20.1(c)** 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 will 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 (other than employers' liability and professional liability) to be maintained by Subtenants, contractors, subcontractors or others in connection with their use or occupancy of, or their activities in, on, under, around, or about the Premises, Tenant will require that such policies be endorsed to include the CITY AND COUNTY OF SAN FRANCISCO AND THE SAN FRANCISCO PORT COMMISSION AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS as well as Tenant as additional insureds for claims arising in connection with the named insured's operations. Notwithstanding the foregoing, Tenant will require all contractors and sub-contractors performing work in, on, under, around, or about the Premises and all operators and Subtenants of any portion of the Premises to carry the following coverages, if applicable: (i) commercial general liability with limits of no less than One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) annual general aggregate, (ii) workers' compensation in amounts required by law, (iii) employer's liability coverage in an amount not less than One Million Dollars (\$1,000,000) per accident, per employee and policy limit for injury by disease, covering all employees employed at the Premises, (iv) automobile insurance in an amount not less than \$1,000,000 combined single limit covering use of owned, non-owned or hired vehicles utilized in the performance of work in, on, under, around, or about the Premises.

(d) **Primary/Excess Limits.** All total limit requirements may be satisfied by any combination of primary, 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)** to the extent that such loss is reimbursed by an insurer.

**20.4 No Limitation.** The Indemnification requirements under this Lease will not be limited by the insurance requirements of this Lease.

EXHIBIT U

Pre-Existing Hazardous Materials

**EXHIBIT U**  
**PRE-EXISTING HAZARDOUS MATERIALS**

**Hazardous Substances Reference List**

October 16, 2019

- Baseline Environmental Consulting. 2014. Site History Report, Seawall Lot 337/Pier 48, Mixed-Use Project, San Francisco, California. April.
- California Environmental Protection Agency, Department of Toxic Substances Control, Region 2. 1992. RCRA Facility Assessment, for H&H Ship Service Co., Inc, Berkeley, California. October.
- Camp Dresser & McKee Inc. 1996. Closure Report, Underground Storage Tank, for H&H Ship Service Company. December.
- ENVIRON Corporation. 1999. Risk Management Plan, Mission Bay Area, San Francisco, California, Emeryville, California. May 11.
- Geomatrix. 1999. Results of Article 20 Sampling Program and Health Risk Assessment. Imperial Weitz Parking Lots for the Giants Pacific Bell Ball Park, Area E – Port of San Francisco Property, South of China Basin Channel, San Francisco, California. June.
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EXHIBIT V

Form of Port Estoppel Certificate

## PARCEL LEASE EXHIBIT V

## 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 [bound by \_\_\_\_\_] [having an address at \_\_\_\_\_], within the mixed-use development commonly known as "**Mission Rock**" in San Francisco, California (the "**Property**"). Port hereby certifies to \_\_\_\_\_, a \_\_\_\_\_ ("Tenant") [and to \_\_\_\_\_] the following as of \_\_\_\_\_, 20XX:

1. That there is presently in full force and effect Lease No. L-[\_\_\_\_\_] dated as of [\_\_\_\_\_] 20[XXX] (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 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 commencement date under the Lease was \_\_\_\_\_, 20\_\_, and the expiration date of the Lease is \_\_\_\_\_, 20\_\_.
4. That the present monthly minimum rent under the Lease is \$\_\_\_\_\_ and has been paid through \_\_\_\_\_, 20\_\_.
5. 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 above was \$\_\_\_\_\_ (mark N/A if not applicable).
6. That the security deposits held by Port under the terms of the Lease are as follows: \$\_\_\_\_\_.
7. That, to the actual knowledge of Port **[Note: Delete if estoppel is to Mezzanine Lender or prospective Mezzanine Lender]** [after diligent inquiry], 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: \_\_\_\_\_.
8. That, to the actual knowledge of Port **[Note: Delete if estoppel is to Mezzanine Lender or prospective Mezzanine Lender]** [after diligent inquiry], 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: \_\_\_\_\_.
9. That, to the actual knowledge of Port **[Note: Delete if estoppel is to Mezzanine Lender or prospective Mezzanine Lender]** [after diligent inquiry], Tenant, as of the date set forth above, 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 Port has not assigned, conveyed, transferred, or mortgaged its interest in the Lease or the Premises except as follows: \_\_\_\_\_.
11. 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.
12. The undersigned hereby certifies that he or she is duly authorized to sign and deliver this Certificate on behalf of Port.



**[Note: Use for Mezzanine Lender or prospective Mezzanine Lender]** For purposes of this Estoppel Certificate, the term "actual knowledge" shall mean the actual knowledge of [\_\_\_\_], Port's property manager for the Premises without diligent inquiry.

This Certificate shall be binding upon Port and inure to the benefit of Tenant, [\_\_\_\_] 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: \_\_\_\_\_

EXHIBIT W

Other City Requirements

## **EXHIBIT W**

### **Other City Requirements**

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 “**Other City Requirements**”). Tenant is charged with full knowledge of and compliance with each applicable ordinance and policy and any related implementing regulations as amended, subject to *DA § 5.3 (New City Laws)*.

In Ordinance No. 33-18, a copy of which is attached as **Exhibit A**, the Board of Supervisors waived the application to the Mission Rock Project of the following provisions of the Administrative Code (collectively, the “**DA Waivers**”):

1. Chapter 6 (Public Works Contracting Policies and Procedures) other than the payment of prevailing wages as required in Chapter 6;
2. to the extent inconsistent with Tenant’s approved LBE Utilization Program, Chapter 14B (Local Business Enterprise Utilization and Non-Discrimination in Contracting);
3. Competitive Bidding Procedures and Additional Appraisal Review as defined in Section 23.3 (Chapter Definitions) and required by Section 23.3 (Conveyance and Acquisition of Real Property);
4. Section 23.31 (Year-to-Year and Shorter Leases);
5. Section 23.30 (Lease of Real Property);
6. Section 23.33 (Competitive Bidding Procedures);
7. Section 23A. 7 (Transfer of Jurisdiction Over Surplus Properties to the Mayor’s Office of Housing and Community Development);
8. Subsection (c)(2) of Section 61.5 (Listing of Unacceptable Non-Maritime Land Uses); and
9. contract termination, liquidated damages, and debarment remedies under Section 4.9-1(c) (Nutritional Standards and Guidelines), Section 12Q.5(f) (Health Care Accountability), and Section 2T (Criminal History in Hiring and Employment).

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 Other City Requirements will give rise to the specific remedies described in the applicable Other City Requirements (which may include penalties) 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 Tenant in the Other City Requirements will apply to Tenant, its successors under the Lease, and its successors under the DA.

All statutory references in this Exhibit are to the Municipal Code as in effect on the DA Ordinance Effective Date (as defined in the DDA) unless specified otherwise. Initially capitalized or highlighted terms used in this Exhibit and not defined in the Lease have the meanings ascribed to them in the cited ordinance.

## **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 Premises, Tenant 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 Tenant, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in the business, social, or other establishment or organization operated by Tenant.

(c) **Requirement to Include.** Tenant 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 contracts, subcontracts, and subleases and require all contractors, subcontractors, and subtenants to comply with those provisions.

(d) **Nondiscrimination in Benefits.** Tenant 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. Tenant’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 covered contract.

(e) **Form.** On or before the commencement of construction, Tenant 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.** Tenant understands that under Administrative Code section 12B.2(h), the City may assess against Tenant or deduct from any payments due Tenant a penalty for each person for each calendar day during which Tenant or its subcontractor, property contractor, or other contractor discriminated against a protected person in violation of this Section.

### **2. Health Care Accountability Ordinance.**

(Admin. Code ch. 12Q)

(a) Tenant 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, Tenant 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 Tenant 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 Tenant enters into for public works, public improvements, or for services that the City will pay directly or reimburse Tenant for 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. Tenant agrees to notify the Contracting Department promptly of any Subcontractors performing services covered by Chapter 12Q and certify to the Contracting Department that Tenant has notified the Subcontractors of their HCAO obligations under this Chapter.

(e) Noncompliance. Tenant will be responsible for monitoring compliance with the HCAO by each Subcontractor, Subtenant, and Contractor performing services on the Premises as applicable. But the City agrees that Tenant will not be liable for the noncompliance of its Subcontractors, Subtenants, or Contractors. The City's remedies for Tenant's noncompliance with the HCAO are subject to the DA Waivers.

(f) Retaliation Prohibited. Tenant 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. Tenant 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, Tenant 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, Tenant 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. Tenant 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 Premises 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. Tenant must comply with the prevailing wage requirements in §12.4(f) (*Prevailing Wages*) of the Lease.

(c) Penalties. The Port has designated OLSE as the agency responsible for ensuring that prevailing wages are paid and other payroll requirements are met, subject to the DA Waivers.

**4. Other Prevailing Wage Rate Requirements.**

(Admin. Code §§ 21C.3, 21C.4)

(a) Under Administrative Code section 21C.4, individuals engaged in theatrical or technical services related to the presentation of a Show at the Premises, including rigging, sound, projection, theatrical lighting, videos, computers, draping, carpentry, special effects, and motion picture services, are entitled to be paid not less than the Prevailing Rate of Wages (including fringe benefits or matching equivalents) fixed by the Board of Supervisors, unless the Show is free and open to the public or meets any of the other exemptions in Administrative Code section 21C.4(b)(1).

(b) Individuals employed in the following activities at the Premises are also entitled to the Prevailing Rate of Wages: (i) a Public Off-Street Parking Lot, Garage or Automobile Storage Facility under Administrative Code section 21C.3; (ii) a Special Event under Administrative Code section 21C.8; and (iii) Broadcast Services under Administrative Code section 21C.9.

(c) Agreement. Tenant agrees to comply to the extent applicable 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 to the extent applicable. In addition, if Tenant or its tenant, contractor, or any subcontractor fails to comply with these obligations, the City will have all available remedies against Tenant to secure compliance and seek redress for workers who provided the services as described in section 21C.7, together with the remedies set forth in the Lease.

(d) Payroll Records. Tenant will: (i) comply with Administrative Code section 21C.7(c)(4) as to any Covered Contract on the Premises as defined in Administrative Code section 21C.7(b); and (ii) provide to the City for inspection, after receipt of a Violation Notice (as defined in section 21C.7(c)(4)), payroll records and other documentary evidence necessary to establish that the noticed violation has been cured.

(e) 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 §§ 83.1 et seq.)

Tenant's obligations to comply with the First Source Hiring Program are set forth in **Lease Exh M** (*Workforce Development Program*).

**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, Tenant will comply with and be bound by Chapter 12T, including the remedies and implementing regulations, with respect to applicants to and employees of Tenant who would be or are performing work at the Premises under the Lease.

(b) Breach. Tenant 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. Tenant will be responsible for monitoring compliance by its Subcontractors, Contractors, and subtenants, but the City agrees that Tenant will not be liable for their noncompliance.

(c) Prohibited Activities. Tenant 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. Tenant 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. Tenant 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 Tenant or its Subcontractors, Contractors, and subtenants at the Premises that the Lease 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.** Tenant 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 Premises 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 Lease 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 Premises or other workplace at which it is posted.

(g) **Penalties.** Tenant 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 Tenant 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.**  
(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. Tenant 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. Local Business Enterprises.**  
(Admin. Code ch. 14B)

Tenant agrees to comply with the LBE Utilization Program contained in **Lease Exh M.**

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

(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).

**10. 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, Tenant must not use or apply during the Lease term, and must not contract with any party to provide pest abatement or control services to the Premises, except in compliance with the Port’s integrated pest management plan (“**IPM Plan**”).

(b) Application. Although not a City Department, Tenant agrees to comply, and must require all of Tenant’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 Tenant 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 Tenant to keep certain records and to report to the City all pesticide use by Tenant’s staff or contractors.

(c) Prior Review. Before Tenant or Tenant’s contractor applies pesticides to outdoor areas, Tenant 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>.

**11. Resource-Efficient Facilities and Green Building Requirements.**  
(Env. Code ch. 7)

Tenant agrees to comply with all applicable provisions of the Environment Code relating to resource-efficiency and green building design requirements.

**12. 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). Tenant agrees that, except as permitted by the application of Environment Code sections 802(b) and 803(b), Tenant 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 Lease that are tropical hardwoods, tropical hardwood wood products, virgin redwood, or virgin redwood wood products. If Tenant fails to comply in good faith with any of Environment Code chapter 8, Tenant 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.

**13. 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, Tenant must minimize exhaust emissions from operating equipment and trucks during construction. Tenant's compliance with MMRP Mitigation Measure M-AQ-1a will satisfy this requirement.

**14. Arsenic-Treated Wood.**  
(Env. Code ch. 13)

Tenant must not purchase preservative-treated wood products containing arsenic on behalf of the City in the performance of the Lease without obtaining an exemption under Environment Code section 1304 from the Department of Environment. Tenant 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 Tenant 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.

**15. Food Service and Packaging Waste Reduction Ordinance.**  
(Env. Code ch. 16)

Tenant 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 Lease, Tenant 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 Commencement 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 Tenant's noncompliance.

**16. Bottled Drinking Water.**

(Env. Code ch. 24; Port Reso. No. 12-11)

Tenant 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, except as otherwise set forth in Environmental Code Chapter 24, during the Lease Term. Also, Tenant must comply with the Port's *Zero Waste Policy for Events and Activities* (Port Reso. No. 12-11) for applicable Events at the Premises during the Lease Term.

**17. Graffiti Removal and Abatement.**

(Pub. Works Code Sec. 23)

(a) Requirement. Tenant agrees to remove all graffiti from the Premises, including from the exterior of any structures within the Premises, 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 Tenant 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 Tenant 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 Tenant 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 Lease 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.

**18. 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 Tenant. Tenant 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.

**19. 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). Tenant must incorporate the Nutritional Standards Requirements into any contract for the installation of a vending machine on the Premises or for the supply of food and beverages to that vending machine.

(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. Tenant’s failure to comply with the Nutritional Standards Requirements in section 4.9-1(c) will be considered an Event of Default under the Lease 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 Premises that is not permitted or that violates the Nutritional Standards Requirements. Tenant will be responsible for monitoring compliance with the Nutritional Standards Requirements by each subcontractor, subtenant, and contractor performing services or occupying premises on the Premises. But the City agrees that Tenant will not be liable for the noncompliance of its subcontractors, subtenants, or contractors.

**20. All-Gender Toilet Facilities.**

(Admin. Code § 4.1-3)

Tenant 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, Tenant 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.

**21. Indoor Air Quality.**  
(Env. Code § 711(g))

Tenant 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.

**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 Lease, Tenant 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 Tenant becomes aware of any such fact during the Lease Term.

**23. Sunshine.**  
(Calif. Gov. Code §§ 6250 *et seq.*; Admin. Code ch. 67)

Tenant 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 Lease and all records, information, and materials that Tenant submits to the City may be public records subject to public disclosure upon request. Tenant may mark materials it submits to the City that Tenant 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. Tenant 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 Tenant.

**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 Lease, Tenant acknowledges the following.

(i) Tenant 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) Tenant; (2) each member of Tenant's board of directors; (3) Tenant's chairperson, chief executive officer, chief financial officer, and chief operating officer; (4) any person with an ownership interest of more than 20% in Tenant; (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 Tenant.

**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.

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**Exhibit A  
to  
Parcel Lease Exhibit W**

**Exhibit A to Parcel Lease Exhibit W**

[Development Agreement - Seawall Lot 337 Associates, LLC - Seawall Lot 337 - Mission Rock Project]

**Ordinance approving a Development Agreement between the City and County of San Francisco and Seawall Lot 337 Associates, LLC, for 28 acres of real property known as Seawall Lot 337, located east of Third Street between China Basin Channel and Mission Rock Street, China Basin Park and the portion of Terry A. Francois Boulevard abutting the park, Pier 48, the marginal wharf between Pier 48 and Pier 50, and Parcel P20; for the proposed Mission Rock Mixed-Use Project; 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).**

**NOTE:** **Unchanged Code text and uncodified text** are in plain Arial font. **Additions to Codes** are in *single-underline italics Times New Roman font*. **Deletions to Codes** are in ~~*strikethrough italics Times New Roman font*~~. **Board amendment additions** are in double-underlined Arial font. **Board amendment deletions** are in ~~strikethrough Arial font~~. **Asterisks (\* \* \*)** indicate the omission of unchanged Code subsections or parts of tables.

Be it ordained by the People of the City and County of San Francisco:

Section 1. Background and Findings.

(a) California Government Code Sections 65864 et seq. ("Development Agreement Law") authorize any city, county, or city and county to enter into an agreement for the development of real property within its jurisdiction.

(b) Chapter 56 of the Administrative Code sets forth certain procedures for processing and approving development agreements in the City and County of San Francisco (the "City").



1 (c) In May 2010, the Port Commission (the "Port") selected SWL 337 Associates,  
2 LLC, a Delaware limited liability company ("Developer"), through a competitive process to  
3 negotiate exclusively for the mixed-use development (the "Project") of Seawall Lot 337,  
4 bounded by Third Street on the west, Parcel P20 and Mission Rock Street on the south,  
5 Pier 48 to the east, and China Basin Park on the north, and Pier 48. The Port Commission  
6 later added China Basin Park, the marginal wharf between Pier 48 and Pier 50, and  
7 Parcel P20 to the development site (collectively, the "Site"), subject to approvals necessary to  
8 remove Parcel P20 from the Mission Bay South Redevelopment Project Area. Developer, an  
9 affiliate of the San Francisco Giants, will act as the master developer for the Project.

10 (d) In conjunction with this ordinance, this Board has taken or intends to take a  
11 number of other actions in furtherance of the Project, including approval of: (1) a disposition  
12 and development agreement ("DDA") between Developer and the Port; (2) amendments to  
13 the Planning Code that create the Mission Rock Special Use District (the "SUD amendments")  
14 and incorporate the more detailed Mission Rock Design Controls; (3) amendments to the  
15 Zoning Maps; (4) a memorandum of understanding for interagency cooperation between the  
16 Port and other City agencies (the "ICA") with respect to the subdivision of the Site and  
17 construction of public infrastructure and other public facilities; (5) formation proceedings for  
18 financing districts covering the Site and a memorandum of understanding between the Port  
19 and the Treasurer and Tax Collector and the Controller regarding the assessment, collection,  
20 and allocation of ad valorem and special taxes to the financing districts; and (6) a number of  
21 related documents and entitlements to govern the Project.

22 (e) At full build-out, the Project will include: (1) 1.1 million to 1.6 million gross square  
23 feet ("gsf") of new residential uses (an estimated 1,000 to 1,950 new residential units), at least  
24 40% of which will be on-site housing affordable to a range of low- to moderate-income  
25 households as described in the Housing Plan in the DDA; (2) 972,000 to 1.4 million gsf of new

1 commercial and office space; (3) 241,000 to 244,800 gsf of active retail and production uses  
2 on 11 proposed development blocks on SWL-337 in buildings that would range in height from  
3 90 to 240 feet, consistent with Section 5 of the Mission Rock Affordable Housing, Parks, Jobs  
4 and Historic Preservation Initiative (Proposition D, November 2015); (4) rehabilitation and  
5 reuse of Pier 48, a significant contributing resource to the Port of San Francisco Embarcadero  
6 Historic District; (5) approximately 1.1 million gsf of above- and below-grade parking in one or  
7 two garages; (6) transportation demand management on-site and payment of impact fees that  
8 the Municipal Transportation Agency will use to improve transportation service in the area;  
9 (7) approximately 5.4 acres of net new open space for a total of approximately 8 acres of new  
10 and expanded open space, including an expansion of China Basin Park, a new central  
11 Mission Rock Square, and waterfront access along the shoreline; (8) public access areas,  
12 assembly areas, and an internal grid of public streets, shared streets, and utilities  
13 infrastructure; and (9) on-site strategies to protect against sea level rise.

14 (f) While the DDA binds the Port and Developer, other City agencies retain a role in  
15 reviewing and issuing certain later approvals for the Project. Later approvals include approval  
16 of subdivision maps and plans for public infrastructure and public facilities, design review and  
17 approval of new buildings under the SUD amendments, and acceptance of Developer's  
18 dedications of public infrastructure and public facilities for maintenance and liability under the  
19 Subdivision Code. Accordingly, the City and Developer negotiated a development agreement  
20 for the Project (the "Development Agreement"), a copy of which is in Board File No. 171313  
21 and incorporated in this ordinance by reference. The DDA, the Development Agreement, the  
22 ICA, the Tax MOU, and all vertical disposition and development agreements and leases that  
23 the Port enters into in accordance with the DDA are referred to collectively as the "Transaction  
24 Documents."

1 (g) Development of the Site in accordance with the DDA and the Development  
2 Agreement will help realize and further the City's goals to restore and revitalize Seawall  
3 Lot 337 and Pier 48, increase public access to the waterfront, increase public open space and  
4 community facilities within the neighborhood, add to the City's affordable and market-rate  
5 housing stock, and create a significant number of construction and permanent jobs in and  
6 near the Site. In addition, the Project will provide additional benefits to the public that could  
7 not be obtained through application of existing City ordinances, regulations, and policies.

8 Section 2. Environmental Findings.

9 (a) The Planning Commission has determined that the actions contemplated in this  
10 ordinance comply with the California Environmental Quality Act (Cal. Pub. Res. Code  
11 §§ 21000 et seq.) ("CEQA"). A copy of this determination is in Board File No. 171313 and  
12 incorporated in this ordinance by reference.

13 (b) The Board of Supervisors has adopted Resolution No. 36-18, a copy of which is  
14 in Board File No. 171286, making CEQA findings for the Project. The Board of Supervisors  
15 adopts and incorporates in this ordinance by reference the Planning Commission's findings  
16 under CEQA.

17 Section 3. Consistency Findings.

18 The Planning Commission recommended that the Board of Supervisors approve the  
19 Development Agreement and amendments to the Planning Code and the Zoning Maps at a  
20 public hearing on October 5, 2017, by Motion No. 20019 and Resolution No. 20020, copies of  
21 which are in Board File No. 171313. This Board adopts and incorporates by reference in this  
22 ordinance the Planning Commission's findings of consistency with the General Plan and the  
23 eight priority policies of Planning Code Section 101.1(b).

24 Section 4. Public Trust Findings.  
25

1 At a public hearing on January 30, 2018, the Port Commission consented to the  
2 Development Agreement and approved the DDA, subject to the Board of Supervisors'  
3 approval, finding that the Project would be consistent with and further the purposes of the  
4 common law public trust and statutory trust under the Burton Act (Stats. 1968, ch. 1333), as  
5 amended by Senate Bill 815 (Stats. 2007, ch. 660) and Assembly Bill 2797 (Stats. 2016,  
6 ch. 529), by Resolution Nos. 18-03 and 18-06, copies of which are in Board File No. 171313.  
7 The Board of Supervisors adopts and incorporates in this ordinance by reference the Port  
8 Commission's public trust findings.

9 Section 5. Approval of Development Agreement.

10 The Board of Supervisors:

11 (a) approves all of the terms and conditions of the Development Agreement in  
12 substantially the form in Board File No. 171313;

13 (b) finds that the Development Agreement substantially complies with the  
14 requirements of Administrative Code Chapter 56 (Development Agreements);

15 (c) finds that the Project is a large multi-phase and/or mixed-use development as  
16 defined in Administrative Code Section 56.3(g); and

17 (d) approves the Workforce Development Plan attached to the DDA in lieu of  
18 requirements under Administrative Code Chapter 14B (Local Business Enterprise Utilization  
19 and Non-Discrimination in Contracting Ordinance), Article VII of Chapter 23 (Prevailing Wage,  
20 Apprenticeship, and Local Hire Requirements in City Real Property Sales Contracts and  
21 Leases), Section 56.7(c) (Nondiscrimination/Affirmative Action Requirements), and  
22 Chapter 83 (First Source Hiring Program) to the extent that they apply to construction work  
23 that is subject to the Local Hiring Requirements of the Workforce Development Plan.  
24  
25

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 the following  
14 additional provisions of the Administrative Code:

15           (a)    Chapter 6 (Public Works Contracting Policies and Procedures) other than the  
16 payment of prevailing wages when required;

17           (b)    remedies and penalties for noncompliance with Chapter 12Q (Health Care  
18 Accountability), Chapter 12T (City Contractor/Subcontractor Consideration of Criminal History  
19 in Hiring and Employment Decisions), or Section 4.9-1 (Nutritional Standards for Vending  
20 Machines; Nutritional Guidelines for Food Served at City Meetings and Events;  
21 Recommended Nutritional Guidelines for Restaurants on City Property) that could result in the  
22 termination of any Transaction Document, loss or impairment of Developer's rights under the  
23 Transaction Documents or a vertical developer's rights under a property contract for any part  
24 of the Site, or debarment of Developer or any vertical developer from future contract  
25 opportunities with the City;

1 (c) Chapter 14B (Local Business Enterprise Utilization and Non-Discrimination in  
2 Contracting Ordinance);

3 (d) Competitive Bidding Procedures and Appraisal Review as defined in  
4 Section 23.2 (Chapter Definitions) and required by Section 23.3 (Conveyance and Acquisition  
5 of Real Property) or Section 23.33 (Competitive Bidding Procedures);

6 (e) Section 23.31 (Year-to-Year or Shorter Leases), which limits the Director of  
7 Property's authority to enter into leases on behalf of the City as landlord for periods longer  
8 than one year;

9 (f) Chapter 23A.7 (Surplus Public Lands Ordinance);

10 (g) Paragraph (2) of Section 61.5(c) (Listing of Unacceptable Non-Maritime Land  
11 Uses); and

12 (h) solely to the extent inconsistent with Developer's approved Workforce  
13 Development Program, Chapter 82 (Local Hiring Policy for Construction) and Chapter 83  
14 (First Source Hiring Program).

15 Section 8. Subdivision Code Waivers.

16 (a) The Board of Supervisors waives the application to the Project of time limits  
17 under Subdivision Code Section 1346(e) (Improvement Plans) and Section 1355 (Time Limit  
18 for Submittal) to the extent that they conflict with the ICA or the Development Agreement.

19 (b) The Board of Supervisors also waives the application to the Project of  
20 Subdivision Code Section 1348 (Failure To Complete Improvements Within Agreed Time),  
21 and the following terms shall apply in lieu thereof: The Public Improvement Agreement, as  
22 defined in the ICA, shall include provisions consistent with the Transaction Documents and  
23 the applicable requirements of the Municipal Code and the Subdivision Regulations regarding  
24 extensions of time and remedies that apply when improvements are not completed within the  
25 agreed time.

1           Section 9. Authorization.

2           (a)    The Board of Supervisors affirms that the waivers in this ordinance do not waive  
3 requirements under the Development Agreement Law and authorizes the City to execute,  
4 deliver, and perform the Development Agreement as follows:

5                   (1)   the Director of Planning, the City Administrator, and the Director of Public  
6 Works are authorized to execute and deliver the Development Agreement with signed  
7 consents of the Port Commission, the Municipal Transportation Agency, and the San  
8 Francisco Public Utilities Commission; and

9                   (2)   the Director of Planning and other appropriate City officials are authorized  
10 to take all actions reasonably necessary or prudent to perform the City's obligations under the  
11 Development Agreement in accordance with its terms.

12           (b)   The Director of Planning is authorized to exercise discretion, in consultation with  
13 the City Attorney, to enter into any additions, amendments, or other modifications to the  
14 Development Agreement that the Director of Planning determines are in the best interests of  
15 the City and that do not materially increase the obligations or liabilities of the City or materially  
16 decrease the benefits to the City as provided in the Development Agreement. Final versions  
17 of any additions, amendments, or other modifications to the Development Agreement shall be  
18 provided to the Clerk of the Board of Supervisors for inclusion in Board File No. 171313  
19 within 30 days after execution by all parties.

20           Section 10. Ratification of Past Actions; Authorization of Future Actions.

21           All actions taken by City officials in preparing and submitting the Development  
22 Agreement to the Board of Supervisors for review and consideration are hereby ratified and  
23 confirmed, and the Board of Supervisors hereby authorizes all subsequent action to be taken  
24 by City officials consistent with this ordinance.  
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Section 11. 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: 171313**

**Date Passed: February 27, 2018**

Ordinance approving a Development Agreement between the City and County of San Francisco and Seawall Lot 337 Associates, LLC, for 28 acres of real property known as Seawall Lot 337, located east of Third Street between China Basin Channel and Mission Rock Street, China Basin Park and the portion of Terry A. Francois Boulevard abutting the park, Pier 48, the marginal wharf between Pier 48 and Pier 50, and Parcel P20; for the proposed Mission Rock Mixed-Use Project; 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).

**February 07, 2018 Government Audit and Oversight Committee - RECOMMENDED**

**February 13, 2018 Board of Supervisors - PASSED ON FIRST READING**

**Ayes: 9 - Breed, Fewer, Kim, Peskin, Ronen, Sheehy, Stefani, Tang and Yee**

**Excused: 2 - Cohen and Safai**

**February 27, 2018 Board of Supervisors - FINALLY PASSED**

**Ayes: 10 - Breed, Cohen, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Stefani and Yee**

**Excused: 1 - Tang**

**File No. 171313**

**I hereby certify that the foregoing Ordinance was FINALLY PASSED on 2/27/2018 by the Board of Supervisors of the City and County of San Francisco.**

**Angela Calvillo  
Clerk of the Board**

**Mark E. Farrell  
Mayor**

**3/6/18**

**Date Approved**

**EXHIBIT X**

**Form of Memorandum of Lease**

**PARCEL LEASE  
EXHIBIT X**

<p>This document is exempt from payment of a recording fee pursuant to California Government Code Section 27383</p> <p>RECORDING REQUESTED BY, AND WHEN RECORDED, MAIL TO:</p>	<p>FOR RECORDER'S USE ONLY</p>
--	--------------------------------

Lot \_\_\_\_, Block \_\_\_\_

The Undersigned Declare(s):  
DOCUMENTARY TRANSFER TAX: \_\_\_\_\_;  
[ ] computed on the consideration or full value of  
property conveyed, OR  
[ ] computed on the consideration or full value less  
value and/or encumbrances remaining at time of sale,  
[ ] unincorporated area;  
[ ] City of San Francisco

**MEMORANDUM OF LEASE  
(PARCEL LEASE)**

This Memorandum of Lease ("**Memorandum**"), dated for reference purposes only as of \_\_\_\_\_, 20XX, is by and between the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation ("**City**"), operating by and through the **SAN FRANCISCO PORT COMMISSION** ("**Landlord**" or "**Port**") and [\_\_\_\_\_] ("**Tenant**").

**RECITALS**

A. Concurrently herewith, Landlord and Tenant have entered into that certain Lease No. L-[\_\_\_\_\_] (the "**Lease**"), dated as of \_\_\_\_\_, \_\_\_\_\_, pursuant to which Landlord leased to Tenant and Tenant leased from Landlord certain real property (the "**Premises**") more particularly described in the attached **EXHIBIT A**, which is incorporated by this reference.

B. Port and Tenant have also entered into that certain Vertical Disposition and Development Agreement, dated \_\_\_\_\_, \_\_\_\_\_ (the "**VDDA**"), with respect to the development of the Premises.

C. Landlord and Tenant desire to execute this Memorandum to provide constructive notice of Tenant's rights under the Lease to all third parties.

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. Term. Landlord leases (i) the Premises to Tenant for a term commencing on [\_\_\_\_\_, \_\_\_\_] (the "**Commencement Date**"). The Term of the Lease will expire on the date that is [\_\_\_\_\_] years] after the Commencement Date, unless earlier terminated in accordance with the terms of the Lease.

2. Lease Terms. The lease of the Premises to Tenant is pursuant to the Lease, which is incorporated in this Memorandum by reference. In the event of any conflict or inconsistency between this Memorandum and the Lease, the terms and conditions of the Lease will be controlling in all respects. Except as otherwise defined in this Memorandum, capitalized terms will have the meanings given them in the Lease.

3. Successors and Assigns. This Memorandum and the Lease will bind and inure to the benefit of the parties and their respective heirs, successors, and assigns, subject, however, to the provisions of the Lease on assignment.

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

*[The remainder of this page intentionally left blank]*

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

**TENANT:**

[\_\_\_\_\_] ,  
a [\_\_\_\_\_]

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**LANDLORD:**

**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:**

DENNIS J. HERRERA, City Attorney

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

Name: \_\_\_\_\_

Deputy City Attorney

Port Resolution No. 18—03, adopted on January 30, 2018

Board of Supervisors Resolution No. 36—18, adopted on February 13, 2018

## 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)

**EXHIBIT A**

**EXHIBIT Y**

**Transportation Demand Management Plan**



**DDA EXHIBIT B7**

**TRANSPORTATION EXHIBIT**

**to**

**DISPOSITION AND DEVELOPMENT AGREEMENT**

**Mission Rock Project**



## DDA EXHIBIT B7

### TRANSPORTATION EXHIBIT

#### I. Transportation Fee.

A. **Payment by Vertical Developers.** Each Vertical DDA will require that the Vertical Developer shall pay to SFMTA a “**Transportation Fee**” that SFMTA will use and allocate in accordance with Section I.B below. The Transportation Fee must meet all requirements of and will be payable on all vertical development on the Mission Rock Project Site in accordance with Planning Code sections 411A.1-411A.8., except as provided in this Exhibit. All references to the Planning Code in this Transportation Exhibit refer to the Planning Code as in effect on the DA Ordinance Effective Date. Under the Development Agreement (DA) and this Transportation Program:

- The Transportation Fee will be payable on any Development Parcel on the Mission Rock Project Site, except Affordable Housing Projects pursuant to Planning Code section 406(b).
- The Transportation Fee will be calculated at 100% of the applicable TSF rate without a discount under Section 411A.3(d). The Project shall be subject to 100% of the applicable TSF rate as if it were a Project submitted under Section 411A.3(d)(3).
- The amount of the Transportation Fee will equal the Transportation Sustainability Fee in effect on the DA Ordinance Effective Date for the same land use category with annual escalation in accordance with the methodology provided in Section 409 to the date that the Port issues the first construction permit for each Vertical Improvement. For example, the Transportation Sustainability Fee on the DA Ordinance Effective Date for residential buildings with up to 99 units is \$8.60/gsf, and \$9.71/gsf of residential use in all dwelling units at and above the 100<sup>th</sup> unit in the building.

B. **Accounting and Use of Transportation Fee by SFMTA.** Section 411A.7 will apply except as follows. The Treasurer-Tax Collector will account for all Transportation Fees paid for each development project on the Mission Rock Project Site (the “**Total Fee Amount**”). SFMTA will use an amount equal to or greater than the Total Fee Amount to pay for uses permitted by the TSF Fund under Planning Code section 411A.7, including SFMTA’s and other agencies’ costs to design, permit, construct, and install a series of transportation improvements in the area surrounding or serving the Mission Rock SUD Area. SFMTA and other implementing agencies will be responsible for all costs associated with the design, permitting, construction, installation, maintenance, and operation of these improvements above the Total Fee Amount. SFMTA will report to the Planning Director on any use of the Total Fee Amount in any reporting period for the Annual Review under the DA. Examples of projects that SFMTA may fund with the Total Fee Amount include:

- Water Transit. Construction of a new ferry terminal at 16<sup>th</sup> Street in Mission Bay and support of other water transit, including a network of water taxi/small water ferry docks along the Central Waterfront.
- T-Third Enhancements. Reliability and capacity enhancements, including flashing “Train Coming” signs, in-ground detectors at to-be-identified intersections, and additional light rail vehicles (LRV) as needed to serve the growing population along the line.
- Existing and future MUNI lines that serve Project neighborhood. Capital improvements, including buses, associated with newly proposed MUNI routes, and re-routing of existing MUNI lines to better serve transit riders in the Dogpatch, Mission Bay, and Potrero Hill neighborhoods. Operation plans for all MUNI service is contingent on the SFMTA Board of Directors adoption of an operating budget.
- Muni Metro East. Capital costs associated with an expanded facility for on-site rebuilds, capacity for expanded bus and LRV fleet, and tracks for storage.

- Mission Bay E-W Bike Connector. Implementation of a connection across tracks, likely between 17th Street and Owens Street, to connect the 4th Street bikeway on east side and the 17th Street bikeway on west side.
- Terry A. Francois Boulevard Cycletrack. Implementation of bicycle access on Terry A. Francois Boulevard, including multi-use (peds/bikes) access on the 3rd Street Bridge and associated signal modifications.
- North-south bike connection on Indiana Street. Implementation of bicycle connection along Indiana Street from Cesar Chavez Boulevard to Mariposa Street.
- Upgraded bicycle access on Cesar Chavez Boulevard. Implementation of a lane along Cesar Chavez Boulevard from US 1-280/Pennsylvania to Illinois Street, including elements such as bulbs, islands, and restriping.
- Pedestrian improvements. Implement improved sidewalks and crosswalks as needed at various gap locations throughout the adjacent neighborhood, as identified in partnership with community and City partners.

Nothing in this Transportation Exhibit will prevent or limit the City's absolute discretion to: (i) conduct environmental review in connection with any future proposal for improvements; (ii) make any modifications or select feasible alternatives to future proposals that the City deems necessary to conform to any applicable laws, including CEQA; (iii) balance benefits against unavoidable significant impacts before taking final action; (iv) determine not to proceed with such future proposals; or (v) obtain any required approvals for the improvements.

## II. TDM Plan.

Developer shall implement the Transportation Demand Management ("TDM") Plan attached as **DDA Exhibit B7 Schedule 2** and otherwise comply with EIR Mitigation Measure M-AQ-2.3, as set forth in the MMRP, **DDA Exhibit A5**. The TDM Plan shall remain a component of the Project to be implemented for the duration of the Project. Monitoring, and submittal of monitoring reports and plan adjustments, shall be required as described in Mitigation Measure M-AQ-2.3. The City and Developer agree that the option for the offset fee discussed in the last paragraph of Mitigation Measure M-AQ-2.3 is not applicable, unless the Planning Department determines in its discretion that further TDM Plan adjustments will not achieve the reduction goal.

Developer's TDM Plan has a goal of reducing estimated aggregate daily one way vehicle trips by 20 percent compared to the aggregate daily one-way vehicle trips identified in the project's travel demand memo, prepared by Adavant Consulting, dated June 30, 2015. The project sponsors shall be responsible for monitoring implementation of the TDM Plan and proposing adjustments to the TDM Plan if its goal is not being achieved as described in Mitigation Measure M-AQ-2.3.

Developer's TDM Plan shall have been approved by the Planning Department prior to site permit application for the first building and the TDM Plan shall be implemented as to each new building upon the issuance of the certificate of occupancy for that building.

Notwithstanding any other provision of the DDA or DA, Planning Code Section 169.4 shall apply and, under Planning Code Section 169.4(e), the Zoning Administrator shall approve and order the recordation of the TDM Plan against the Project Site, and it shall be enforceable though the Notice of Violation procedures in the Planning Code, or any other applicable provision of law. The Zoning Administrator shall retain the discretion to determine what constitutes a separate violation in this context. The Planning Code procedures shall apply, except that the Zoning Administrator shall have discretion to impose a penalty of up to \$250 per violation. If the submittal of monitoring reports is no longer required in accordance with Mitigation Measure M-AQ-2.3, the provisions of Planning Code Section 169.5(b) shall apply.

### III. SFMTA Contact

SFMTA commits to designating a staff person to follow up on the transportation related components of the Project, including this Exhibit and associated Schedules, the DA, and the FEIR. This staff person will be a point person for Developer and the community.

### IV. Event Management Plan

*DDA § 3.2(j) (Event Management Plan)* requires inclusion of an Event Management Plan with each Phase Submittal. The scope of the Event Management Plan is outlined in Chapter 5 of the Mission Rock Transportation Plan (**DDA Exhibit B7 Schedule 1**). Any Parcel Lease for a Garage Parcel shall include provisions with respect to the Event Management Plan as described below.

Prior to entering into any agreement between the Garage operator and a third-party entity for use of the Garage by patrons of events not on-site or at AT&T Park (an "Event Parking Agreement"), the Garage operator will submit to the Port for its approval an updated Event Management Plan to address use of the Garage by patrons of such events.

The Garage operator will pay for, or cause to be paid by third parties (e.g., off-site third-party event operators), all direct and indirect expenses incurred by SFMTA associated with incremental enforcement on the Project Site required under the Event Management Plan beyond the SFMTA current enforcement levels described below. SFMTA will deploy such enforcement to the extent that enforcement resources are available.

SFMTA's current enforcement levels refers to the following deployment of SFMTA Parking Control Officers (PCOs) on the Project Site for events at AT&T Park:

	Total PCO hours	Total PCO Supervisor hours
Weekday Daytime Event	178	16
Weekend Daytime Event	168	16
Weekday Evening Event	168	16
Weekend Evening Event	168	16

### V. Dedicated Storage Space

Developer will provide a 10' by 10' street-level secure storage space at no cost to SFMTA for the purpose of storage of SFMTA event management-related equipment. This space will be provided in interim phases as well as at final build-out.

### VI. Garage Consultation

Developer and the City will follow the provisions of *DDA § 2.5(c) (Garage Recommendations)* related to consultation regarding Garage sizing and operations.

### VII. Transportation Plan

Developer and the City will follow the Mission Rock Transportation Plan (**DDA Exhibit B7 Schedule 1**) for the Project Site.



**DDA EXHIBIT B7 - TP SCHEDULE 1**

**"Mission Rock Transportation Plan"**

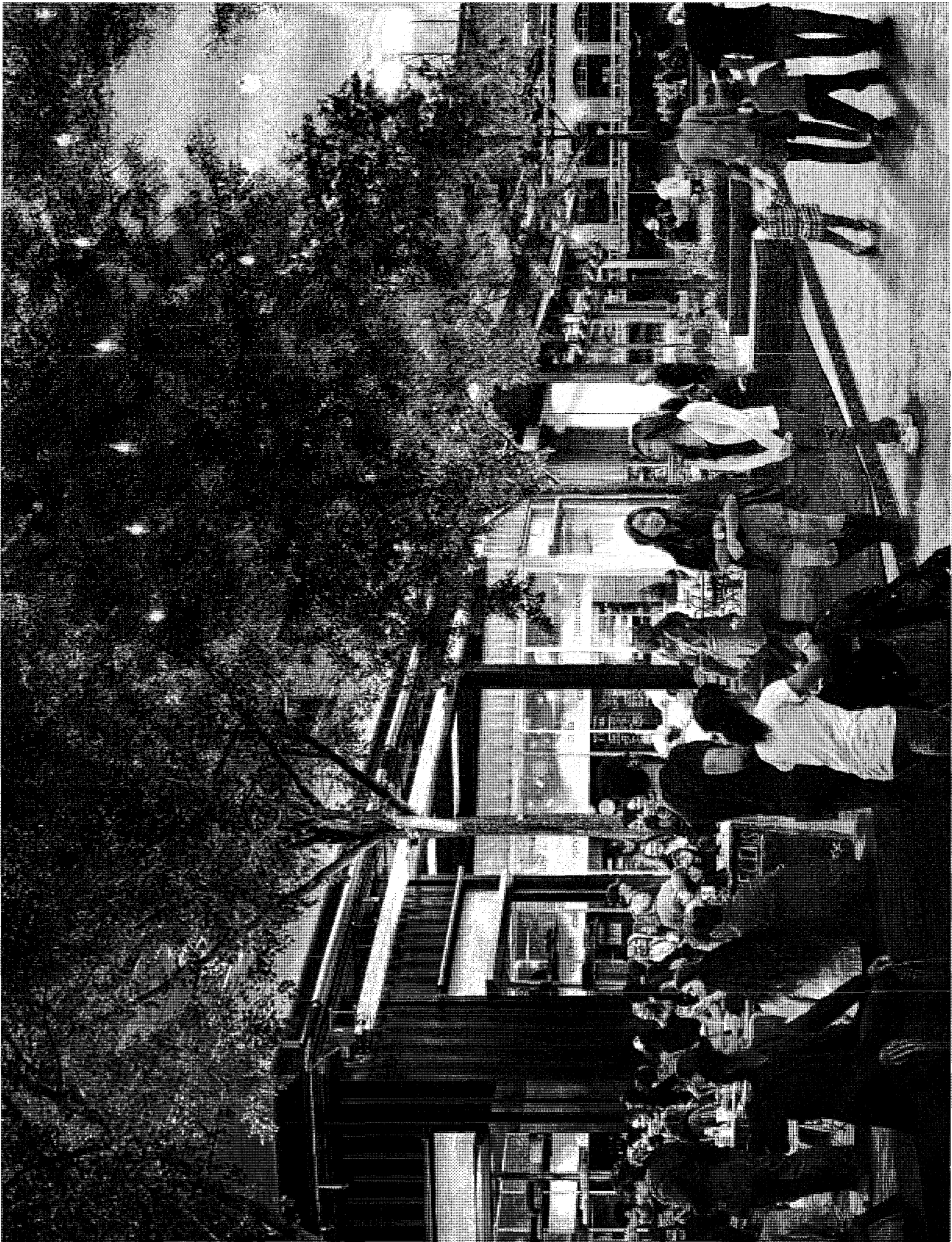


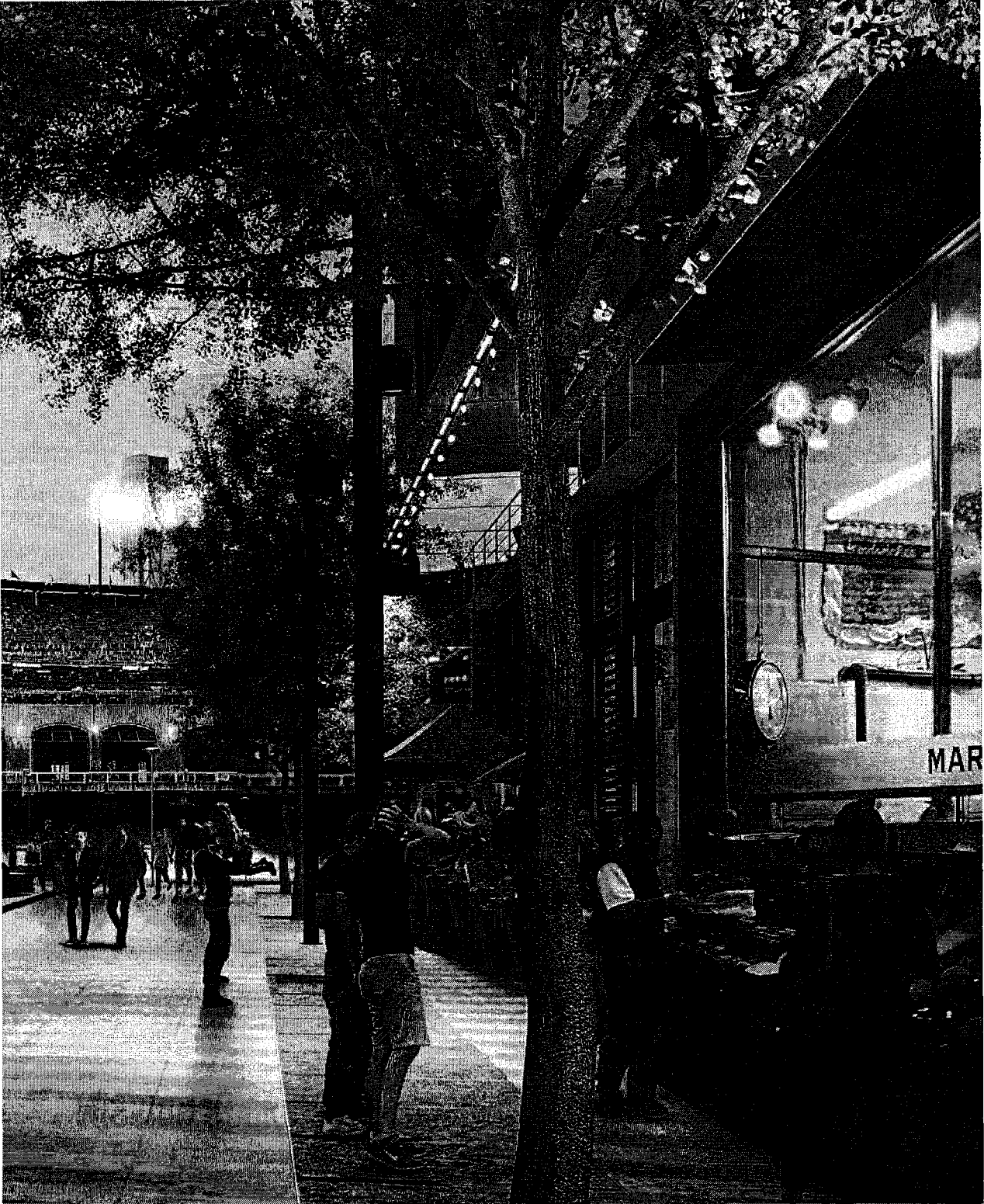




# MISSION ROCK

TRANSPORTATION  
PLAN





# MISSION ROCK

## TRANSPORTATION PLAN

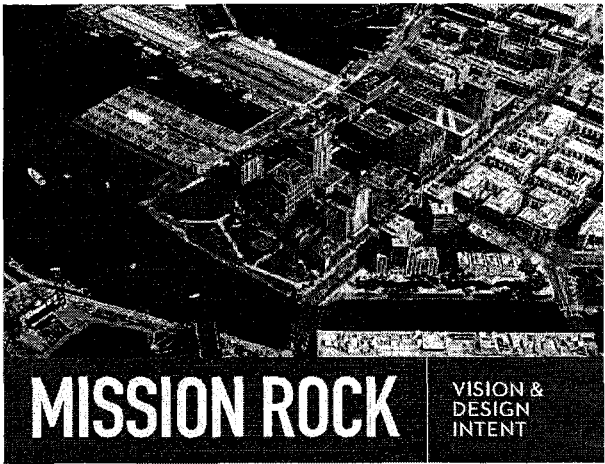
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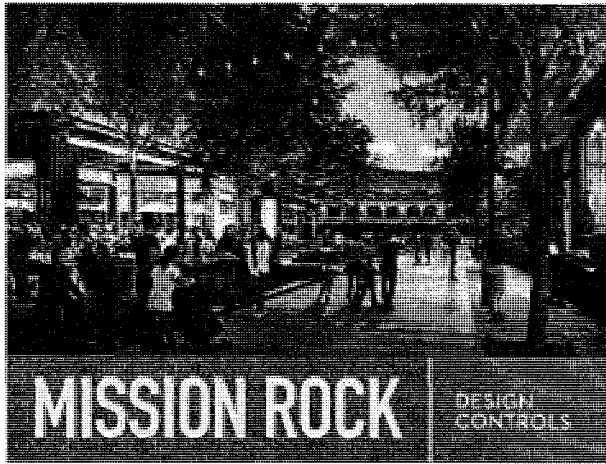
# MISSION ROCK DESIGN DOCUMENTS

The Transportation Plan comprises the fifth in a set of five documents which together describe the requirements for the development of Mission Rock.



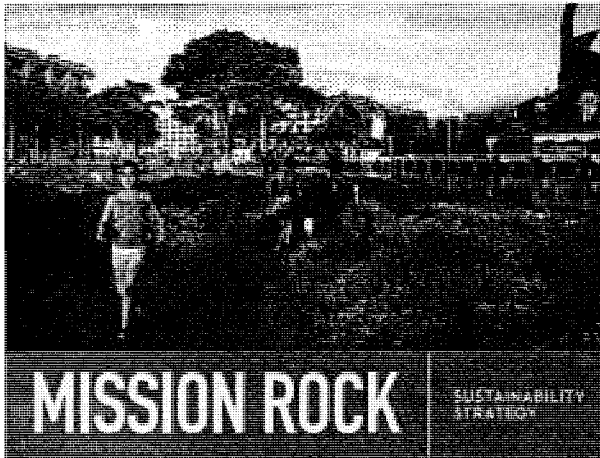
**MISSION ROCK VISION & DESIGN INTENT**

This document contains the big picture thinking and aspirations that will guide the process for the design and implementation of Mission Rock.



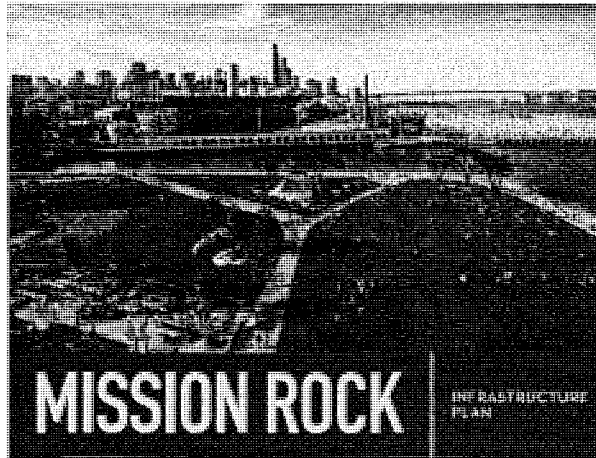
**MISSION ROCK DESIGN CONTROLS (DC)**

This document guides the development of the open spaces, streets, and buildings at Mission Rock. The DC ensures that the site will be developed in a way that is consistent with the vision as defined in the Mission Rock Vision and Design Intent document.



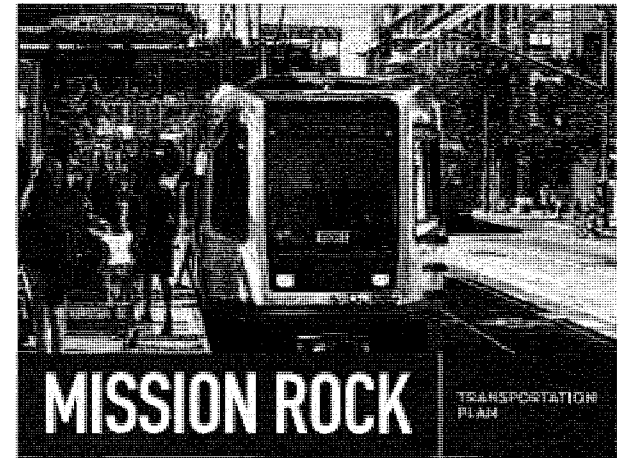
#### MISSION ROCK SUSTAINABILITY STRATEGY

This document identifies the high level sustainability goals for Mission Rock, details the requirements for the horizontal and vertical development and summarizes the anticipated reduction in greenhouse gas (GHG) emissions resulting from the district's approach to sustainable design.



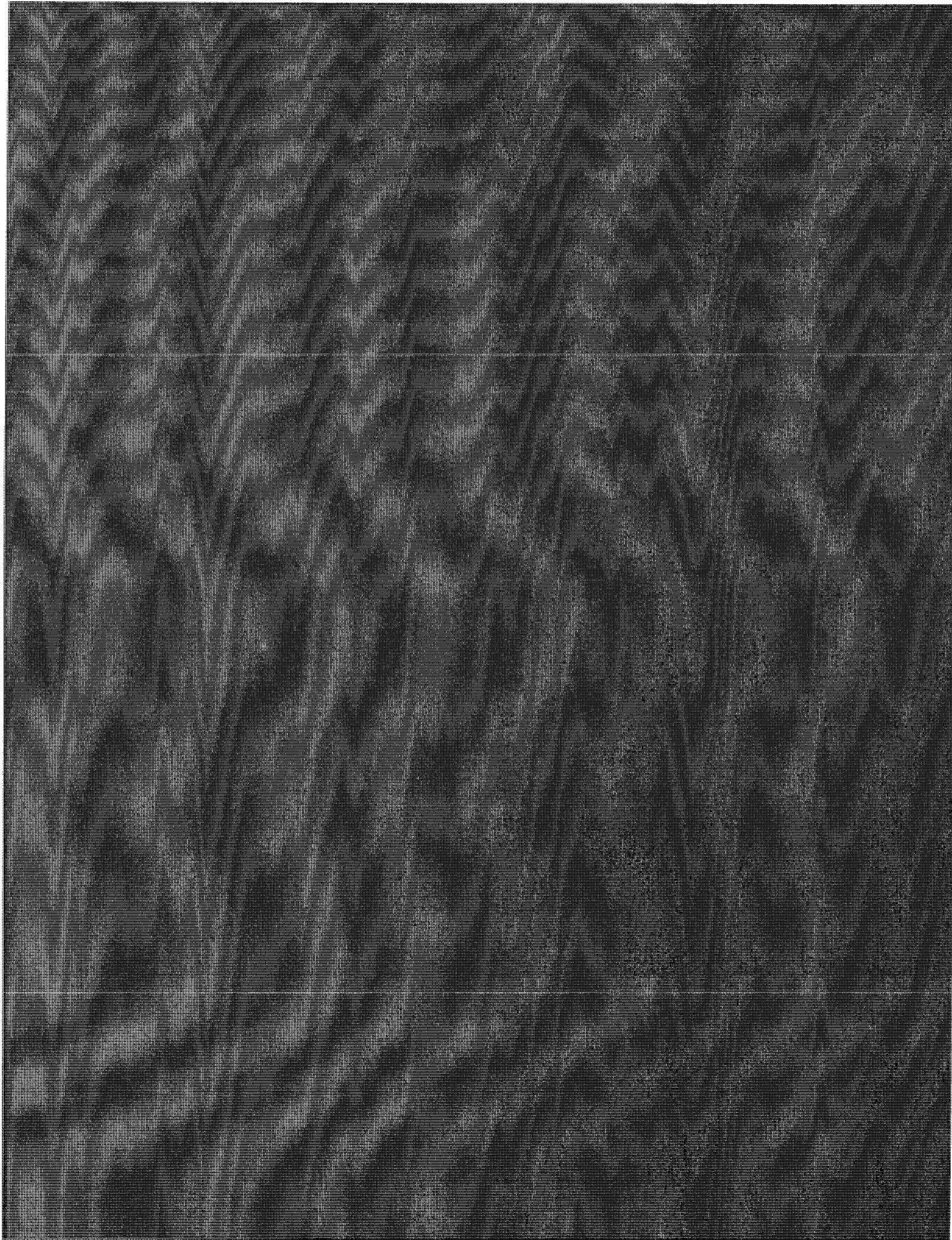
#### MISSION ROCK INFRASTRUCTURE PLAN

The design of the landscape, buildings, and sustainability strategies will be closely coordinated with the infrastructure planning at Mission Rock. This plan regulates the complex coordination of streets, utilities, and services.



#### MISSION ROCK TRANSPORTATION PLAN

This plan describes the ways in which the site will be designed to support the mobility choices of all users, with a special emphasis on safe and comfortable conditions for pedestrians and cyclists.



Located just steps from the center of the Bay Area's transportation system and along one of the premiere bicycle and pedestrian routes in the region, Mission Rock is poised to be a model for sustainable transportation. With a multitude of mobility choices built directly into the site's DNA, it will be one of the first true 21st Century developments in San Francisco.

Small, walkable blocks, wide sidewalks, and a diverse mix of uses will make it easy for those who live or work at Mission Rock to avoid traveling far to eat or shop for everyday necessities. A range of cycling facilities will ensure that cyclists of all ages and skill levels are comfortable navigating the site on two wheels. The opening of the Central Subway will mean frequent, rapid service to Market Street and downtown is just

steps away via the T-Third Muni Metro line, and access to the Peninsula and South Bay is just a few minutes further at Caltrain's 4th and King Street terminal. Supplemented by a suite of services and incentives that will make it easy to choose any mode, this wide range of mobility options mean the site will truly be a good fit for any modern lifestyle.

# 01

## INTRODUCTION



## 1.1 OVERVIEW

This document details how Mission Rock will achieve this vision. It starts by laying out the elements of the project's context that make it an ideal fit for a moment in which San Franciscans are choosing to accomplish more and more each year by a range of modes (Chapter 2). It walks through plans for the design of the site's internal streets, describing how bikes, pedestrians, and vehicles will circulate through the site and connect to its surroundings (Chapter 3). Mission Rock is committed to a robust set of infrastructure investments and ongoing programs that will make it easy to choose modes like walking, biking, and taking transit, and Chapter 4 details the planned package of transportation demand management (TDM) programs. With AT&T Park just steps away from the site, event-related travel will have an important impact on circulation patterns. Chapter 5 walks through how circulation will be managed around events to help reduce impacts on residents and employees, both on the site and in the surrounding neighborhood.

Note that this document focuses on the site's transportation programs at full build-out. The Infrastructure Plan discusses how the project will be phased and implications for the site's physical infrastructure, including transportation.



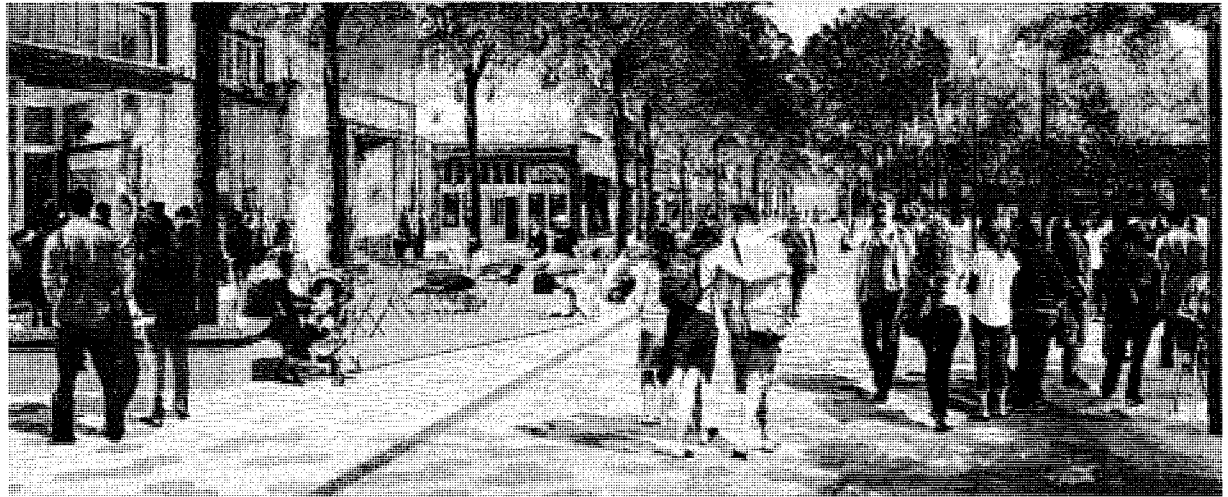
The proposed project, aerial view simulation from the northwest



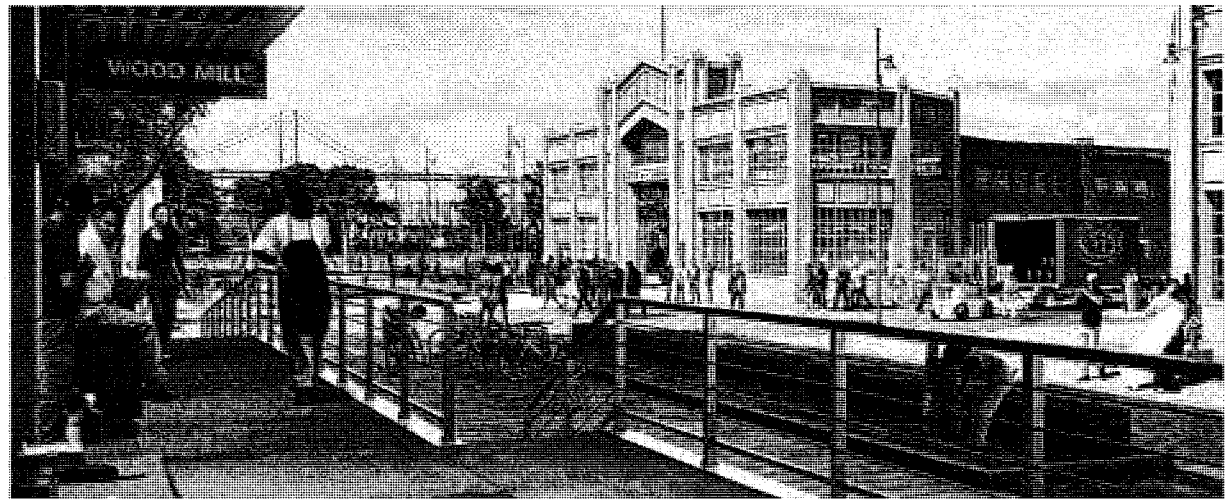
## 1.2 GOALS

Mission Rock aims to do the following through its transportation program:

1. Facilitate lifestyles low in vehicle miles traveled (VMT) by providing a robust set of sustainable choices for movement to and from the site
2. Create a vibrant, pedestrian-oriented, and visually interesting public realm within the site
3. Connect seamlessly to the site's broader context, including the City's growing bike network, the Mission Bay neighborhood's developing network of streets and sidewalks, and the city and region's transit systems
4. Ensure that the site is adaptable to new transportation technologies and changing travel habits over time
5. Play a productive role in the City's efforts to manage event-related travel



Shared Public Way, the shared street that will serve as the primary north-south pedestrian route through the site

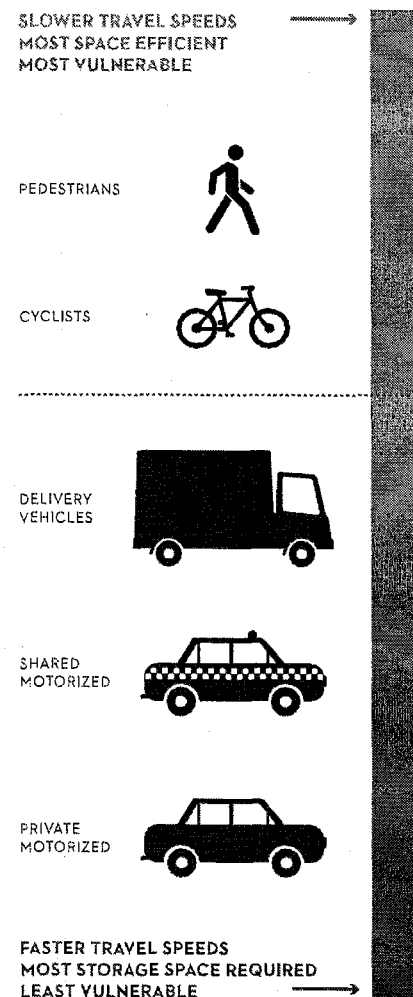


Terry A. Francois Boulevard, another shared street, will have a more maritime-industrial character

## 1.3 STRATEGIES

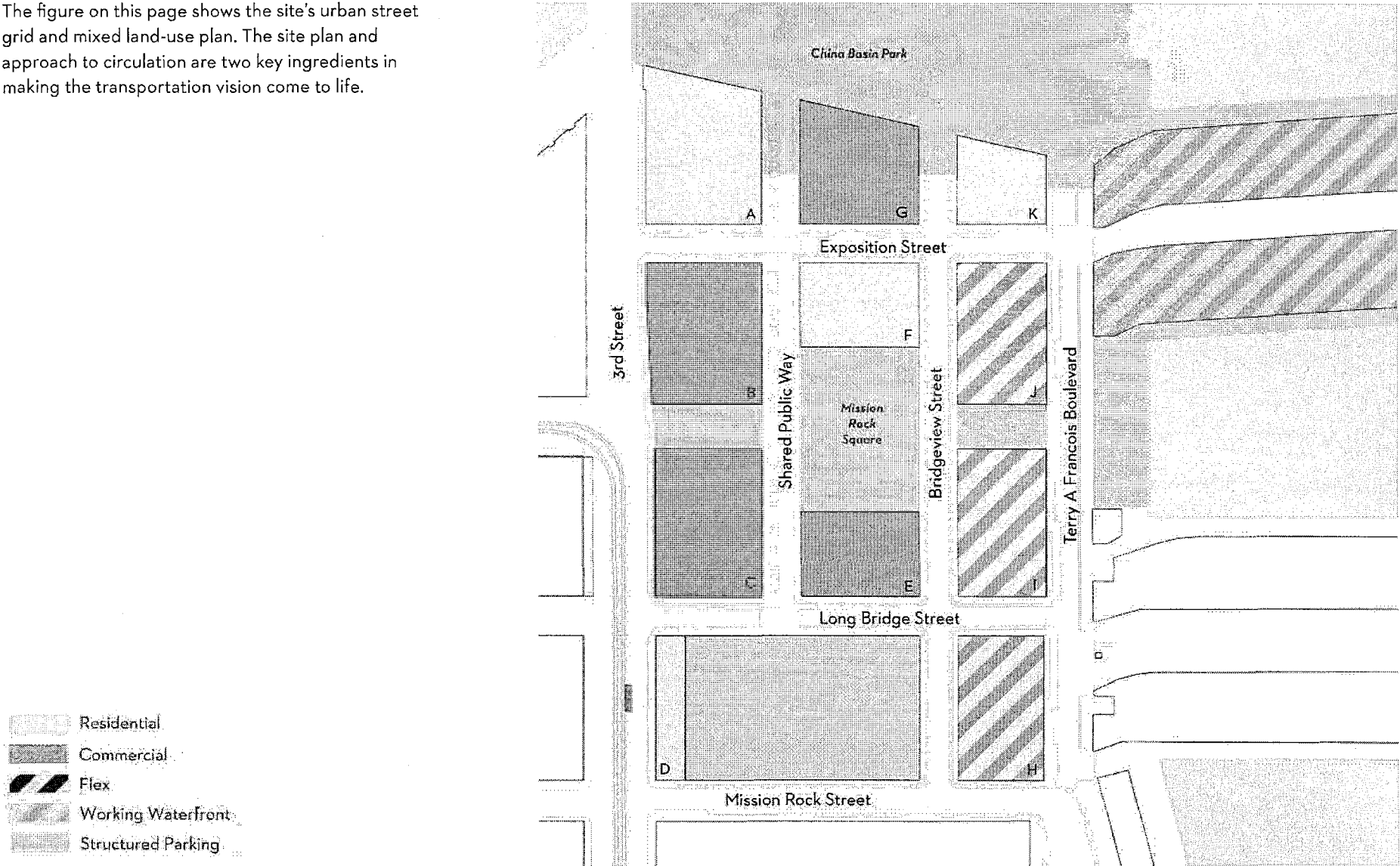
The project will accomplish those goals through the following primary strategies:

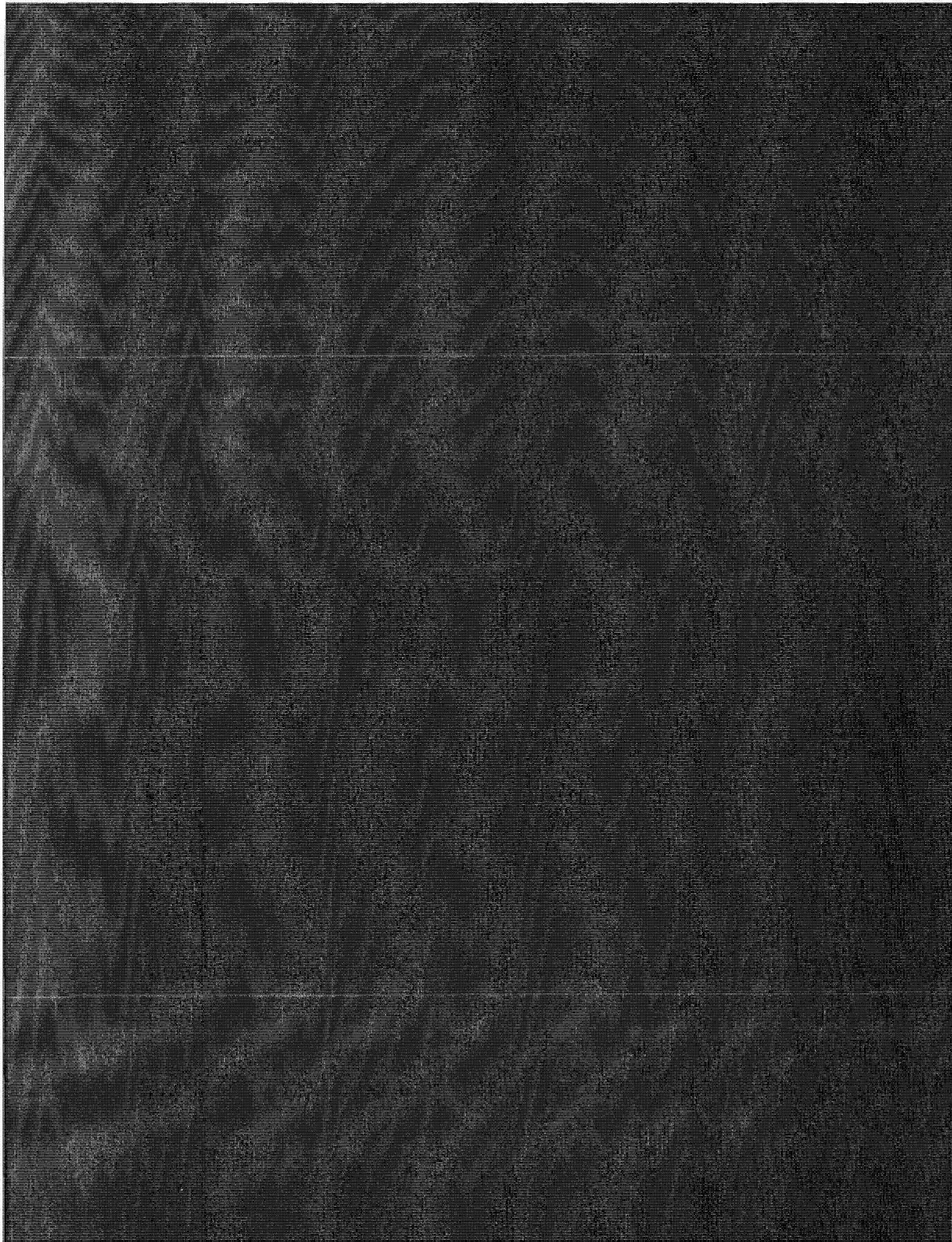
- ▶ Prioritize movement on-site using a modal hierarchy that puts the focus on the most space-efficient and environmentally sustainable modes
- ▶ Encourage walking, biking, and taking transit through convenience and meaningful incentives
- ▶ Design a highly connective street grid with generous and active pedestrian areas
- ▶ Allow for a diverse mix of uses that enables residents and employees to avoid long trips for daily necessities
- ▶ Design for safety through smart deployment of traffic calming strategies on internal streets
- ▶ Facilitate bike connectivity by adding an important link to City and regional bike networks through the site and providing safe and comfortable routing options for people of all cycling skill levels
- ▶ Create generous curb-side loading areas to:
  - ▶ Facilitate site access for people with mobility limitations and for families with small children
  - ▶ Facilitate the use of taxis and ride hail services, which can help obviate the need to bring a personal automobile to the site
  - ▶ Help site users avoid vehicle trips by facilitating convenient delivery of goods
- ▶ Actively manage parking to ensure it is used efficiently as part of the larger multimodal network
- ▶ Work in concert with neighborhood groups to help in responsibly managing event-related travel



A modal hierarchy for travel through Mission Rock

The figure on this page shows the site's urban street grid and mixed land-use plan. The site plan and approach to circulation are two key ingredients in making the transportation vision come to life.







# 02

## PROJECT CONTEXT

Mission Rock's location, mix of uses, density, and design approach are all consistent with regional trends in land use and transportation and supportive of Bay Area planning agencies' efforts to direct new housing toward urban infill locations near transit stations.

The site's mix of uses, including residential, commercial, and retail, will make it easy for residents and employees to take care of most needs within a short walk, and the project's location will naturally facilitate the use of transit and other shared modes for longer-distance trips.

This chapter details the context into which Mission Rock fits. It looks at the broader trends and policy context, as well as the array of local transportation resources that will help make the site's sustainable, multimodal vision come to life.

## 2.1 TRENDS IN POLICY AND TRAVEL BEHAVIOR

Mission Rock fits into a larger context of city, regional, and state policy encouraging transit-oriented mixed-use development, as well as the emergence of new transportation options that are changing the way Bay Area residents travel to work and play. The project is poised to both take advantage of the new mobility options and further encourage these shifts.

### 2.1.1 STATE, REGIONAL, AND CITY POLICIES

Starting in 2006, the State of California began laying out a constellation of policies aimed at reducing the state's carbon footprint. Assembly Bill (AB) 32, signed into law in 2006, required that the state reduce greenhouse gas emissions to 1990 levels by 2020, a 15 percent reduction relative to expected trends. Senate Bill (SB) 375 was the first major policy aimed at implementing AB 32. It required that each major region in the state create a "sustainable communities strategy" that would use a combination of land use and transportation planning to create more sustainable development patterns. Furthermore, the City of San Francisco's Climate Action Strategy specifically calls for shifting 80% of all trips to non-automobile trips by 2030.

Plan Bay Area is this Bay Area's sustainable communities strategy, and concentrating growth around the existing transit system is a key pillar of the plan. The plan identified Priority Development Areas with strong transit access and higher existing densities, and Mission Rock sits along a major axis of priority development areas along the eastern edge of San Francisco.

Infill and transit-oriented development are the two most important strategies for developing in a more sustainable fashion. When projects are located in areas that are already developed, they generally allow their inhabitants to travel shorter distances to reach jobs,

grocery stores, and other daily destinations. When located near existing transit networks, they make transit the default mobility option.

Infill development has long been a priority for the City of San Francisco, and the City has an array of policies aimed at aligning the transportation system to denser development patterns. Policies include the city's long-standing "transit first" policy, a 20% bicycle mode share goal, and a collection of recent policy changes - known as the Transportation Sustainability Program - that aim to further invest in transit, bike, and pedestrian network improvements, align the environmental review process for development with other city policies, and shift travel behavior toward non-motorized or shared modes while ensuring access and mobility. Mission Rock's transportation program is consistent with this approach.

With these policies in the background, travel behavior in San Francisco seems to be steadily shifting toward transit and non-motorized modes, and the market for developments that enable transit-, bicycle-, and pedestrian-oriented lifestyles has strengthened. The last few years have seen increases in transit ridership (including record ridership levels on BART and Caltrain in recent years) and major increases in cycling, particularly for commutes.

### 2.1.2 THE IMPACT OF TECHNOLOGY

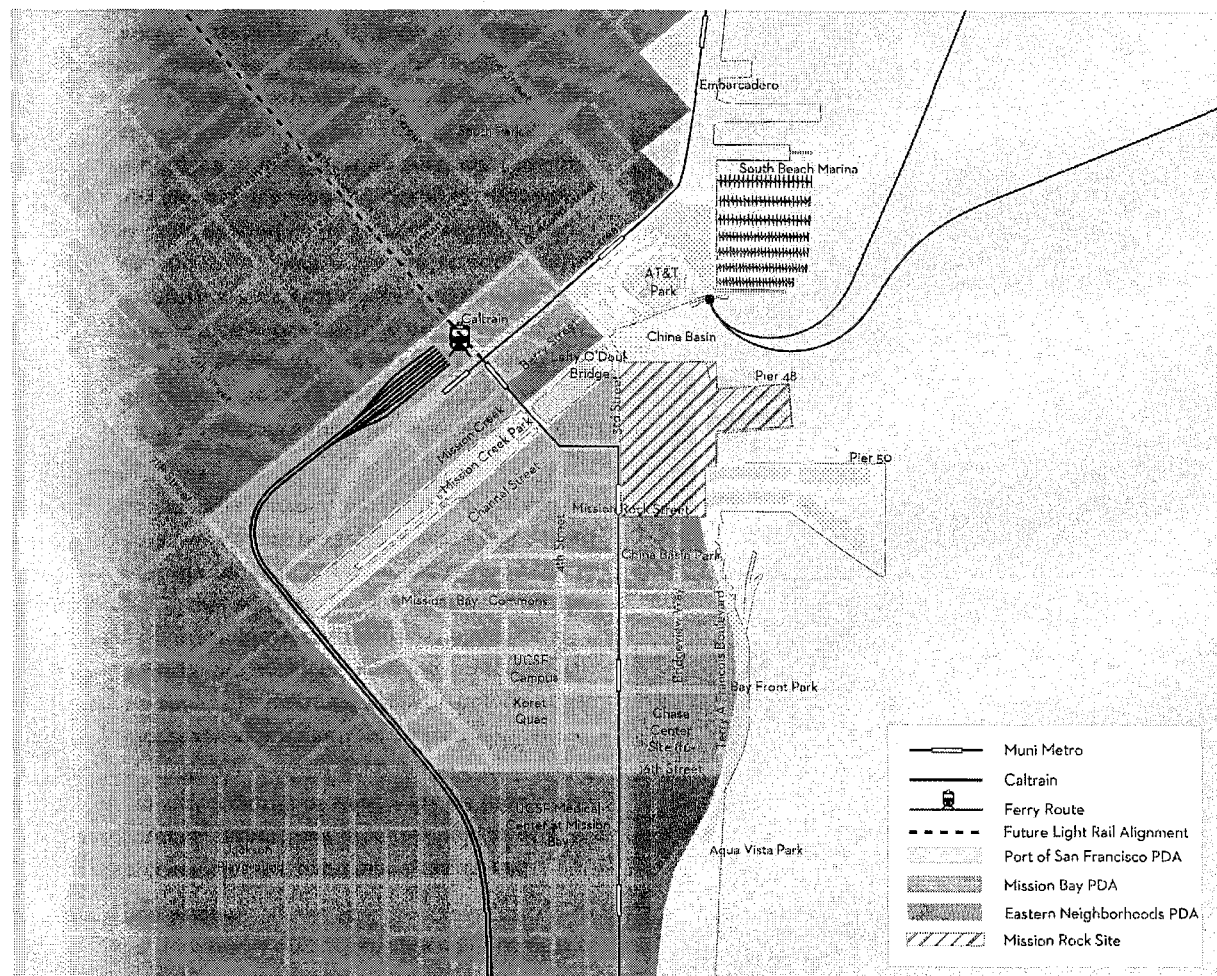
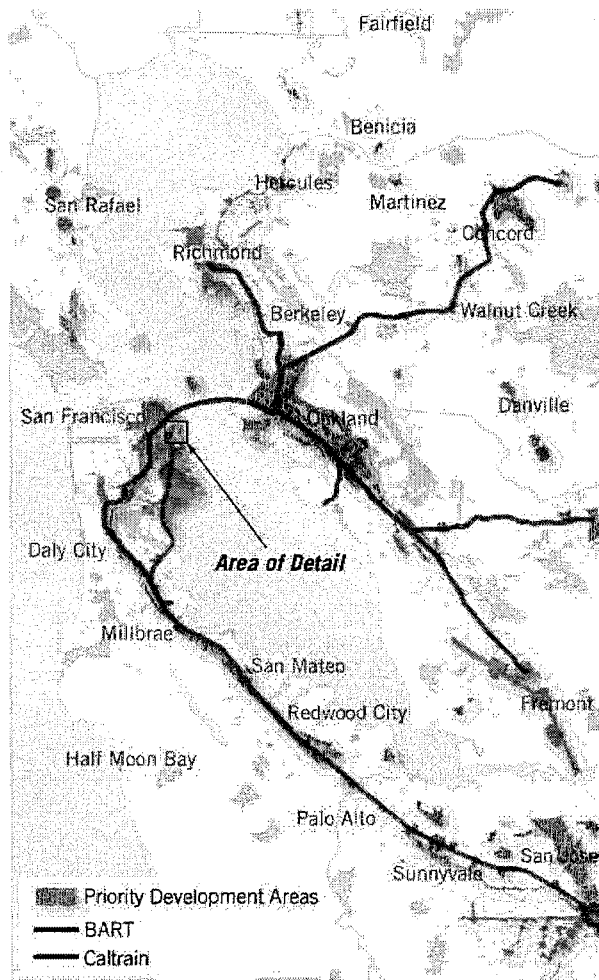
New technology-enabled travel options have also emerged, making it easier to routinely travel longer distances or make trips that do not align well to the transit network without owning a car. Car share companies like Zipcar and City Car Share have made it easy to rent vehicles, stored conveniently in small pods across the city, for short periods. This allows people who



SFMTA has installed "red carpet" transit-only treatments around the city in recent years (SFMTA)



Cycling rates have increased dramatically in recent years (FLICKR USER RICHARD MASONER)



Plan Bay Area's Priority Development Areas (PDAs) and regional transit connections

do not own a car to conveniently accomplish errands that require hauling more than one can carry on transit or a bicycle. Transportation network companies (TNCs) like Uber and Lyft and taxi hailing apps like Flywheel have made it far easier and more convenient to hail rides for trips the transit system is less well set up to handle – across town or late at night.

These trends and the new suite of travel options seem to be affecting people's behavior. A recent study showed that newcomers to the city began taking advantage of them as they emerged, with nine in 10 net new households in the city since 2000 not owning an automobile, according to data from the U.S. Census Bureau. Additional evidence from the Shared Use Mobility Center (TCRP Report 188) shows that individuals who use car sharing frequently tend to own vehicles at lower rates.

### 2.1.3 THE FUTURE OF TRANSPORTATION

More dramatic changes could be in the offing. In the middle of 2016, several companies announced the first limited public use of autonomous vehicles, in Pittsburgh (Uber) and Singapore (nuTonomy). Google has been developing its own autonomous vehicles and testing them around its Mountain View headquarters for several years, and several other major Bay Area companies are also working hard – sometimes in partnership with more traditional auto companies – to develop their own models. When autonomous vehicles emerge in large numbers, the Bay Area is likely to be an area that adopts them quickly.

The precise effects self-driving cars will have on urban environments is unclear, given that the technology

is still in the early stages of development. What is clear, though, is that they have the potential to dramatically change the way we get around, as the advent of motorized mobility did 100 years ago. Indeed, the emergence of automobiles in the early 1900s reshaped the economics and urban space needs of the transportation system.

If autonomous vehicles are used mainly as shared mobility resources, rather than privately held ones in the pattern of the vast majority of small vehicles today, they could lead to shifts like a major drop in parking demand and a major increase in the need for passenger loading space. Even if they emerge as privately owned mobility resources, though, the urban parking footprint is likely to go down. For example, if autonomous vehicles are able to communicate with each other while parking, they could theoretically squeeze together more efficiently, in much the same way as cars parked by valet can be lined up and parked in more narrow columns than can self-parked cars.

Mission Rock is set up to weather these changes well. As Chapter 3 describes, the site's curbs prioritize loading and delivery activities, which have already taken on increasing importance with growth in online shopping and, more recently, the earliest releases of new mobility technologies. The ways in which the site's transportation program has been shaped by its location will also help its design stay current in a world of changing mobility patterns. As detailed in the following sections, Mission Rock is located at the heart of the region's bicycle, pedestrian, transit, and roadway networks, giving future residents, employees, and visitors a wide range of natural options for getting around, even in the absence of new technologies.



Google's autonomous vehicle prototype (WIKIMEDIA COMMONS, USER GRENDSELMAN)



Smartphones have revolutionized access to transportation information (NELSON/RYOARD)



## 2.2 NEARBY NETWORKS

### 2.2.1 NON-MOTORIZED NETWORKS

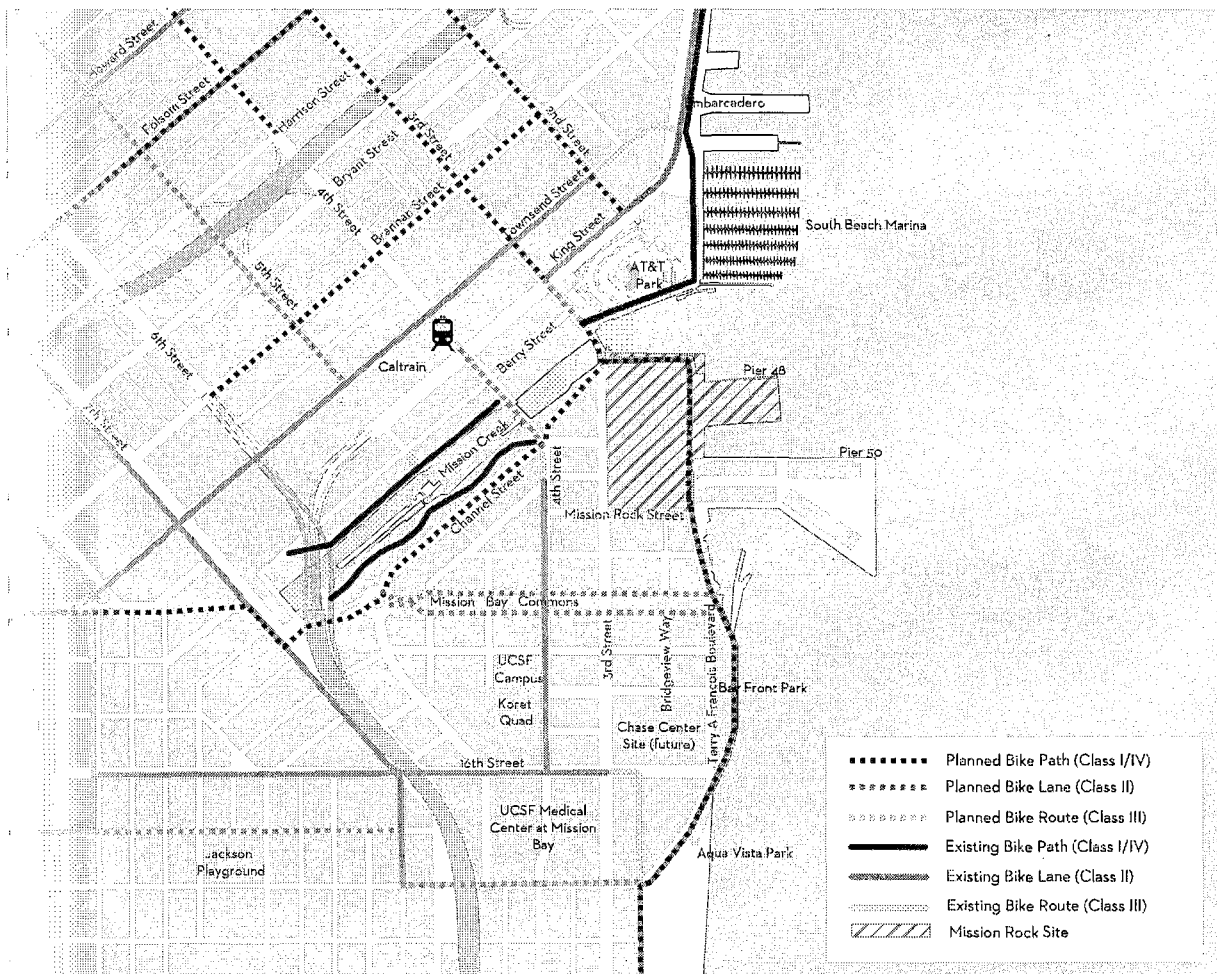
#### Pedestrian

Most trips begin or end on foot, so safe and robust pedestrian space is the backbone of any high quality transportation system.

The Embarcadero, 3rd Street, and Fourth Street are the major pedestrian routes between Mission Rock and the jobs and transit connections in SoMa and Downtown San Francisco. Pedestrian facilities on the Embarcadero are wide and spacious, while sidewalks through SoMa are typically more narrow and less well maintained. The City's Central Corridor Plan aims to steadily improve pedestrian conditions as the area grows and changes in the coming years. Mission Bay's street network is also in the process of being built out. Once the area's development is complete, all streets in the area will have sidewalks on both sides that are six feet wide, and in many places 10 or 12 feet.

#### Bicycle

San Francisco continues to build bicycle lanes of various class distinctions throughout San Francisco as part of its implementation of the 2009 San Francisco Bicycle Plan. In Mission Bay, dedicated bicycle lanes exist on Terry A. Francois Boulevard, Fourth Street, and 16th Street. The facilities on Terry A. Francois Boulevard will soon be improved to a full two-way cycle track as part of the larger San Francisco Bay Trail, which will ultimately be a high quality bicycle and pedestrian route along the entire bay-front. New or improved bicycle facilities are slated for multiple streets running north to Market Street, including 2nd, 3rd, and 5th streets.



Mission Rock's connections to the broader bicycle network and planned routes

## 2.2.2 TRANSIT NETWORKS

Mission Rock is served by several local and regional transit networks within a half-mile walk, including bus, light rail, and commuter rail. More regional connections are available a bit further to the north, along Market Street, the Embarcadero and in eastern SoMa, where there are additional regional rail, bus, and ferry options.

### Local Transit – Muni

Muni provides local transit service throughout San Francisco. The following Muni routes have stops within a quarter-mile of Mission Rock:

- ▶ **Light Rail** – N-Judah, T-Third, and E-Embarcadero
- ▶ **Bus** – 10-Townsend, 30-Stockton, 45-Union-Stockton, 47-Van Ness, 55-16th Street, 81X-Caltrain Express, 83X-Mid-Market Express

Notable investments and plans underway by SFMTA include:

The Central Subway project will place the T-Third line in a subway along Fourth Street north of Bryant Street and along Stockton Street, extending it 1.7 miles north through the SoMa, Union Square, and Chinatown neighborhoods. This will provide a more direct connection between the Mission Bay neighborhood and BART at Powell Station, as well as transit-, job-, and destination-rich neighborhoods near and north of Market Street. The project is due to open to the public in 2019.

Muni Forward is a comprehensive update to Muni routes and service plans. A subset of lines called the Rapid Network is receiving particular attention through the project, including increases in service frequency and other improvements. Service along 16th Street, through

the Mission and into Mission Bay, will see notable improvements through the project, including transit-only lanes, stop consolidation, transit signal priority, and additional transit bulbs and islands. An early Muni Forward improvement that directly affected Mission Bay was the implementation of the 55-16th Street bus, creating a direct connection between the BART station at 16th and Mission streets and the center of Mission Bay, at 3rd and Mission Bay Boulevard North. In several years, that route will be replaced by a re-routed 22-Fillmore, a trolley bus that provides crosstown connections along 16th Street through the Mission and north along Church and Fillmore streets to the Lower Height, Fillmore, Pacific Heights, and the Marina. Other routes in the vicinity of the project that will see updates include the 10-Townsend and the 12-Folsom/Pacific (the latter will be replaced by the 11-Downtown Connector).

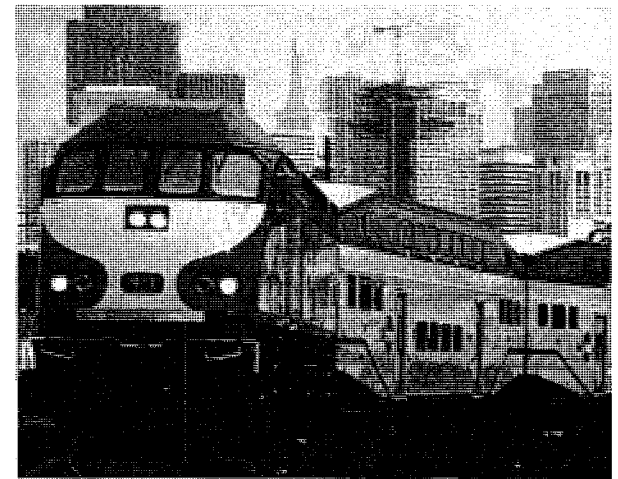
### Regional Transit

#### Caltrain

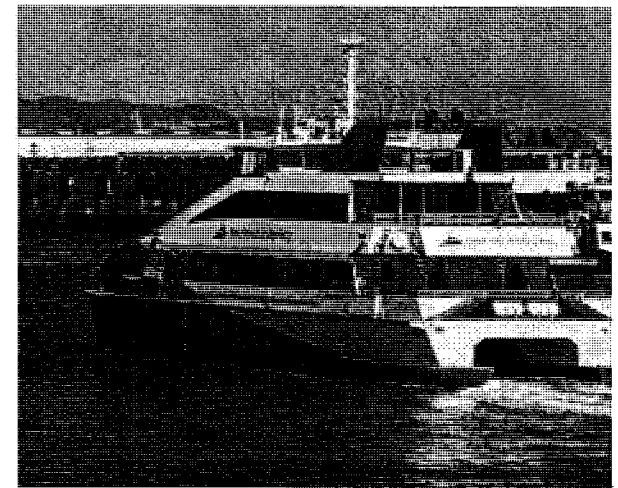
Caltrain provides commuter rail service between San Francisco and the South Bay, with stops along the Peninsula, into San Jose and, during peak periods, south to Gilroy. Caltrain offers local, limited stop and “baby bullet” express routes which all serve San Francisco. Caltrain’s northernmost station is located about a quarter mile from the Mission Rock site at the intersection of 4th and King streets in San Francisco and is the busiest in the Caltrain system.

Notable planned Caltrain investments include:

- ▶ **Caltrain electrification** will replace the existing diesel service with electrified service between San Francisco and San Jose by 2020, allowing for increased speeds and service levels along the



Caltrain (CALTRAIN)



SF Bay Ferry (FLICKR USER PHOCAZOO)

Peninsula corridor. The electrification project will also accommodate shared use of the corridor by Caltrain and planned high-speed rail service.

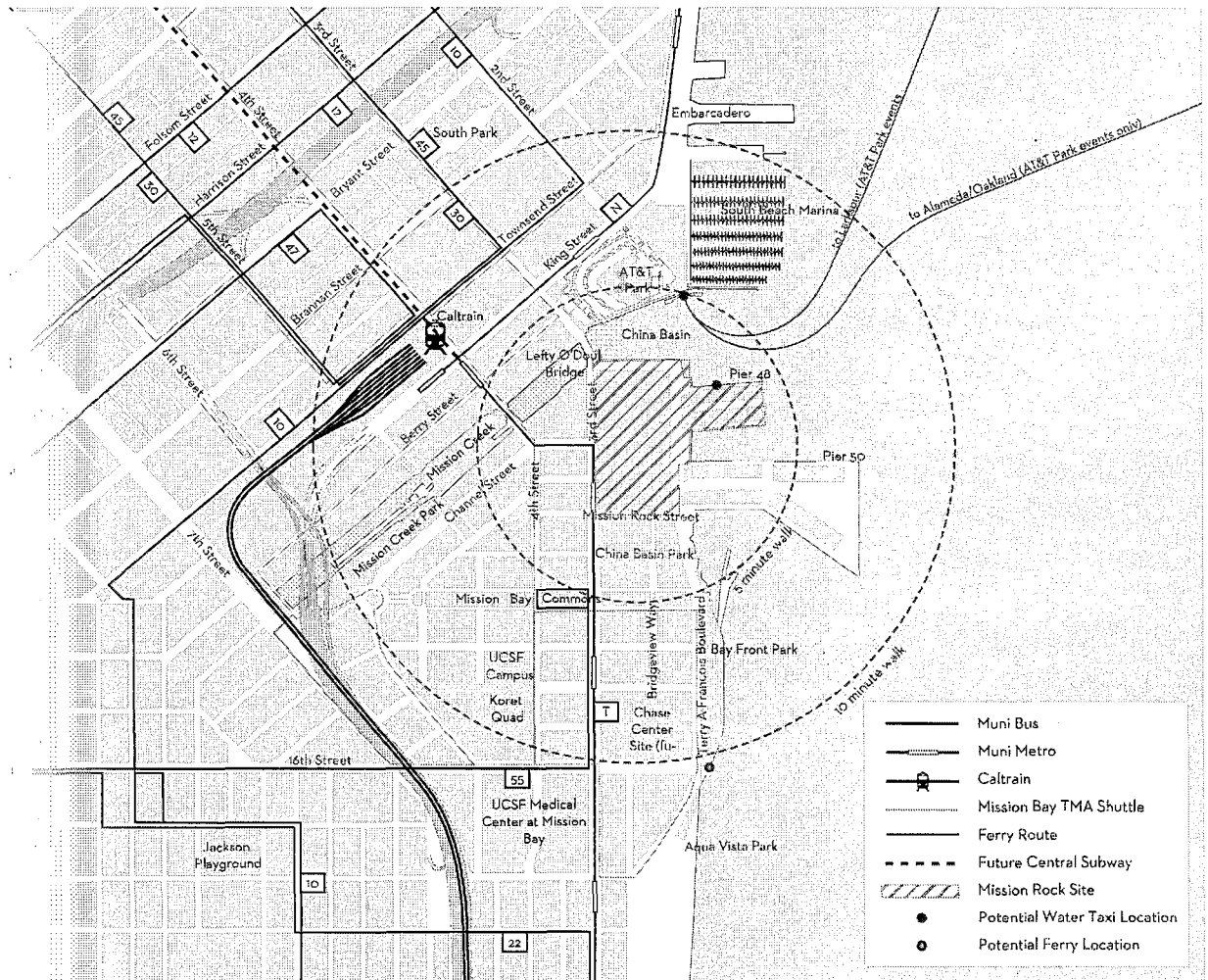
- ▶ Caltrain's **Downtown Extension** would connect Caltrain to the new Transbay Transit Center. The alignment of the extension is still being determined and is among the items being advanced in the Planning Department's Railyard Alternatives and I-280 Boulevard Feasibility Study.

### BART (Bay Area Rapid Transit)

BART provides regional transit service to the East Bay, Peninsula, and other parts of San Francisco. The closest stations to Mission Rock – Embarcadero and Montgomery – are a little more than one mile from the neighborhood. When it opens, the Central Subway will provide a rapid light rail connection between the site and Powell Station. BART is the region's rail spine, and it operates every 5 to 15 minutes on lines serving downtown San Francisco during the afternoon peak and every 20 minutes during non-peak times, including weekends.

### Ferries

SF Bay Ferry (operated by the Water Emergency Transportation Authority, or WETA) and Golden Gate Ferry provide daily ferry service between the San Francisco Ferry Building and the North and East Bay. Aside from services at the San Francisco Ferry Building, the nearest terminal is currently just beyond AT&T Park's center field gate, where ferries provide service to and from home baseball games. WETA and the City are exploring the potential for a new terminal in Mission Bay near 16th Street, though planning is in the very initial stages.



Local transit connections as of 2017

### Transbay Transit Center: Regional Bus and High Speed Rail

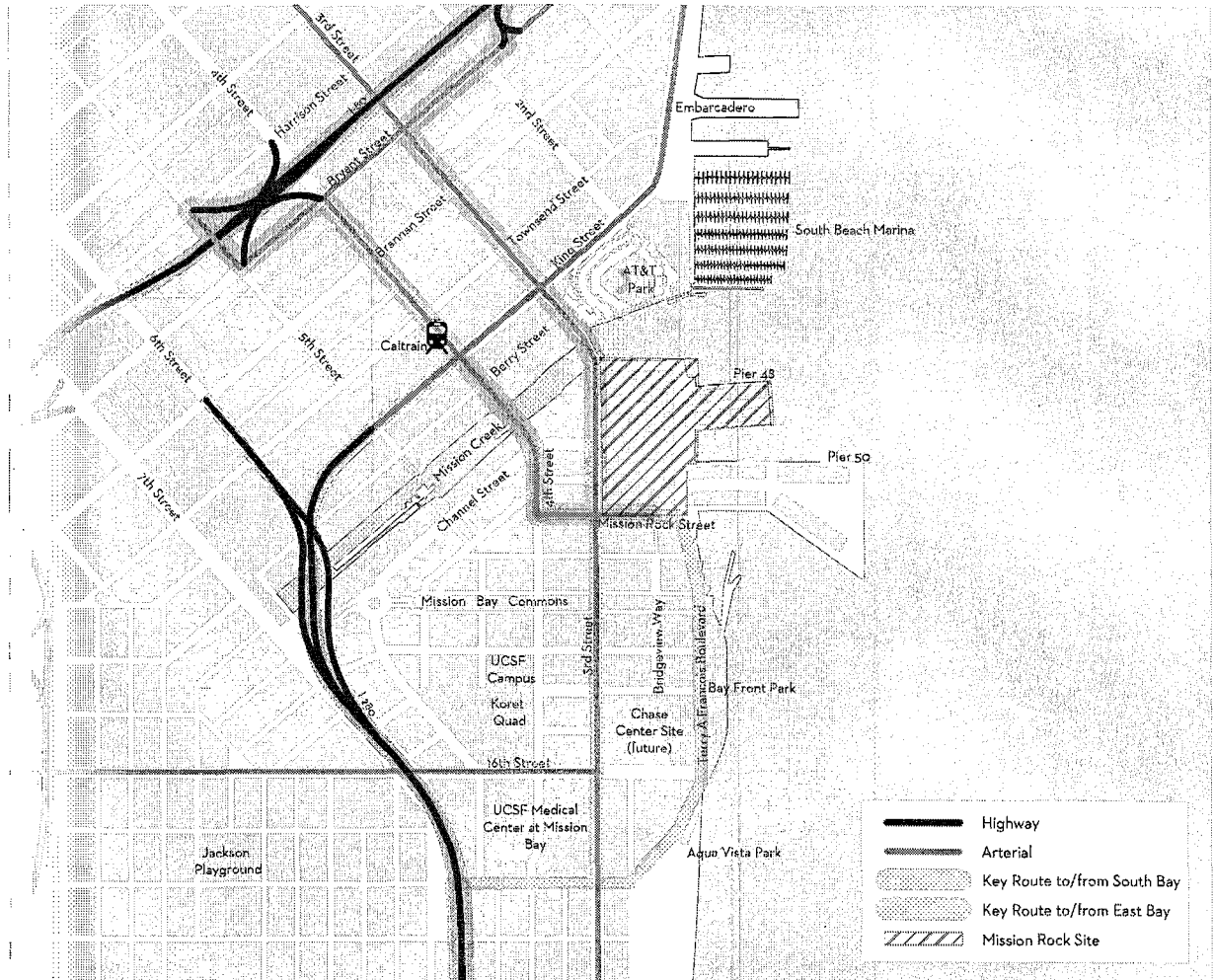
The under-construction Transbay Transit Center is located approximately one mile northeast of Mission Rock and will be open by the time the development is built out. The Transit Center will provide bus connections to regional destinations, as well as access to Greyhound and Amtrak Thruway Connection buses. Once the Downtown Extension is complete, the center will also be the terminal for California High-Speed Rail and Caltrain. Upon completion, the terminal will be served by 11 transit systems: AC Transit, BART, Caltrain, Golden Gate Transit, Greyhound, Muni, SamTrans, WestCAT Lynx, Amtrak, Paratransit, and High Speed Rail.

### 2.2.3 VEHICULAR CIRCULATION AND PARKING

Mission Rock is located near the center of the Bay Area's auto network, providing easy access to the region's freeway system but also exposing drivers in the area to congestion resulting from the large number of daily trips to, from, and through northeast San Francisco.

#### Local Streets

Third, 4th, and 16th streets are the key arterials providing vehicular access to and from Mission Rock and the broader Mission Bay neighborhood. Lefty O'Doul Bridge is also a drawbridge that is used several times per day, causing traffic congestion at one of the key access/egress points for the site on 3rd Street. The bridge is a historic landmark for which major structural modification is not an option, though the city is planning to realign lanes traveling across the bridge in the



Local street network

coming years to make space along its the eastern edge for bicycle and pedestrian facilities as part of the San Francisco Bay Trail.

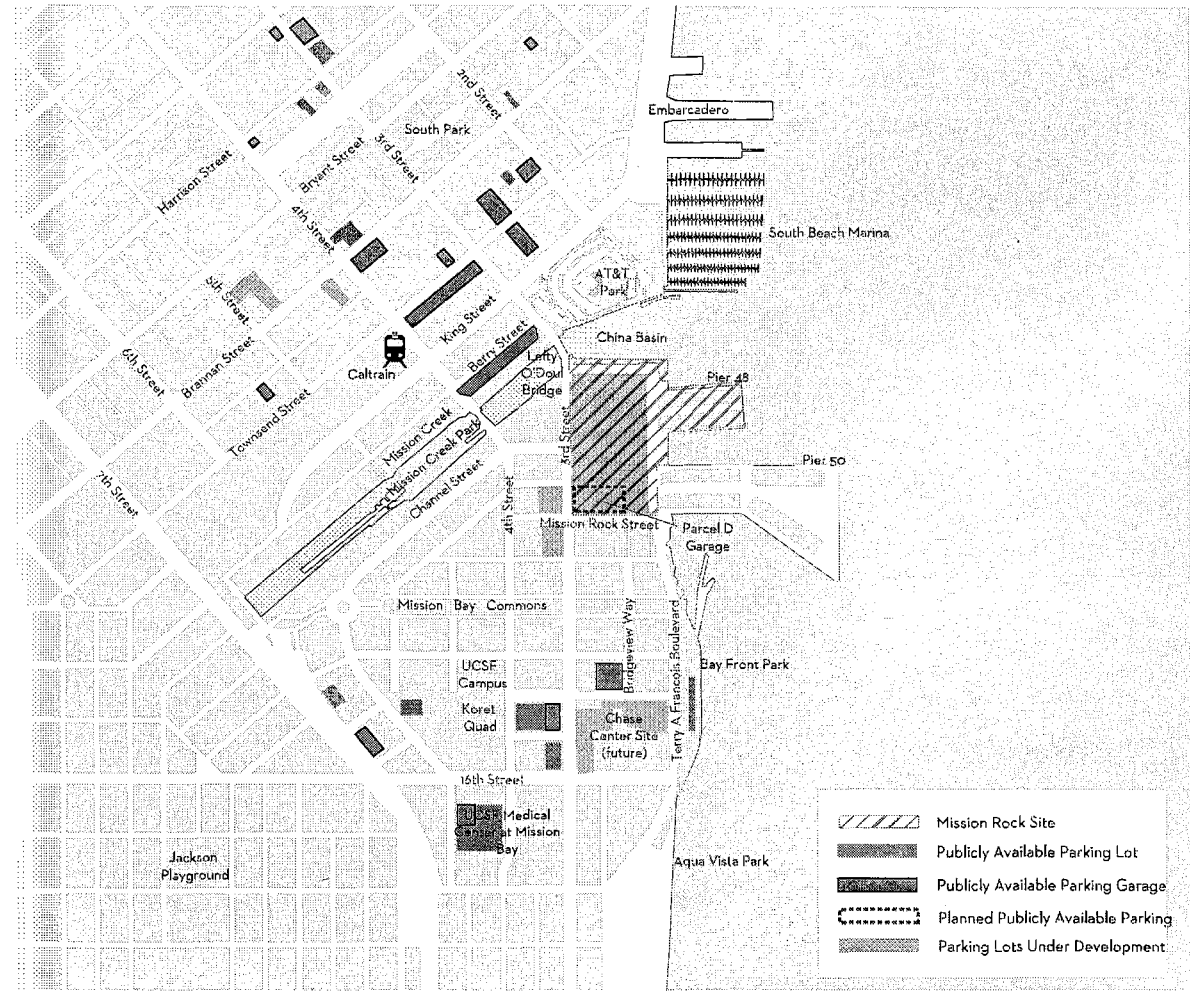
### Regional Connections

For connections to the region, ramps to Interstate-80 and access to the East Bay are located approximately a half mile north of the site, via 4th and 5th streets. Interstate 280 provides the main connection to the South Bay, and ramps are located less than a half mile of the site to the west, via King Street, or slightly further to the southwest, at Mariposa Street.

### Parking

As of SFMTA's most recent parking inventory in 2011, the Mission Bay and the Central Waterfront area (bound by the Bay to the east, Mission Creek Channel to the north, 7th Street and Iowa Street to the west, and Pier 80 to the south) had approximately 7,000 off-street parking spaces, and SoMa (bound by the Bay, Market Street, 7th Street, and the Channel) had an additional 26,000 spaces. Many of the spaces in Mission Bay are reserved for the users of specific sites like University of California, San Francisco's hospital and medical campus, but a sizable share of the spaces in SoMa are in paid publicly accessible lots and garages. Parking supplies in that area have shrunk somewhat in recent years, as surface parking lots have been redeveloped.

Many streets in SoMa and Mission Bay also have on-street parking. A large share of the on-street parking in both neighborhoods is currently metered per SFpark pricing policies to manage demand during nearby special events.



Parking facilities near Mission Rock (2015)

## 2.3 TECHNOLOGY-BASED TRANSPORTATION

As noted earlier, technology-based transportation companies offering car share, bike share, and app-based ride hailing (e.g. Lyft and Uber) are changing the way people travel. Although it has yet to be determined how ride hailing trips affect the number of overall driving trips, these innovative services have enjoyed early and growing adoption by Bay Area residents, particularly San Franciscans, and they are widely available in the areas around the project.

**Car-share** has emerged as a strong mobility option for households without cars. Efforts to quantify the impacts of car sharing have found that car share members drive 40% fewer miles than the average driver and take 46% more public transit trips, 10% more bicycle trips, and 26% more walking trips. The average household reduces its vehicle ownership by 50% after joining a car-share service.

**Bike share** provides another short-term mobility option, offering hourly rental of bicycles. Unlike car share programs offered in San Francisco, bike share allows for one-way rentals. Bay Area Bike Share is poised to expand dramatically throughout San Francisco by the



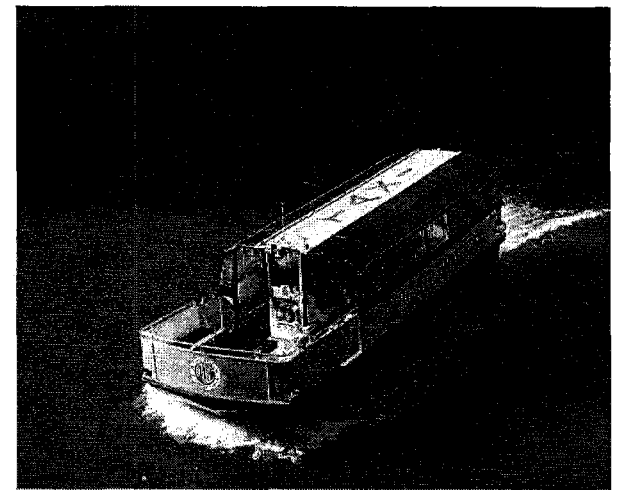
City Car Share (WIKIMEDIA COMMONS, USER MARIBOD)



Bay Area Bike Share (WIKIMEDIA COMMONS, USER MARIBOD)



Scoot (FLICKR USER MARTIN WICHART)



Water taxi service in Chicago (FLICKR USER LUKE GORDON)

time Mission Rock opens, with a plan to expand to 7,000 bicycles by 2018.

**Scooter sharing** is another service that has emerged in San Francisco in recent years. Scoot offers \$3 one-way rentals of its fleet of more than 400 small two- and four-wheeled vehicles. The two-wheelers travel as fast as 30 miles per hour, and the four-wheeled “mini-cars” travel 25 miles per hour. Users of the service find nearby vehicles and unlock them using the company’s smartphone app.

TNCs like Lyft and Uber provide on-demand booking of one-way car trips via smart phone app, and have recently expanded to facilitate shared vehicle trips (through Lyft Line and UberPool).

The rest of the private transit market is an evolving landscape, consisting of long-distance employer shuttles, short-distance institutional and transportation management association (TMA) shuttles, on-demand commuter shuttles, and other services.

**Long-distance employer-sponsored shuttles** currently make trips to many office campuses outside of San Francisco (e.g. technology companies in the South Bay). An SFMTA program that designated certain Muni bus stop and other designated curb locations is ongoing.

There are a number of **short-distance shuttles** in operation in the project area. Currently, the Mission Bay TMA operates five routes from Mission Bay to Market Street and points throughout SoMa. Most of the routes operate only during peak periods Monday through Friday. Numerous companies and institutions also offer shuttle service within San Francisco. For example, Levi’s operates a shuttle between Caltrain and BART stations and the company’s headquarters in Levi’s Plaza.

Chariot, which offers a **demand-responsive microtransit service** using 14-passenger vans, operated nine public routes during the morning and evening commute periods as of August 2017. The service typically utilizes white curb loading zones for passenger drop-off and pick-up. Chariot recently expanded many of its routes

and now serves points in the South Bay and East Bay, in addition to intra-San Francisco routes.

Two **water taxi** companies currently run limited service between points along the Bay, including the San Francisco Ferry Building. Over time, water taxi operations may expand with growing demand, and there is potential for a landing at Pier 48 and, with the exception of winter, at AT&T Park’s ferry dock.

These evolving transportation services provide people in San Francisco with new options to move around the city and the region, further supporting a multimodal lifestyle not dependent upon ownership or use of a private vehicle.







Mission Rock will be designed to give all users high quality choices for how they move about the site and how they get to and from it.

# 03

## GETTING AROUND AT MISSION ROCK

The site will feature generous and active pedestrian areas throughout, and the bicycle network will give cyclists of different ages and skill levels high quality options. Wide sidewalks and wayfinding will help people find the variety of nearby transit options, and Mission Rock's entire street grid will provide comfortable access

to the waterfront and, at Pier 48, a variety of water transportation options as well.

This chapter expands on these ideas, laying out the vision for how people will get around Mission Rock. Note that the project's Design Controls go into more detail on dimensions and materials.

## 3.1 NON-MOTORIZED CIRCULATION

Mission Rock's streets will be designed with the site's modal hierarchy in mind, prioritizing the safe and comfortable movement of pedestrians. Streets will include a variety of features that will help ensure that pedestrians feel safe and comfortable moving throughout the site by keeping vehicle speeds slow and ensuring that those on foot or on bicycles are highly visible to motorists.

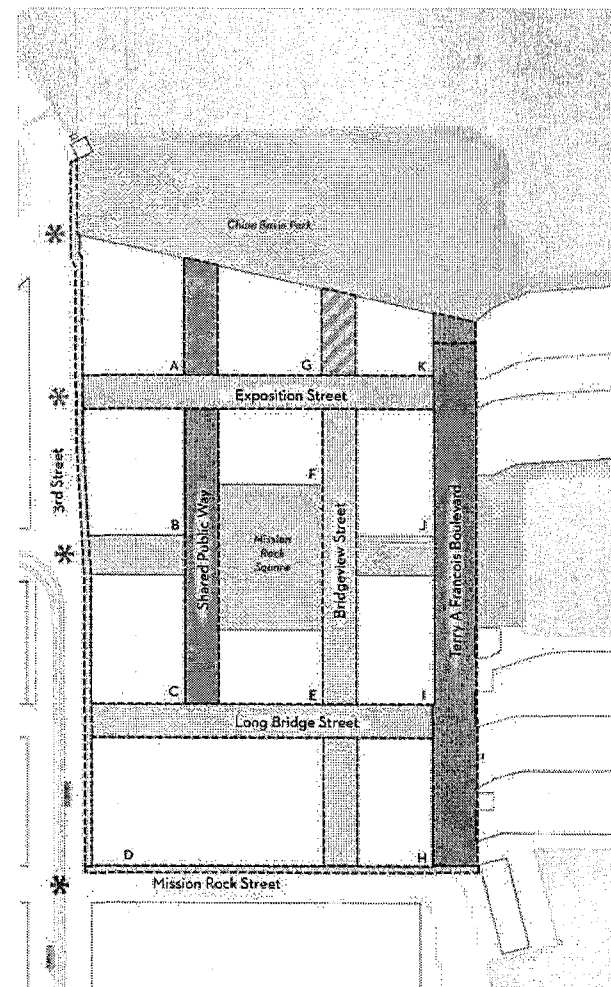
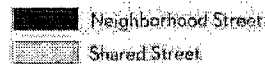
As specified in the Design Controls, all crossings will be marked using high visibility paint and other treatments, and all curbs will include ramps to facilitate accessible paths of travel. Some will be reinforced by bulbouts that bring curbs to the edge of travel lanes, shortening crossing distances and making pedestrians who are readying to cross more visible to drivers. At others, "tabletop" treatments will bring the roadway to sidewalk level and change paving materials through intersections. The changes in grade and visual treatment have been shown to make motorists instinctively slow down through these sensitive zones.

On the site's curbed streets, a combination of street furnishings, lighting treatments, and generous sidewalks will make pedestrian space vibrant, inviting, and comfortable even when pedestrian volumes are higher before and after events. Lighting will be at a pedestrian scale, and furnishings like benches and planters will create variety and a sense of protection from vehicle flows between the curbs. All three north-south streets will transition seamlessly into China Basin Park via vehicle-free zones at their northern ends.

### 3.1.1 SHARED STREETS

Shared streets, in which all modes mix across the entire street cross-section, will form the backbone of north-south pedestrian circulation, strategically placed along key paths of travel. These streets will be curbless, following street design approaches seen in Europe along key walking corridors and high streets. Visual and tactile cues like changes in the color or texture of pavers, bollards, street furniture, light fixtures, plantings, and tactile warning strips will differentiate between areas dedicated to pedestrian movement and areas shared by pedestrians, bicycles, and vehicles. These types of streets are somewhat rare in San Francisco, but the Mission Rock team has worked closely with the City to design the streets in a way that works with local norms and regulations. The Design Controls document describes the design of these streets in more detail.

The Shared Public Way will be a key retail corridor through the site, creating a vibrant connection between AT&T Park to the north and the ballpark's main parking facility at the southern end of Mission Rock. Lined with ground-floor shops and cafes, the street will feature



Street types on the Mission Rock site

patio seating and displays that extend the ground-floor uses into the right-of-way, creating “street rooms” that invite people to stroll and linger. The street will only allow northbound vehicle movement, and entrances to the zone will feature signs and other visual cues to make clear that vehicle access is for drop-off, pick-up, and deliveries only.

Terry A. Francois Boulevard, along the eastern edge of the site, will be a slightly different shared street, mixing the area’s maritime history with a newer identity as a place where people come together for all kinds of activities. The boulevard will feature a slow two-way, plaza-like shared zone for all modes between wide zones reserved for walking, biking, and loading. The San Francisco Bay Trail will extend through the site on the east side of the street, and the west side will allow pedestrian and loading access to ground-floor maker spaces, which will be raised slightly above street level in an ode to traditional industrial and warehouse building vocabulary.







### 3.1.2 BICYCLE FACILITIES AND CIRCULATION

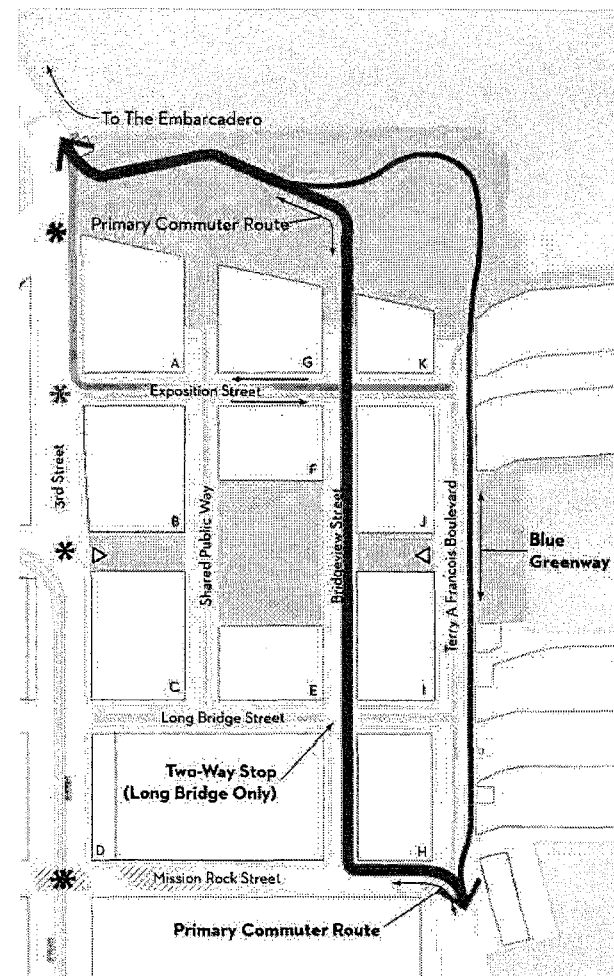
In keeping with the rest of the transportation program, Mission Rock’s approach to bicycle circulation is about providing a multitude of choices, with facilities designed for leisurely riders along the waterfront and higher speed facilities along more direct routes to SoMa, Downtown, and other points north of the site.

Even in cities with higher rates of bicycle commuting like San Francisco, researchers estimate that a considerable number of additional people might consider cycling if there were a network of slower, more protected facilities that made them feel safe and comfortable while riding. Mission Rock will provide routes to and through the site that speak to this need, and these facilities will connect to a large and growing network of bicycle facilities in the surrounding area.

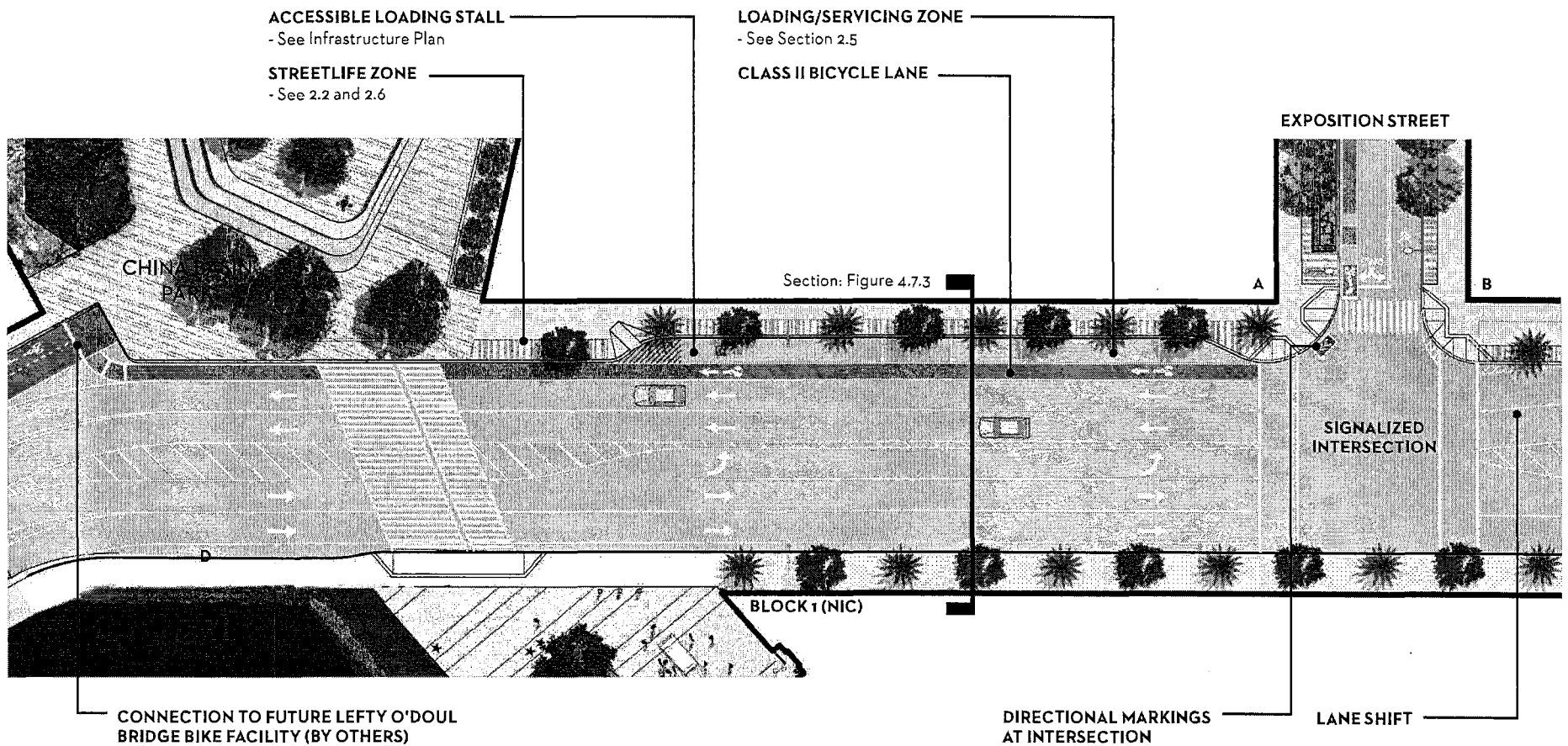
The San Francisco Bay Trail’s connection through the site will provide a comfortable route for cyclists of all ages. Visual cues at north and south gateways to the multi-use path will encourage slower bicycle speeds, opening space for younger and older cyclists, as well as pedestrians. The figures on the following pages show how the bicycle facility is anticipated to connect into the City’s bicycle network on the north and south ends. For more detail on the proposed design of these intersections or other streets, see Chapter 4 of the Design Controls.

A cycle track route along Bridgeview Street will provide a higher speed connection between the Embarcadero and points south of the site for commuters and more

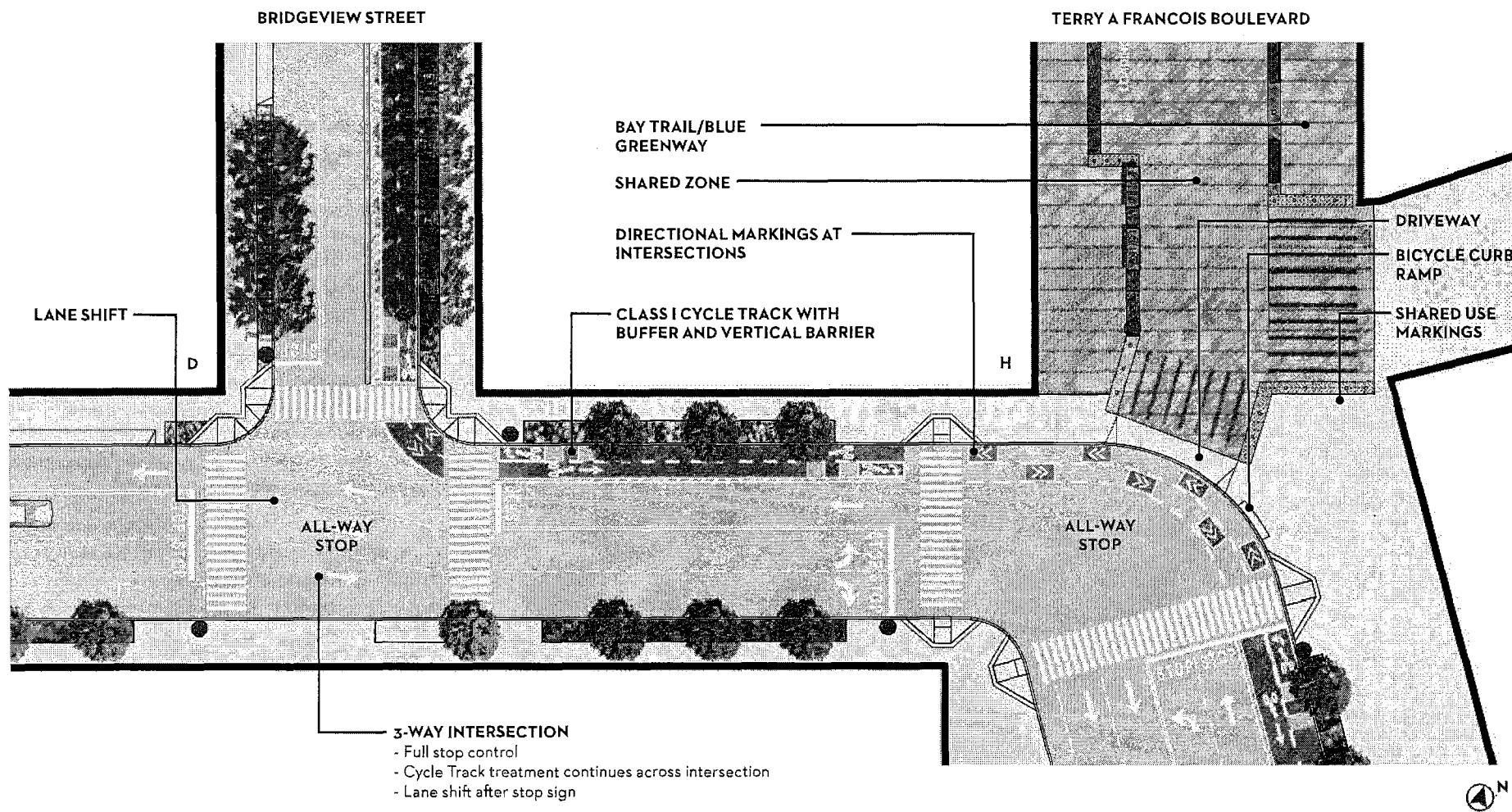
-  Planned Bike Path (Class I/IV)
-  Planned Bike Lane (Class II)
-  Planned Bike Route (Class III)
-  Existing Signal Location
-  Planned Signal Location
-  Access to Below-Grade Parking (if provided)



Bicycle circulation concept



A northbound buffered bicycle lane would provide commuters an alternative to traveling through China Basin Park to connect to a planned two-way cycle track across Lefty O'Doul Bridge.



Cyclists on a planned two-way cycle track along Terry A. Francois Boulevard to the south will have two high quality options at the southeastern corner of Mission Rock. Some may choose to continue on Terry A. Francois Boulevard, but those seeking a faster route will be able to connect seamlessly to a two-way cycle track on Bridgeview Street via Mission Rock Street.



experienced cyclists. A raised and green-painted two-way track protected by a painted buffer zone and soft-hit posts or another buffering approach will clearly reserve a piece of the right-of-way for cyclists. A two-way stop will control cross-traffic on Long Bridge Street to enable a faster and smoother ride for north- and south-bound cyclists. The intersection will be raised to the level of the cycle track to slow cars as they approach and move through the intersection. To connect to high quality bicycle facilities planned for Lefty O'Doul Bridge and the Embarcadero, the route will rejoin the San Francisco Bay Trail in China Basin Park. Northbound cyclists will be able to bypass the park via a painted bicycle lane along Exposition and 3rd streets.

The Design Controls document contains more detail on the planned design of these facilities. That document will be updated as the design team works with the City to ensure that bicycle facilities on the site connect seamlessly to improved facilities north and south of the site, to be implemented in the next several years.

For cyclists with destinations in Mission Rock, the site will provide a variety of bicycle storage options, including a network of spaces in public areas and conveniently located secure spaces inside the site's residential and office buildings. The project team anticipates that an existing bike share provider will install at least one bike share pod on the site, connecting to the much expanded bike share network that hit San Francisco streets in 2017.



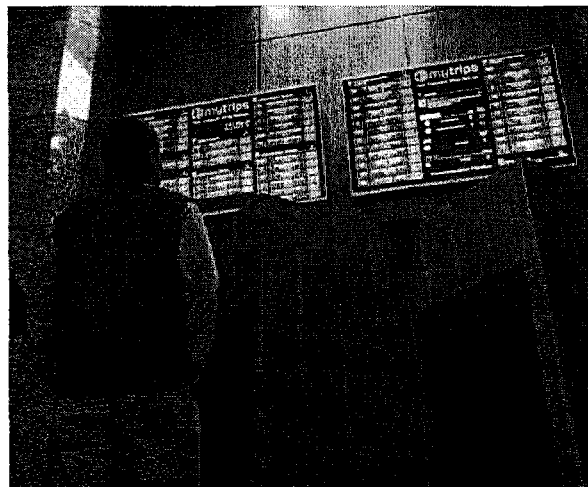
Bridgeview Street imagined, with a two-way cycle track providing a faster option for commuters.

## 3.2 TRANSIT ACCESS

The Mission Rock site offers close, comfortable connections to several fast, high frequency, and high capacity transit options. By the time Mission Rock opens for occupancy, the T-Third Muni light rail line will have begun providing quick access to Market Street via 4th Street and the Central Subway (Mission Rock Station is located adjacent to the site, at the intersection of 3rd and Mission Rock streets). Caltrain's San Francisco terminal is a 10-minute walk from the site at 4th and King streets, and BART will be a 20-minute walk or quick T-Third ride away. Bay Area Bike Share will also provide a fast and convenient way to get to transit nodes like Market Street's subway stations and the Transbay Terminal.

The project team will implement a multi-pronged signage and wayfinding strategy to ensure that residents, employees, and visitors understand just how convenient it is to access these high quality mobility options. Outdoor static wayfinding will show basic directions and distances to nearby transit stops, and interactive information kiosks in key places on the site will provide access to more specific directions and real-time transit service information. For residents and employees, a Mission Rock website and screens in building lobbies will both show real-time transit information.

Elements of the site's transportation demand management program will also encourage transit use. See Chapter 4 and the Mission Rock TDM Strategy for more information on transit-supportive programs and incentives.



Transit screens set up in an office lobby (TRANSITSCREEN.COM)



Wayfinding signage in Amsterdam (FLICKR: ANDREY KARMAKOV)



Interactive information kiosk (USAPV)



Directional wayfinding to transit (FLICKR: CHRIS HEATHCOTE)

## 3.3 VEHICULAR CIRCULATION

Mission Rock's street network will be dense, highly connective, and strongly tied into its surroundings. The interior street grid will link up with the developing Mission Bay street network at several points, continuing east-west and north-south streets that currently dead-end at the edges of the project site. Bridgeview Way, which today runs between South Street and the southern border of the project site at Mission Rock Street, will continue as Bridgeview Street through the site to China Basin Park. Long Bridge Street, which today links Third and Fourth Streets will extend to the waterfront at Terry A. Francois Boulevard.

Most vehicles will enter the site from 3rd Street, the main north-south vehicular route through Mission Bay. The figures on this page show estimated relative vehicle flows through the site at peak periods, extrapolated from traffic modeling done for the Transportation Impact Study.

The site's approach to providing parking would place a single garage near the southwestern corner of the project site, which would keep most private vehicle traffic at the southern and western edges of the site. The project's entitlement documents also include an alternative parking approach that would distribute the site's parking supply between an above-ground facility at the site's southwest corner and a smaller facility under Mission Rock Square.

Vehicular circulation through the rest of the site should mostly consist of delivery vehicles and cars dropping off

or picking up passengers. Mission Rock will proactively manage commercial delivery activity, discouraging deliveries during commute periods and encouraging them instead in the early morning hours or late at night. The Mission Rock team will put together a detailed loading management plan for each phase of the project. The team will also work with tenants that are likely to regularly receive large-truck deliveries, such as potential tenants in Pier 48, to ensure that individual deliveries are appropriately staffed to maintain safe conditions for other street users.

As specified in the Design Controls, passenger loading spaces on the Shared Public Way, Bridgeview Street, Long Bridge Street, and Terry A. Francois Boulevard each have curb conditions that meet the standards of the Americans with Disabilities Act, for pick-up and drop-off of passengers with mobility limitations. During specified hours, parcel delivery will be concentrated around commercial loading zones on 3rd, Exposition, and Long Bridge streets and Terry A. Francois Boulevard. Outside of those hours, these spaces would open up to use by private cars picking up and dropping off passengers and for-hire passenger vehicles like taxis and TNCs.

The shared streets – Shared Public Way and Terry A. Francois Boulevard – are expected to see very low traffic volumes, consisting mainly of loading for passengers with mobility limitations. "Traffic calming" treatments like changes in paving materials and changes in roadway grades will help ensure that volumes and speeds stay low

(see the Design Controls for more detail). If all parking is concentrated in a single facility at the southwest corner of the site, Channel Lane and Channel Street will each be closed to vehicle traffic. If the project ultimately includes a parking facility under Mission Rock Square, one or both streets may provide vehicle access to the facility.

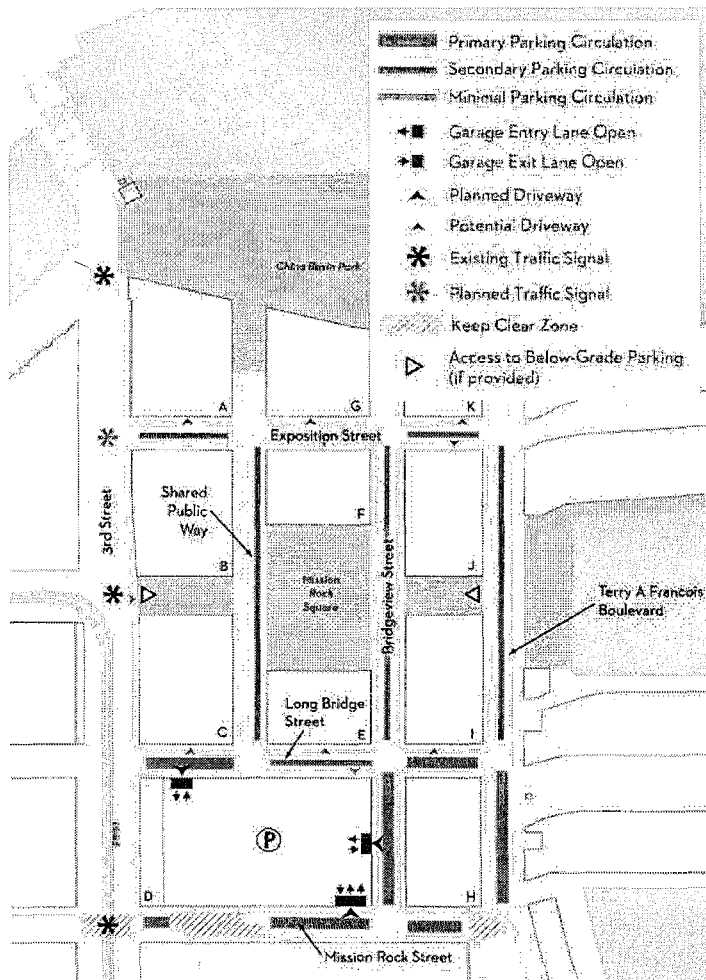
### 3.3.1 INTERSECTION CONTROLS

Most internal intersections will be controlled by all-way stop signs. As noted earlier, one intersection along Bridgeview Street will only stop cross traffic on Long Bridge Street to allow for smooth and efficient cycling along the route.

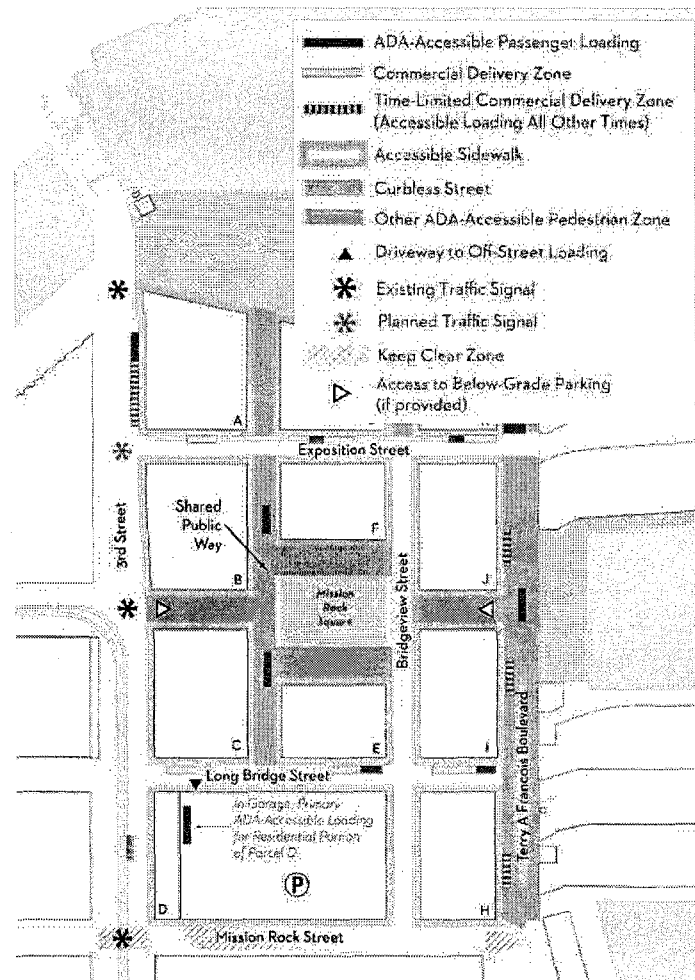
Third Street's interfaces with Mission Rock and Channel streets will be controlled by traffic signals, as they are today. A signal that currently controls the intersection of 3rd Street and Terry A. Francois Boulevard and halts traffic when Lefty O'Doul Bridge is raised for boat traffic entering Mission Creek is anticipated to remain where it is, allowing for signalized control of what will be an important pedestrian and bicycle connection between China Basin Park and a linear park on the west side of 3rd Street. An additional signal is planned at the intersection of 3rd and Exposition streets. The exact sequence of signals along 3rd Street will be determined by the San Francisco Municipal Transportation Agency and the Department of Public Works.

In keeping with the way major entries and exits from AT&T Park's main parking lot are managed before and after events today, intersections around the site's

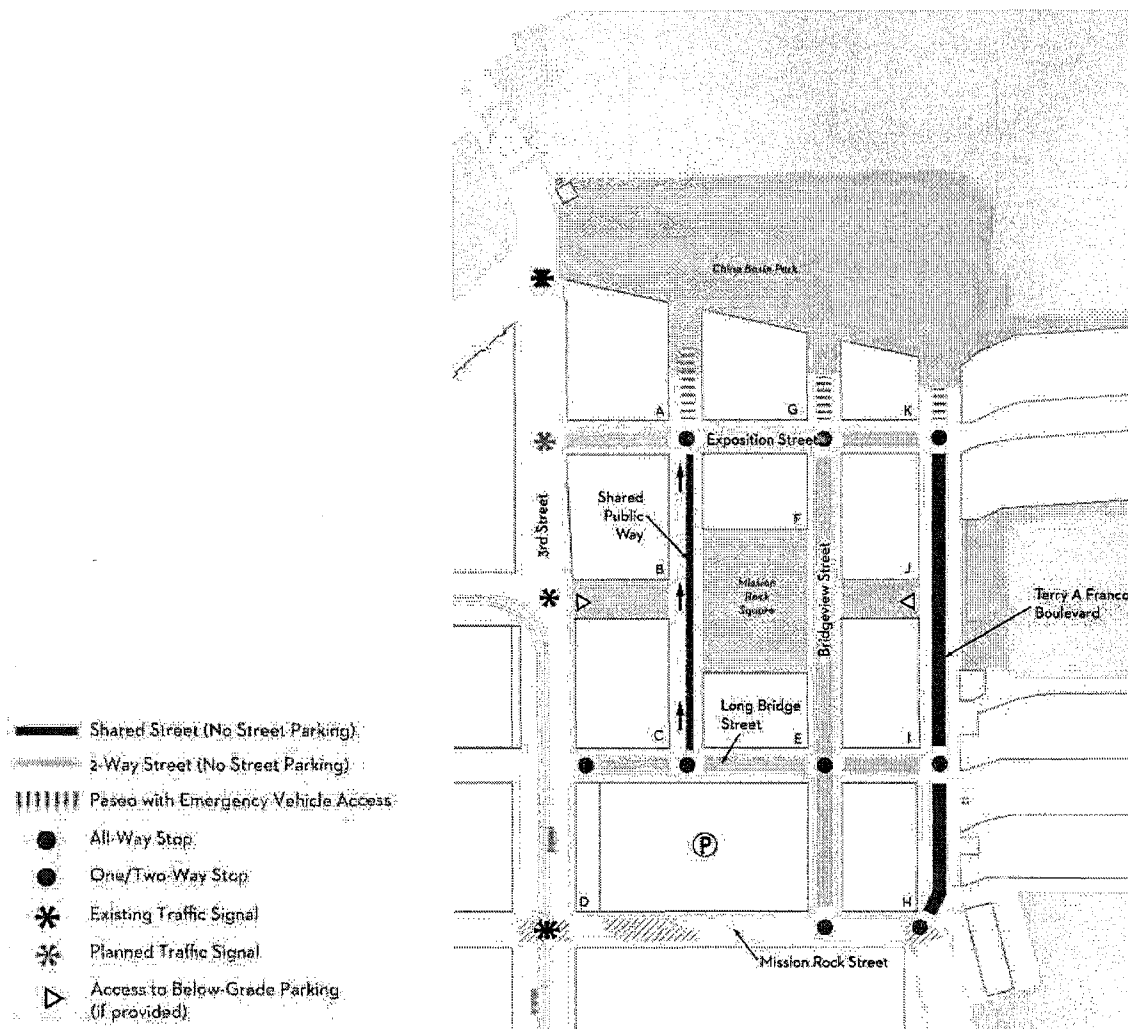




Relative parking-related vehicle flows and garage access control plan (one-garage scenario)



Planned passenger loading zones



Proposed intersection control plan

parking garage may be controlled by traffic control personnel (also known as parking control officers, or PCOs) before and after events. The number and location of PCOs will be identified in the project's development agreement with the City. See Chapter 5 for more on traffic control before and after major events.

### 3.3.2 PARKING

Strategic parking management is a cornerstone of the Mission Rock transportation program. A parking garage on the site's southwestern parcel will be the site's main parking facility, with 2,300 to 3,000 of the maximum of 3,100 parking spaces allowed on-site, per the development's entitlement documents. The garage will be used to serve the needs of both users of Mission Rock and users of AT&T Park, replacing the surface parking lot that currently covers the entire site. The site's entitlement documents include an alternative parking approach that could reduce the size of the main garage and locate some of the site's parking supply in a smaller facility under Mission Rock Square.

The site's parking supply will be managed around major AT&T Park events in much the same way as the surface lot is today: To ensure that there is adequate space available for event attendees, prices will be raised around event times to clear the garage at the site's southwest corner. When there is not an AT&T Park event on the calendar, available capacity in the facility could serve the needs of some users of Chase Center (the Golden State Warriors' planned arena and event center at 16th and 3rd streets) as well.

Outside of event times, most parking at Mission Rock will be a resource shared flexibly by all of the users of the site. This arrangement is an alternative to the traditional suburban model of requiring that a certain number of spaces be reserved for each individual use (i.e. office, residential, retail, or restaurant), with enough to accommodate each use's estimated peak demand. Sharing allows a more limited number of spaces to go further by taking advantage of the fact that different uses have different peak periods. For example, peak demand for parking related to office uses tends to take place in the late morning or early afternoon, while peak demand for residential uses is typically overnight. One set of parking spaces can serve both needs. The figures at the right illustrate how this approach to parking management typically results in the need for fewer spaces.

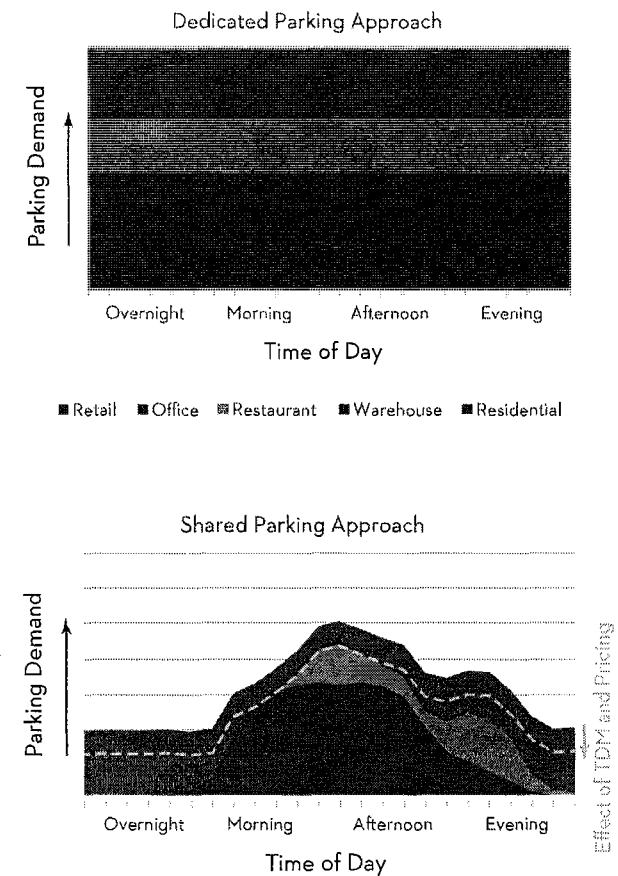
While most spaces will be designed for a typical self-park arrangement, with parking stall widths of eight to nine feet and vehicle circulation lanes, a portion of the spaces for long-term users could be in more

space-efficient vehicle stackers. Approximately 60 of the vehicle spaces will also be reserved for car share and scooter share vehicles (see additional information about vehicle sharing programs in Chapter 4).

### 3.3.2.1 Parking Pricing

The price of parking has been shown to be a highly effective mechanism in changing parking and travel behavior. Parking prices at Mission Rock will be set according to levels of demand: During times with higher levels of typical demand, parking might have a higher price, encouraging the use of other modes. Prices would not change in real time based on current occupancy, but might be adjusted overall a few times a year based on recent occupancy data. Prices might automatically increase by a pre-set amount during peak periods, based on typical demand patterns, or for scheduled events.

Given the project's desire to encourage people to the most sustainable mode that fits their lifestyle, hourly, daily, and monthly parking prices will be set based



*These figures illustrate how the concept of shared parking often results in reduced parking supplies overall. Because different uses see peak demand at different times, the total parking needed at any given time in a shared arrangement can be as much as one third less than what would be needed if each use had to accommodate peak demand separately. Pricing and TDM can reduce demand further.*

on market prices in the surrounding neighborhood. Disseminating pricing and availability information is critical to ensuring that users are able to change behavior in response to changes in price. Real-time parking information will be shared in a variety of ways, including the Mission Rock website and dynamic signs at entrances to the site.

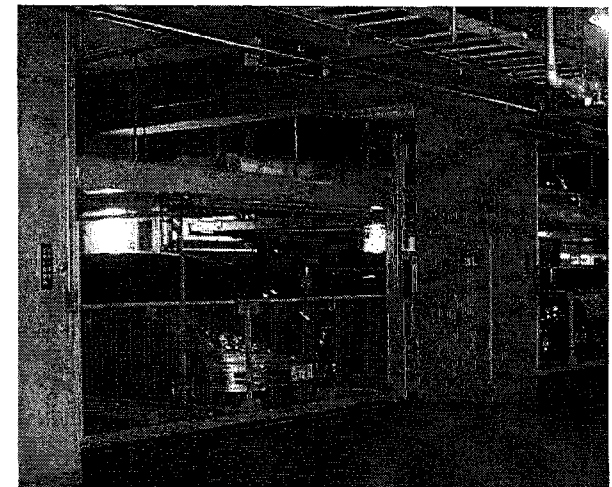
The price of parking at Mission Rock will be unbundled from residential and commercial leases, which means parking will not be included in rental agreements by default - residents and employees will need to purchase a daily or monthly parking permit separately. This approach is in-line with City of San Francisco policy and ensures that site users who do not own a car or do not plan to commute to the site by single-occupancy vehicle are not burdened with the price of parking they do not plan to use.

### 3.3.3 EMERGENCY ACCESS

All of Mission Rock's streets have been designed to provide appropriate clearance for emergency vehicles like large fire trucks. Corners have also been designed to accommodate the turning needs of large vehicles. The site's highly connective street grid will help facilitate emergency access to all of the site's buildings. Streets closed to general vehicle traffic will be made accessible to emergency vehicles as needed. The Infrastructure Plan contains further detail on the streets' technical specifications that allow for the safe circulation of emergency and other larger vehicles.



Dynamic parking information board (NELSONNYGAARD)



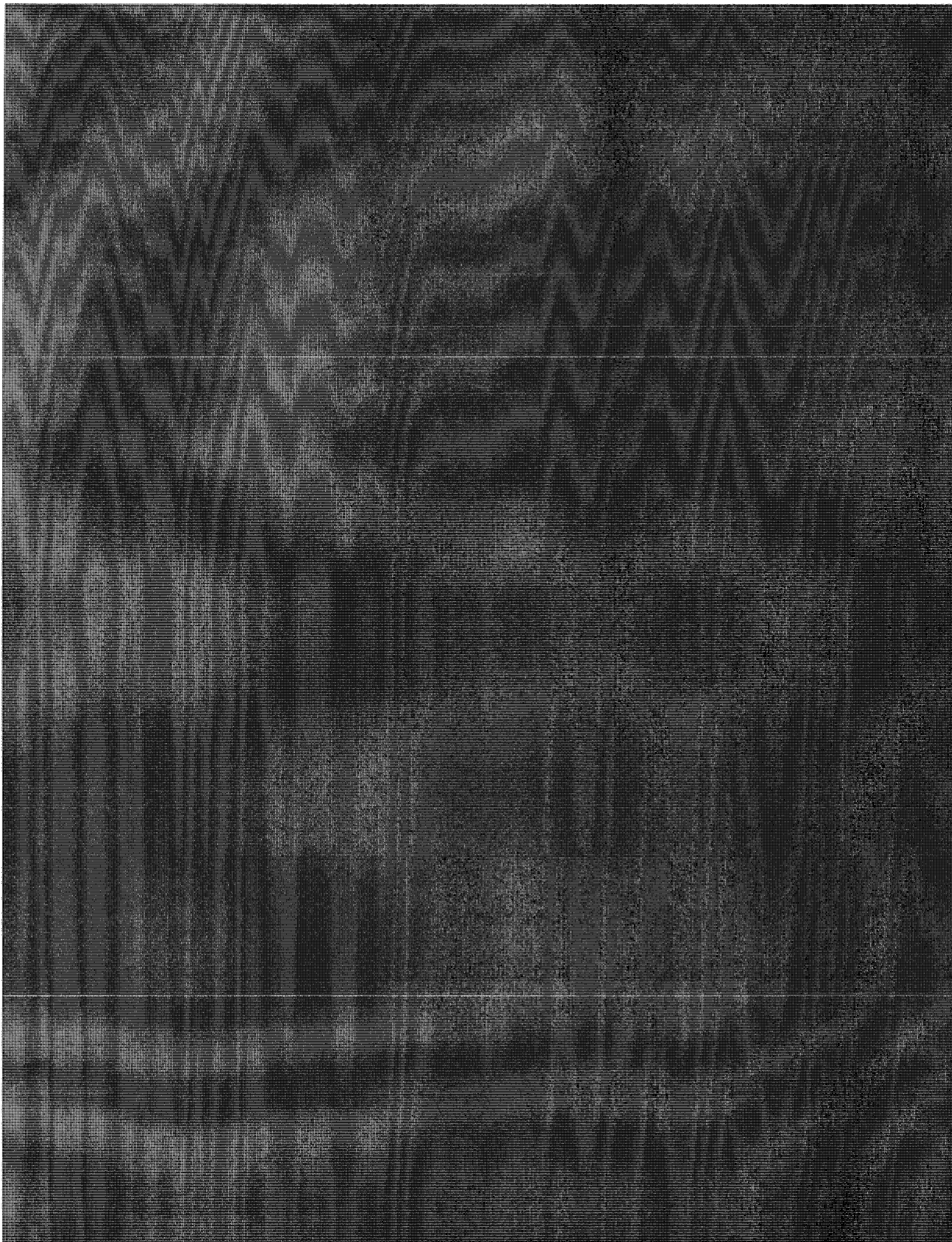
Car stacker (SAEPARKINGSOLUTIONS.COM.AU)

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## 3.4 CONCLUSIONS

Mission Rock's design reflects the future of transportation in San Francisco. More and more, people count on having convenient access to several ways of getting around, and Mission Rock provides comfortable facilities for all kinds of lifestyles. Mission Rock is designed to be safe and comfortable to pedestrians and cyclists, to create easy paths of access to the wealth of nearby public transit options, and to ensure that those who rely on motorized transportation can be dropped off or picked up in convenient locations around the site.

Of course, circulation infrastructure is only part of the program. The next chapter details the strategies and up-front investments that will help further provide incentives for the use of sustainable, space-efficient modes of transportation.



Mission Rock's transit-rich context and its bicycle and pedestrian-oriented approach make the site a prime candidate for robust and effective transportation demand management (TDM).

# 04

## TRANSPORTATION DEMAND MANAGEMENT

This chapter summarizes a comprehensive TDM program that will enable Mission Rock to actively manage travel demand through a variety of up-front infrastructure investments and ongoing programs. Ultimately, a robust TDM program will reinforce Mission Rock's forward-thinking vision and its aspirations to be an active and vibrant district that is inclusive and safe for all users.



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## 4.1 PLANNED STRATEGIES

Cities and campuses alike have implemented TDM programs to reduce single-occupancy vehicle (SOV) travel and find the optimal balance of transportation modes to accommodate growth. New residents and office tenants increasingly demand convenient access to quality multimodal infrastructure, and in urban areas like San Francisco, they assume that parking will be treated as a limited commodity that will be priced based on occupancy levels and market rates. The Mission Rock TDM Plan is in line with these expectations and exceeds them in important ways to maximize user satisfaction and foster travel choices that are sustainable in all senses of the word.

As summarized in this chapter, the Mission Rock TDM Plan consists of a package of cost-effective strategies that will work together to affect behavioral change. Strategies include incentives, programs, and infrastructure improvements, and they include many that have been successfully implemented in other mixed-use and urban environments. The package of strategies aims to reduce the number of daily SOV trips to the project site (as projected in the site's environmental impact report) by 20%.

The tables on this and the opposite page give an overview of the individual programs that comprise the site's overall TDM Plan. The text that follows provides some information on these programs; complete operational details are included in a separate TDM Plan document. A few of these recommendations have also been directly integrated into the design of Mission Rock, as codified in the Design Controls and other design documents.

Note that TDM programs work together to reduce demand, providing users with a complete package of incentives and infrastructure that can allow them the flexibility to use the mode that makes the most sense for them on a given day. This is in-line with the overall approach to transportation at Mission Rock - providing a variety of high quality mobility choices.

The collection of programs has been thoughtfully crafted into the cohesive strategy outlined in this chapter and further detailed in the TDM Plan document. While some TDM strategies like parking pricing have a more direct effect on travel behavior, others like facilitating delivery services play a more supportive role. Individual strategies would be unlikely to have the same impact in the absence of other strategies.



MEASURE TYPE	INFRASTRUCTURE AND POLICY	OPERATIONAL	
4.1.1 TRANSIT	4.1.1.1 Real-Time Transit Information and Marketing Screens	4.1.1.1 Dynamic Transportation Information	4.1.1.2 Transit Subsidies
4.1.2 BICYCLE	4.1.2.1 On-Site Bike Share 4.1.2.5 Bicycle Parking 4.1.2.6 Showers and Lockers	4.1.2.2 Bike Share Memberships 4.1.2.3 Bicycle Community Programming	4.1.2.4 Bicycle Resource Centers 4.1.2.7 Bicycle Valet
4.1.3 MOTORIZED TRANSPORT	4.1.3.1 On-Site Shared Scooters 4.1.3.3 On-Site Car Share Parking Spaces	4.1.3.2 Scooter Share Memberships	4.1.3.4 Car Share Memberships
4.1.4 PARKING	4.1.4.3 Unbundled Parking	4.1.4.1 Parking Pricing 4.1.4.2 Real-time Parking Pricing and Availability Information	
4.1.5 BUILDINGS	4.1.5.4 Cold and Dry Delivery Storage Space 4.1.5.5 Convenient Zones for Loading and Building Servicing 4.1.5.6 Childcare Facilities 4.1.5.7 Collaborative Work Space 4.1.5.8 Affordable Housing	4.1.5.1 In-Building Concierge Services 4.1.5.2 Coordinated Delivery Services	4.1.5.3 CSA Partnerships 4.1.5.6 Childcare Services
4.1.6 ALL AREAS	4.1.6.1 Signage & Wayfinding Across Modes 4.1.6.4 Improved Walking Conditions	4.1.6.2 Mobile-Friendly Mission Rock Transportation Website 4.1.6.3 Site-wide transportation staff	

#### 4.1.1 TRANSIT STRATEGIES

##### 4.1.1.1 Real-time Transit Information and Marketing Screens

Dynamic transit information and transportation marketing to residents, employees, and visitors will be displayed on screens in building lobbies, or a similar approach will be used based on state-of-the-practice technology at the time of occupancy. Information will be also displayed in other high traffic areas, such as collaborative work spaces inside residential and office buildings around the site or childcare facility entrances. Making such information readily available can increase residents' awareness of local transit options and facilitate efficient trip planning.

##### 4.1.1.2 Transit Subsidies

Clipper Cards pre-loaded with some cash value will be provided to all residents upon move-in, and business tenants will be required to offer employees the same. Clipper is the Bay Area's transit fare payment card and can be used on more than 20 of the region's transit agencies, including BART, Muni, and the ferries. Providing Clipper Cards upon move-in can increase residents' awareness of nearby transit options and increases the ease with which they can start using it. Clipper Cards can also be customized through a bulk purchase through the Metropolitan Transportation Commission, helping site users further associate Mission Rock with transit access.

Providing Clipper Cards could increase the ease of using transit for employees and residents who currently do not have Clipper. For individuals who already have cards, the one-time financial subsidy could help lower

one barrier to increased transit use.

#### 4.1.2 BICYCLE STRATEGIES

##### 4.1.2.1 On-Site Bike Share

At least one high visibility space will be made available for a Ford GoBike dock on-site, with the possibility of additional docks depending on Ford GoBike's intended Mission Bay expansion. Prominently located bike share docks can increase awareness of bike share as a viable transportation option while also facilitating use. Each bicycle dock would be provided and maintained by the Ford GoBike management company, Motivate, and the project team will work with the company to identify appropriate dock locations on the Mission Rock site.

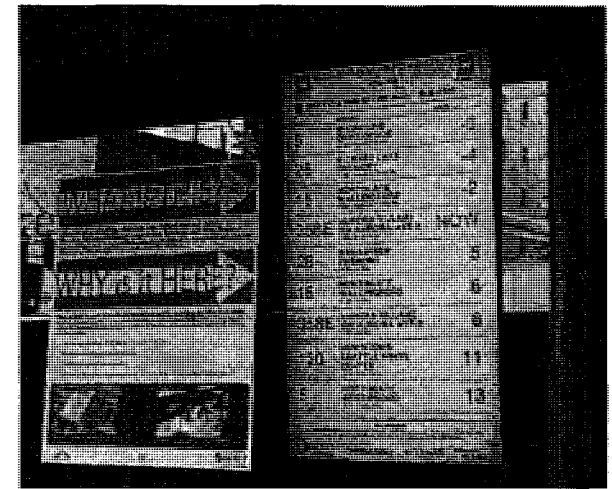
##### 4.1.2.2 Bike Share Memberships

Single-year Ford GoBike memberships will be offered to all residents 18 years or older upon move-in. Members of Ford GoBike can take free, unlimited 45-minute one-way bicycle rides between bike share stations.

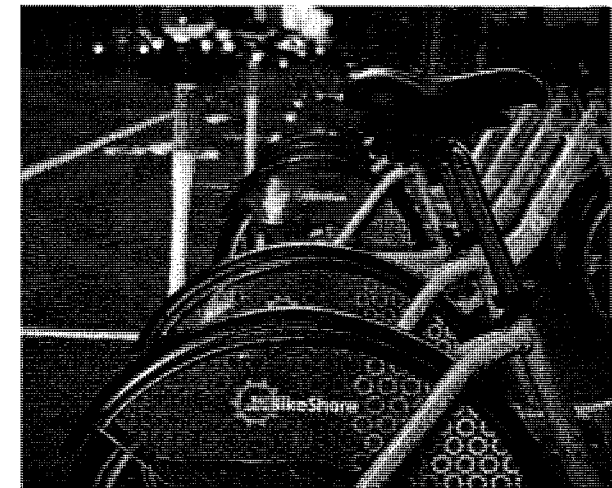
Providing residents with bike share memberships could help tenants with minimal experience cycling in San Francisco a low-cost and low-obligation opportunity to try cycling, and it would provide residents with a quick and easy way to get to the Transbay Transit Center and Market Street, for BART connections and a variety of other transit options and recreational activities.

##### 4.1.2.3 Bicycle Community Programming

Through the site transportation staff, regular bicycle parties or happy hours for the bicycling community will be hosted at Mission Rock, potentially paired with gear giveaways. Bicycle-oriented programs and events encourage bicycling by raising public acceptance and



Real-time transit information in Seattle (FLICKR USER DAVID WHITNEY)



Bay Area Bike Share (FLICKR USER DAVID DOERNER)

support for non-motorized transportation and building connections between residents who regularly bicycle, making biking a fun, social activity. Integrating bicycling into the social fabric of the Mission Rock community will raise the profile of bicycling as a viable mode of transportation and encourage people to try biking for a portion of trips.

#### 4.1.2.4 Bicycle Resource Centers

Each building's secure bicycle parking area will be equipped with a bicycle maintenance space, with resources like a bicycle stand, a workbench, tools, and a basic repair kit. These dedicated spaces contribute to social acceptance of bicycling and reduce one key barrier associated with owning a bicycle – concern about complications related to ongoing maintenance – by providing tools and parts through a vending machine at low prices.

This measure will also include working to incorporate a bicycle store in the site retail plan and establishing a resource center containing a vending machine for bicycle parts, a “fix-it” work station with basic tools, and bicycle pumps somewhere else within the site at an easily accessible location.

#### 4.1.2.5 Bicycle Parking

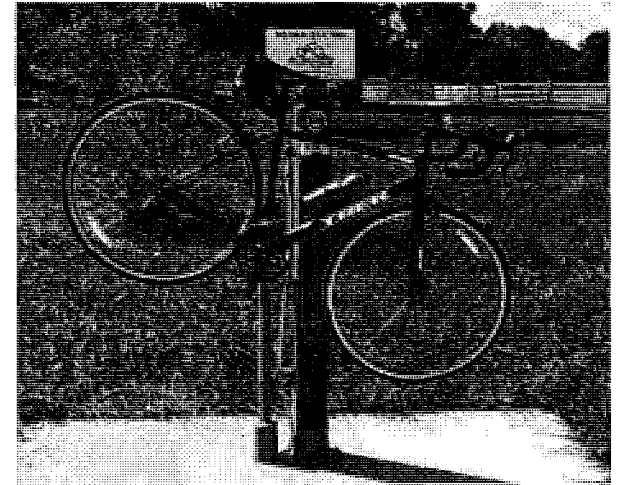
Given the importance of non-motorized transportation to the site's overall design concept, more bicycle parking will be provided than is required by San Francisco City Code. This will include secure Class I parking spaces in residential and office buildings and a network of Class II bicycle parking spaces throughout public areas.

Class I parking consists of secure long-term bicycle parking, including bicycle lockers, bicycle cages, and bicycle rooms. Class II bicycle parking refers to more short-term bicycle parking, including on-street bicycle racks. The site's location in a flat part of San Francisco and the numerous planned bicycle facilities through the site imply a strong potential for very high rates of bicycle usage, and this will be encouraged through easy access to ample, convenient bicycle parking. Bicycle parking facilities will also be available to accommodate various types of bicycles including those with cargo and trailer attachments.

There are several methods of providing secure (Class I) bicycle parking spaces for residents and employees. The site will employ approaches that reflect best practices regarding secure short-term and long-term bicycle parking. For instance, one approach may be to locate bicycle cages at convenient locations within buildings, and bicycle owners who qualify can receive a key or access card to use the cages for a set period of time (e.g. during work hours). The access card can be the same as one used to access an elevator or parking garage. Public bicycle parking is often considered secure when it is situated in well-lit, highly visible areas.

#### 4.1.2.6 Showers and Lockers

The site will meet the San Francisco Code requirement to provide shower and clothes locker facilities for tenants and employees in buildings with certain uses. Offices (including childcare, business services, and light manufacturing) that exceed 10,000 square feet must provide at least one shower and six clothes lockers;



Bicycle fix-it station (FLICKR USER JOE)



Bicycle room (Class I parking) (WELLSBOY/SHARON)

for facilities between 20,000 and 50,000 square feet, the building must provide two showers and 12 lockers. Those exceeding 50,000 square feet must provide four showers and 24 lockers. Retail sales and restaurants exceeding 25,000 square feet must also provide one shower and six clothes lockers; those exceeding 50,000 square feet must provide at least two showers and 12 lockers.

#### 4.1.2.7 Bicycle Valet

Free bicycle valet services will be provided for large on-site events (per code requirements). Complementing the bicycle parking available on a daily basis, bicycle valet services during special events can encourage people to travel to and from events by bicycle by eliminating the challenge of finding safe and convenient bicycle parking in an area crowded with event attendees. These services also raise public acceptance and support for non-motorized transportation by building connections with visitors.

### 4.1.3 MOTORIZED VEHICLE STRATEGIES

#### 4.1.3.1 On-Site Shared Scooters

Off-street parking spaces will be reserved for 15 to 20 shared scooters (approximately six car parking spaces in total). These spaces will be made available to scooter share companies at no cost. Electric scooters are highly convenient in a dense urban environment and may have additional marketing value, given the cache scooters carry among certain population segments. Scoot is a current provider of this type of service. One of the benefits of Scoot's network is the ability to travel point-to-point, instead of needing to return scooters

to their point of origin. Scoot already has pods within a short walk of Mission Rock. The parking garage would accommodate space for a scooter dock, which the scooter share vendor would provide and maintain.

#### 4.1.3.2 Electric Scooter Memberships

Pending a partnership with Scoot Networks, a one-year Scoot membership will be offered to all new residents, and Scoot Networks could provide its scooter orientation on-site. Like a bike share membership, a scooter share membership could help establish new travel behavior patterns upon move-in. This measure would entail forming a partnership with Scoot or another electric scooter share vendor to provide free memberships in exchange to reserving space for electric scooter parking on-site.

#### 4.1.3.3 On-Site Car Share Parking Spaces

Designated car share spaces will be provided in the parking garage, with flexibility to increase over time in response to demand. The number of spaces provided will exceed the amount required by the San Francisco Zoning Code. These spaces will be made available to car share companies at no cost.

Research indicates that a single car-share vehicle can remove as many as 20 private cars from the transportation network. Spaces will be located in high-visibility parking spots within the parking garage, which will be publicly accessible. Clear exterior signage will increase these spaces' visibility and emphasize the convenience of car share. Depending on the car share vendor provided, additional partnerships with ChargePoint may be required to provide infrastructure



SF Bicycle Coalition bicycle valet AT&T Park (MEL SORIN/STAGARD)

for electric vehicle charging.

#### 4.1.3.4 Car Share Memberships

Car share memberships will be offered to all households for their first year of residency. Depending on specifics of agreements with car share vendors, membership fees could be reduced or waived and some rental credit could be provided. These memberships could help establish new behavioral patterns upon moving in. Pairing access to car sharing vehicles with car sharing memberships is also shown to be more effective than implementing one or the other on its own.

#### 4.1.4 PARKING STRATEGIES

Priced and actively managed parking is a cornerstone of the Mission Rock transportation program. The following measures will ensure that driving is not the default choice for access to the site.

##### 4.1.4.1 Parking Pricing

The price of parking has been shown to be a highly effective mechanism in changing travel behavior, and as such, parking will be priced strategically at Mission Rock. During times of higher demand, parking might have a higher price, encouraging a higher rate of turnover and the use of other modes. Prices will not change in real time based on current occupancy, but instead might automatically increase by a pre-set amount during peak periods, based on typical demand patterns, or for scheduled events. Prices might be adjusted overall a few times a year based on recent occupancy data.

By refining the price of parking periodically, it would be possible to keep parking occupancy rates relatively close to the optimal level, typically around 90% for off-street parking. Researchers have found that parking facilities function efficiently (i.e. without requiring excessive parking-search time) up to roughly this level of occupancy. Demand-responsive pricing has been successfully piloted in San Francisco, Berkeley, Los Angeles, and other cities, and the AT&T Park lot on which Mission Rock will be built currently employs a form of this concept.

##### 4.1.4.2 Real-Time Parking Pricing and Availability Information

Dynamic displays (or another state-of-the-practice price-information sharing strategy) will be installed to show real-time parking price and availability information. This information will also be made available through other channels like a Mission Rock transportation website; this will require installing technology and associated information systems to automatically monitor parking usage. For market-based parking pricing to be truly effective, the dynamic between price and availability must be clearly communicated to drivers. Making such information readily available to potential drivers, particularly at parking garage entrances, decreases the likelihood of drivers' circling for parking or potentially increases the possibility of choosing other modes.

##### 4.1.4.3 Unbundled Parking

Parking costs will be unbundled from all residential, commercial, and retail leases and ensure that the users of parking are the ones who ultimately pay for it. In other words, individuals desiring parking will be required to pay the cost of parking themselves, and the price of parking will not be included in the leases of any residential or commercial tenants. "Unbundling" parking means that the cost for parking is separate from the cost of residential and commercial units. It is an increasingly common practice in urban areas, and it is required in San Francisco. Thirty percent of San Francisco households do not own a vehicle, and unbundled parking makes housing more affordable, particularly for those who do not need a parking space.



Car share spaces (MELSDOWNYDAARD)



Parking pricing information sign (MELSDOWNYDAARD)

This approach provides financial savings to households who decide to dispense with one of their cars, and it can help attract households who wish to live in a transit-oriented neighborhood where it is possible to live well with only one car, or even no car, per household. Unbundling parking costs changes parking from a required purchase to an optional amenity, so that households can freely choose how many spaces they wish to lease.

Unbundling parking tends to reduce demand for parking by specifically calling out and making optional the previously hidden cost of “free” parking. This in turn allows developers to provide less parking, which increases the area that can be developed with more lucrative land uses such as additional housing units. For this measure to work optimally for office users, the users of parking – not their employers – must be the ones who ultimately pay daily or monthly costs.

#### **4.1.5 BUILDING STRATEGIES**

##### **4.1.5.1 In-Building Concierge Services**

Mission Rock will work with the managers of individual buildings to appoint an in-building concierge to provide information about local merchants and coordinate/facilitate delivery services for residents. In-building concierge services and/or multi-purpose front-desk staff can facilitate valet parking, farm-to-table produce delivery, cold and dry storage for grocery or produce delivery, and secure package delivery. Concierge staff could also provide information about the nearest stores and services like dry cleaning and laundry service, as well as pickup/delivery services from local merchants.

Residents would pay for all services.

The site-wide transportation staff would provide centralized transportation support to the in-building concierges. The combination of these services will provide targeted travel information, consolidating or eliminating the need for additional trips.

##### **4.1.5.2 Coordinated Delivery Services**

Mission Rock will consider partnering with delivery service companies, in addition to establishing a centralized staging location for parcel delivery and a distribution system that relies on non-motorized transportation to deliver packages to the various buildings within the development. In the absence of an official partnership, ways of making ordering in more appealing instead of making separate trips off the property for daily needs would be facilitated, thus reducing vehicle trips in the process. One potential way to do this would be to offer direct ordering through the Mission Rock website. Each building would manage these services individually as needed.

##### **4.1.5.3 Community-Supported Agriculture Partnerships**

Local community-supported agriculture (CSA) deliveries will be coordinated. Fostering the use of local CSA organizations has the potential to reduce greenhouse gas emission and vehicle-trips by providing project residents convenient access to locally sourced food, reducing the number of trips and vehicle miles traveled by both vendors and consumers. This measure could also have marketing benefits and reinforce the site’s overall message about sustainability.



In-building concierge (FLICKR USER ALAN LIGHT)



CSA box (FLICKR USER MIKE SULLIVAN)

#### 4.1.5.4 Cold and Dry Delivery Storage Space

Mission Rock will work with individual building managers to provide storage space near the concierge and elevators to store packages, perishables, laundry, and other deliveries. Storage should be family friendly, including room to store car seats and strollers and near to car share locations. Providing storage space for groceries, laundry, and other packages can have a direct effect on reducing trips by encouraging and facilitating online ordering. A centralized storage facility within each building can also consolidate delivery trips by enabling delivery vehicles to only make one stop for multiple recipients instead of several.

#### 4.1.5.5 Convenient Zones for Loading and Building Servicing

Passenger loading and building servicing zones are integrated into Mission Rock's overall street design. These zones will reduce the need for personal vehicle trips by facilitating deliveries and also enabling easy pick-up and drop-off of seniors and people with disabilities by locating them near elevators and at corners with curb ramps.

#### 4.1.5.6 Childcare Facilities and Services

Mission Rock will aim to attract a provider of on-site childcare services and facilities to ensure easy access for Mission Rock residents and employees. Ensuring that childcare services are provided on-site at Mission Rock would break down a key barrier for parents to taking non-auto modes to work by bringing such services within walking distance and near the many commute options around the Mission Rock site. The

childcare services could be provided on the ground floor of a northern parcel, near China Basin Park. Other family-friendly amenities will also be established, including storage spaces with room to store car seats, strollers, and other family-related equipment.

#### 4.1.5.7 Collaborative Work Space

Mission Rock will work with the developers of individual parcels to establish a collaborative work space in each residential building. A typical offering in residential buildings today, business services rooms can help encourage and facilitate working from home, which can directly reduce trips to and from the site.

Work spaces could include for-rent work rooms that can be reserved in advance, equipped with video conference equipment, high-speed internet connections, projectors, white boards, basic office supplies, and printing, scanning, and faxing services. For residents interested in using this work space long term, dedicated mailboxes for businesses could be set aside and located nearby. The developers and managers of individual buildings will ultimately be responsible for developing and maintaining these business services rooms and ensuring that they are equipped with appropriate equipment.

#### 4.1.5.8 Affordable Housing

Forty percent of on-site units will be restricted to inclusionary affordable housing, to be provided in a balanced manner throughout the phasing of the development. Affordable units are generally associated with lower rates of auto trip-making, as residents living in affordable housing typically own fewer cars

per household than residents of market-priced units. They are more likely to use transit and are less likely to require parking, reducing overall vehicle trip generation.

### 4.1.6 ALL-REALM STRATEGIES

#### 4.1.6.1 Signage and Wayfinding across Modes

ADA compliant signage and wayfinding will be installed at key points throughout the development. Signs can help indicate points of connection between different modes, as well as estimated travel times and directions by mode, and they can help increase people's understanding of travel options. Clear signage is also important for ensuring safety for all types of users, differentiating spaces for different users within shared public spaces.



Transit-focused wayfinding (WELSPORWYDARQ)



#### 4.1.6.2 Mobile-Friendly Mission Rock Transportation Website

An ADA compliant site-wide website will be maintained with a dynamic and engaging section dedicated to transportation information and services, with specific portals for each user type (or the state-of-the-practice equivalent to this measure, per changes in technology by the time of first occupancy). A mobile-friendly website oriented toward all residents, employees, and visitors providing online access to concierge services and transportation programs can help raise awareness and visibility of transportation options and facilitates connections among transportation modes. The transportation information on the website will likely include but not be limited to real-time transit information and a transportation tab with all nearby options (e.g. Muni, car share, scooter share, ride-sourcing apps) showing locations and availability.



The informative website of a TMA in Mountain View. The site is mobile-friendly, as the images on the next page show.



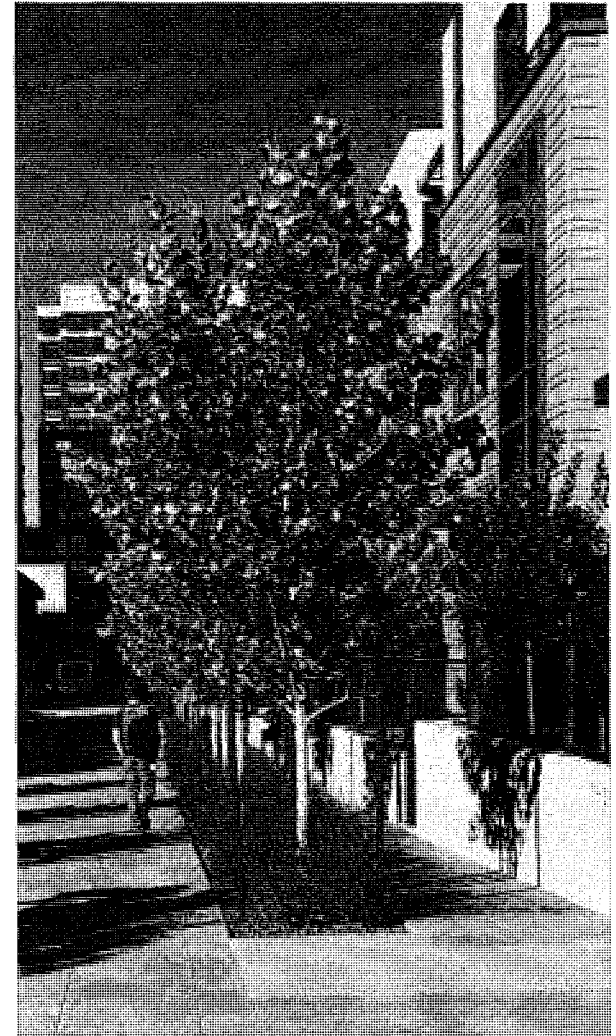
#### 4.1.6.3 On-Site Transportation Staff

A site-wide, dedicated transportation staff will be hired and tasked with providing individualized advice and information on transportation options to residents and employees. This can help raise awareness and understanding of transportation options and ensure that site users can find non-auto transportation options that meet their unique travel needs.

Other staff, such as the in-building concierge or those tasked with organizing bicycle events and maintaining the bicycle resource room, could also provide similar targeted information and facilitate discussions around using different modes. This dedicated transportation staff would act as a centralized transportation resource to the in-building concierges, providing up-to-date transportation information and expert support to front-line staff that are less likely to have the same depth of knowledge of the transportation system. Staff responsibilities may include active campaigns encouraging sustainable trip-making.

#### 4.1.6.4 Improved Walking Conditions

High-quality pedestrian design features (high connectivity, wide sidewalks, highly visible crossings, and others) are directly integrated in the design of Mission Rock. As described in the Mission Rock Design Controls, the development will add over half a mile of complete streets, including new and improved sidewalks and pedestrian crossings. Today, many sidewalks in Mission Bay are narrow or missing in areas. The new streets within Mission Rock will greatly improve the overall walking conditions of the neighborhood and facilitate safer and more convenient pedestrian connections. A pedestrian-oriented urban design is essential for residents, employees, and visitors to fully take advantage of the other TDM strategies, supporting access to all of the available transportation options and programs throughout the site and nearby. These improvements help shape the environment for the other TDM strategies to succeed.



High-quality design for pedestrians (NELSON\NYGAARD)

## 4.2 MARKETING AND COMMUNICATIONS

A strong communication strategy is critical to the success of any TDM program, ensuring that residents, employees, and visitors receive information about relevant resources and incentives at appropriate times and through channels that are easily accessible. Incorporating consistent branding into all communications can help create a sense of place and establish a cohesive identity for the transportation program. Branding can be used to support marketing and communication efforts, particularly on signage and wayfinding, to emphasize that residents, employees, and visitors can travel seamlessly through the area.

The TDM strategies cited in the chapter include three main channels for transportation-related communications: its site-wide transportation staff, a mobile-friendly web portal for site users, and physical signage and other wayfinding mechanisms on site. This section includes examples of communication tactics and channels to illustrate how specific channels can help reach target audiences.

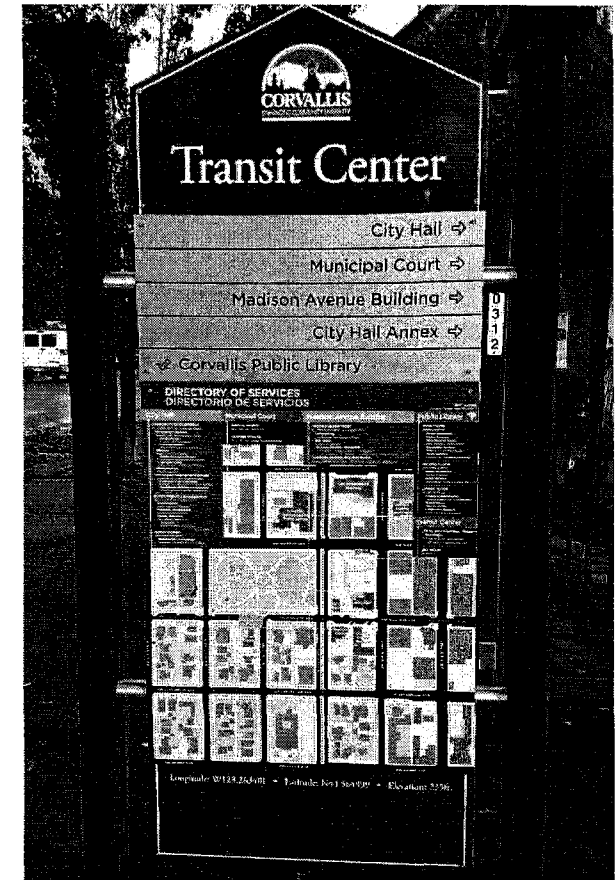
### 4.2.1 SITE-WIDE TRANSPORTATION STAFF

Led by a coordinator, Mission Rock transportation staff would be responsible for maintaining information about TDM programs and acting as a point of contact to assist residents, employees, and visitors with transportation-related questions, concerns, or general assistance. The transportation coordinator would have the authority to implement TDM strategies, oversee the management and marketing of all measures, manage the TDM program budget, and monitor success of the TDM program.

The transportation staff might also be responsible for compiling a print and/or electronic transportation handbook to be distributed to residents on move-in and employees on hiring. This handbook could include information on transportation programs, policies, and service options, in addition to the following information:

- ▶ Transportation staff contact information, including information for the in-building concierges (if relevant)
- ▶ How to access transportation information in other media and locations, such as the website, relevant mobile applications, and real-time screens
- ▶ Commute trip planning information, including links to the regional 511 Rideshare program
- ▶ Clipper Card and vehicle (including car, bicycle, and scooter) share membership subsidies and parking policies
- ▶ Information on accessing other TDM program details and amenities, such as the in-building storage facilities
- ▶ Walking and biking routes within the area, estimated walking and cycling times to key locations, including transit hubs, and a link to the San Francisco bicycle map
- ▶ Local transit options and schedules, including links to Muni, BART, and Caltrain schedules, route maps, and existing trip planner mobile applications

The handbook would be distributed to all prospective residential tenants and all prospective employees who receive an offer to work within the development as part of welcome packets or employee orientation, or posted



Signage that combines directional and map-based wayfinding (NELSONBYGARRETT)

in prominent locations for all residents and employees.

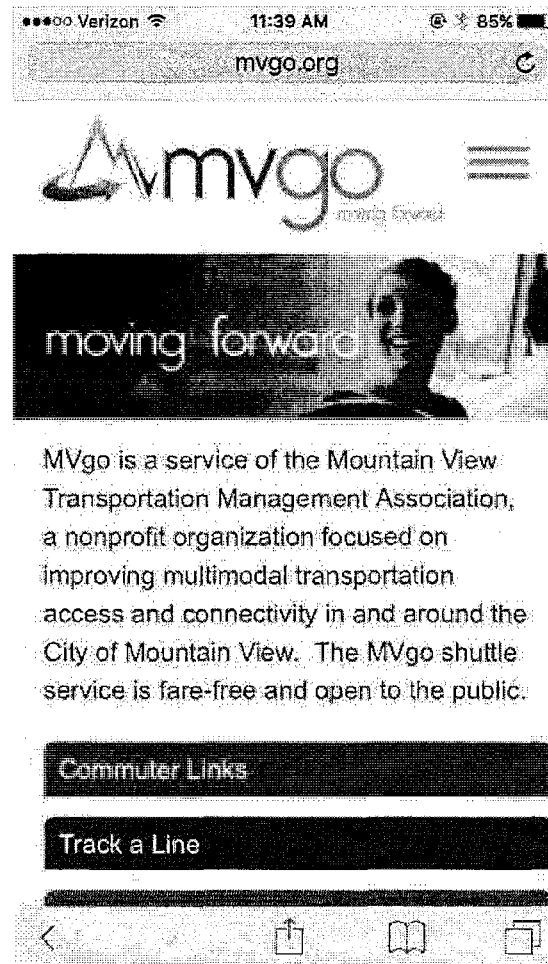
To make sure information stays useful to residents and employees over time, transportation staff will endeavor to keep all information and materials up to

date and relevant. Staff may also consider developing other transportation tools in addition to or instead of a handbook as appropriate, drawing on available best practices.

#### 4.2.2 MOBILE-FRIENDLY WEBSITE

Mobile-friendly websites are a way to create a dynamic and engaging repository for transportation information, point-to-point navigation tools, travel suggestions, user engagement campaigns, and other efforts to raise awareness of alternatives to drive-alone travel options and residents, employees, and visitors to use them. In addition to supporting the information already provided in the resident and employee handbook, this website could include the following:

- ▶ Real-time transit information
- ▶ Real-time parking pricing and availability information
- ▶ Notifications of upcoming transportation-related events, such as bicycle parties and farmers' markets, and alerts
- ▶ Integration with internet delivery services for ordering
- ▶ Registration for car share, bicycle share, and/or scooter share memberships
- ▶ Room reservations for the collaborative workspace
- ▶ On-site childcare services enrollment
- ▶ Specific pages or portals for residents, employees, and visitors so that each of these audiences has access to the appropriate and relevant travel information



The mobile-friendly version of the Mountain View TMA's website. The TMA offers real-time transit information and links to a variety of other resources.



- Functionality which allows for tracking travel behavior and enables gamification for incentives

This website will be ADA/Section 508 compliant to ensure that users of all abilities are able to easily access this information. Establishing specific portals for each audience can allow for the delivery of targeted, individualized TDM information for each of the audience groups. Each of the portals could also provide specific information on costs and multimodal options available for traveling to and from Mission Rock, as well as information on nearby attractions and services and links to citywide or regional information. The images on the previous pages show an example of computer and mobile-friendly versions of landing pages for this type of website.

#### 4.2.3 SIGNAGE AND WAYFINDING

Clear, consistent, and predictable signage and wayfinding can help residents, employees, and visitors navigate the site easily. Signage can also bring awareness to important information such as parking prices and availability, bicycle parking locations, estimates of bicycle and pedestrian travel times, and other information on Mission Rock programs or services. Simply providing information on non-motorized travel prominently can increase the likelihood that people will select biking or walking as their mode of transportation.

The efficacy of signage and wayfinding is dependent on the design and placement of signs. Signage should be clear and provide relevant information at key decision points in people's journeys, in areas that are highly

visible, and in clear lines of sight. For instance, when entering the site, cyclists should be able to clearly understand their route options through the site. This signage will be especially important for safety along the shared public ways, to ensure that users understand the encouraged forms of travel and appropriate behavior on each mode. Temporary signage may be used in areas more highly trafficked by residents or employees, to provide information on specific events or programs, such as CSA pick up locations.

Wayfinding examples throughout the chapter show how it can be used in vibrant, mixed-use areas. Some signs offer clear guidance for the nearby area at several scales while providing clear directional guidance to nearby transportation hubs and popular destinations.

For further information on the design considerations that will be accounted for in designing signage for the Mission Rock site, see section 2.10 of the Design Controls.

##### 4.2.3.1 Transportation Information Kiosks

Transportation information kiosks in the public realm can provide centralized locations for relevant transportation information for trips within Mission Rock and to nearby services and attractions. These kiosks could be placed throughout the site, at strategic decision-making locations where residents, employees, and visitors might need the information, such as the intersection of Terry A. Francois Boulevard and Mission Rock Street, China Basin Park, and Mission Rock Square. The kiosks could include transit schedules and fare information, walking and cycling routes, real-time

transit information, and Bay Area Bike Share dock locations and bicycle availability.

It is recommended that these kiosks be digital, interactive displays (as shown in the accompanying image) to allow information to be updated easily and regularly. These boards would be maintained and updated as needed by the transportation staff.

While the information kiosks can provide detailed information on transportation options to visitors and others new or unfamiliar with Mission Rock and the surrounding area, real-time transit screen technology is designed to offer an opportunity to understand transportation options at a quick glance. This would be particularly useful for employees and residents, those who make recurring trips frequently and don't need detailed guidance.

Each of the communication-based TDM measures are pertinent to residents, employees, and visitors at different times during their life cycle at Mission Rock. As such, it is critical to think strategically about when to share what with each of these key segments to reach certain groups of users.

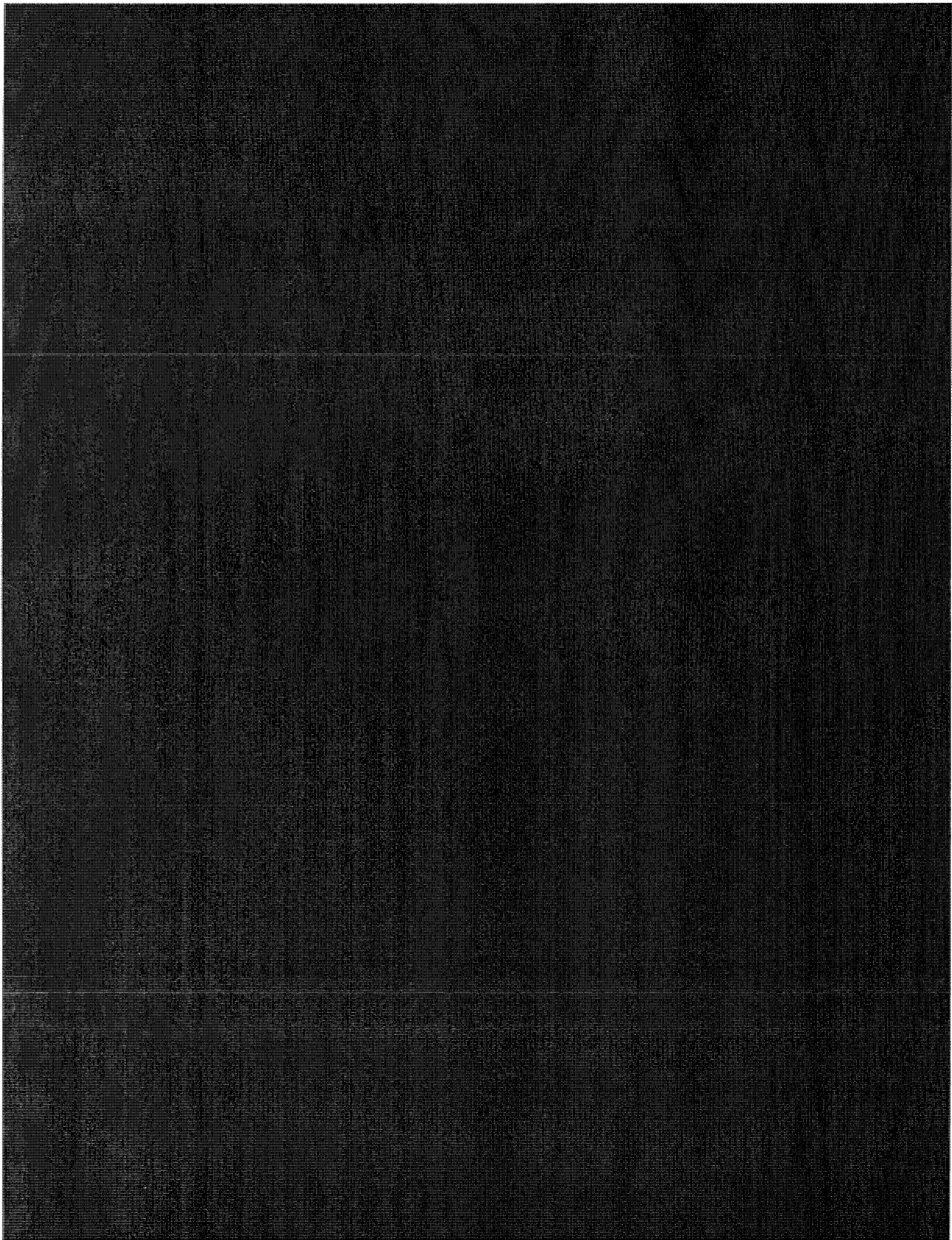
The mobile-friendly Mission Rock website will be an important avenue for sharing information about programs, policies, and services. It is reasonable to assume that the website will act as a front-line communications vehicle to reach all of those who have or may be interested in having a connection with the site. Signage and wayfinding will be seen on a daily basis and is an important element for users of the development to efficiently navigate Mission Rock.

## 4.3 CONCLUSIONS

Establishing a robust TDM program reaffirms Mission Rock's commitment to sustainability and inclusivity. The program will encourage the site's residents, employees, and visitors to use the most environmentally friendly and spatially efficient mode possible for each trip, with an emphasis on cycling, walking, and shared rides.

TDM MEASURE	TARGET AUDIENCE		
	RESIDENT	EMPLOYEE	VISITOR
4.1.1.1 Real-Time Transit Information			
4.1.1.2 Clipper Cards			
4.1.2.2 Bike Share Memberships			
4.1.2.1 On-Site Bike Share			
4.1.2.7 Bicycle Valet			
4.1.2.3 Bicycle Community Programming			
4.1.2.4 Bicycle Resource Centers			
4.1.2.5 Bicycle Parking			
4.1.2.6 Showers and Lockers			
4.1.3.1 On-Site Shared Scooters			
4.1.3.2 Scooter Share Memberships			
4.1.3.4 On-Site Car Share			
4.1.3.4 Car Share Memberships			
4.1.4.1 Parking Pricing			
TDM MEASURE (CONT'D)	TARGET AUDIENCE		
	RESIDENT	EMPLOYEE	VISITOR
4.1.4.2 Real-Time Parking information			
4.1.4.3 Unbundled Parking			
4.1.5.1 In-Building Concierge Services			
4.1.5.2 Coordinated Delivery Services			
4.1.5.3 CSA Partnerships			
4.1.5.4 Cold and Dry Delivery Storage Space			
4.1.5.5 Convenient Zones for Loading			
4.1.5.6 Childcare Services			
4.1.5.7 Collaborative Work Space			
4.1.5.8 Affordable Housing			
4.1.6.2 Mobile-Friendly Website			
4.1.6.3 Site-Wide Transportation Staff			
4.1.6.1 Signage and Wayfinding			
4.1.6.4 Improved Walking Conditions			

Target audience for each TDM program





The energy and excitement generated by people visiting parks and event venues will be part of what makes Mission Rock a fun and interesting place to live, work, and play.

# 05

## EVENT MANAGEMENT

These visitors will bring the area to life throughout the year. Mission Rock will be designed and actively managed to maximize the best aspects of festivities in these spaces while responsibly managing the potential inconveniences that large crowds can cause. This

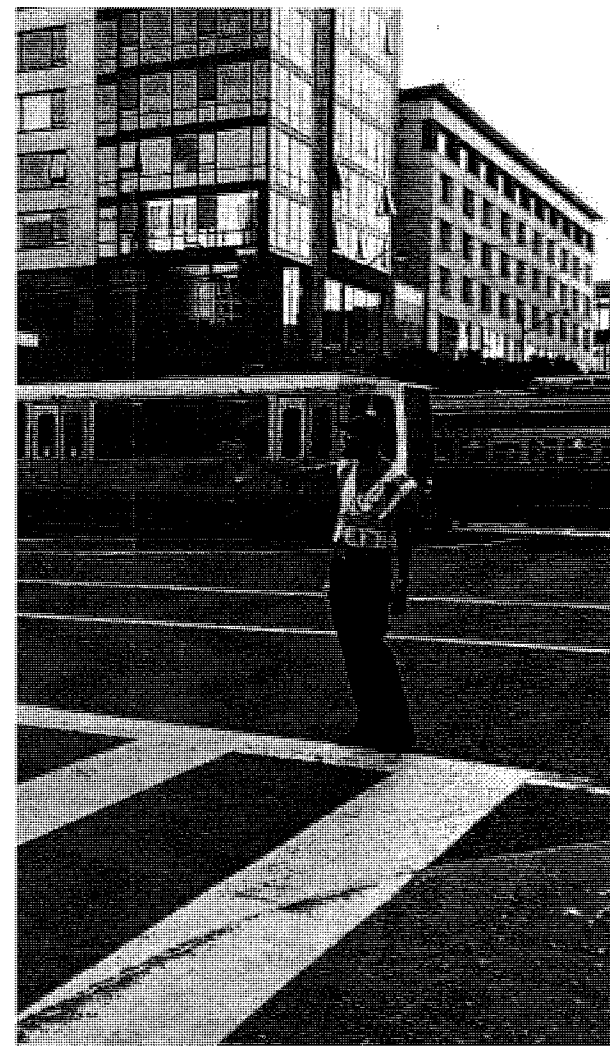
chapter outlines the basic site's anticipated approach to managing pedestrian activity, vehicle flows, and bicycle parking around them to ensure that residents and employees can enjoy the energy without the hassle.

As the team has since it moved to AT&T Park in 2000, the San Francisco Giants will continue to work closely with the City and with citizens advisory committees in the area to manage the effects of event crowds on surrounding neighborhoods, through measures like deploying traffic control officers (known in San Francisco as parking control officers, or PCOs). In addition to such measures, the Mission Rock transportation staff might also be empowered to take additional actions like closing on-site streets or individual lanes to vehicle traffic and encouraging the use of non-auto modes for travel to on-site events.

This chapter describes how these types of strategies might be combined for three scenarios, representing the likely range of common events: A primary event at AT&T Park (35,000+ attendees), a secondary event at AT&T Park (15,000 to 35,000 attendees), and on-site events in China Basin Park, Mission Rock Square, or potential event venues in Pier 48 or Block E (500 to 4,000 attendees). A more detailed Event Management

Plan will be developed in concert with City agencies before construction of the first phase of the project, and it will be updated ahead of each subsequent phase of the site's build-out. The Event Management Plan will include the topics listed in the table of contents referenced below.

Given their storage-space needs, automobiles naturally pose challenges for organizers of any large event. As such, most scenarios include some restrictions on vehicle movement through the site, and the TDM Plan's efforts to reduce reliance on single-occupancy vehicles for travel to and from the site will be particularly crucial during these times. However, some vehicle movement will be accommodated. An up-to 3,000-space parking garage at the southwest corner of the site will serve as AT&T Park's main parking facility, replacing the surface lot on which Mission Rock will be built. During AT&T Park and Mission Rock events, curb space around the site will also provide important capacity for passenger loading.



Parking control officers (PCOs) (JUELSON/RYGAARD)



## EVENT MANAGEMENT PLAN TOPICS

An Event Management Plan will be developed for submission and approval as part of the first phase application for the Mission Rock site, then updated and submitted (for informational purposes) as part of each subsequent phase application. The plan will cover all events on site at Mission Rock. Section V will identify the full universe of potential event types and management strategies. The subsets of such strategies that will apply to different events (by day of year and location) will also be identified in Section V.

### I. Introduction

- Purpose of the Document
- Goals of the Mission Rock Event Management Program

### II. Mission Rock Project Update

- Description of Current Phase Land Use
- Description of Cumulative Project To Date
- Interim Transportation Network (Phases 1-3 only)

### III. Transportation Context

- Transit Network
- Bicycle and Pedestrian Networks
- Key Local and Regional Roadways
- Parking Facilities

### IV. Events at Mission Rock

- On-Site Event Venues
- Characteristics of Potential Event Types (would include location, event format/type, number of attendees, likely days of week, likely times of day, attendee arrival/departure windows and concentrations, estimated attendee trips linked with other nearby events/land uses, and likely frequency)
- Project Phasing & Implications for Events

- Phase I
- Phase II
- Phase III
- Phase IV

- Relationship to Other Venues and Potential Events in the Area

- Other Venues and Event Types

- Mission Rock

- Other Cities

- Relationship to Other Venues and Potential Events in the Area

### V. Managing On-Site Event-Related Travel Demand

- Desired Outcomes
- Screening and Conditional Requests and Conditional Requests
- Requesting and Conditional Requests

- Requesting and Conditional Requests

- Requesting and Conditional Requests

- Requesting and Conditional Requests

- Requesting and Conditional Requests

- Requesting and Conditional Requests

- Requesting and Conditional Requests

- Requesting and Conditional Requests

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- Requesting and Conditional Requests

- Requesting and Conditional Requests

- Requesting and Conditional Requests

- Event-Specific Managers (as applicable, e.g., differences in the location of PCOs, differences in the use of signage, temporary traffic differences for events, different days of distribution, etc., at different phases of construction)

- Emergency Vehicle Access/Circulation On-Site

- Event-Related Loading & Servicing

- Managing On-Site Event-Specific Circulation with Other Venues through Ballistic Vehicle Key Transportation Coordinating Committee (BMCCT) and/or Other Applicable Body

### VI. Implementation and Refinement

- Mission Rock Transportation Coordinator

- Responsibilities

- Coordinating with City Agencies

- Part of San Francisco Bay Area efforts to involve relevant city agencies staff-level approval with rest of relevant event application materials)

- San Francisco Municipal Transportation Agency

- Is involved in development of initial content involved in approval process)

- Coordinating with Venue Managers and Neighborhood through BMCTC and/or Other Applicable Body

- Monitoring and Plan Refinement

- Monitoring and Plan Refinement

- Monitoring and Plan Refinement

- Monitoring and Plan Refinement

- Monitoring and Plan Refinement

- Monitoring and Plan Refinement

- Monitoring and Plan Refinement

- Monitoring and Plan Refinement

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- Monitoring and Plan Refinement

- Monitoring and Plan Refinement

- Monitoring and Plan Refinement

## 5.1 PRIMARY EVENTS

### ***AT&T Park, 35,000 to 40,000+ Attendees***

A primary event at AT&T Park will be the most common scenario, occurring between 80 and 100 times per year, depending on whether the Giants make the playoffs and on how many non-baseball events (like concerts or other sporting events) AT&T Park hosts.

#### **5.1.1 MANAGEMENT STRATEGIES**

##### **Parking Pricing**

As noted in Chapter 4, it is anticipated that the Mission Rock garage will be actively managed around event times to ensure that there is space available for AT&T Park event attendees. To encourage regular users of the garage to find alternative ways to get to the site on event days, parking prices could be raised during a period covering a few hours before and after AT&T Park events. This approach has already been successfully employed to manage parking demand in the existing main AT&T Park lots, Lot A and Pier 48. People arriving at the garage around event times could pay a flat event rate that might amount to a total that is higher than typical hourly rates would be (i.e. if the event period is six hours long, the flat event rate would exceed the total cost of parking for six hours at typical hourly rates).

##### **Vehicle Flows and Curb Space**

Vehicular circulation through Mission Rock could be restricted during primary events in anticipation of high pedestrian volumes through the site. The Shared Public Way is a particularly critical north-south pedestrian route, providing the most direct path of travel between the main garage and the ballpark. As such, it is anticipated that the street would be closed



Giants games at AT&T Park regularly sell out, bringing a festive atmosphere to the neighborhood

to vehicle traffic around major event times. Right turns from Mission Rock Street to 3rd Street could also be prohibited before events, to reduce volumes on Mission Rock Street in front of the Public Safety Building. Left turns into and out of the site at 3rd Street's intersections with Long Bridge will be prohibited at all times. The eastern-most lane on 3rd Street between Exposition and King streets will also likely be closed before and after events, as it is today, to facilitate the movement of large volumes of pedestrians near the ballpark.

Traffic flows will be actively managed through PCOs and strategically placed signs, and garage entrances and exits will be managed to allow for efficient processing of major vehicle flows. To ensure that emergency vehicles have clear access to Public Safety Building driveways on the south side of Mission Rock Street, keep clear zones will be maintained and could be reinforced by one or more PCOs. Traffic flows on Mission Rock Street could also be managed to maintain an open lane for potential emergency vehicle movement. Event vehicles will also be encouraged, via signs and PCOs strategically located at points south of

the site, to enter and exit the area via Terry A. Francois Boulevard. Specific PCO locations will be determined by the SFMTA with the goal of supporting pedestrian safety, limiting impacts on transit, and keeping intersections clear of vehicles.

Most vehicular circulation through the site is expected to be for passenger pick-up and drop-off. Key passenger loading locations will include the north side of Exposition Street and the east side of the block of 3rd Street just north of Exposition Street. Primary loading zones for people with mobility limitations include the east side of 3rd Street north of Exposition Street and an accessible loading zone on Exposition Street between the Shared Public Way and Bridgeview Street.

To manage vehicle movement at points of potential conflict between modes, this plan recommends the use of PCOs in key places along 3rd Street and through the site, including the intersections of Mission Rock and 3rd, Mission Rock and Bridgeview, and Mission Rock and Terry A. Francois Boulevard, and the 3rd Street crossing just south of Lefty O'Doul Bridge.

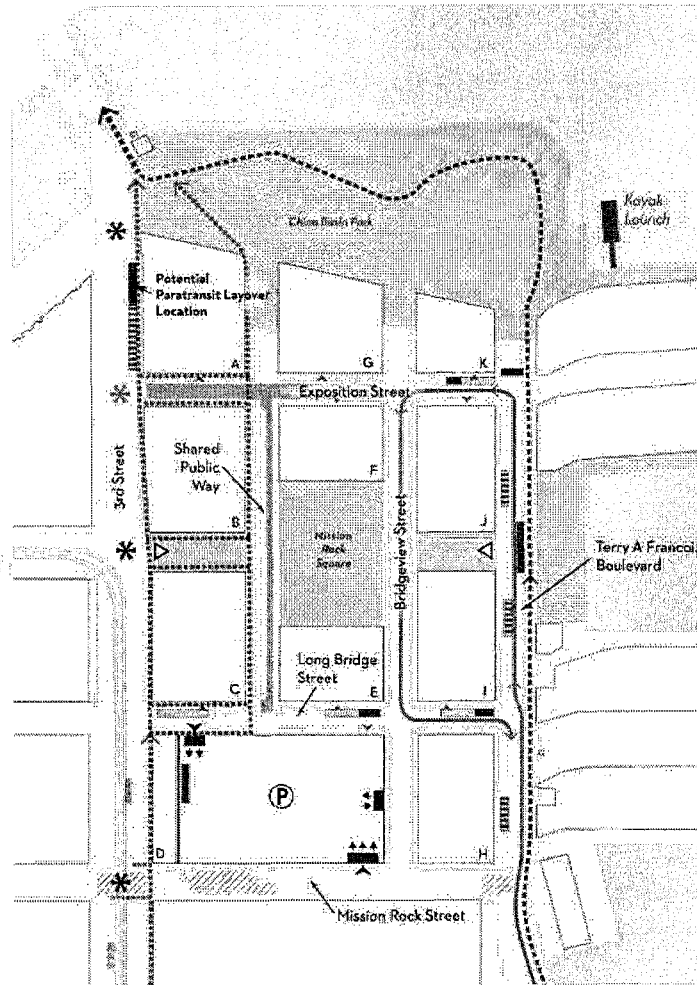
## **Pedestrians**

It is anticipated that all pedestrian paths of travel will be open, but pedestrian activity is likely to concentrate along the Shared Public Way and 3rd Street, the two key north-south routes between Long Bridge Street and the ballpark.

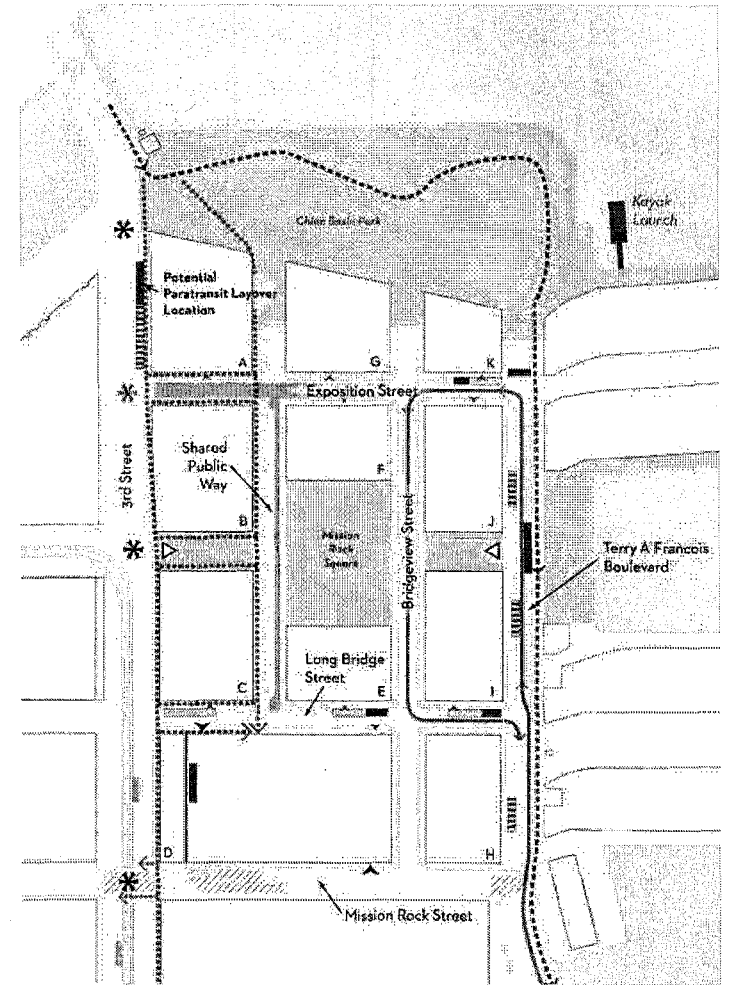
## **Bicycles**

Primary bicycle flows south of China Basin are expected to be along the San Francisco Bay Trail to and from bicycle parking facilities immediately around AT&T Park. Some cyclists may also use Bridgeview Street, but they might be less likely to do so than in normal conditions due to larger numbers of vehicles turning into and out of the garage. Cyclists will be encouraged to dismount at the western end of China Basin Park to reduce conflicts with the heavy pedestrian flows across Lefty O'Doul Bridge. Some event attendees will also likely lock their bicycles on the Mission Rock site, to visit on-site restaurants before or after games or to avoid crowds closer to the venue. An additional ballpark bicycle valet facility could also be located on the Mission Rock site, if usage of the main valet facility warrants it.

- \*\*\*\*\* Key Pedestrian Routes
- \*\*\*\*\* Primary Bicycle Route
- ← Primary Passenger Loading Flow
- ADA-Accessible Loading
- Commercial Deliveries Only
- Time-Limited Commercial Loading
- Closed to Vehicular Traffic
- \* Existing Traffic Signal
- \* Planned Traffic Signal
- Potential Traffic Control Officer Location
- Garage Lanes
- ▲ Planned Driveway
- ▲ Potential Driveway
- Keep Clear Zone
- ▷ Access to Below-Grade Parking (if provided)



Pre-event circulation patterns



Post-event circulation patterns

## 5.2 SECONDARY EVENTS

### **AT&T Park, 15,000 to 35,000 Attendees**

Circulation patterns at Mission Rock are anticipated to be similar around smaller events at AT&T Park. The Shared Public Way could be closed, and the relative intensity of different vehicle flows should be consistent with the basic patterns seen for the biggest events at the ballpark, though overall flows should be much smaller. Bicycle and pedestrian circulation patterns are also expected to be consistent with those anticipated for larger events.

Given lower levels of expected parking demand, it is anticipated that the garage at the southwest corner of the site would generally not need to use flat-rate event pricing around secondary events. Event attendees would be able to park in available spaces as long as spaces are available. However, communications related to AT&T Park events would likely still encourage the use of other modes to access the ballpark, in the interest of reducing congestion and parking demand overall.



Concert at AT&T Park (FLICKR USER REBECCA WILLIAMS08)



Stern Grove concert series (NIELS HUYFORDAARD)

## 5.3 ON-SITE EVENTS

### **Mission Rock, 500 to 4,000 Attendees**

Mission Rock will have two spaces equipped to host large events. The Great Lawn in China Basin Park will have room to host concerts, movie nights, and other large gatherings. Mission Rock Square will likely host a broader range of events, from staged performances to farmers markets or craft fairs, with thousands of people flowing through the space over a several-hour period.

The garage at the southwest corner of the site's parking prices could be converted to event rates for a period covering several hours before and after the biggest events, to discourage use by regular users.

#### **5.3.1 CHINA BASIN PARK EVENT**

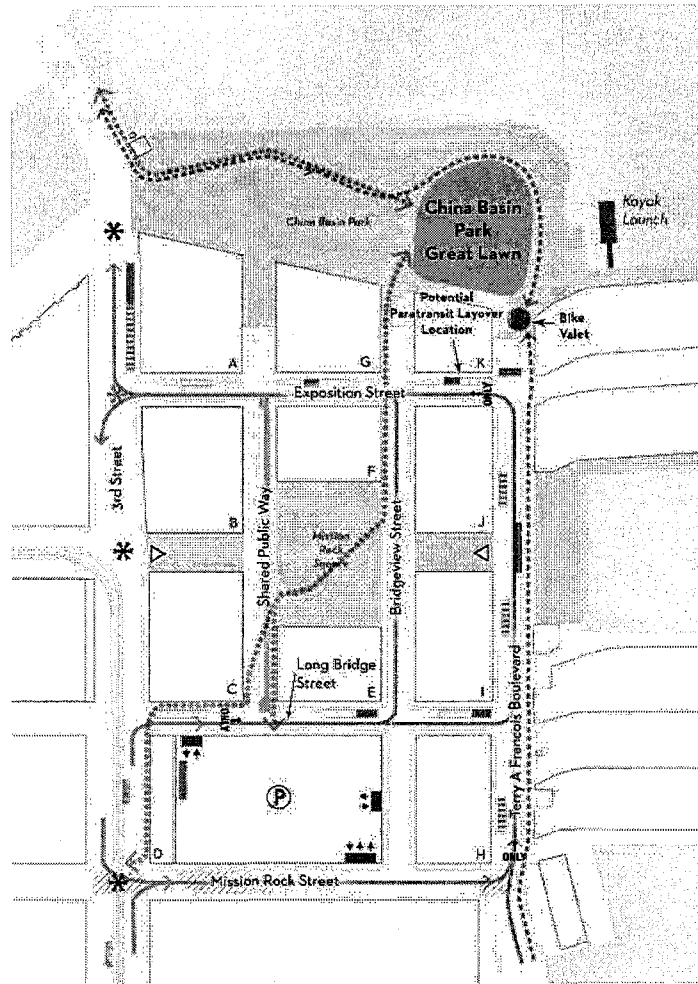
##### **5.3.1.1 Vehicle Circulation and Passenger Loading**

For the biggest China Basin Park events, Terry A. Francois Boulevard and Exposition Street could be closed to through traffic (the project team will apply for street closure permits through the standard City process), with the streets reserved for event-related pick-up and drop-off. To make vehicle flows predictable for pedestrians crossing these key streets, Terry A. Francois Boulevard could be converted to a one-way street northbound, and Exposition Street could be one-way westbound to complete a site-wide circuit.

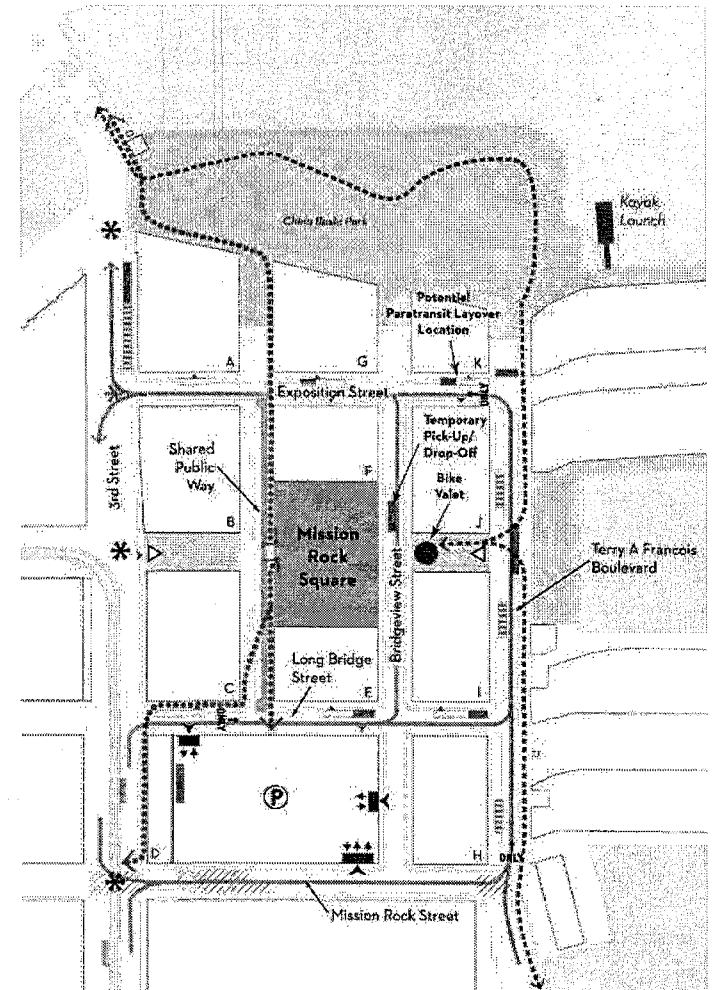
It is anticipated that the north end of Terry A. Francois Boulevard, at or north of the intersection with Exposition Street, would be the main drop-off and pick-up location for people with mobility limitations. Taxi, TNC, and other vehicular loading could be focused along Exposition Street west of Terry A. Francois Boulevard.



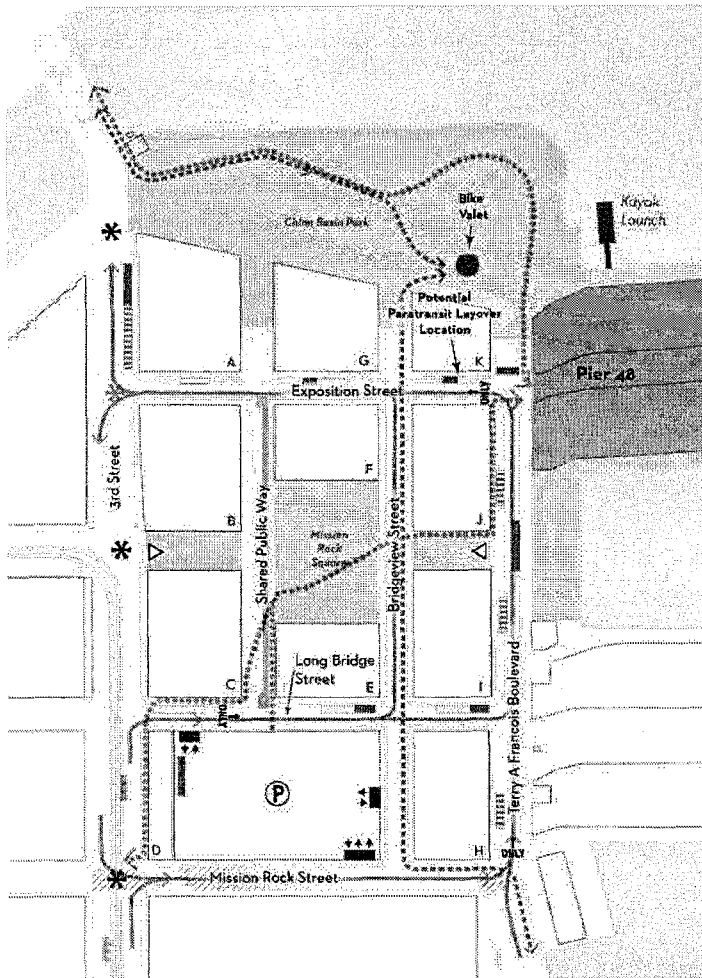
- ← Passenger Pickup & Dropoff
- ADA-Accessible Loading
- ▨ Commercial Deliveries Only
- ▨ Closed to Vehicular Traffic
- \* Existing Traffic Signal
- \* Potential Traffic Signal
- ↔ Garage Entry Lane Open
- ↔ Garage Exit Lane Open
- ▲ Planned Driveway
- ▲ Potential Driveway
- ▨ Keep Clear Zone
- ▷ Access to Below-Grade Parking (if provided)



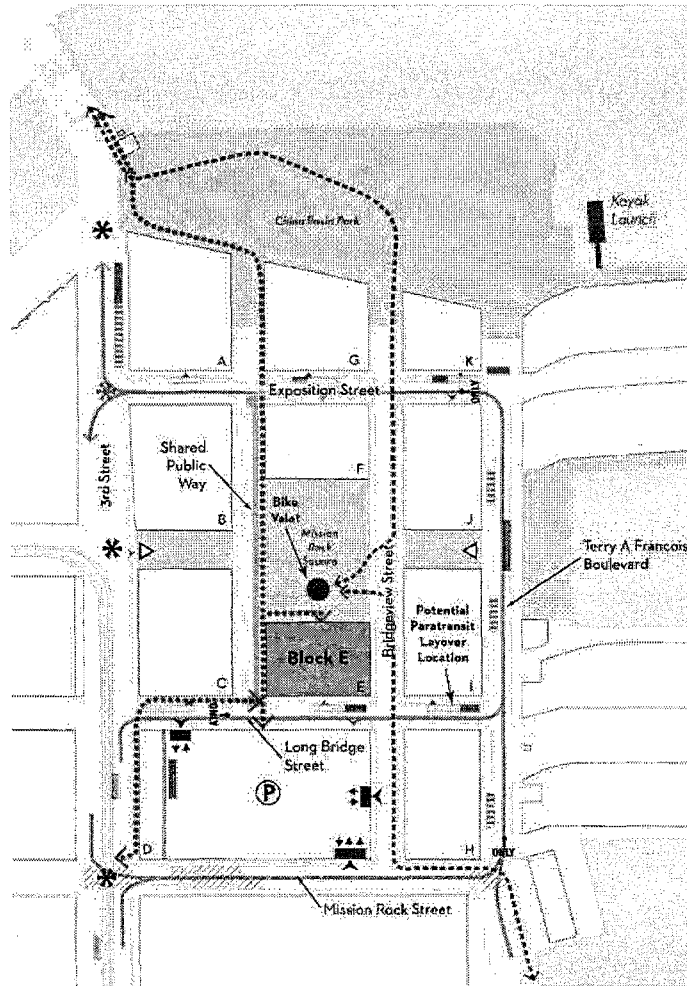
China Basin Park event circulation patterns



Mission Rock Square event circulation patterns



Event circulation patterns for potential event venue at Pier 48



Event circulation patterns for potential event venue at Block E

- ← Passenger Pickup & Dropoff
- ▬ ADA-Accessible Loading
- ▬ Commercial Deliveries Only
- ▬ Closed to Vehicular Traffic
- \* Existing Traffic Signal
- \* Potential Traffic Signal
- ◀ Garage Entry Lane Open
- ▶ Garage Exit Lane Open
- ▲ Planned Driveway
- ▲ Potential Driveway
- ▨ Keep Clear Zone
- ▷ Access to Below-Grade Parking (if provided)

#### 5.3.1.2 Pedestrian Circulation

Pedestrian traffic is likely to focus along two major routes: 1) through China Basin Park and up 3rd Street to/from the Caltrain terminal at 4th and King streets and toward BART on Market Street, and 2) through the site to/from the parking garage and the Muni light rail station on 3rd Street south of Channel Lane. Flows through the site can be expected to concentrate on Bridgeview Street north of Mission Rock Square, in the square, and along the Shared Public Way and Long Bridge Street, en-route to the parking facility and the Muni station at the southwestern corner of the site. PCOs may be helpful on Exposition Street at Shared Public Way and Bridgeview Street, to enable vehicles picking up or dropping off passengers to exit the site.

#### 5.3.1.3 Bicycle Circulation and Parking

Bicycle valet facilities could be located along the San Francisco Bay Trail, just southeast of the event space, and cyclists will also be able to use the network of public bicycle parking spaces throughout the site.

Cyclists from the north could be encouraged to dismount at the edge of China Basin Park and walk their bicycles around the event space to the bicycle valet facility. Cyclists from the south could be encouraged to dismount as they approach the area for pick-up and drop-off of attendees with mobility limitations.

### 5.3.2 MISSION ROCK SQUARE EVENT

#### 5.3.2.1 Vehicle Circulation and Passenger Loading

For the biggest Mission Rock Square events, Shared Public Way could be closed to vehicle traffic (with

appropriate City permits), and Bridgeview Street between Long Bridge and Exposition streets will be closed to all but pick-up and drop-off of people with mobility limitations. As for China Basin Park events, Terry A. Francois Boulevard and Exposition Street could create a one-way loop for taxi, TNC, and other vehicular drop-off, and they could be closed to through traffic.

#### 5.3.2.2 Pedestrian Circulation

Major pedestrian flows to transit nodes north and northwest of the site are anticipated to follow the Shared Public Way through China Basin Park to 3rd Street. Flows southwest to the main garage and the T-Third Muni light rail stop would follow Shared Public Way to the south and Long Bridge Street between Shared Public Way and 3rd Street.

#### 5.3.2.3 Bicycle Circulation and Parking

Bicycle valet could be located on Channel Lane east of Mission Rock Square. The main flows of cyclists from points south would follow the San Francisco Bay Trail to Channel Lane. Temporary signage at the north end of the site would encourage cyclists to follow the San Francisco Bay Trail to Channel Lane. The cycle track on Bridgeview Street could be closed to bicycle traffic temporarily, to make way for large pedestrian flows and for the primary loading area for event attendees with mobility limitations.

Mission Rock residents, employees, and visitors would also be encouraged to travel to and from the site on foot, bike, or transit on days with events on-site or at AT&T Park. Site transportation staff would keep and

prominently display a calendar of major events as a planning resource for regular users of the site.

### 5.3.3 EVENTS IN POTENTIAL VENUES AT PIER 48 AND BLOCK E

As the figures on page 63 show, circulation patterns related to events at potential Pier 48 and Block E event venues would be similar to those for events at China Basin Park and Mission Rock Square respectively. The following subsections describe slight differences.

#### 5.3.3.1 Vehicle Circulation and Passenger Loading

For events at Pier 48, vehicular circulation through the site are anticipated to be the same as for events at China Basin Park. For events at Block E, paratransit loading could be moved to Long Bridge Street. To account for increased flows of cyclists along Bridgeview Street, vehicles could be discouraged from using that street by on-site personnel or temporary signs.

#### 5.3.3.2 Pedestrian Circulation

Pedestrian flows are expected to be broadly similar to those for China Basin Park (Pier 48 events) and Mission Rock Square (Block E events).

#### 5.3.3.3 Bicycle Circulation and Parking

For Pier 48 events, bicycle valet services could be sited on the China Basin Park Great Lawn. Cyclists from the south could be encouraged to use Bridgeview Street, to clear space for pedestrian circulation between Pier 48 and Block K. For Block E events, bicycle valet services could be sited in Mission Rock Square, and cyclists would be expected to gravitate to Bridgeview Street for access from both north and south.



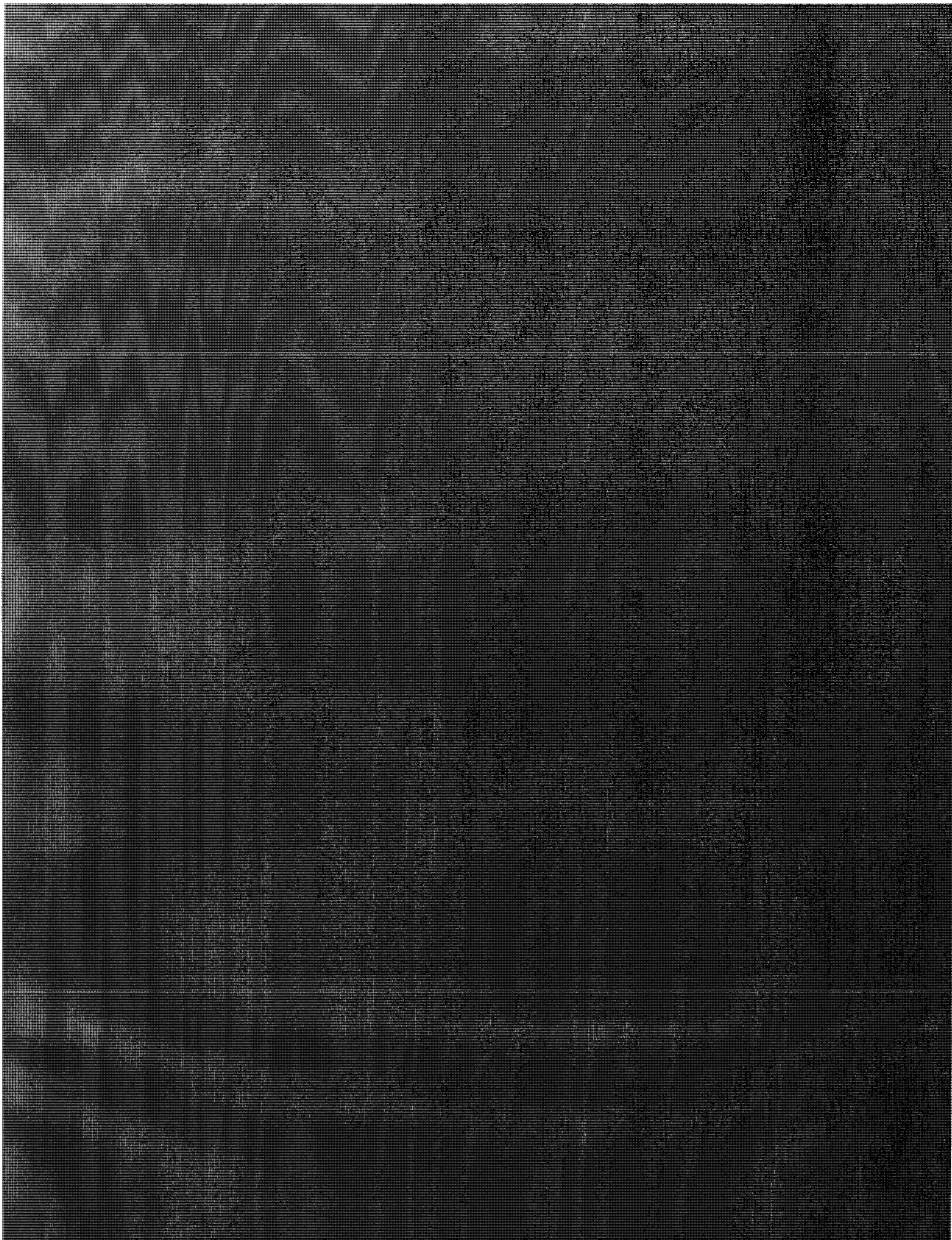
## 5.4 CONCLUSIONS

Those who live and work near AT&T Park enjoy the exciting, festive atmosphere created by such a premiere urban event space, and they also know it takes some extra planning to make trips to and from the area as smooth as possible. The Giants and the transportation staff at Mission Rock will work hard to aid in this planning by providing users of the site ready access to an abundance great information and a range of travel choices.

In the same spirit, the Giants and the Mission Rock team are committed to working with neighborhood organizations to responsibly manage event-related transportation conditions and make sure inconveniences related to events are kept to a minimum.



AT&T Park and Mission Rock



**DDA EXHIBIT B7 - TP SCHEDULE 2**

**"TDM Plan"**





# **MISSION ROCK TRANSPORTATION DEMAND MANAGEMENT PLAN**

**December 2017**



**MISSION ROCK TRANSPORTATION DEMAND MANAGEMENT PLAN**  
Seawall Lot 337 Associates, LLC

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# 1 OVERVIEW

The development context and overall design profile of Mission Rock make it a prime candidate for robust and effective transportation demand management (TDM). Travel demand generated by Mission Rock will be affected by locational and land use factors, such as proximity to high quality transit, the presence of transit-supportive land use densities, and mixed land use patterns.

This TDM Plan describes measures that will enable Mission Rock to actively manage travel demand through a variety of up-front infrastructure investments and ongoing programs, including unbundled parking, pedestrian- and bicycle-friendly design, transportation marketing, vehicle share facilities and memberships, and others. Ultimately, implementing a robust TDM program will reinforce the forward-thinking vision and brand of Mission Rock as an active and vibrant district that is inclusive and safe for all users.

## DEVELOPMENT CONTEXT AND DESIGN PROFILE

Establishing new and enhanced links to and along San Francisco's waterfront, Mission Rock's mixed-used, multi-phase development will be a dynamic addition to the Mission Bay neighborhood. Encompassing approximately 27 acres, Mission Rock is slated to include 11 parcels of residential, office, and retail development as well as a refurbished and reactivated Pier 48, an expanded China Basin Park, and a variety of smaller open space areas. Including Pier 48, Mission Rock will include approximately 1,000 to 1,500 dwelling units, 1.4 to 1.8 million square feet of commercial development, and more than five acres of new open space, for a total of approximately 3.9 million gross square feet of development and eight acres of open space. The site plan calls for a tight and highly walkable urban street grid, with more than half a mile of complete streets. In addition, between 2,400 and 3,000 parking spaces could be provided in off-street facilities.

Mission Rock is located near a busy, increasingly congested part of San Francisco and is readily accessible via car, transit, walking, and bicycling. The site is accessible to I-280 and US-101/I-80 through SoMa's urban street grid, with bicycle connections to the north via the Embarcadero bike route as well as to the south via the Blue Greenway. More importantly, the project is well served by transit, both local and regional. Multiple lines of Muni bus and light rail are within a quarter-mile of the site, with moderate to high frequency of service for most of the day and late into the evening.

Although narrow sidewalks, missing crosswalks, long blocks, and the amount of on-going construction in the surrounding area all currently challenges for pedestrians and bicyclists, the Mission Rock development includes multiple street design improvements to create a safe and inviting environment, such as:

- A highly connective grid of internal streets
- Sidewalks that are to be between 12 and 15 feet wide throughout the project site



**MISSION ROCK TRANSPORTATION DEMAND MANAGEMENT PLAN**  
Seawall Lot 337 Associates, LLC

- High visibility sidewalks, bulb-outs, and raised pedestrian crossings
- Completion of the portion of the Blue Greenway that runs through the site, with a 16-foot-wide shared bike and pedestrian right-of-way running along Terry Francois Boulevard and the northern edge of China Basin Park
- Designated bicycle lanes or bicycle-friendly low-traffic blocks on all internal roadways
- Bicycle treatments at internal intersections

Mission Rock will also provide important neighborhood amenities – groceries, childcare, personal services – establishing destinations that are easily accessible by all modes of transportation. The existing and future transportation infrastructure in the area (see Figure 1) will further promote the use of all modes of active transportation.

**Figure 1 Mission Rock Context Map**

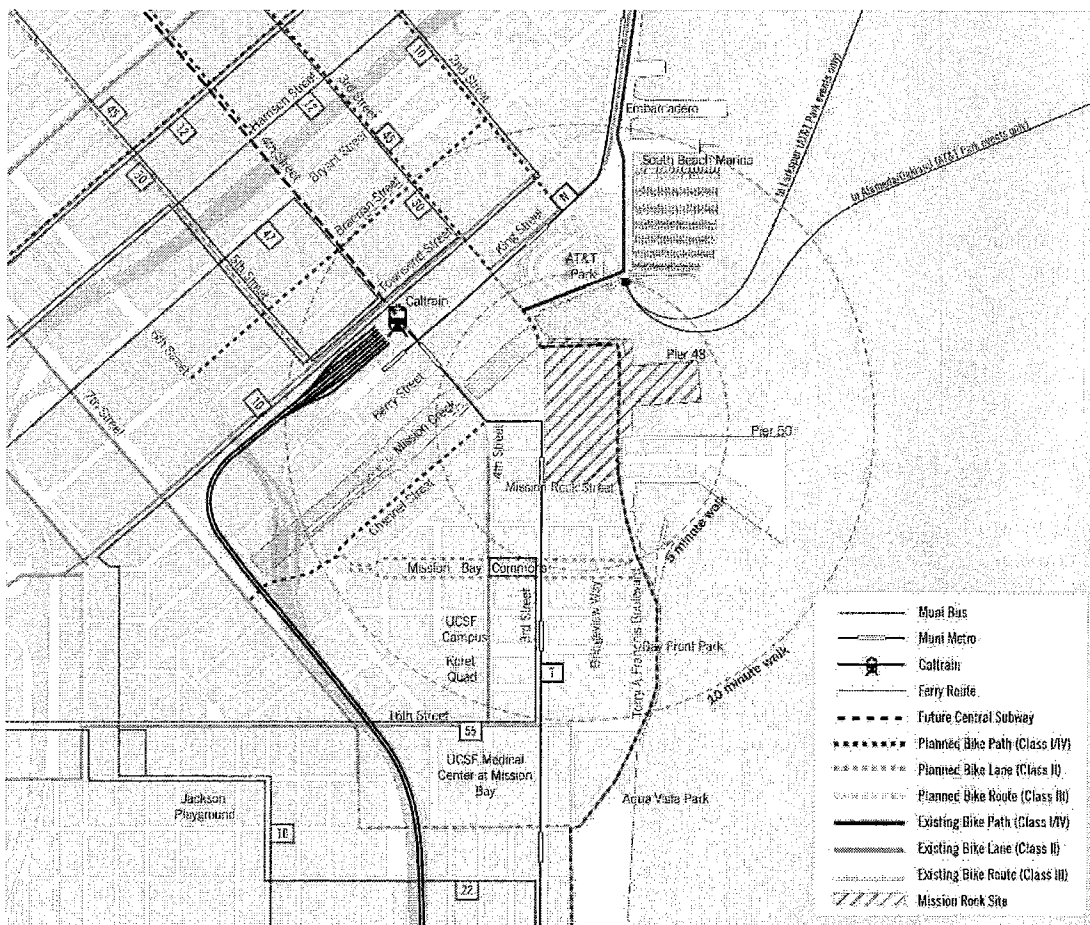


Figure 2 summarizes Mission Rock's development components, associated vehicle trip estimates, and the anticipated trip reduction goal, per commitments made in the project's Environmental Impact Report (EIR).

**MISSION ROCK TRANSPORTATION DEMAND MANAGEMENT PLAN**  
Seawall Lot 337 Associates, LLC

**Figure 2 Estimated Vehicle Trip Generation and Trip Reduction Goal<sup>1</sup>**

Scenario	Proposed Development Components (approximate)	Aggregate Daily One-Way Vehicle Trips (a)	Number of Trips to be Reduced (b = a * 20%)	Target Threshold (c = a - b)
High Commercial, Low Residential	<ul style="list-style-type: none"> <li>▪ 1,048 dwelling units</li> <li>▪ 1.4 million square feet (sf) office</li> <li>▪ 130,000 sf retail</li> <li>▪ 86,000 sf sit-down restaurant</li> <li>▪ 37,000 sf quick service restaurant</li> <li>▪ 5 acres park</li> <li>▪ 190,000 sf brewery</li> <li>▪ 11,000 sf brewery retail</li> <li>▪ 11,000 sf brewery restaurant</li> </ul>	7,615	1,523	6,092
Low Commercial, High Residential	<ul style="list-style-type: none"> <li>▪ 1,579 dwelling units</li> <li>▪ 980,000 square feet (sf) office</li> <li>▪ 130,000 sf retail</li> <li>▪ 84,000 sf sit-down restaurant</li> <li>▪ 36,000 sf quick service restaurant</li> <li>▪ 5 acres park</li> <li>▪ 190,000 sf brewery</li> <li>▪ 11,000 sf brewery retail</li> <li>▪ 11,000 sf brewery restaurant</li> </ul>	7,242	1,448	5,794

## WHY TRANSPORTATION DEMAND MANAGEMENT

This TDM Plan reaffirms Mission Rock's commitment to sustainability and inclusivity. It encourages the site's residents, employees, and visitors to use the most environmentally friendly and spatially efficient mode possible for each trip, with an emphasis on cycling, walking, and shared rides.

The measures outlined below are designed to work together to affect site users' travel habits. Targeted programs strengthen the benefits of investments in bicycle and pedestrian infrastructure and the site's proximity to major transit nodes by reinforcing awareness of these options, breaking down barriers to incorporating them in travel routines, and incentivizing habitual use.

The site plan and TDM program are consistent with several decades of City of San Francisco climate and sustainability policies that aim to encourage the use of transit and other non-auto modes of transportation. It is also consistent with the City's efforts to manage the transportation impacts of new development. The Plan was developed with San Francisco's new TDM Ordinance in mind, and the Mission Rock team used the Ordinance's framework to scale the site's programs appropriately.

Many campuses have implemented similar TDM programs to reduce single-occupancy vehicle (SOV) travel and find the optimal balance of transportation modes to accommodate growth.

<sup>1</sup> Seawall Lot 337 and Pier 48 Mixed-Use Project Environmental Impact Report, Appendix 4-1 – Transportation Impact Analysis, April 2017. Pg. 486.

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Genentech implemented an aggressive TDM strategy in 2006 that included programs such as shuttle service and parking cash-out accompanied by comprehensive marketing and communications through an online employee portal. Since implementation, drive-alone mode share has decreased by almost 30%, decreasing carbon emissions from 4.5 tons per employee to 1.9. Similarly, Stanford University's extensive TDM program, which has for years included meaningfully priced parking, transit subsidies, and incentive programs, has effected a substantial decrease in SOV commuting, from 72% in 2002 to 46% in 2011. Moreover, these programs serve campuses that grew rapidly during the periods noted, but this growth was not accompanied by substantial increases in parking.

In a similarly urban environment, the City of Cambridge implemented a parking and TDM ordinance in 1998, made permanent in 2006. In the Kendall Square area, which predominantly houses large biotechnology firms and research and academic institutions, such as the Massachusetts Institute of Technology, the ordinance has been particularly effective. Although the neighborhood has added 4.6 million square feet of commercial and institutional development over the past 10 years, automobile traffic has *decreased* on major streets, with vehicle counts decreasing as much as 14 percent.<sup>2</sup> In this way, citywide TDM measures in Cambridge have not deterred the development market while still having a positive impact on quality of life and the environment.

Given these successes, robust TDM programs are becoming expected aspects of new developments, in central cities and suburbs alike. San Francisco is no exception. The City has established a TDM ordinance that would require developers to establish TDM programs scaled to the amount of parking they plan to build on-site. This ordinance reinforces existing multimodal policies, such as the city's Transit First Policy, which was established in 1973 and amended to include pedestrians and bicyclists in 1999. New residents and office tenants increasingly demand convenient access to quality multimodal infrastructure, and in urban areas like San Francisco, they assume that parking will be treated as a limited commodity that will be priced based on occupancy levels and market rates. The Mission Rock TDM Plan reflects the values outlined in City policies by striving to maximize user satisfaction and foster travel choices that are sustainable in all senses of the word.

## **PLAN OVERVIEW**

This Plan is comprised of the following chapters:

- Chapter 2 presents a slate of recommended TDM measures for Mission Rock to reduce SOV trip and parking demand for the development.
- Chapter 3 presents the marketing and communications strategy for Mission Rock's TDM program, discussing the interplay between the primary communication mechanisms, the TDM measures, and the various user groups of Mission Rock.
- Chapter 4 presents Mission Rock's approach to monitoring the TDM Plan's implementation to ensure that it achieves the 20% vehicle-trip reduction target.

This TDM Plan will be incorporated into the Transportation Plan for Mission Rock, which will coordinate daily circulation of people, bicycles, and vehicles to, from, and around the site.

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<sup>2</sup> Moskowitz, Eric. "Car-free commuting push pays off in Kendall Square." *The Boston Globe*. July 25, 2012. <https://www.bostonglobe.com/metro/2012/07/24/kendall-square-car-traffic-falls-even-workforce-soars/C4Fio7iKZnwEMAw7y4cJgN/story.html>

## 2 PLANNED MEASURES

The Mission Rock TDM Plan consists of a package of measures that will work together to effect behavioral change in a way that is both cost effective and highly marketable. Measures include incentives, programs, and infrastructure improvements, and they include many that have been successfully implemented in other mixed-use and urban environments; those case studies are cited as possible below each measure.

The measures balance the desire to provide innovative transportation amenities with the need to maintain a cost-effective program and an acknowledgement that Seawall Lot 337 Associates, LLC will not hold a primary relationship with site tenants over the long term – vertical developers or the management companies that take ownership of individual buildings once they are developed will ultimately play this role, and will be required to be responsible for any relevant ongoing programs. As such, programs that necessitate ongoing operational expenditures are included but deemphasized in favor of one-time, up-front investments that give new tenants and visitors immediate experiences with and exposure to the array of non-auto transportation options available to them. These will form lifelong patterns of choosing sustainable transportation options. Figure 2 gives an overview of the measures included in the Plan, and identifies the likely responsible party for implementing the measure, the target audience for the measure, the communication channels used and associated level of impact. The remaining chapter provides further detail. As in the table's column headings, colors are used to differentiate infrastructural (❖) and operational (❖) measures in the text below. A few of these recommendations have been directly integrated into the design of Mission Rock, as codified in the Design Controls and other design documents.

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**Figure 3 Summary of Planned TDM Measures by Mode**

● = High Impact ○ = Medium Impact ○ = Low Impact      Infrastructural = ❖ Operational = ❖

Mode	Measure Type	TDM Program Measures	Responsible Party	Target Audience for Measure			Communication Channels Used			Page Reference
				Residents	Employees	Visitors	Mobile-Friendly, Site-Wide Website	Signage and Wayfinding	Site-Wide Transportation Staff	
Transit	❖ ❖	Real-time transit information and marketing screens	Vertical Developer	x	x	X	●	○	-	10
Transit	❖	One-time transit subsidies	Vertical Developer	X			●	-	●	11
Bicycle	❖	Bike share memberships	Vertical Developer	X			●	-	○	12
Bicycle	❖	Space for on-site bike share	Horizontal Developer	X	X	X	●	●	-	13
Bicycle	❖	Bicycle valet	Horizontal Developer			X	●	●	-	13
Bicycle	❖	Bike community programming with periodic giveaways	Vertical and Horizontal Developers	X	X		●	●	●	13
Bicycle	❖	Bicycle resource center, including vending machine with parts and tools and fix-it station	Horizontal Developer	X	X		○	●	○	14
Bicycle	❖	Secure bike parking in buildings and along desire lines	Vertical and Horizontal Developers	X	X	X	○	●	-	14
Bicycle	❖	Showers and clothes lockers for employees	Vertical Developer		X		○	●	○	16

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Mode	Measure Type	TDM Program Measures	Responsible Party	Target Audience for Measure			Communication Channels Used			Page Reference
				Residents	Employees	Visitors	Mobile-Friendly, Site-Wide Website	Signage and Wayfinding	Site-Wide Transportation Staff	
Personal Motorized Transport	❖	On-site shared scooters	Horizontal Developer	X	X	X	●	●	○	16
Personal Motorized Transport	❖	Electric scooter share memberships	Vertical and Horizontal Developers	X			○	-	○	17
Personal Motorized Transport	❖	On-site car share parking spaces	Horizontal Developer	X	X	X	●	●	○	18
Personal Motorized Transport	❖	Car share memberships	Vertical Developer	X			⦿	-	●	18
Parking	❖	Market-based off-street parking pricing	Garage Developer	X	X	X	⦿	⦿	⦿	19
Parking	❖	Unbundled parking	Vertical and Horizontal Developers	X	X		○	-	●	19
Parking	❖	Reduced parking supply	Horizontal Developer	X	X	X	⦿	●	-	20
Parking	❖	Real-time information on parking pricing and availability	Vertical and Garage Developers	X	X	X	●	●	-	20
Buildings	❖	In-building concierge services	Vertical Developer	X	X		-	-	⦿	22
Buildings	❖	Delivery coordination for online personal services	Horizontal Developer	X	X		●	-	○	22

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Mode	Measure Type	TDM Program Measures	Responsible Party	Target Audience for Measure			Communication Channels Used			Page Reference
				Residents	Employees	Visitors	Mobile-Friendly, Site-Wide Website	Signage and Wayfinding	Site-Wide Transportation Staff	
Buildings	❖	Partnerships with CSAs	Horizontal Developer	X	X		●	●	○	23
Buildings	❖	Cold, dry storage space for grocery and package delivery	Vertical Developer	X			-	●	-	23
Buildings	❖	Family supportive amenities	Vertical Developer	X			-	●	-	23
Buildings	❖	Convenient loading zones	Horizontal Developer	X	X	X	-	●	-	24
Buildings	❖	Childcare services and facilities	Vertical Developer	X	X		●	○	-	24
Buildings	❖	Collaborative work space with business services	Vertical Developer	X			●	○	-	24
Buildings	❖	Convenient elevator design for bicycles, strollers, wheelchairs, etc.	Vertical Developer	X	X	X	-	○	-	25
Buildings	❖	On-site affordable housing	Vertical Developer	X			●	-	○	26
All Areas	❖	Site-wide transportation staff	Vertical Developer	X	X	X	●	-	●	26
All Areas	❖	Mobile-friendly Mission Rock transportation website	Horizontal Developer	X	X	X	●	-	-	27

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Mode	Measure Type	TDM Program Measures	Responsible Party	Target Audience for Measure			Communication Channels Used			Page Reference
				Residents	Employees	Visitors	Mobile-Friendly, Site-Wide Website	Signage and Wayfinding	Site-Wide Transportation Staff	
All Areas	❖	Intuitive signage and wayfinding for trip planning across all modes	Horizontal Developer	X	X	X	-	●	-	27
All Areas	❖	Improved walking conditions to, from, and within Mission Rock	Horizontal Developer	X	X	X	-	●	-	27



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Some TDM measures like parking pricing have a more direct effect on travel behavior, while others like facilitating delivery services play a more supportive role. For another example, providing car share membership leverages the potential impact of providing easily accessible car share spaces. In other words, the effectiveness of these combined measures is more than the sum of the parts.

The importance of monitoring cannot be overstated; regular monitoring enables management to effectively address and adjust these measures over time in response to changing residential and employee needs.

## **TRANSIT MEASURES**

### **❖❖ Real-time Transit Information and Marketing Screens**

This programmatic measure consists of providing real-time transit information to Mission Rock residents, employees, and visitors. Information will be displayed on screens in lobbies (see Figure 3) and other high traffic areas, such as the collaborative work space or the childcare facilities. Making such information readily available increases residents' awareness of local transit options and facilitates efficient trip planning and use of other modes.

**Mission Rock will display dynamic transit information and transportation marketing in building lobbies or use a similar approach based on state-of-the-practice technology at the time of occupancy.**

**Figure 4      TransitScreen Display in an Office Lobby**



### **Implementation Examples**

Parkmerced, the largest apartment community in San Francisco, began a partnership in 2014 with TransitScreen, a company that provides this service. TransitScreen is working with the Metropolitan Transportation Commission to modernize transit displays in over 46 locations throughout the San Francisco Bay Area. Another residential development, NEMA, provides real-time transit information on their resident app and website.

### **❖ One-Time Transit Subsidies**

The Clipper card is the Bay Area's transit fare payment card and can be used on more than 20 of the region's transit agencies, including BART, Muni, and the ferries. Providing a one-time transit subsidy in the form of Clipper cards upon move-in can increase residents' awareness of nearby transit options and increases the ease with which they can start using it. Clipper cards through a bulk purchase through the Metropolitan Transportation Commission, the regional public agency that manages Clipper. A custom-designed Clipper card can help tie the Mission Rock brand more closely to lifestyles that incorporate frequent transit use.

Providing Clipper cards increases the ease of using transit for employees and residents who currently do not have Clipper. For individuals who already have cards, the one-time financial subsidy could help lower one barrier to increased transit use.

**Mission Rock will provide a one-time transit subsidy in the form of a Clipper card pre-loaded with \$50 cash value to all residents over the age of 18 upon move-in, and will require that business tenants offer employees the same.**

### **Implementation Examples**

The City TDM Ordinance lists one-time financial incentives paired with outreach to employees and residents as a possible measure. Although other residential developments in the Bay Area have provided free/discounted monthly transit passes to residents, providing a Clipper Card with a set value pre-loaded would be a new measure.

## BICYCLE MEASURES

Figure 5 Ford GoBike Bike Share Dock



### ❖ Bike Share Memberships

Members of Ford GoBike can take free, unlimited 30-minute one-way bike rides between bike share stations. Once the system's expansion is complete (planned for November 2016 through 2018), annual memberships will cost \$149 per year. Providing residents and employees with bike share memberships could help tenants with minimal experience bicycling in San Francisco a low-cost and low-obligation opportunity to try cycling, and it would provide residents with a quick and easy way to get to the Transbay Transit Center and Market Street, for BART connections and a variety of other transit options and recreational activities.

**Mission Rock will offer bike share memberships for all residents 18 years and older for one year upon move-in.**

### **Implementation Examples**

While many property owners partner with bike share services to locate bike share docks nearby, offering a bike share membership to residents would be a new measure. Multiple tech companies in the Bay Area, such as Microsoft and Facebook, partner with Bikes Make Life Better, a company that specializes in bicycle program management, to develop and administer their bike programs.

#### **Space for On-Site Bike Share**

This measure would involve partnering with Ford GoBike to locate one or more bike share docks in Mission Rock. The system is primarily concentrated in downtown San Francisco, but has recently expanded to Oakland and Berkeley. In May 2017, they announced their plans to establish 7,000 GoBikes across San Francisco, San Jose, Oakland, Berkeley, and Emeryville by 2018. As bike share placement is most effective every 1,000 feet, Mission Rock should examine where Ford GoBike is already planning to establish bike docks near the development and consider sponsoring at least one dock within the site itself. Currently, there is one bike station planned at Terry Francois Boulevard and 3<sup>rd</sup> Street. Prominently located bike share docks can increase awareness of bike share as a viable transportation option while also facilitating convenient use. Each bicycle dock would be provided and maintained by Ford GoBike, but sponsoring a bicycle dock would allow control over the specific siting and design of the dock, including incorporation of developer-specific branding on the bikes, docks, and other materials.

**Mission Rock will establish a high visibility space for a Ford GoBike (or similar provider) dock, with the possibility of additional docks depending on the bike share provider's intended Mission Bay expansion. If sponsorship is necessary, Mission Rock will take it into consideration.**

#### **Bike Valet**

Complementing the bike parking available on a daily basis, bike valet services during special events can encourage people to travel to and from events by bicycle by eliminating the challenge of finding safe and convenient bike parking in an area crowded with event attendees. These services also raise public acceptance and support for non-motorized transportation by building connections with visitors.

**Mission Rock will provide free bike valet services for all on-site events, as required by code.**

### **Implementation Examples**

San Francisco Administrative Code Section 2.76 requires that events that require a street closure and anticipate over 2,000 attendees provide monitored bicycle parking. Currently, the San Francisco Bicycle Coalition provides these services for many events, including those at AT&T Park.

#### **Bike Community Programming**

Bike-oriented programs and events encourage bicycling by raising public acceptance and support for non-motorized transportation and building connections between residents who regularly bike, making biking a fun, social activity. These events could include evening bike parties, bike-oriented happy hours, periodic bike gear giveaways, and bicycle campaigns that involve contests

and prizes. Integrating bicycling into the social fabric of the Mission Rock community will raise the profile of bicycling as a viable mode of transportation and encourage people to try biking for a portion of trips.

**Through the site transportation staff, Mission Rock will host regular bike parties or happy hours for the bicycling community, potentially paired with gear giveaways.**

### **Implementation Examples**

Although private and non-profit organizations such as the San Francisco Bike Coalition often host these types of events, bike event programming led by a mixed-use development would be a new measure. Some Bay Area employers, such as LinkedIn and Google, sponsor special events around Bike to Work Day paired with regular giveaways and bike valet.

### **Bicycle Resource Center**

A bicycle resource center can provide a dedicated space for residents and employees to get information about bicycling as well as tools and parts for bike repairs and maintenance. A dedicated space contributes to social acceptance of bicycling and reduces one key barrier associated with owning a bike – concern about complications related to ongoing maintenance – by providing tools and parts through a vending machine at low prices. This measure will also include working to incorporate a bicycle store in the site retail plan and establishing a resource center containing a vending machine for bicycle parts, a “fix-it” work station with basic tools, and bicycle pumps somewhere else within the site at an easily accessible location.

**Mission Rock will establish bicycle maintenance space near a major secure bike parking area within each building with resources like a bike stand, a workbench, tools, and a basic repair kit. This space will be available over the life of the project. The team will work to include a bike store as part of the site retail plan.**

### **Implementation Examples**

In Seattle, Via6 is a 654-unit mixed-use apartment complex that provides a bike wash station for residents, as well as a bike shop on the ground floor that is owned and operated separately from the development. The Velo Room at Solera (Denver) provides tools, bike stands, work benches, air pumps, tubes, and other supplies, as well as gel packs, energy bars, and bike trail maps. Several university campuses, including Ponce Health Science University in Portland and the University of California-Davis, have bicycle repair stations in key facilities.

Figure 6 Bike Center, Millenium Park, Chicago



Source: Flickr, Brian Kusler

## Bike Parking

Following San Francisco Zoning Code Section 155, Table 155.2, the Mission Rock project is required to provide at least 710 secure bike parking spaces (Class I), in addition to at least 371 spaces for bikes in publicly-accessible locations (Class II), under the Maximum Commercial Scenario. Under the Maximum Residential Scenario, the Mission Rock project is required to provide at least 765 Class I spaces, and 388 Class II spaces.

Given the importance of non-motorized transportation to the site's overall design concept, this measure goes above that requirement to provide one Class I space per dwelling unit, one Class I space per 2,500 square feet of commercial development, one Class I space per 3,750 square feet of retail, and one Class I space per 5,000 square feet of open space, in addition to around 700 Class II spaces. Class I parking consists of secure long-term bicycle parking, including bicycle lockers, bike cages, and bike rooms. Class II bike parking refers to more short-term bicycle parking, including on-street bike racks. The site's location on a Class I north-south bicycle facility and in a flat part of San Francisco implies a strong potential for very high rates of bicycle usage, and this should be encouraged through easy access to ample, convenient bicycle parking. Bike parking facilities will also accommodate various types of bicycles including those with cargo and trailer attachments.

There are several methods of providing secure (Class I) bicycle parking spaces for residents and employees. Bike cages can be placed at convenient locations within buildings or on sidewalks in the area, and bike owners who qualify can receive a key or access card to use the cages. This space

will serve as a common, secure bike room, where residents or employees can use a key or access card (often the same card used to access an elevator or parking garage). Moreover, public bike parking is often considered secure when it is situated in well-lit, highly visible areas.

**Exceeding the bike parking required by City code, Mission Rock will construct 1 Class I bike parking space per dwelling unit, an additional 511 (under the High Residential Scenario) or 667 (under the High Commercial Scenario) Class I spaces for commercial development, and 675 (under the High Commercial Scenario) or 692 (under the High Residential Scenario) Class II bike parking spaces and will work with vertical developers to set aside necessary square footage for secure bike parking in the ground floor or another convenient area of each building.**

### **Implementation Examples**

As it is required by San Francisco zoning code, any new construction, including the addition of new units or an increase of off-street vehicle parking capacity, must include bicycle parking spaces. For residential development, one Class I (secure) space per unit is required; for buildings with more than 100 units, 100 spaces plus one space per every four units over 100 are required. The requirements for commercial development vary; retail development must provide one Class I (secure) space for every 7,500 square feet of occupied floor area, and office developments must provide one space for every 5,000 square feet.

### **❖ Showers and Lockers for Employees**

Following San Francisco Zoning Code Section 155.4, specific land uses exceeding a certain square footage threshold are required to provide shower and clothes locker facilities for tenants and employees. Offices (including childcare, business services, and light manufacturing) that exceed 10,000 square feet must provide at least one shower and six clothes lockers; for facilities between 20,000 and 50,000 square feet, the building must provide two shower and 12 lockers. Those exceeding 50,000 square feet must provide four showers and 24 lockers. Retail sales and restaurants exceeding 25,000 square feet must provide one shower and six clothes lockers; those exceeding 50,000 square feet must provide at least two showers and 12 lockers.

**Mission Rock will work with the vertical developers to meet this requirement.**

### **Implementation Examples**

San Francisco first implemented this requirement in 1998, and amended it to include office land uses in 2013.

## **PERSONAL MOTORIZED VEHICLE MEASURES**

### **❖ On-site Shared Scooters**

Electric scooters are highly convenient in a dense urban environment and may have additional marketing value, given the cache scooters carry among certain population segments. The main company providing scooter share services is called Scoot, providing access to both single-rider scooters and quad vehicles, which have four wheels and can carry up to two people. One of the benefits of Scoot's network is the ability to travel point-to-point, instead of needing to return scooters to their point of origin. Scoot already has pods within about a half-mile of Mission Rock.

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Providing scooter share access to residents on-site will magnify the effectiveness of offering Scoot memberships. The parking garage would accommodate space for a scooter dock, which the scooter share vendor would provide and maintain.

**Mission Rock will reserve off-street parking space for 20 scooters (approximately six car parking spaces), and will pursue a potential marketing partnership opportunity with a provider of scooter share (e.g. Scoot) or a similar service.**

### **Implementation Examples**

This would be a new measure.

**Figure 7      Scoot Networks**



Source: Flickr, Marcin Wichary

### **❖ Electric Scooter Share Memberships**

Like a bike share membership, a scooter share membership for Mission Rock residents can help establish new travel behavior patterns upon move-in. This measure would entail partnering with Scoot or another electric scooter share vendor to provide free memberships in exchange to reserving space for electric scooter parking on-site.

**Mission Rock will offer a one-year membership for Scoot or a similar service to all new residents aged 21 and over who meet the scooter share provider's membership requirements, and will offer on-site scooter orientation (provided by Scoot Networks or a similar provider).**

### **Implementation Examples**

Offering scooter share memberships would be a new measure.



## **On-site Car Share Parking Spaces**

According to San Francisco Zoning Code<sup>3</sup>, Mission Rock is required to provide 31 to 38 car share spaces. Research indicates that a single car-share vehicle can remove as many as 20 private cars from the transportation network. Spaces will be located in high-visibility parking spots within the publicly-accessible parking garage, with clear exterior signage to increase visibility and emphasize the convenience of car share. City Car Share offers electric vehicles which appear to be equally popular, though others have found barriers to adoption as people are still becoming comfortable with using the technology; this may not be the case in five years. Depending on the car share vendor provided, additional partnerships with ChargePoint may be required to provide infrastructure for electric vehicle charging.

**Exceeding this code requirement, Mission Rock will negotiate an agreement with one or more local car share vendors to provide 50 designated car share spaces in initial design with flexibility to increase over time in response to demand. Mission Rock will also consider partnering with ChargePoint to provide electrical hookups adjacent to spaces to allow for the potential for electric shared vehicles, with the ability to increase over time in response to demand.**

### **Case Studies**

Fox Plaza (San Francisco) has 443 units with a 0.77 parking ratio and provides 14 car share vehicles on site, with 12 additional spaces located within 1/4 mile. Madera Apartments (Mountain View) has 203 units with a 1.37 parking ratio and provides two car share vehicles on site, with two additional Zipcar locations within 1/4 mile. The Uptown (Oakland) has 665 units with a 0.80 parking ratio and provides one car share vehicle on site, with an additional four car share locations within a 1/4 mile.

## **Car Share Memberships**

New residents will receive a car share membership for their first year of residency to help establish new behavioral patterns upon moving in (opt-out allowed, but default to providing for all). Pairing access to car sharing vehicles with car sharing memberships is also shown to be more effective than implementing one or the other on its own.

**Mission Rock will offer memberships to all households for their first year of residency. Depending on the agreement with the on-site car share vendor, membership fees will likely be reduced or waived and some rental credit may be provided.**

### **Implementation Examples**

Several Bay Area residential projects cover the full price of car share memberships for residents (New Californian - Berkeley; Madera Apartments - Mountain View; Fruitvale Transit Village - Oakland; Fox Plaza - San Francisco; The Uptown - Oakland). Many of these developments have parking ratios of less than one per unit, and all of them have seen parking utilization rates of well below capacity.

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<sup>3</sup> San Francisco Planning Code Section 166, Table 166.

## PARKING MEASURES

### ❖ Parking Pricing

The price of parking has been shown to be a highly effective mechanism in changing parking and travel behavior. Demand-responsive pricing involves altering the cost of parking according to the level of demand. During times of higher demand, parking has a higher price and thus encourages both a higher rate of turnover and the use of other modes; during times of lower demand, parking has a lower price. Prices generally do not change in real time based on current occupancy, but instead might automatically increase by a pre-set amount during peak periods, based on typical demand patterns, or for scheduled events. Prices might be adjusted overall a few times a year based on recent occupancy data. By refining the price of parking periodically, it is possible to keep parking occupancy rates relatively close to the optimal level, typically around 90% for off-street parking. Researchers have found that parking facilities function efficiently (i.e. without requiring excessive parking-search time) up to roughly this level of occupancy.<sup>4</sup>

**At the time when the site is fully built out, Mission Rock's parking facilities will be priced to keep demand below a threshold occupancy rate and to encourage site users to avoid parking during AT&T Park events. Non-event rates will be comparable to off-street parking prices at other facilities in SoMa and Northern Mission Bay.**

### Implementation Examples

Demand-based parking pricing has been implemented to various degrees in multiple cities. The *SFPark* program in San Francisco regulates parking prices for off-street as well as on-street parking facilities, adjusting hourly parking rates every three months based on the parking demand at each garage during five different time bands throughout the day. When occupancy exceeds 80%, hourly rates for the following three-month period are increased by 50 cents. Unlike approach planned for Mission Rock, *SFPark* also decreases prices when occupancy falls below a low-end threshold of 40%. When it was first implemented, the program also adjusted early bird parker time requirements and added off-peak discounts to discourage commuting at peak hours, reducing congestion around the garages. Since implementation, San Francisco has seen higher garage occupancy at lower prices overall, resulting in a marginal increase in revenue.

### ❖ Unbundled Parking

"Unbundling" parking means that the cost for parking is separate from the cost of residential and commercial units. It is an increasingly common practice in urban areas; the City of San Francisco requires residential developments to unbundle parking. Thirty percent of San Francisco households do not own a vehicle<sup>5</sup> and unbundled parking makes housing more affordable those who do not need a parking space. This approach provides a cost savings to households who decide to dispense with one of their cars, and it can help attract households who wish to live in a transit-

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<sup>4</sup> See: Levy, Nadav, Karel Martens, and Itzhak Benenson. Exploring Cruising Using Agent-Based and Analytical Models of Parking. *Transportmetrica*, DOI: 10.1080/18128602.2012.664575, 2012. AND Millard-Ball, Adam, Rachel Weinberger, and Robert Hampshire. Is the curb 80% full or 20% empty? Assessing the impacts of San Francisco's parking pricing experiment. *Transportation Research Part A: Policy and Practice*, No 63, 2014, pp. 76-92.

<sup>5</sup> U.S. Census, American Community Survey 2013, 5-year estimates

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oriented neighborhood where it is possible to live well with only one car, or even no car, per household. Unbundling parking costs changes parking from a required purchase to an optional amenity, so that households can freely choose how many spaces they wish to lease.

Unbundling parking tends to reduce demand for parking by specifically calling out and making optional the previously hidden cost of “free” parking. This in turn allows developers to provide less parking, which increases the developable area for more lucrative land uses such as additional housing units. For this measure to work optimally for office users, the users of parking – not their employers – must be the ones who ultimately pay daily or monthly costs.

**Mission Rock will unbundle parking costs from all residential, commercial, and retail leases and ensure that the users of parking are the ones who ultimately pay for it.**

### ❖ **Reduced Parking Supply**

Overbuilding parking supply leads to increased automobile use, contributing to more vehicle trips, traffic congestion, higher housing costs, and greenhouse gas emissions. Providing parking at a rate below the surrounding neighborhood reduces the parking supply from what would be typically provided for this kind of development, which in turn reduces the number of trips the development may generate. Given the large number of households with no vehicle and the demand for housing in San Francisco, a limited supply of parking could be expected to attract a high proportion of residents without vehicles, which in turn would result in fewer vehicle trips from the development. Mission Rock is within a few blocks of frequent high-quality transit to downtown and is in a neighborhood that is already facing vehicular congestion, which further discourages driving and parking.

**Mission Rock will establish maximum parking ratios that are lower than the neighborhood average; if anticipated needs related to AT&T Park require providing parking at a rate higher than the neighborhood average, Mission Rock will still price parking at or above market rates for northern Mission Bay or SoMa, rather than reducing prices to fill the facility.**

### ❖ **Real-time Parking Pricing and Availability Information**

This programmatic measure consists of providing real-time parking pricing and availability information to Mission Rock residents, employees, and visitors who utilize the off-street parking facilities on-site. Information could be displayed on signs outside of the parking garage, and could also be accessible on the mobile-friendly Mission Rock website. For market-based parking pricing to be truly effective, the dynamic between price and availability must be clearly communicated to drivers. Making such information readily available to potential drivers, particularly at parking garage entrances, decreases the likelihood of drivers’ circling for parking or potentially increases the possibility of choosing other modes.

Real-time availability information for an overall facility can be derived from the access control of the parking garage, calculated based on the number of entries and exits at any given time. To provide garage floor-specific information on where spaces are available, each parking space needs a sensor (typically embedded in the floor) that communicates wirelessly with a central system to sense when the space is occupied.

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**Mission Rock will install dynamic displays (or use another state-of-the-practice price-information sharing measure) to show real-time parking price and availability information, and will endeavor to make this information available through other channels like a Mission Rock transportation website; this will require installing technology and associated information systems to automatically monitor parking usage.**

**Figure 8      Dynamic Parking Signage, SoMa**



### **Implementation Examples**

All City-owned garages that participate in the demand-based parking pricing program, *SFpark*, provide real-time pricing and availability information on the *SFpark* website; there are several dynamic message signs at key intersections in SoMa that indicate the number of parking spaces available and general wayfinding to those garages.

## **BUILDING MEASURES**

### **❖ In-Building Concierge Services**

In-building concierge services and/or multi-purpose front-desk staff can facilitate valet parking, farm-to-table produce delivery, cold and dry storage for grocery or produce delivery, and secure package delivery. Concierge staff could also provide information about the nearest stores and services like dry cleaning and laundry service, as well as pickup/delivery services from local merchants. Residents would pay for all services.

This concierge will be supported by the site-wide transportation staff who would provide centralized transportation support to the in-building concierges (see section on the site-wide transportation staff below). The combination of these services will consolidate or eliminate the need for additional trips and could be a resource for residents, providing targeted travel information. In buildings where a concierge service isn't feasible, the site-wide transportation staff will provide this service to the building tenants.

**Mission Rock will encourage vertical developers to appoint an in-building concierge to provide information about local merchants and coordinate/facilitate delivery services for residents.**

#### **Implementation Examples**

Though many residential buildings provide a concierge, explicitly pairing in-building concierge staff with a transportation specialist would be a new measure for reducing trips and demand for parking. Crafting and marketing the concierge's role as such may increase the program's effectiveness.

### **❖ Coordinated Delivery Services**

Mission Rock will aim to partner with online personal service providers (i.e. Instacart, Postmates, Taskrabbit) or facilitate other ways of making ordering in, instead of making separate trips off the property for daily needs, more appealing and reduce vehicle trips in the process. One potential way to do this would be to offer direct ordering through the Mission Rock website. Each building would manage these services individually as needed.

**Mission Rock will aim to establish site-wide partnerships with internet delivery services companies.**

#### **Implementation Examples**

NEMA on Market Street facilitates local organic produce and wine delivery, which is part of its overall suite of concierge services. This type of amenity could be coupled with an app-based ordering system, such as Instacart or Postmates, or Mission Rock may want to develop one specific to its services.

### **❖ CSA Partnerships**

Partnering with local community-supported agriculture (CSA) organizations has the potential to reduce greenhouse gas emission and vehicle-trips by providing project residents convenient access to locally sourced food, reducing the number of trips and vehicle miles traveled by both

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vendors and consumers. This measure could also have marketing benefits and reinforce the site's overall message about sustainability. Initial conversations about bringing a farmers' market to Mission Rock have yielded a cost estimate of approximately \$75,000 to \$100,000 annually for Mission Rock to manage it in-house. Alternatively, hiring a farmers market management company could reduce costs to as low as \$15,000. However, providing a farmers market may result in generating more trips rather than it offsets; as such, a partnership with a local CSA might be more cost-effective.

**Mission Rock will coordinate with local CSAs to provide group deliveries, and continue exploring the possibility of hosting regular farmers' markets on the premises.**

### **Implementation Examples**

This would be a new measure; although there are multiple farmers' markets throughout San Francisco, they are not specific to a certain development or community, nor were they started with a specific development's needs in mind.

### **❖ Cold and Dry Delivery Storage Space**

Providing storage space for groceries, laundry, and other packages can have a direct effect on reducing trips by encouraging and facilitating online ordering. A centralized storage facility within each building can also consolidate delivery trips by enabling delivery vehicles to only make one stop for multiple recipients instead of several. Where this type of measure has been implemented without direct staff monitoring at all times, building residents typically access deliveries through a locker system with unique pick-up codes that include the locker number and access times for the delivery recipient.

**Mission Rock will work with the vertical developers to provide storage space near the concierge and elevators to store packages, perishables, laundry, and other deliveries.**

### **Implementation Examples**

Presidio Landmark has a wine cellar with climate controlled lockers; separate storage lockers are also provided.

### **❖ Family Supportive Amenities**

Providing secure storage space for personal car seats, strollers, athletic or other extracurricular gear, and other large equipment can address challenges families face while traveling. Locating this space near car share parking spaces make it easier for families to travel without feeling a personal vehicle is necessary. If this measure is implemented without direct staff monitoring at all times, building residents can access the space with an access code or key card.

**Mission Rock will provide storage space for family-related equipment near car share parking spaces.**

## ❖ **Convenient Loading Zones**

While the site does not contain on-street parking, Mission Rock is planning to dedicate a portion of the site's curb space for loading and deliveries of goods and people to reduce the need to make personal vehicle trips. Curb designations will be consistent with City of San Francisco regulations. Under those regulations, taxis, transportation network companies, and private vehicles may drop off along any curb space not designated by a red curb or marked otherwise. Vehicles may not idle in these locations as per San Francisco Transportation Code Section 7.2.86. As noted earlier, the project team will work with the City to develop a loading management plan during a future phase of project development.

Drop-off locations for seniors and people with disabilities will be located near building entrances, elevators, and at corners with curb ramps. The location of loading zones will also take into consideration the moving needs of residents and businesses. See the Mission Rock Transportation Plan and the Design Controls for more detail on the planned location of loading and delivery zones and for more information on Americans with Disabilities Act (ADA) accessibility on the site.

**Mission Rock is integrating loading zones into the site's overall street design.**

## ❖ ❖ **Childcare Facilities and Services**

Providing childcare services on site at Mission Rock would break down a key barrier for parents to taking non-auto modes to work by bringing such services within walking distance and near the many commute options around the Mission Rock site. Mission Rock will aim to attract a childcare provider, likely on the ground floor of a northern parcel, near China Basin Park.

**Mission Rock will aim to attract a provider of on-site childcare services and facilities to ensure easy access for Mission Rock residents and employees.**

### **Implementation Examples**

Many residential developments in major cities provide childcare services as part of their amenities; NEMA on Market Street provides childcare, and North Beach Place provides day care and children's play areas. A housing development at 8<sup>th</sup> and Market instituted unbundled parking to free up space for an on-site childcare center. Parkmerced includes a Montessori School on its premises, with full daycare and after-school care.

## ❖ **Collaborative Work Space**

A business services room can help encourage and facilitate working from home, which can have a direct impact on reducing trips to and from the site. Such an amenity is a typical part of large rental buildings, though the size and specific services included vary.

At Mission Rock, work spaces could include rentable work rooms that can be reserved in advance, equipped with video conferencing equipment, high-speed internet connections, projectors, white boards, basic office supplies, and printing, scanning, and faxing services. For residents interested in using this work space long term, dedicated mailboxes for businesses could be set aside and located nearby. Vertical developers will ultimately be responsible for developing and maintaining these business services rooms and ensuring that they are equipped with appropriate equipment.

**Mission Rock will work with vertical developers to implement this measure.**

### Implementation Examples

NEMA (Market Street, San Francisco) has a business lounge with Apple computers, printers, fax machines, and scanners, and a board room with phone, touch screen monitor, and computer hook-ups. Many newer residences also offer Wi-Fi throughout all common areas.

Figure 9 Co-Working Space



Source: Wikimedia, Chris Gallegos

### ❖ Convenient Elevator Design

By designing elevators that easily accommodate bicycles, strollers, and wheelchairs, Mission Rock will be able to increase the visibility and communicate the importance of bicycling and improve the family friendliness and accessibility of the project. Building codes already require elevators to be large enough to accommodate a variety of users, but the project will also aim to provide appropriate wayfinding and signage for elevators to educate residents about using the appropriate elevators to transport bicycles and other wheeled conveyances.

**Mission Rock will work with vertical developers to implement this measure and meet building code requirements.**

### Implementation Examples

Many residential developments have gone to great lengths to design their facilities as bicycle friendly, but none have specifically called out adaptations to their elevations as an accommodation or amenity.

### ❖ On-Site Affordable Housing

Residents living in affordable housing typically own fewer cars per household than residents of market-priced units. They are more likely to use transit and are less likely to require parking, reducing overall vehicle trip generation.



**Mission Rock will restrict 40% of on-site units to inclusionary affordable housing, to be provided in a balanced manner throughout the phasing of the development.**

## **ALL-REALM MEASURES**

### **❖ On-Site Transportation Staff**

The Mission Rock team aims to hire at least one on-site transportation staff person proficient in the planning and implementation of a TDM program, with an annual budget for TDM staffing, communications, and programs. The site-wide transportation staff will provide customized travel guidance to residents and employees, helping raise awareness and understanding of transportation options and ensuring that site users can find non-auto transportation options that meet their unique travel needs. They may also provide resources to support employers, such as helping them enrolled in pre-tax benefits and/or San Francisco's Emergency Ride Home program, setting up flexible work schedules, developing employee mobility management programs and organizing sitewide marketing and incentive campaigns. Other staff, such as the in-building concierge or those tasked with organizing bike events and maintaining the bike resource room, could also provide similar targeted information and facilitate discussions around using different modes. This dedicated transportation staff would act as a centralized transportation resource to the in-building concierges, providing up-to-date transportation information and expert support to front-line staff that are less likely to have the same depth of knowledge of the transportation system.

The on-site transportation staff will also support efforts to collect data to evaluate the effectiveness of the overall TDM program and to understand opportunities to adjust the program to meet changing needs of Mission Rock residents, employees, and visitors. Chapter 3 provides additional detail about how the other TDM measures will leverage the transportation staff for marketing and communications.

**Mission Rock will hire and task dedicated transportation staff with providing individualized advice and information on transportation options to residents and employees.**

### **Implementation Examples**

This would likely be a new measure, as other developments have not explicitly instituted and integrated transportation information with residential or employee services. Several cities have used something similar to this measure at a neighborhood level. Portland, Ore. has seen notable mode shifts from its Smart Trips program, which provides targeted marketing and information on non-auto transportation options in particular neighborhoods.

### **❖ Mobile-Friendly Mission Rock Transportation Website**

A mobile-friendly website oriented toward all residents, employees, and visitors providing online access to concierge services and transportation programs can help raise awareness and visibility of transportation options and facilitates connections among transportation modes. The transportation information on the Mission Rock site will likely include but not be limited to real-time transit information and a transportation tab with all nearby options (e.g. Muni, car share, scooter share, ride-sourcing apps) showing locations and availability. Chapter 3 provides

additional detail about how the other TDM measures will leverage the website for marketing and communications.

**Mission Rock will create a site-wide website with a dynamic and engaging section dedicated to transportation information and services, with specific portals for each user type (or the state-of-the-practice equivalent to this measure, per changes in technology by the time of first occupancy).**

### **Implementation Examples**

NEMA (Market Street, San Francisco) has a "resident portal" where residents can submit work orders, track packages, pay rent, alert the valet, and communicate with management regarding car charging, car share, bike share, and bike repair.

### **❖ Signage and Wayfinding across Modes**

Signage and wayfinding to indicate points of connection between different modes, as well as estimated travel times and directions by mode, can help increase people's understanding of travel options. Clear signage is also important for ensuring safety for all types of users, differentiating spaces for different users within shared public spaces. Signage will also indicate the nature and location of nearby bicycle routes. Mission Rock will coordinate with the City on the project's overall signage and wayfinding program to ensure the project conforms to City standards. Chapter 3 provides additional detail about how the other TDM measures will leverage signage and wayfinding for marketing and communications.

**Mission Rock will design and install signage and wayfinding at key points throughout the development, including signage for safety along the shared streets.**

### **Implementation Examples**

Interactive signage and wayfinding has been instituted in a variety of cities, academic institutions, and transportation hubs.

### **❖ Improved Walking Conditions**

As described in the Mission Rock Design Controls, the development will add over half a mile of complete streets, including new and improved sidewalks and pedestrian crossings. Complete streets are streets designed and operated to enable safe access for users of all ages, abilities, and transportation modes with the ultimate goal of fostering more livable communities. Today, many sidewalks in Mission Bay are narrow or missing in areas. The new streets within Mission Rock will greatly improve the overall walking conditions of the neighborhood and facilitate safer and more convenient pedestrian connections. A pedestrian-oriented urban design is essential for residents, employees, and visitors to fully take advantage of the other TDM measures, supporting access to all of the available transportation options and programs throughout the site and nearby. These improvements help shape the environment for the other TDM measures to succeed.

**Mission Rock has integrated high-quality pedestrian design features (high connectivity, wide sidewalks, highly visible crossings, and others) into its design.**

### **3 MARKETING AND COMMUNICATIONS**

A strong communication measure is critical to the success of any TDM program, ensuring that residents, employees, and visitors receive information about relevant resources and incentives at appropriate times and through channels that are easily accessible. Incorporating consistent branding into all communications can help create a sense of place and establish a cohesive identity for the transportation program. Branding can be used to support marketing and communication efforts, particularly on signage and wayfinding, to emphasize that residents, employees, and visitors can travel seamlessly through the area.

The Plan anticipates that Mission Rock will likely have three main channels for transportation-related communications: Its site-wide transportation staff, a mobile-friendly web portal for site users, and physical signage and other wayfinding mechanisms on site. This section includes examples of communication tactics and channels to illustrate how specific channels can help reach target audiences. Given the diverse mix of ways different people process information, any good communications plan relies on a mix of measures and channels. The Communications Timeline section matches the mix of channels outlined in this section to the key audiences for the information: residents, employees, and visitors.

Communications technology and norms are changing rapidly, and as such, this portion of the Plan will necessarily be updated as the projects approaches first occupancy. As such, the details for each of these measures are presented as a set of recommendations. Regardless of how they are implemented, these measures remain part of the TDM Plan.

#### **SITE-WIDE TRANSPORTATION STAFF**

Mission Rock transportation staff would be responsible for maintaining information about TDM programs and acting as a point of contact to assist residents, employees, and visitors with transportation-related questions, concerns, or general assistance. The Mission Rock team envisions that a transportation coordinator would have the authority to implement TDM measures, oversee the management and marketing of all measures, and monitor success of the TDM program. Whether the coordinator would need support from additional staff and how large the team would be will be figured out as the communications measure is solidified closer to occupancy.

Transportation staff might also be responsible for compiling a print and/or electronic transportation handbook to be distributed to residents on move-in and employees on hiring. This handbook could include information on transportation programs, policies, and service options, in addition to the following information:

- Transportation staff contact information, including information for the in-building concierges (if relevant)

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- Commute trip planning information, including links to the regional 511 Rideshare program
- Clipper card and vehicle (including car, bike, and scooter) share membership subsidies and parking policies
- Information on accessing other TDM program details and amenities, such as the in-building storage facilities
- Walking and biking routes within the area, estimated walk and bike times to key locations, including transit hubs, and a link to the San Francisco bike map
- Local transit options and schedules, including links to Muni, BART, and Caltrain schedules, route maps, and existing trip planner mobile applications

It is envisioned that this handbook would be distributed to all prospective residential tenants and all prospective employees who receive an offer to work within the development. It might also be included as a component of resident and employee welcome packets or employee orientation. The information provided in the handbook, as well as relevant website addresses, may also be posted in prominent locations for all residents and employees, such as apartment lobbies or lunchrooms. Print materials with information on various programs, maps, and amenities could also be provided to the in-building concierge staff for easy distribution when questions arise.

The transportation coordinator will also be responsible for supporting employers by providing information and guidance regarding tools and programs for flex work or telecommuting.

To make sure information stays useful to residents and employees over time, it is important that Mission Rock transportation staff keep all information and materials up to date and relevant.

## **MOBILE-FRIENDLY MISSION ROCK WEBSITE**

Mobile-friendly websites are an easy way to create a dynamic and engaging repository for transportation information, point-to-point navigation tools, travel suggestions, user engagement campaigns, and other efforts to raise awareness of alternatives to drive-alone travel options and residents, employees, and visitors to use them. In addition to supporting the information already provided in the resident and employee handbook, this website could include the following:

- Real-time transit information
- Real-time parking pricing and availability information
- Notifications of upcoming transportation-related events, such as bike parties and farmers' markets, and alerts
- Integration with internet delivery services for ordering
- Registration for car share, bike share, and/or scooter share memberships
- Room reservations for the collaborative workspace
- On-site childcare services enrollment
- Specific pages or portals for residents, employees, and visitors so that each of these audiences has access to the appropriate and relevant travel information
- Functionality which allows for tracking travel behavior and enables gamification for incentives

Establishing specific portals for each audience can allow for the delivery of targeted, individualized TDM information for each of the audience groups. For example, the resident and employee portals could have features to receive notifications for coordinated delivery services,

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should Mission Rock choose to develop a centralized delivery facility. Each of the portals could also provide specific information on costs and multimodal options available for traveling to and from Mission Rock, as well as information on nearby attractions and services and links to citywide or regional information. Figure 9 shows an example of a landing page for this type of website. Advantages of a webpage similar to that shown in the figure include prominent links to a trip planning service, alerts for riders, and individual operator websites for more information.

**Figure 10 Sample Site-Wide Transportation Website, Mountain View Transportation Management Association (TMA)**



## SIGNAGE AND WAYFINDING

Clear, consistent, and predictable signage and wayfinding can help residents, employees, and visitors navigate the site easily. Signage can also bring awareness to important information such as parking prices and availability, bike parking locations, estimates of bike and pedestrian travel times, and other information on Mission Rock programs or services. Simply providing information on non-motorized travel prominently can increase the likelihood that people will select biking or walking as their mode of transportation.

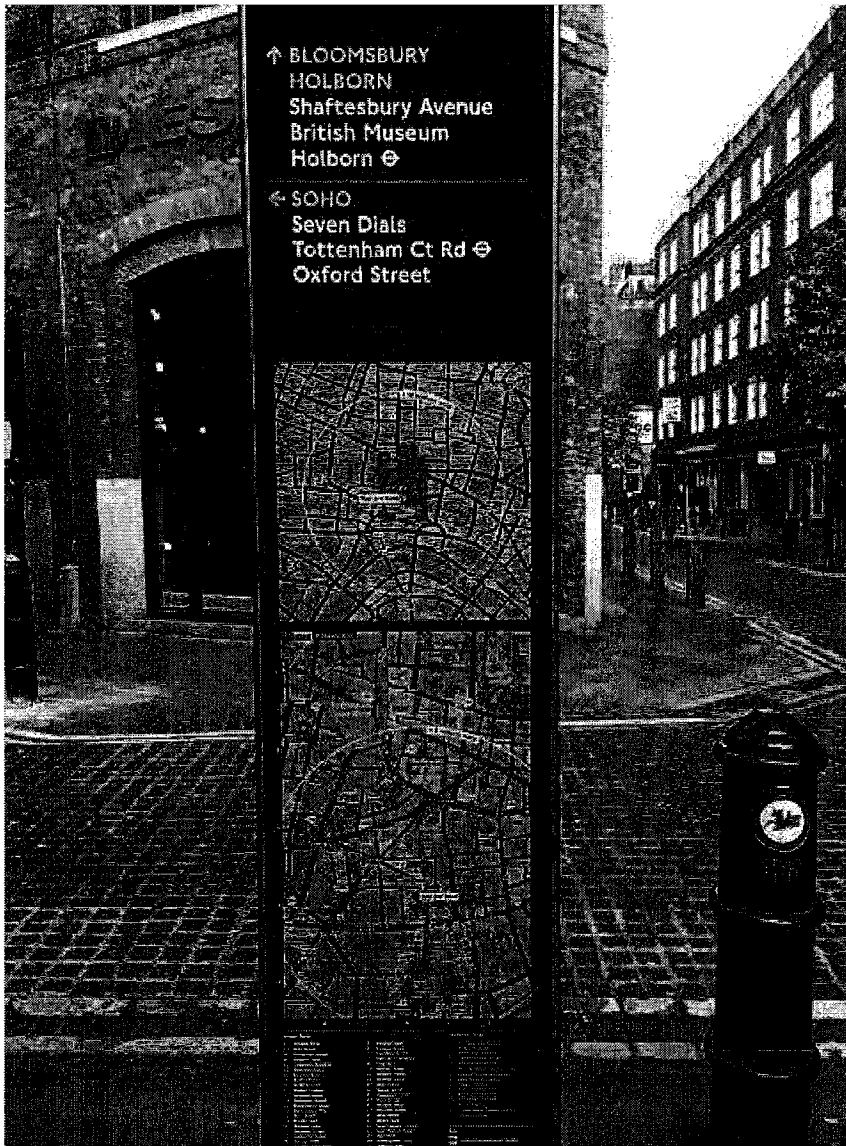
The efficacy of signage and wayfinding is dependent of the design and placement of signs. Signage should be clear and provide relevant information at key decision points in people's journeys, in areas that are highly visible, and in clear lines of sight. For instance, when entering the site, cyclists should be able to clearly understand the route options along Terry Francois Boulevard, Exposition Street, and Bridgeview Street. This signage will be especially important for safety along the shared public ways, to ensure that users understand the encouraged forms of travel and

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appropriate behavior on each mode. Temporary signage may be used in areas more highly trafficked by residents or employees, to provide information on specific events or programs, such as CSA pick up locations.

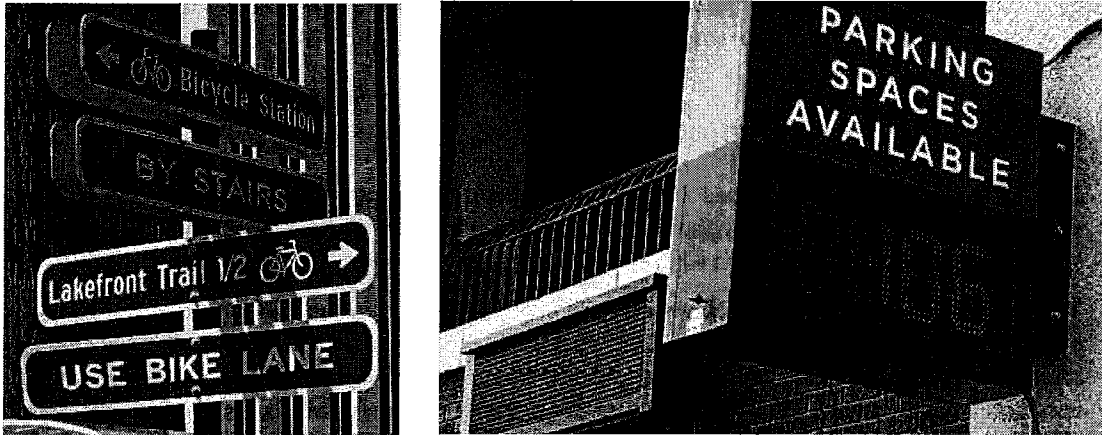
Figure 10 and Figure 11 are examples of wayfinding signage used in vibrant, mixed-use areas. The wayfinding signage in Figure 10 offers clear guidance for the nearby area at two different scales while providing clear directional guidance to nearby transportation hubs and popular destinations. Figure 11 offers examples of bike directional signage, as well as digital, dynamic parking availability signage.

**Figure 11**      **Area Wayfinding Signage – London, UK**



Source: Andrew Nash, Flickr Creative Commons

Figure 12 Bike Route and Parking Signage



Source: Nelson\Nygaard, signal-tech.com

## Transportation Information Kiosks

Transportation information kiosks can provide centralized locations for relevant transportation information for trips within Mission Rock and to nearby services and attractions. These kiosks could be placed throughout the site, at strategic decision-making locations where residents, employees, and visitors might need the information. For instance, kiosks located at the primary entrances to Mission Rock such as the intersection of Terry Francois Boulevard and Mission Rock Street could include all information necessary to navigate to specific places throughout the site. Similarly, kiosks could be placed in and around primary points of congregation on the site, including China Basin Park and Mission Rock Square. The kiosks could include transit schedules and fare information, walking and cycling routes, real-time transit information, and Ford GoBike dock locations and bike availability.



Source: Kansas City example from transit.dot.gov

It is recommended that these kiosks be digital, interactive displays (as shown in the accompanying image) to allow information to be updated easily and regularly. These boards would be maintained and updated as needed by the transportation staff.

Real-time transit information signage, such as the technology provided by TransitScreen, would be a similar dynamic information-distribution mechanism aimed mostly at residents, employees, and their visitors, located in the site's residential and office building lobbies (see more information on this measure in Chapter 2). While the information kiosks can provide detailed information on transportation options to visitors and others new or unfamiliar with Mission Rock

and the surrounding area, real-time transit screen technology is designed to offer an opportunity to understand transportation options at a quick glance. This would be particularly useful for employees and residents, those who make recurring trips frequently and don't need detailed guidance.

## **COMMUNICATION TIMELINE**

Each of the communication-based TDM measures are pertinent to residents, employees, and visitors at different times during their lifecycle at Mission Rock. As such, it is critical to think strategically about when to share what with each of these key segments.

The mobile-friendly Mission Rock website will be an important avenue for sharing information about programs, policies, and services. It is reasonable to assume that the website will act as a front-line communications vehicle to reach all of those who have or may be interested in having a connection with the site. Signage and wayfinding will be seen on a daily basis and is an important element for users of the development to efficiently navigate Mission Rock. The site-wide transportation staff will provide key information for residents and employees at the time of move-in or hire, and will provide as needed services over time. See Figure 12 through Figure 14 for more detail on the progression of anticipated touch points for transportation-related communication for residents, employees, and visitors of Mission Rock.



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Figure 13 Residential Communications Touch Points

	Pre-Move In & Lease Signing Period	Move-in Period	Establishing Transportation Patterns	Ongoing	Life Change: New Job	Life Change: Family
<b>Website</b>	Promote website and all web-based transportation tools through pages or portal aimed at prospective tenants	Receipt of access to special "residents-only" website pages/portals	Visit website to plan frequent trips and learn about transportation options, sign up for any available subsidies or complimentary memberships, as applicable	Ongoing use of website for trip planning tools, information on events, and program memberships	Return to trip planning tools and information on website	Return of trip planning tools and information on website
<b>Wayfinding &amp; Signage</b>	View wayfinding and signage when touring site	Gain deeper familiarity with the site and surroundings through signage and wayfinding	Use of dynamic wayfinding (kiosks and transit screens) to deepen understanding of nearby transportation options and develop time/schedule patterns	Ongoing use of wayfinding and signage	Renewed use of dynamic wayfinding to deepen understanding of new transportation options given new destination	Renewed use of dynamic wayfinding to deepen understanding of new transportation options given new destination; use of signage pointing to family transportation resources
<b>Site-wide Transportation Staff</b>	Discussion of transportation handbook, nearby transportation options, amenities or subsidies as applicable, promotion of trip-planning assistance	Distribution of transportation handbook, one-on-one assistance in planning commute or other trip options, or signing up for transportation programs/memberships	One-on-one assistance in planning commute or other trip options	Available for questions as they arise	Additional one-on-one support to plan new routes, etc. as needed	Additional one-on-one support to plan new routes, understand family-friendly resources on site, as needed

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**Figure 14 Employee Communications Touch Points**

	Employer Signs Lease at Mission Rock	Employer Move-in Period	Employee Move-In Period	Ongoing: With Employer	Ongoing: With Employees	Ongoing: New Hires
<b>Website</b>	Promote website and all web-based transportation tools through pages or portal aimed at prospective tenants	Receipt of access to special "employer-only" website pages/portals	Employees receive access to special "employees-only" website pages/portal Plan frequent trips and learn about transportation options, sign up for available subsidies or complimentary memberships, as applicable	Ongoing references of website for trip planning tools, information on events and program memberships	Ongoing use of trip planner on website and other website tools	Receipt of access to special "employees-only" website pages/portals Ongoing use of trip planner on website and other website tools
<b>Wayfinding &amp; Signage</b>	View wayfinding and signage when touring site	Presentation regarding available wayfinding	Use of wayfinding and signage to learn about nearby transportation options	Ongoing use of wayfinding and signage	Ongoing use of wayfinding and signage	Presentation regarding available wayfinding
<b>Site-wide Transportation Staff</b>	Discussion of transportation handbook, nearby transportation options, amenities or subsidies as applicable, promotion of trip-planning assistance	Distribution of transportation handbook, one-on-one assistance in planning commute or other trip options, or signing up for transportation programs/memberships	Distribution of transportation handbook One-on-one assistance in planning commute options is made available to new employees	Presentations to share new web or wayfinding functionality, employee-focused TDM programs, and ongoing support structures	Available for questions as they arise	Distribution of transportation handbook Additional one-on-one support is available to plan new routes, etc.

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**Figure 15 Visitor Communications Touch Points**

	Planning Trip to Site	(For Event Attendees) Purchase Tickets	Arrive on Site	Ongoing Time Spent on Site	Planning to Leave Site
<b>Website</b>	Use of public-facing website, including embedded trip-planning tools and parking pricing and availability information	Opportunity to receive tailored point-to-point trip suggestions and information emphasizing parking pricing and limited parking availability at time of ticket purchase	Use mobile-friendly website to understand transportation options, parking pricing and availability information, and maps of site		Use mobile-friendly website to plan onward journey from site
<b>Wayfinding &amp; Signage</b>			Use of dynamic parking pricing and availability signage; use of wayfinding and signage, including kiosks, to navigate to specific destination	Use of wayfinding and signage to navigate to additional destinations	Use of wayfinding and signage, including kiosks, to understand options for onward journey from site and navigate to nearby transit options, as applicable
<b>Site-wide Transportation Staff</b>	Coordinate with retailers and restaurants to post latest transportation information on their websites; maintain site website to ensure any updates to transportation information are readily available				

## 4 MONITORING AND COMPLIANCE WITH SF TDM ORDINANCE

A robust monitoring program that allows the site's transportation team to adjust offerings over time is key to the success of the Mission Rock TDM Plan. Monitoring will allow the Mission Rock team to better understand the effects of different measures on travel behavior and determine how programs are meeting the needs of residents, employees, and visitors.

The objectives of an annual monitoring program are:

1. To measure progress toward achieving, or retaining, compliance with the TDM's goal of reducing estimated aggregate daily one-way vehicle trips by 20%<sup>6</sup>; and
2. To identify the most and least effective TDM measures, so that the former can be strengthened and the later can be replaced or significantly improved.

This chapter describes the tools the transportation team will use to effectively monitor the program and ensure that the program complies with City of San Francisco monitoring requirements. It starts with a look at how the TDM Plan compares to the San Francisco TDM Ordinance.

### USING THE SAN FRANCISCO TDM ORDINANCE AS GUIDANCE

San Francisco adopted a citywide TDM Ordinance that created a TDM Program for new development in 2017. The goal of the Program is to reduce driving trips associated with new development. The Ordinance calls for development projects negotiated through Development Agreements, such as Mission Rock, to comply with the spirit of the Program, allowing that there may be unique opportunities because of project scale and mixes of use to meet the goals of the Program. Mission Rock's TDM Plan aims to reduce anticipated driving trips by 20% compared with what is estimated without TDM.

At the heart of the Ordinance is a menu of potential TDM measures, with points or credits assigned to different measures based on their documented effectiveness. Developers are required to implement measures that get them to a point total established based on the number of net new parking spaces planned as part of a given project. For example, residential and office projects with 20 or fewer parking spaces (including zero) need to implement measures with point values adding up to 13 points; each additional 10 spaces require projects to generate an additional point through additional TDM efforts. Retail projects with four or fewer spaces (including zero) need to

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<sup>6</sup> This goal is a 20% reduction compared to the aggregate daily one-way vehicle trips identified in Mission Rock's travel demand memo prepared by Adavant Consulting, dated June 30, 2015.

implement measures worth a total of nine points, and each additional two spaces will require another point.

Figure 16 estimates how the Mission Rock TDM Plan rates against the City's TDM Menu of Options and the range of associated point values. As the table shows, the measures included in this Plan are expected to garner 21 points for the residential component of the project, 20 points for the office component, and 12 points for the retail/restaurant component.

**Figure 16 Comparing Mission Rock TDM Measures to Ordinance Measures, with Estimated Point Values**

Program	Ordinance Category	Estimated Point Values by Use		
		Res	Office	Retail
Real-time transit information and marketing screens	INFO-2	1	1	1
One-time transit subsidies				
Bike share memberships	ACTIVE-4			
Space for on-site bike share				
Bicycle valet beyond code requirements	ACTIVE-7			1
Bike community programming with periodic giveaways				
Bicycle resource center, including vending machine with parts and tools and fix-it station	ACTIVE-5a	2	2	
Secure bike parking in buildings and along desire lines beyond code requirements	ACTIVE-2	2	2	2
Showers and clothes lockers for employees	ACTIVE-3		1	
On-site shared scooters	CSHARE-1	Covered	Covered	Covered
Electric scooter share memberships				
On-site car share parking spaces beyond code requirements	CSHARE-1	2	2	2
Car share memberships				
Market-based off-street parking pricing				
Unbundled parking	PKG-1	2	3	3

Program	Ordinance Category	Estimated Point Values by Use		
		Res	Office	Retail
Reduced parking supply				
Real-time information on parking pricing and availability				
In-building concierge services	DELIVERY-1	1	1	
Delivery coordination for online personal services	DELIVERY-1	Covered	Covered	
Partnerships with CSAs				
Cold, dry storage space for grocery and package delivery	DELIVERY-1	Covered		
Family supportive amenities	FAM-1	1		
Convenient loading zones				
Childcare services and facilities	FAM-2	2	2	
Collaborative work space with business services				
Convenient elevator design for bicycles, strollers, wheelchairs, etc.				
On-site affordable housing	LU-2	2		
Site-wide transportation staff	INFO-3	4	4	1
Mobile-friendly Mission Rock transportation website				
Intuitive signage and wayfinding for trip planning across all modes	INFO-1	1	1	1
Improved walking conditions to, from, and within Mission Rock	ACTIVE-1	1	1	1
		21	20	12

There are several measures recommended in this Plan that do not clearly align with any of those specified in documents related to the Ordinance. As noted earlier, many of these measures play important roles in supporting programs that might more directly affect travel behavior. Others may deserve recognition in the City's framework. Regardless, the specifics of Mission Rock's TDM monitoring will be worked out through discussions with the City.

## TDM PLAN MONITORING AND REPORTING

With the 20% trip reduction goal in mind, Mission Rock will monitor vehicle trips to and from the site for all buildings that have received a Certificate of Occupancy, and compare these vehicle trips to the aggregate daily one-way vehicle trips anticipated for the those buildings based on the trip generation rates specified in the EIR supporting documents.

Monitoring will include the following elements:

- **Trip counts and intercept surveys.** This will consist of site-wide counts of persons and vehicles arriving and leaving the project site on a non-ballgame or major event day. Counts will take place over at least two days between 6 a.m. and 8 p.m.
- **Travel demand information.** The trip count and intercept survey data will provide the key inputs to calculating travel demand for the site in line with the San Francisco Planning Department's transportation impact analysis guidelines.
- **Documentation of Plan implementation.** Mission Rock transportation staff will document the implementation of the TDM Plan's elements.

### Timeframe for Monitoring

Per commitments made under the EIR, Mission Rock transportation staff will monitor and adjust the TDM Plan accordingly until 1) the Development Agreement expires, or 2) the site meets the reduction goal for up to eight consecutive reporting periods, whichever comes first. This monitoring will begin 18 months after the completion and commencement of operation of the proposed parking garage. After that point, the site transportation staff will submit annual monitoring reports until five consecutive reporting periods show that the reduction goal has been reached. After this point, staff will submit monitoring reports every three years.

If the TDM Plan's measures are not achieving the reduction goal after three consecutive reporting periods, Mission Rock will work with the Planning Department to adjust the program as necessary, which may include refining or removing existing measures, or adding new measures. If Mission Rock has adjusted the TDM program and has not met the reduction goal for up to eight consecutive reporting periods, the project may pay an additional emissions offset fee to address any shortfall in meeting the TDM Plan reduction target. At that point, monitoring and reporting requirements will be lifted.

**EXHIBIT Z**

**Form of Quarterly Percentage Rent Statement**



**Parcel Lease Exhibit Z**

**Form of Quarterly Percentage Rent Statement**

**Parcel [   ]**

**Date: [   ]**

<b>Mission Rock Parcel Form Lease Rent Report</b>		
<b>Base Rent</b>		
<b>Base Rent Due</b>	<b>Amount Per Sec. 3.3 [or Sec. 3.1 for Garage Leases]</b>	<b>\$X.XX</b>
<b>*Note* Base Rent only if Hybrid Lease [or Parcel D Garage]</b>		
<b>Gross Income</b>		<b>\$X.XX</b>
Less Impositions	As set forth in Sec. 3.5(a)(ii) [or Sec. 3.2 for Garage Leases]	\$X.XX
Less Utilities	As set forth in Sec. 3.5(a)(ii) [or Sec. 3.2 for Garage Leases]	\$X.XX
Less Insurance Costs	As set forth in Sec. 3.5(a)(ii) [or Sec. 3.2 for Garage Leases]	\$X.XX
<b>Adjusted Gross Income</b>	<b>(Gross Income - Adjustments)</b>	<b>\$X.XX</b>
<b>Percentage Rent Rate:</b>	<b>Rate per Lease Sec. 3.5(b)(i) [see note below]</b>	<b>XX%</b>
<b>Percentage Rent Overage Due</b>	<b>[(Adjusted Gross Income * Percentage Rent Rate) - Base Rent]</b>	<b>\$X.XX</b>
<b>Paid throughout the Lease Term</b>		
<b>Base Rent Due</b>	<b>Per Above Calculation</b>	<b>\$X.XX</b>
<b>Percentage Rent Overage Due</b>	<b>Per Above Calculation</b>	<b>\$X.XX</b>
<b>Total Rent Due</b>	<b>(Base Rent Due + Perc Rent Overage Due)</b>	<b>\$X.XX</b>

**Note: Calculation of "Participation Rent" under Garage Leases differs from "Percentage Rent" under other Parcel Leases, so this statement should be adjusted accordingly.**

**EXHIBIT AA**

**Form of Annual Percentage Rent Statement**

**Parcel Lease Exhibit AA**

**Form of Annual Percentage Rent Statement**

**Parcel [ ]**

**Date: [ ]**

<b>Mission Rock Parcel Lease Rent Report</b>		
<b>Base Rent</b>		
<b>Base Rent Due</b>	<b>Amount Per Sec. 3.3 [or Sec. 3.1 for Garage Leases]</b>	<b>\$X.XX</b>
<b>*Note* Base Rent only if Hybrid Lease [or Parcel D Garage]</b>		
<b>Gross Income</b>		<b>\$X.XX</b>
Less Impositions	As set forth in Sec. 3.5(a)(ii) [or Sec. 3.2 for Garage Leases]	\$X.XX
Less Utilities	As set forth in Sec. 3.5(a)(ii) [or Sec. 3.2 for Garage Leases]	\$X.XX
Less Insurance Costs	As set forth in Sec. 3.5(a)(ii) [or Sec. 3.2 for Garage Leases]	\$X.XX
<b>Adjusted Gross Income</b>	<b>(Gross Income - Adjustments)</b>	<b>\$X.XX</b>
<b>Percentage Rent Rate:</b>	<b>Rate per Lease Sec. 3.5(b)(i) [see note below]</b>	<b>XX%</b>
<b>Percentage Rent Overage Due</b>	<b>[(Adjusted Gross Income * Percentage Rent Rate) - Base Rent]</b>	<b>\$X.XX</b>
<b>Paid throughout the Lease Term</b>		
<b>Base Rent Due</b>	<b>Per Above Calculation</b>	<b>\$X.XX</b>
<b>Percentage Rent Overage Due</b>	<b>Per Above Calculation</b>	<b>\$X.XX</b>
<b>Total Rent Due</b>	<b>(Base Rent Due + Perc Rent Overage Due)</b>	<b>\$X.XX</b>
<b>Annual "true-up" [attach separate pages for each quarter which requires any changes]</b>		

**Note: Calculation of "Participation Rent" under Garage Leases differs from "Percentage Rent" under other Parcel Leases, so this statement should be adjusted accordingly.**

**EXHIBIT BB**

**Cal. Revenue and Taxation Code, Chapter 2, Section 64**

## **EXHIBIT BB**

### **Cal. Revenue and Taxation Code, Chapter 2, Section 64**

#### **REVENUE AND TAXATION CODE**

#### **Property Taxation**

#### **PART 0.5. IMPLEMENTATION OF ARTICLE XIII A OF THE CALIFORNIA CONSTITUTION**

#### **CHAPTER 2. CHANGE IN OWNERSHIP AND PURCHASE**

#### **SECTION 64**

64. Corporation and partnership interests. (a) Except as provided in subdivision (i) of Section 61 and subdivisions (c) and (d) of this section, the purchase or transfer of ownership interests in legal entities, such as corporate stock or partnership or limited liability company interests, shall not be deemed to constitute a transfer of the real property of the legal entity. This subdivision is applicable to the purchase or transfer of ownership interests in a partnership without regard to whether it is a continuing or a dissolved partnership.

(b) Any corporate reorganization, where all of the corporations involved are members of an affiliated group, and that qualifies as a reorganization under Section 368 of the United States Internal Revenue Code and that is accepted as a nontaxable event by similar California statutes, or any transfer of real property among members of an affiliated group, or any reorganization of farm credit institutions pursuant to the federal Farm Credit Act of 1971 (Public Law 92-181), as amended, shall not be a change of ownership. The taxpayer shall furnish proof, under penalty of perjury, to the assessor that the transfer meets the requirements of this subdivision.

For purposes of this subdivision "affiliated group" means one or more chains of corporations connected through stock ownership with a common parent corporation if both of the following conditions are met:

(1) One hundred percent of the voting stock, exclusive of any share owned by directors, of each of the corporations, except the parent corporation, is owned by one or more of the other corporations.

(2) The common parent corporation owns, directly, 100 percent of the voting stock, exclusive of any shares owned by directors, of at least one of the other corporations.

(c) (1) When a corporation, partnership, limited liability company, other legal entity, or any other person obtains control through direct or indirect ownership or control of more than 50 percent of the voting stock of any corporation, or obtains a majority ownership interest in any partnership, limited liability company, or other legal entity through the purchase or transfer of corporate stock, partnership, or limited liability company interest, or ownership interests in other legal entities, including any purchase or transfer of 50 percent or less of the ownership interest through which control or a majority ownership interest is obtained, the purchase or transfer of that stock

or other interest shall be a change of ownership of the real property owned by the corporation, partnership, limited liability company, or other legal entity in which the controlling interest is obtained.

(2) On or after January 1, 1996, when an owner of a majority ownership interest in any partnership obtains all of the remaining ownership interests in that partnership or otherwise becomes the sole partner, the purchase or transfer of the minority interests, subject to the appropriate application of the step-transaction doctrine, shall not be a change in ownership of the real property owned by the partnership.

(d) If property is transferred on or after March 1, 1975, to a legal entity in a transaction excluded from change in ownership by paragraph (2) of subdivision (a) of Section 62, then the persons holding ownership interests in that legal entity immediately after the transfer shall be considered the "original coowners." Whenever shares or other ownership interests representing cumulatively more than 50 percent of the total interests in the entity are transferred by any of the original coowners in one or more transactions, a change in ownership of that real property owned by the legal entity shall have occurred, and the property that was previously excluded from change in ownership under the provisions of paragraph (2) of subdivision (a) of Section 62 shall be reappraised.

The date of reappraisal shall be the date of the transfer of the ownership interest representing individually or cumulatively more than 50 percent of the interests in the entity.

A transfer of shares or other ownership interests that results in a change in control of a corporation, partnership, limited liability company, or any other legal entity is subject to reappraisal as provided in subdivision (c) rather than this subdivision.

(e) To assist in the determination of whether a change of ownership has occurred under subdivisions (c) and (d), the Franchise Tax Board shall include a question in substantially the following form on returns for partnerships, banks, and corporations (except tax-exempt organizations):

If the corporation (or partnership or limited liability company) owns real property in California, has cumulatively more than 50 percent of the voting stock (or more than 50 percent of total interest in both partnership or limited liability company capital and partnership or limited liability company profits) (1) been transferred by the corporation (or partnership or limited liability company) since March 1, 1975, or (2) been acquired by another legal entity or person during the year--? (See instructions.)

If the entity answers "yes" to (1) or (2) in the above question, then the Franchise Tax Board shall furnish the names and addresses of that entity and of the stock or partnership or limited liability company ownership interest transferees to the State Board of Equalization.

History.—Stats. 1979, Ch. 1161, in effect September 29, 1979, substituted "A corporation, partnership, other legal entity or any other person" for "one corporation", and substituted "any" for "another" after "in" in the first sentence of

subdivision (c). Stats. 1980, Ch. 1349, in effect January 1, 1981, added "and (d)" after "subdivision (c)" in subdivision (a); added "or obtains a majority ownership interest in any partnership or other legal entity" before "through the purchase", substituted "partnership interest, or ownership interests in other legal entities" for "exclusive of any shares owned by directors" after "corporate stock", added "or other interest" before "shall be" and "partnership, or other legal entity" before "in which" in subdivision (c); and added subdivisions (d) and (e). Stats. 1982, Ch. 1465, in effect January 1, 1983, deleted "by merger or consolidation," after "reorganization," in the first sentence of subdivision (b); substituted "If" for "Whenever" before "property," added "on or after March 1, 1975," after "transferred", "paragraph (2) of" before "subdivision (a)", and "then" after "Section 62," in the first sentence, and substituted "that" for "the " before "real property", added "which . . . Section 62" before "shall be", and deleted "by the assessor pursuant to Section 65" after "reappraised" in the second sentence of the first paragraph of subdivision (d), and added the fourth paragraph thereof; and substituted "subdivision (c) and (d)" for "subdivision (c)" after "under" in the first paragraph of subdivision (e), substituted "has cumulatively . . . person" for "was control of the corporation (partnership) transferred or sold" after "California," in the second paragraph thereof, and substituted "the" for "an" after "If", added "(1) or (2) in "after 'eyes' to", substituted "shall" for "will" after "Board", substituted "names and addresses of that" for "name and address of such" after "furnish the", and added "and of . . . transferees" after "entity" in the third paragraph thereof. Stats. 1984, Ch. 678, in effect January 1, 1985, deleted the former third paragraph of subdivision (d) which stated that "The persons holding ownership interests in the legal entity immediately following the reappraisal shall be considered the new original co-owners." Stats. 1988, Ch. 560, in effect January 1, 1989, added ", or any reorganization of farm credit institutions pursuant to the Federal Farm Credit Act of 1971 (Public Law 92-181), as amended," before "shall" in the first sentence of subdivision (b). Stats. 1994, Chs. 1200 and 1243, in effect September 30, 1994, added references to limited liability company throughout text; added "(as enacted . . . 1955)" after "25105" and substituted "the" for "such" and substituted "that" for "such" in subdivision (c). Stats. 1995, Ch. 497, in effect January 1, 1996, added the second sentence in subdivision (a); substituted "that" for "which" twice in the first paragraph in subdivision (b); added "both of . . . are met" after "corporation if" in the second paragraph of subdivision (b); substituted a period for "; and" after "corporations" in paragraph (1) of subdivision (b); added paragraph number designation (1) before first paragraph of subdivision (c), substituted "through direct . . . stock of" for ", as defined in Section 25105 (as enacted by Chapter 938 of the Statutes of 1955), in", after "obtains control", added "including any . . . is obtained," after "legal entities,", and added "the real" after "ownership of" therein; added paragraph (2) to subdivision (c); and substituted "that" for "which" twice in the first paragraph and in the third paragraph of subdivision (d). Stats. 1998, Ch. 591 (SB 2237), in effect January 1, 1999, substituted "subdivision (i)" for "subdivision (h)" after "as provided in" in the first sentence of subdivision (a). Stats. 1999, Ch. 83 (SB 966), in effect January 1, 2000, added a comma after "this subdivision" in the first sentence of

the second paragraph of subdivision (b), and deleted "In order" before "To assist" in the first sentence of the first paragraph of subdivision (e).

Note.—Section 40 of Stats. 1995, Ch. 497, providing the following:

The Legislature finds and declared that the amendments of subdivision (a) and paragraph (1) of subdivision (c) of Section 64 of the Revenue and Taxation Code made by this act do not constitute a change in, but are declaratory of, existing law.

The Legislature further finds and declares that the amendment adding paragraph (2) to subdivision (c) of Section 64 of the Revenue and Taxation Code that is made by this act is necessary to correctly state the change in ownership results intended by the Legislature when a majority partner acquires the minority partners' ownership interests. It is the Legislature's intent that, absent the appropriate application of the step-transaction doctrine or one of the express exceptions listed in subdivision (a) of Section 64 of the Revenue and Taxation Code, the transfer of minority interests in a partnership to the majority owner shall not constitute a change in ownership of the partnership real property, on or after January 1, 1996.

Note.—Section 5 of Stats. 1980, Ch. 1349, provided the amendments made to Section 64 shall be effective for the 1981–82 assessment year and years thereafter. It is the intent of the Legislature that the provisions of this act shall apply to the determination of base year values for the 1981–82 fiscal year, and shall apply to any change in ownership occurring on or after March 1, 1975. No escape assessments shall be levied and no refund shall be made for any years prior to 1981–82 for any increases or decreases in value made for the 1981–82 fiscal year or fiscal years thereafter as the result of the enactment of this act. Section 6 thereof provided the provisions of subdivision (d) of Section 64 as added by this act shall be operative with respect to returns for years beginning in 1981 and thereafter.

Note.—Section 11 of Stats. 1988, Ch. 560, provided that the amendment made to Section 64 shall be applicable to the 1985–86 fiscal year and fiscal years thereafter. The Legislature finds and declares that farm credit banks are instrumentalities of the federal government, and that the recent reorganization of these farm credit institutions was effected pursuant to federal law and regulations. The Legislature further finds and declares that the reorganization of these institutions was of a type which would have avoided a change in ownership reappraisal under Section 64 of the Revenue and Taxation Code if the institutions had been members of a privately owned "affiliated group" connected through stock ownership with a common parent, rather than a federal instrumentality.

Construction.—This section applies to true changes in ownership, rather than "paper" ones. Where a corporation is involved, the term exempts a mere change in the form of ownership or corporate organization, but it encompasses outright sale of either land or the company to a stranger, whether for cash or for shares of stock. Thus, reassessment may not be avoided by selling all or a majority of the stock in real estate holding companies, and all realty held by a holding company and its former parent corporation was subject to reassessment upon a surviving corporation's acquisition of control of the holding company by merger with the former parent corporation. The change of ownership of the realty occurred within the meaning of section 64(c) when the shareholders of the former parent corporation became proportionate, but minority, shareholders in the surviving corporation, thereby losing control, and conversely, the surviving corporation obtained control of the holding company by acquiring a majority of its voting shares. Section 64(b) was not applicable since the merger was not between members of an affiliated group where none of the corporations owned 100 percent of the voting stock of the other at the time the merger tender offer was accepted. *Sav-on Drugs, Inc. v. Orange County*, 190 Cal.App.3d 1611.



A corporation, which obtained direct control of an intermediary corporation by conversion of its wholly owned subsidiary's common stock into the common stock of the intermediary, obtained indirect control of a separate subsidiary corporation that was wholly owned by the intermediary. Thus, notwithstanding the fact that the acquiring corporation did not directly purchase the stock of the intermediary's subsidiary, a change in ownership of that subsidiary's real property holdings occurred within the meaning of Section 64(c). The determinative factor as to whether a change in ownership of corporate property has occurred is control of the corporation that owns the property, not the right to occupy the property or to take possession of it. *Title Ins. & Trust Co. v. Riverside County*, 48 Cal.3d 84.

A corporate reorganization effecting a change in the majority controlling ownership of the corporate entities results in a change of ownership of the real property under Section 64(c), even though the reorganization itself was exempt from state and federal income taxation. The reorganization involved affiliated entities that were not affiliated after the transaction, and for Section 64(b) to be applicable, "members of an affiliated group" must have been affiliated from beginning to end, under the same ownership and control before a transfer and after. *Pueblos Del Rio South v. City of San Diego*, 209 Cal.App.3d 893.

A change in ownership of corporate real property triggering reassessment of the property occurred within the meaning of Section 64(c) where the taxpayer and another corporation formed a new corporation which set up two wholly owned subsidiary corporations which were then merged into the taxpayer and the other corporation, but which left the taxpayer's shareholders with a majority interest in the stock of the new corporation. *Kraft, Inc. v. Orange County*, 219 Cal.App.3d 1104. The acquisition of a film corporation by another corporation, specially created for that purpose, constituted a change in ownership within the meaning of Section 64(c) so as to allow reassessment of real property owned by the film corporation, even though none of the investors in the acquiring corporation owned more than 50 percent of its stock. The ultimate control theory, reflected in that section and which looks through the titleholder to the entity ultimately responsible, did not require that the acquiring corporation be ignored in order to focus instead on the individual investors. *Twentieth Century Fox Film Corp. v. Los Angeles County*, 223 Cal.App.3d 1158. The statutory definition of "control", in a partnership, a majority ownership interest, prevails over the concept that a choice in action represents indirect, constructive or effective control. *Shuwa Investments Corporation v. Los Angeles County*, 1 Cal.App.4th 1635. While acquisition of a minority partnership interest does not constitute a change of ownership under this section, this exemption applies only to transfers involving continuing entities. Thus, where the majority partner purchased the minority partners' partnership interests, in this case the partnership dissolved, this was a change in ownership, and the partnership's subsequent transfer of title to its real property to the sole partner was a mere formality. *Zapara v. Orange County*, 26 Cal.App.4th 464.

Section 64(e) is designed to assist the appropriate authorities in determining whether a change of ownership has occurred by alerting them to stock purchases that might lead to reassessment of real property, not to state the circumstances under which a property value tax reassessment should occur. *Title Ins. & Trust Co. v. Riverside County*, 48 Cal.3d 84.

Legislative intent.—The intent of the Legislature is the end and aim of all statutory construction. The Legislature's failure to adopt a proposed amendment to Section 64(c) which would have expressly extended application of the subdivision to corporate subsidiaries is not conclusive evidence of its intent that the subdivision not apply to subsidiaries. The Legislature may have objected to other portions of the bill, which contained numerous other provisions, or it may have determined that further clarification of the status of subsidiaries was unnecessary. *Title Ins. & Trust Co. v. Riverside County*, 48 Cal.3d 84.

EXHIBIT CC

Port's Good Neighbor Policy

## **EXHIBIT CC**

### **Port's Good Neighbor Policy**

#### **GOOD NEIGHBOR POLICY OR STANDARDS**

The Port Commission has adopted the following "Good Neighbor" standards for activities, including Special Events that occur on the waterfront.

Tenant and Sponsors of events in this area will be required to meet these standards, which apply to bars, restaurants which sell alcohol, large fast food restaurants, and assembly and entertainment uses (including Special Events), unless the Port Commission makes a specific finding that a particular condition is unnecessary or infeasible:

- A. Any indoor and/or outdoor activity located within 300 feet of a residential unit shall, during the period from 10:00 pm to 6:00 am, insure that sound levels emanating from such activities do not exceed the acceptable noise levels established by the San Francisco Noise Ordinance. Police Code, Article 29.
- B. The tenant (or sponsor) shall post interior signs and request that patrons leaving the premises after 10:00 pm leave the establishment and the neighborhood in a quiet, peaceful and orderly fashion and not litter or block driveways in the neighborhood. The tenant shall alert the San Francisco Police Department if exiting patrons are causing a disturbance.
- C. All garbage receptacles shall be enclosed and no garbage shall be put on the sidewalk for collection, except as permitted by Article 5.1 of the Public Works Code.
- D. The tenant (or sponsor) shall keep sidewalks fronting the premises clean of debris and litter and shall walk a 100 foot radius from the premises sometime between thirty minutes after closing and 8:00 am the following morning to pick up and dispose of any discarded trash left by area patrons.
- E. The tenant (or sponsor) shall designate a neighborhood liaison contact person whose name and phone number shall be made available to the Port and to neighborhood associations in the area.

SCHEDULE 13.2

Intentionally Omitted



**CITY AND COUNTY OF SAN FRANCISCO  
LONDON N. BREED, MAYOR**

---

**LEASE NO. L-16706**

**(MISSION ROCK – PHASE 1, PARCEL F/LOT 4)**

**BETWEEN THE**

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

**AS LANDLORD**

**AND**

**MISSION ROCK PARCEL F OWNER, L.L.C.**

**AS TENANT**

**DATED AS OF <sup>OCTOBER</sup>~~SEPTEMBER~~ 6, 2020**

---

**ELAINE FORBES  
EXECUTIVE DIRECTOR**

**SAN FRANCISCO PORT COMMISSION**

**KIMBERLY BRANDON, PRESIDENT  
WILLIE ADAMS, VICE- PRESIDENT  
GAIL GILMAN, COMMISSIONER  
DOREEN WOO HO, COMMISSIONER**

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Exhibit U	Pre-Existing Hazardous Materials
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Exhibit W	Other City Requirements
Exhibit X	Form of Memorandum of Lease
Exhibit Y	Transportation Demand Management Plan
Exhibit Z	Form of Quarterly Percentage Rent Statement
Exhibit AA	Form of Annual Percentage Rent Statement
Exhibit BB	Cal. Revenue and Taxation Code, Chapter 2, Section 64
Exhibit CC	Port's Good Neighbor Policy

Schedule 13.2 Intentionally Omitted

### BASIC LEASE INFORMATION

Each reference to the Basic Lease Information in this Lease will incorporate the applicable Basic Lease Information specified herein.

As defined in the Disposition and Development Agreement between the Port and Seawall Lot 337 Associates, LLC, a Delaware limited liability company, dated as of August 15, 2018 (the “DDA”), this Lease is a fully prepaid lease of unimproved property to a Vertical Developer Affiliate of Master Developer.

<b>Lease No.</b>	Lease No. L-16706
<b>Effective Date:</b>	<del>September</del> <i>October 6</i> , 2020
<b>Landlord:</b>	<b>THE CITY AND COUNTY OF SAN FRANCISCO</b> operating by and through the <b>SAN FRANCISCO PORT COMMISSION</b>
<b>Tenant:</b>	<b>MISSION ROCK PARCEL F OWNER, L.L.C.</b>
<b>Tenant's Address for Notices:</b>	Mission Rock Parcel F Owner, L.L.C. c/o Tishman Speyer Development, L.L.C., One Bush Street, Suite 500, San Francisco, California, 94104 Attention: General Counsel  With a copy to:  Mission Rock Parcel F Owner, L.L.C. c/o San Francisco Giants 24 Willie Mays Plaza San Francisco, CA 94107 Attention: Jack Bair
<b>Landlord's Address for Notices:</b>	Port of San Francisco Pier 1 San Francisco, CA 94111 Attn: Director of Real Estate and Development Re: Mission Rock (Phase 1 Lot 4)  With a copy to:  Port of San Francisco Pier 1 San Francisco, CA 94111

	Attn: General Counsel Re: Mission Rock (Phase 1 Lot 4)
<b>Premises:</b>	All that real property located in the City and County of San Francisco, California, as more particularly described in <i>Exhibit A</i> attached hereto (the “ <b>Property</b> ”). The Property contains approximately Twenty-Five Thousand One Hundred Thirteen (25,113) square feet of unimproved land area (the “ <b>Land</b> ”), together with all rights and privileges appurtenant to the Property and owned by Port, and any Improvements hereafter constructed on the Property. The Property is generally referred to as Parcel F of the mixed-use project commonly known as Mission Rock. The Property is shown generally on the Site Plan attached hereto as <i>Exhibit B</i> . The Property and all Improvements now and hereafter located on the Property are referred to in this Lease as the “ <b>Premises</b> .”
<b>Single Point of Entry for State Mineral Reservation Entry</b>	Within 180 days after the Commencement Date, Port shall provide Tenant the coordinates for the point of entry, which shall be located in Zone 3, California Grid System.
<b>Permitted Use:</b>	The use and operation of the Premises will be for residential and ancillary office and retail uses subject to the Scope of Development attached hereto as <i>Exhibit C-1</i> , the SUD and the Affordable Housing Restrictions described in <i>Exhibit C-2</i> attached hereto (collectively, the “ <b>Project</b> ”) and as further specified below and in <i>Article 3</i> .
<b>Commencement Date:</b>	The Effective Date of this Lease.
<b>Expiration Date:</b>	The earlier of (i) seventy-five years after the Commencement Date and (ii) December 31, 2105.
<b>Prepaid Rent:</b>	<b>Fully Prepaid:</b> \$23,700,000.00
<b>Rent:</b>	As set forth in <i>Exhibit D</i> attached hereto.
<b>Environmental Financial Assurances Deposit:</b>	As applicable to Subtenants as set forth in <i>Section 17.3</i> .
<b>Environmental Oversight Deposit:</b>	As applicable to Subtenants as set forth in <i>Section 17.3</i> .

<b>Project Approvals:</b>	Those certain project approvals for Mission Rock listed in <i><b>Exhibit E</b></i> attached hereto and made a part hereof, as may be amended from time to time.



## LEASE NO. L-16706

THIS LEASE NO. L-16706 (this “Lease”) is dated as of the Effective Date, by and between **THE CITY AND COUNTY OF SAN FRANCISCO**, operating by and through the **SAN FRANCISCO PORT COMMISSION (“Port”)**, as landlord, and **MISSION ROCK PARCEL F OWNER, L.L.C.**, 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 47* 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.** The Port owns about 7½ miles of tidelands and submerged lands along San Francisco Bay. The seawall lots are tidelands that were filled and cut off from the waterfront by the construction of the great seawall in the late 19th and early 20th centuries, and by the construction of the Embarcadero roadway which lies, in part, over a portion of the great seawall. Seawall Lot 337, the largest of the designated seawall lots, is located just south of China Basin and for years has been used as a surface parking lot.

**C.** The Port and Seawall Lot 337 Associates, LLC, a Delaware limited liability company (“**Master Developer**”), are parties to that certain Disposition and Development Agreement dated as of August 15, 2018 (the “**DDA**”) and that certain Lease No. L-16417 dated as of August 15, 2018 (the “**Master Lease**”). The DDA and Master Lease govern the mixed-use development of an approximately 28-acre site, known as “Mission Rock” as more particularly described in the DDA and Master Lease (the “**Project Site**”). The DDA and Master Lease set forth a parcel disposition process under which the Port will enter into ground leases for developable parcels within Mission Rock.

**D.** Master Developer, (i) on December 18, 2019, assigned all of its rights, title, and interest in and to the DDA with respect to the Premises to Mission Rock Horizontal Sub (Phase I), L.L.C., a Delaware limited liability company (“**Phase 1 Horizontal Developer**”), and (ii) effective December 19, 2019, subleased Phase I of the premises under the Master Lease to the Phase 1 Horizontal Developer.

**E.** This Lease is a fully prepaid ground lease with a Vertical Developer Affiliate. The form of this Lease was authorized by the Port Commission by Resolution No. 18-03 and the Board of Supervisors by Resolution No. 36-18, which resolutions authorized the Port’s Executive Director to enter into this Lease without further approval by the Port Commission or the Board of Supervisors under Charter Section 9.118.

**F.** This Lease is a nontrust lease, free from the trust use requirements established by the public trust, the Burton Act trust, and the Burton Act transfer agreement pursuant to Senate Bill 815 (stats. 2007, ch. 660), as amended by Assembly Bill 2797 (stats. 2016, ch. 529) (as amended, “**SB 815**”). The defined terms used but not otherwise defined in this Recital F shall have the meanings ascribed to them in SB 815.

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

**1. PREMISES; TERM.**

**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) **Permitted Title Exceptions.** The interests granted by Port to Tenant pursuant to *Section 1.1(a)* are subject to (i) the matters reflected in *Exhibit F* (the “**Permitted Title Exceptions**”), and (ii) such other matters as Tenant will cause or suffer to arise subject to the terms and conditions of this Lease, and (iii) the rights of Port and the public reserved under the terms of this Lease.

(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 7* (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 Improvements or alterations or additions to the Premises that do not otherwise require the Port’s approval and that might impact accessibility standards required under federal and state disability access Laws.

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

(i) **Access Rights.** Port hereby grants to Tenant a non-exclusive easement appurtenant to the Property, limited in duration to the Term of this Lease under *Section 1.2* in and over all of the real property located in those lots designated as open spaces, streets, ways, roads, public ways, or similar designations on the Final Map, including, without limitation, the Public Access Areas (the “**Open Space Lands**”) for purposes of pedestrian access, ingress and egress in connection with the uses permitted under this Lease, subject to the following use restrictions:

(1) Tenant shall not restrict access to the Open Space Lands or unreasonably interfere or impede the use of the Open Space Lands by the public, Port, or other Port tenants or users.

(2) Tenant shall not allow the Open Space Lands to be used in any manner that will constitute waste, nuisance or unreasonable annoyance to Port or its tenants or licensees.

(ii) **No-Build Area.** Port hereby grants to Tenant an exclusive building setback easement appurtenant to the Property, in and over the portion of the Open Space Lands located within twenty-five (25) feet of the Premises (the “**No-Build Area**”) such that no buildings shall be constructed in the No-Build Area in order to maintain compliance with Port Building Code requirements applicable to the improvements to be built on the Premises by Tenant. However, this restriction on use of the No-Build Area shall not prohibit the Port’s ability to maintain, construct and install minor encroachments, with any required approval from applicable agencies.

(iii) If Tenant (including, its Agents, Invitees, successors and assigns) uses or occupies space outside the Property without the prior written consent of Port (the “**Encroachment Area**”), which consent is anticipated to be granted in one or more license agreements, 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.

(iv) 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.

(v) 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.

(vi) 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)*.

(f) **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 as identified in the Basic Lease Information, 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 14* (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).

(g) **"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." 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 1.1(g)*. 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, 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 its "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, the zoning land use regulations, and other Laws applicable thereto, including Environmental Laws, or any similar matter applicable to the Premises, any appurtenances thereto or the Improvements; or (iv) all other matters of material significance presently existing in, on, around, under, and pertaining to the Premises and its development and use under this Lease.

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

Tenant agrees that the release contemplated by this *Section 1.1(g)* 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 1.1(g)*.

Tenant Initials: CA

The provisions of this *Section 1.1(g)* will survive the expiration or earlier termination of this Lease.

(h) **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.

(i) **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.

(j) **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.



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 its “**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, the zoning land use regulations, and other Laws applicable thereto, including Environmental Laws, or any similar matter applicable to the Premises, any appurtenances thereto or the Improvements; or (iv) all other matters of material significance presently existing in, on, around, under, and pertaining to the Premises and its development and use under this Lease.

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

Tenant agrees that the release contemplated by this **Section 1.1(g)** 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 1.1(g)**.

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

The provisions of this **Section 1.1(g)** will survive the expiration or earlier termination of this Lease.

(h) **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.

(i) **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.

(j) **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.

(k) **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.

**1.2. 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.**" In no event will the Term of this Lease, or of any Sublease created under any provision of this Lease, extend beyond December 31, 2105.

**2. RENT.**

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

**3. USES.**

**3.1. Permitted Uses.** Tenant will use and operate the Premises in accordance with this Lease and solely for the Permitted Uses described in the Basic Lease Information. Tenant will not seek any amendment to the Project Approvals, including, without limitation, the SUD or Design Controls that would be substantially inconsistent with the land use restrictions set forth in the Scope of Development without the prior written consent of the Port Commission and, during the term of the DDA, Master Developer or Phase 1 Horizontal Developer (as applicable) each in its sole discretion. The Parties recognize that from time to time, Tenant may desire to obtain additional use, zoning, regulatory or land use approvals or conditional use authorization relating to the Premises. Port agrees, from time to time, to reasonably cooperate with Tenant, at no cost to Port, in pursuing such regulatory approvals or authorizations, including, but not limited to, executing documents, applications or petitions relating thereto, subject to the limitations of this **Section 3.1, Section 3.7, and Article 8.** Notwithstanding anything herein to the contrary, any use of the Premises under 10,000 square feet in connection with districtwide utility systems shall be a Permitted Use hereunder.

**3.2. 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**"):

(a) 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;

(b) any activity or object which will materially overload or cause material damage to the Premises (other than which would be considered reasonable wear and tear or which is otherwise repaired by Tenant in accordance with the terms of this Lease);

(c) any activity which constitutes waste or nuisance, 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, or the use of loudspeakers or sound or light apparatus which can be heard or seen outside the Premises other than (i) in connection with typical commercial uses (including without limitation, lights and speakers for outdoor dining with music) and (ii) so long as properly permitted by Port and consistent with Port's Good Neighbor Policy, attached as **Exhibit CC** to this Lease, lights and speakers at the Premises used in connection with outdoor events at the parks or public open spaces in Mission Rock with the prior written consent of the Port, in each case that do not violate any applicable Law;

(d) any activity which will in any way injure, obstruct or interfere with the rights of ingress and egress of other owners, tenants, or occupants of adjacent properties;



(e) 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;

(f) 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 office equipment (such as printers, computer, and copiers) and residential equipment (such as washing machines, dryers, and kitchen appliances) or to charging stations for electric vehicles and equipment;

(g) the storage of any and all excavated materials, including but not limited to, dirt, concrete, sand, asphalt, and pipes (unless such use is reasonably required on a temporary basis to allow for the construction of the Initial Improvements, Subsequent Construction, or the repair or maintenance of the Improvements);

(h) the storage of any and all aggregate material, or bulk storage, such as wood or of other loose materials (unless such use is reasonably required on a temporary basis to allow for the construction of the Initial Improvements, Subsequent Construction, or the repair or maintenance of the Improvements); or

(i) Intentionally Omitted.

(j) the washing of any vehicles or equipment (unless such use is (i) reasonably required on a temporary basis to comply with the Soil Management Plan during construction of the Initial Improvements or (ii) is ancillary to the Permitted Use and in accordance with a Port approved Operations Plan).

**3.3. 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 24.1(f)**, if Tenant uses the Premises for the same type of Prohibited Use and Port has delivered a notice of such violations more than two (2) times within the prior six (6) month period, then Tenant will pay Port an amount equal to Two Thousand Six Hundred Fifty Two Dollars and Twenty-Five Cents (\$2,652.25) (as adjusted periodically, the "**Prohibited Use Charge**") for such Prohibited Use as liquidated damages, which Two Thousand Six Hundred Fifty Two Dollars and Twenty-Five Cents (\$2,652.25) will be increased by ten percent (10%) 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 A PROHIBITED USE MORE THAN TWO (2) TIMES WITHIN A SIX (6) 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 LEASE WAS MADE, THE CONSEQUENCES OF THIS LIQUIDATED DAMAGES PROVISION.

Initials:



Port



Tenant

**3.4. Advertising and Signs.** Subject to the prohibition on tobacco and alcohol advertising provided in **Article 45** (Other City Requirements), Tenant will have the right to



(e) 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;

(f) 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 office equipment (such as printers, computer, and copiers) and residential equipment (such as washing machines, dryers, and kitchen appliances) or to charging stations for electric vehicles and equipment;

(g) the storage of any and all excavated materials, including but not limited to, dirt, concrete, sand, asphalt, and pipes (unless such use is reasonably required on a temporary basis to allow for the construction of the Initial Improvements, Subsequent Construction, or the repair or maintenance of the Improvements);

(h) the storage of any and all aggregate material, or bulk storage, such as wood or of other loose materials (unless such use is reasonably required on a temporary basis to allow for the construction of the Initial Improvements, Subsequent Construction, or the repair or maintenance of the Improvements); or

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THE PARTIES HAVE AGREED THAT PORT’S ACTUAL DAMAGES, IN THE EVENT TENANT USES THE PREMISES FOR A PROHIBITED USE MORE THAN TWO (2) TIMES WITHIN A SIX (6) 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 LEASE WAS MADE, THE CONSEQUENCES OF THIS LIQUIDATED DAMAGES PROVISION.

Initials:

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Port

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Tenant

**3.4. Advertising and Signs.** Subject to the prohibition on tobacco and alcohol advertising provided in *Article 45* (Other City Requirements), Tenant will have the right to

install signs and advertising inside the Premises and the Improvements in accordance with the applicable provisions of the SUD, as may be amended from time to time. Tenant will have the right to place, construct or maintain any sign, flag, advertisement, awning, banner or other decoration (collectively, "Sign") on, or visible from, the exterior of the Premises without the prior written consent of Port acting in its proprietary capacity, provided the Sign complies with the Design Controls and the applicable provisions of the SUD. Any Sign that Tenant is permitted to place, construct or maintain on the Premises will comply with all Laws relating thereto, including but not limited to the Design Controls and the applicable provisions of the SUD and building permit requirements, and Tenant will obtain all Regulatory Approvals required by such Laws. Port makes no representation with respect to Tenant's ability to obtain any such Regulatory Approval. Tenant, at its sole cost and expense, will remove all Signs placed by it on the Premises at the expiration or earlier termination of this Lease.

**3.5. *Restrictions on Encumbering Port's Reversionary Interest.*** Tenant may not enter into agreements granting licenses, easements or access rights over the Premises if the same would be binding on Port's reversionary interest in the Premises without Port's prior written consent, which consent may be withheld in Port's sole discretion, and subject to the provisions of *Article 6* (Contests).

**3.6. *Intentionally Omitted.***

**3.7. *Required Public Benefits.***

(a) ***Retail and Activation as Public Benefits.*** Pursuant to and as more particularly described in the Mission Rock Design Controls, the portion of the Premises fronting on Mission Rock Square is designated as a High Retail zone and the portion of the Premises fronting on Lot B of Final Map 9443 is designated as a High Retail zone. Tenant will use commercially reasonable efforts to develop and retain a ground-floor mix that activates the Project Site consistent with the definition of "Retail Program" set forth in the DDA and with the "Mission Rock Retail Plan," as approved in the Phase Submittal (as defined in the DDA) for Phase 1 (as defined in the DDA), and consistent with the goals set forth in the public trust study for the Project Site. Ground floor retail uses at the Premises may be a mix of uses that should complement and draw park and waterfront users to the area, that should serve the needs of Mission Rock and also serve the greater Mission Bay neighborhood, San Francisco as a whole, and visitors from the region and beyond, and that should attract pedestrians and consumers to the Project.

(b) ***Affordable Housing Benefits.*** The Premises will include rental housing units, a minimum percentage of 38% of which are affordable to low- or middle-income households consistent with the Scope of Development.

#### **4. DEVELOPMENT PROJECTS.**

**4.1. *Generally.*** Tenant acknowledges that during the Term, other development projects will be developed or constructed in the immediate vicinity of the Premises, and other development projects on or near Port property (such as the development projects at Pier 48, Mission Rock, Chase Center, and Mission Bay). Pier 70 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) also may be constructed in the vicinity of the Premises (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 Initial Improvements or any Subsequent Construction, 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.

**4.2. Cooperation.** The Master Developer Agreements will, among other things, permit the construction during the Term, of new public open space, new commercial and residential buildings, a parking structure, and other improvements, within Mission Rock. Tenant acknowledges and agrees that it will reasonably cooperate with Port, the Master Developer, the Phase 1 Horizontal Developer and other developers and tenants of Mission Rock at no material out-of-pocket cost to Tenant.

## **5. TAXES AND ASSESSMENTS.**

### **5.1. 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 and the Mello-Roos Taxes described in **Section 5.2**. 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. Tenant will have the right to contest the validity, applicability or amount of any such taxes in accordance with **Article 6** (Contests). In the event of any such dispute, Tenant will Indemnify the Indemnified Parties and hold them 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 which 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 Assignment permitted under this Lease and any exercise of any option to renew or extend this Lease may constitute a change in ownership, within the meaning of the California Revenue and Taxation Code, and therefore may result in a reassessment of any possessory interest created hereunder in accordance with applicable Law.

(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 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 5.1(a)*, and except as otherwise provided in this *Section 5.1(b)* and *Article 6*, 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 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 6*, 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), Mello-Roos 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 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, Mello-Roos Taxes under the Mission Rock 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 Property or 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 give 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.

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

(a) **Section 53341.5 Acknowledgment.** Prior to Tenant’s execution and delivery of this Lease, Master Developer and Port delivered to Tenant, and Tenant executed and delivered to Master Developer and Port, a notice of special tax pursuant to California Government Code Section 53341.5 (the “**Notice of Special Tax**”) confirming that Tenant has been advised of the terms and conditions of the Mission Rock CFD, including that the Premises are subject to the Mello-Roos Taxes. A copy of the executed Notice of Special Tax is attached hereto as *Exhibit G*.

(b) **Acknowledgment of the Special Tax Rates.** The special tax rates shown in the Rate and Method of Apportionment approved by the Board of Supervisors showing the special tax rates in the Mission Rock CFD (the “**RMA**”) as applicable to the Property shall not be changed without the written consent of Tenant. Tenant shall be provided fifteen (15) days to review and comment on all subsequent revisions to the RMA for the Mission Rock CFD.

(c) **Facilities and Maintenance CFD.** As material consideration for the Port entering into this Lease, Tenant will comply with all of the covenants and acknowledgements set forth in *Exhibit H* (CFD and Assessment Matters) attached hereto and the Master Developer and the Phase 1 Horizontal Developer are explicit third-party beneficiaries of the covenants and acknowledgements set forth in *Exhibit H* (CFD Matters) attached hereto.

(d) **Shortfall Provisions.**

(i) **Tenant Waiver and Covenant.** Tenant may initiate a Reassessment to reduce a Baseline Assessed Value of the Premises, but may not initiate and waives any right to initiate, a Reassessment of the Subsequent Assessed Value of the Premises until the IFD Termination Date. In addition, Tenant covenants that should Tenant initiate a Reassessment in violation of this **Section 5.2(d)**, Tenant and Port will take the following measures to avoid shortfalls:

(1) For each year during the period provided in **Section 5.2(d)(i)(2)** 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 IFD Termination Date; and (B) when the Assessment Shortfall is reduced to zero.

(3) Payment of the Assessment Shortfall will constitute a cure of any Event of Default with respect to any breach by Tenant of the covenant and waiver in **Section 5.2(d)(i)** (Tenant Waiver and Covenant).

(ii) **Tax Exemption.** Tenant and Port do not intend for this **Section 5.2(d)** 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 5.2(d)**, Port will release the obligations under this **Section 5.2(d)** and it will be deemed severed from this Lease.

(iii) **Mutual Expectations as to Shortfall Measures.** Neither Tenant nor Port expects Port to make demand for payment under this **Section 5.2(d)**. In light of the Parties' mutual expectations, Tenant has agreed to the waiver in **Section 5.2(d)(i)** (Tenant Waiver and Covenant).

(iv) **No Negotiation.** Tenant understands that Port would not be willing to enter into this Lease without this **Section 5.2(d)**.

**5.3. Port's Right to Pay.** Unless Tenant is exercising its right to contest in accordance with the provisions of **Article 6**, if Tenant fails to pay and discharge any Imposition (including fines, penalties and interest) 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, either to pay the delinquent Imposition or to notify Port that it is contesting such Imposition pursuant to **Article 6**, 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.

**5.4. Information Required by the Assessor-Recorder.**

(a) The Assessor-Recorder has notified Port that pursuant to Revenue and Taxation Code Section 441(d) (or any successor or otherwise applicable Law), it requires certain information in order to facilitate completion of Assessor Block Maps, updates to ownership records, imposition of transfer tax, and assessment of in-progress construction, completed new construction, sales and other assessable transfers of property (each a "**Potential Assessment**"). **Exhibit I** lists the information that the Assessor-Recorder expects to need in order to perform the foregoing tasks (the "**Assessor Information**").

(b) With respect to a Potential Assessment, Tenant will provide to the Assessor-Recorder in accordance with Revenue and Taxation Code Section 441(d) (or any successor or otherwise applicable Law), any Assessor Information requested in writing by the Assessor-Recorder in the format reasonably required by the Assessor-Recorder (the “**Requested Information**”) within ninety (90) days (or within such other period as required or permitted by Law) of Tenant’s receipt of a written request for such Requested Information (“**Initial Response Period**”). Tenant is not required to provide to Port information submitted to the Assessor-Recorder pursuant to this **Section 5.4** if such information is not required to be provided under Administrative Code Sections 23.38 or 23.39, or any other applicable Law or contractual requirement, but Tenant shall copy Port on the transmittal to the Assessor-Recorder which shall only list, but not include, such Requested Information provided to the Assessor-Recorder. Tenant waives any right to confidentiality under applicable Law only to the extent necessary for the Assessor-Recorder to notify Port of Tenant’s failure to provide the Requested Information on a timely basis and Port to exercise its right as set forth in **Section 5.4(d)**. Except as specifically provided in the preceding sentence, neither the provisions of this Lease, nor the submission by Tenant to the Assessor-Recorder of any information pursuant to this **Section 5.4** will be considered a waiver of or limitation on Tenant’s rights under applicable Law of taxpayer confidentiality, attorney-client or other applicable privilege, the Assessor-Recorder’s duty to prevent the disclosure of taxpayer information, and exemptions from the California Public Records Act and San Francisco Sunshine Ordinance applicable to information provided to the Assessor-Recorder.

(c) If Tenant does not provide all of the Requested Information to the Assessor-Recorder within the Initial Response Period and has not provided notice to Port and the Assessor-Recorder that it is contesting in good faith, the Assessor-Recorder’s right to all or any portion of the Requested Information, Port or the Assessor-Recorder will deliver to Tenant notice that the Assessor-Recorder has not yet received the Requested Information (“**Notice for Information**”). Within thirty (30) days of Port’s or the Assessor-Recorder’s delivery of the Notice for Information (“**Response Period**”), Tenant must provide to the Assessor-Recorder the Requested Information or deliver notice to Port and the Assessor-Recorder that Tenant is contesting in good faith the Assessor-Recorder’s right under applicable Law to the Requested Information that has not been provided by Tenant (“**Contest Notice**”). If the Assessor-Recorder does not receive the Requested Information within the Response Period, or Port and the Assessor-Recorder do not receive the Contest Notice within the Response Period, then Port or the Assessor-Recorder may deliver to Tenant additional Notice(s) for Information until the Requested Information or Contest Notice, as applicable, is received.

(d) Tenant will have the same Response Period to provide the Requested Information or Contest Notice, as applicable, for each Notice for Information delivered to Tenant. There is no fee for Tenant’s failure to timely respond to the first Notice for Information delivered to Tenant with respect to each Potential Assessment. If Tenant fails to provide either the Requested Information or a Contest Notice within the Response Period following any subsequent Notice for Information with respect to the same Potential Assessment, Tenant must pay to Port a fee equal to \$5,000 for the second Notice for Information delivered to Tenant; \$10,000 for the third Notice for Information delivered to Tenant; and \$25,000 for the fourth Notice for Information delivered to Tenant (each fee an “**Information Charge**”), which Information Charge will increase by \$1,000 in 2023 and every five (5) years thereafter. Each Information Charge is due and payable to Port the day immediately following the expiration of the applicable Response Period. If Port has not received the Requested Information within the Response Period following delivery of the fourth (4<sup>th</sup>) Notice for Information, then Port will have the right to exercise all rights and remedies available at law or in equity to enforce Tenant’s obligation to provide Requested Information on a timely basis, including specific performance; provided, however, Port will not exercise any remedy for Tenant’s failure to provide such Requested Information so long as Tenant is challenging in good faith, its obligation to turn over the Requested Information.



(e) Promptly following the Assessor-Recorder's request, Port may, from time to time, update the information requirements set forth in the most current Assessor Information to reference different or additional information requirements to which the Assessor-Recorder is entitled by Law, by providing Tenant no less than five (5) business days' prior notice and a replacement copy of the updated Assessor Information.

**5.5. *Survival.*** The provisions of this *Article 5* will survive the expiration or earlier termination of this Lease.

## **6. CONTESTS.**

**6.1. *Right of Tenant to Contest Impositions and Liens.*** Subject to *Section 5.2*, Tenant has the right to contest the amount, validity or applicability, in whole or in part, of any other Imposition, 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 5.2*, nothing in this Lease requires Tenant to pay any other Imposition, mechanics' lien, or encumbrance so long as Tenant contests the validity, applicability or amount of such Imposition, mechanics' lien, or encumbrance in good faith, and so long as it does not allow the portion of the Premises affected by such Imposition, mechanics' lien, or encumbrance to be forfeited to the entity levying such Imposition, 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 Imposition, 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 19*, Tenant will Indemnify the Indemnified Parties for all Losses resulting from Tenant's contest of any Imposition.

**6.2. *Port's Right to Contest Impositions.*** At its own cost and after notice to Tenant of its intention to do so, Port may, but in no event will be obligated to, contest the validity, applicability or the amount of any Impositions, by appropriate proceedings conducted in good faith and with due diligence. Nothing in this *Section 6.2* will require Port to pay any Imposition as long as it contests the validity, applicability or amount of such Imposition in good faith, and so long as it does not allow any portion of the Premises to be forfeited to the entity levying such Imposition as a result of its nonpayment and so long as such activities do not cause a default under any Mortgage in effect at the time. Port will give notice to Tenant within a reasonable period of time of the commencement of any such contest and of the final determination of such contest. Port will reimburse Tenant within thirty (30) days after demand from Tenant for any such fines, penalties, costs, interest, expenses or fees, including Attorneys' Fees and Costs, which Tenant may be legally obligated to pay solely as a result of Port's contest of such Impositions.

## **7. COMPLIANCE WITH LAWS.**

**7.1. *Tenant's Obligation to Comply.*** 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 Soil Management Plan, and (iii) the Mitigation Monitoring and Reporting Program, (iv) the Vertical DDA (so long as the Vertical DDA remains in effect), (v) the Transportation Demand Management Plan, (vi) and, to the extent there is no conflict with the DDA, this Lease or the Vertical DDA, a vertical cooperation agreement between Tenant and adjacent property owners, and (vii) any required measures applicable to “Vertical Developer” as set forth in the Sustainability Strategy Implementation Checklist attached to the Sustainability Strategy (as defined in the DDA). 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.

**7.2. Unforeseen Requirements.** The Parties acknowledge and agree that Tenant’s obligation under this *Section 7.2* to comply with all Laws and the other requirements set forth in *Section 7.1* is a material part of the bargained-for consideration under this Lease. Tenant’s obligation to comply with Laws and the other requirements set forth in *Section 7.1* includes the obligation to make substantial improvements (including any barrier removal work or other work required to all or any portion of the Premises under Disabled Access Laws as a result of Tenant’s specific use of the Premises, the Improvements or any Subsequent Construction performed by or on behalf of Tenant, or substructural repairs to the Premises), regardless of, among other factors, the relationship of the cost of curative action to the Rent under this Lease, the length of the then remaining Term, the relative benefit of the repairs to Tenant or Port, the degree to which curative action may interfere with Tenant’s use or enjoyment of the Premises, the likelihood that the Parties contemplated the particular Law involved, or the relationship between the Law or the other requirements set forth in *Section 7.1* and Tenant’s particular use of the Premises. No occurrence or situation arising during the Term, nor any Law or the other requirements set forth in *Section 7.1*, however extraordinary, relieves Tenant of its obligations hereunder, nor gives Tenant any right to terminate this Lease (except for the Termination Option set forth in *Section 7.3*) in whole or in part or to otherwise seek redress against Port. Tenant waives any rights now or hereafter conferred upon it by any Law to terminate this Lease (except for the Termination Option set forth in *Section 7.3*), to receive any abatement, diminution, reduction or suspension of payment of Rent, or to compel Port to make any repairs to comply with any such Laws, on account of any such occurrence or situation.

**7.3. Right to Terminate Lease.**

Notwithstanding any other provision of *Article 7* (Compliance with Laws), in the event of any change in Laws during the last ten (10) years of the Term that would require capital repairs or improvements, including upgrades or other capital expenditures for reconstruction, replacement, expansion, Restoration, alteration or modification of the Premises (including the Improvements), Tenant will have the option, but not the obligation, to terminate this Lease (the “**Termination Option**”) on the following terms and conditions set forth in *Section 7.3(a)*, unless waived by Port; provided, however, that so long as there are Outstanding Bonds, the Lease will continue in full force and effect until the earlier of the expiration of the Term or the date the Port has entered into a new lease for the Premises with a term that extends for at least as long as the final maturity date of the Outstanding Bonds. So long as there are no Outstanding Bonds:

(a) If Tenant desires to exercise the Termination Option, Tenant will deliver written notice thereof to Port of its election, at least one hundred twenty (120) days prior to the termination date specified therein (“**Termination Notice for Change in Laws**”).

(i) On or prior to the effective date of termination of this Lease in accordance with this *Section 7.3*, Tenant must:

(1) cure all Tenant monetary Events of Default and any Events of Default relating to the provisions of *Section 7.1* (other than making the capital repairs or improvements necessitated by the change in Laws leading to Tenant's exercise of the Termination Option) and *Section 10.1*,

(2) cure all Events of Default or Unmatured Events of Defaults under *Article 21*,

(3) pay in full all utility charges and Impositions due and owing up to and including the effective date of termination,

(4) maintain all the insurance required to be maintained under *Section 20* until the effective date of termination, and

(5) if requested by Port, Demolish and Remove the Improvements in accordance with this *Section 7.3*.

(b) **Demolition and Removal Requirement.** If Port desires Tenant to Demolish and Remove the Improvements, Port will notify Tenant within ninety (90) days following receipt of the Termination Notice for Change in Laws, which election may be made by Port in its sole discretion. If Tenant Demolishes and Removes the Improvements in accordance with this *Section 7.3*, Tenant will have no obligation to cure any Events of Default under *Sections 7.1 or 10.1*. If Tenant exercises its Termination Option, this Lease will terminate on the later of the date set forth in the Termination Notice for Change in Laws or the date Tenant cures all of the Events of Default required to be cured and completes the Demolition and Removal in compliance with all Laws; provided, however, if Port requests Tenant to Demolish and Remove the Improvements, and such work cannot reasonably be completed prior to termination of this Lease, then Tenant's access to the Premises to perform such work will be under Port's license, as further described in *Section 36.2*. Tenant's obligation to Demolish and Remove the Improvements in accordance with this *Section 7.3* will survive the earlier termination of this Lease.

## **8. REGULATORY APPROVALS.**

**8.1. 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. Tenant acknowledges and agrees that Port has made no representation or warranty that the necessary Regulatory Approvals to allow for the development of the Initial Improvements can be obtained. Tenant 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 Initial Improvements will be issued by the appropriate Regulatory Agency, 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 Initial 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 Initial 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 Initial

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 liability 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 Initial Improvements.

**8.2. *Regulatory Approval; Conditions.*** Tenant understands that construction of the Initial Improvements and Tenant's contemplated uses and activities on the Premises, any subsequent changes in Permitted Uses, and any Subsequent Construction, may require Regulatory Approvals from Regulatory Agencies, which may include the City, Port, 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 all applicable Laws and the 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 (i) 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 (ii) restrict or change the use of the Premises in a manner not otherwise permitted under this Lease or 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 Port may be subject to).

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 of Supervisors action is required under applicable Laws, at the first Port and subsequent Board of Supervisors 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 of Supervisors 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 the conditions or restrictions imposed by the Regulatory Agency under such permit as set forth above in this section.

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. Tenant will take reasonable steps to cooperate with Port in connection with Port's

efforts to obtain approvals from Regulatory Agencies related to development of Mission Rock that are not necessary for or related to development of the Premises.

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 develop and construct the Premises in accordance with the Scope of Development, except to the extent that such Losses arise solely from the negligence or willful acts or omissions of Port acting in its proprietary capacity.

**8.3. Regulatory Permit Coverage.** Except as may otherwise be agreed upon between Tenant and Master Developer or Phase 1 Horizontal Developer (as applicable) pursuant to separate agreement(s), Tenant will not be entitled to rely upon Regulatory Approvals previously obtained by Master Developer or Phase 1 Horizontal Developer for any portion of Mission Rock, but will be required to obtain its own Regulatory Approvals in accordance with all applicable Laws. This includes, without limitation, Storm Water Pollution Prevention Plans (SWPPP), Dust Control Plans (DCP), Asbestos Dust Mitigation Plans (ADMP), and compliance with the City's Maher Ordinance (SFDPH Article 22A). Notwithstanding the foregoing, in accordance with its approved ADMP, Master Developer or Phase 1 Horizontal Developer (as applicable) will provide a site wide air monitoring network positioned on ongoing horizontal and vertical construction work within Mission Rock.

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

**9.1. Operating Standards.** From and after Completion of the Initial Improvements, Tenant will maintain and operate the Premises, or cause the Premises to be maintained and operated, in a manner consistent with the prudent business practices of institutional landlords of buildings of comparable age, size, type and use located in San Francisco and in accordance with this Lease. Tenant is exclusively responsible, at no cost to Port, for the management and operation of the Premises.

**9.2. Leasing of Premises.** Tenant will use reasonable efforts to keep as much of the space in the Premises leased, taking into account marketplace conditions and applying in the exercise of such efforts, the prudent business practices of institutional landlords of buildings of comparable age, size, type and use located in San Francisco.

### **9.3. Reporting of Subleases.**

(a) **Leasing Activity Reports.** Tenant will deliver to Port within sixty (60) days following the end of each calendar year commencing in the calendar year a certificate of occupancy is issued for the Improvements until and including the calendar year that includes the twenty-fifth (25<sup>th</sup>) anniversary of the Commencement Date, a leasing activity report for immediately prior calendar year for the Premises substantially in the form attached hereto as **Exhibit J** (the "**Leasing Activity Report**"). To the extent gross revenues from the Premises is made available in other public forums such as government filings, Tenant will include such information in the Leasing Activity Report. Each Leasing Activity Report will be certified by an officer of Tenant that it is a true and correct copy.

(b) **Audited Financial Statements.** Tenant will deliver to Port within ninety (90) days following the end of the calendar year that includes the twenty-sixth (26<sup>th</sup>) anniversary of the Commencement Date and within sixty (60) days following the end of each calendar year thereafter until the calendar year that includes the Expiration Date, Tenant's audited financial statement for the Premises, certified by Tenant's chief financial officer as being true, correct, and complete. The Parties agree and acknowledge that the audited financial statements need not include a line item for each Sublease and the pertinent financial terms related to such Sublease, but may instead, include a summary of the revenues generated by the Subleases.

(c) **Port Representative.** Throughout the Term, upon no less than two (2) business days' prior notice to Tenant, a representative of Port may review at the property manager's offices at the Premises during regular business hours, a complete copy of the Subleases at the Premises. Other than any Subleases Port has agreed to recognize pursuant to a Non-Disturbance Agreement, Port's representative will not be permitted to copy any of the Subleases or take any written notes of any Sublease terms during the first twenty-nine (29) years of the Term.

(d) **Appraiser.** Until Port enters into a long-term lease for the last development parcel within Mission Rock, Port's appraiser may review at the management office at the Premises or at another San Francisco location where Tenant may keep copies of Subleases, all current Subleases and rent roll, provided the Port's appraiser has entered into a customary confidentiality agreement that does not limit his or her ability to use the information in a manner necessary to inform the appraisal only (which shall not include the right to publish or otherwise disseminate any information in any manner outside of the context of the appraisal). The information gathered by the appraiser will be used solely to inform the appraiser in determining the fair market value of the development parcel to be sold or leased, as applicable.

**9.4. Restaurant/Retail Businesses Open to the General Public.** Throughout the Term, restaurants and other facilities for the exclusive use of the members of any invitation-only membership organization is prohibited on the ground floor of the Premises; provided, however, the foregoing does not prohibit amenities available only to employees of Tenant or any Subtenant (e.g. an employee cafeteria) or facilities for the exclusive use of membership organizations that are open to the general public (e.g. a membership-based gym).

**9.5. Flags.** Throughout the Term, a Port flag will fly on each flagpole within the Premises ("**Flagpoles**"), if any. Port will provide Port flags to Tenant. Tenant will promptly, at no charge, install, raise, lower and remove Port flags at Port's request. The dimensions of Port flags will be similar to the dimensions of Port flags flown in the Central Waterfront. Tenant also may use the Flagpoles to fly other flags on each Flagpole, provided that such other flags, other than the flags of the United States and the State of California, must be placed beneath the Port flag and Port must first reasonably approve the dimensions, color, text, design, and materials for such flag. If Port determines that Tenant's response to Port's request to raise or lower Port flags is inadequate, then at Port's election, Port may access the Flagpoles to adjust the Port flags accordingly without notice to Tenant.

Tenant will have no responsibility to maintain any Port flags. Port will provide Tenant with replacement Port flags to replace worn Port flags on the Flagpoles. If Port does not provide a replacement flag to replace a worn flag, then Tenant will provide Port with notice requesting that a replacement flag be provided ("**Replacement Notice**"). If Port reasonably believes the flag in question is not worn sufficiently enough to warrant its replacement, Port will notify Tenant within five (5) days following receipt of the Replacement Notice, and such flag will remain in place and not be replaced. If Port has not timely notified Tenant that Port disputes the need to replace the flag and if Port does not provide Tenant with a replacement flag within thirty (30) days following the Replacement Notice, then Tenant will deliver to Port a second notice, which notice will include a statement in bold, all caps and underlined that if Port does not provide Tenant with a replacement flag within ten (10) days of such second notice, then Tenant will have the right to remove the worn flag. If Port does not provide Tenant with a replacement flag within ten (10) days of such second notice, then Tenant will have the right to remove the worn flag; provided, however, if Port notifies Tenant that Port cannot provide Tenant with a replacement flag due to unavailability of a replacement flag, Tenant will not remove the worn flag until Port is able to obtain a replacement flag. If Tenant removes Port's flag, then Tenant will promptly fly a replacement flag provided by Port to Tenant.

**9.6. Graffiti Removal.** Graffiti is detrimental to the health, safety and welfare of the community in that it promotes a perception in the community that the laws protecting public and

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

Tenant agrees to commence removal of graffiti from the Premises within forty-eight (48) hours of the earlier of Tenant's: (a) discovery or notification of the graffiti or (b) receipt of notification of the graffiti from San Francisco Public Works. This **Section 9.6** is not intended to require Tenant to breach any lease or other agreement that it may have concerning its use of the Premises. The term "**graffiti**" means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other improvement, whether permanent or temporary, including signs, banners, billboards and fencing surrounding construction sites, whether public or private, without the consent of the owner of the property or the owner's authorized agent, and that is visible from the public right-of-way, but does not include: (1) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the Planning Code, or the Building Code; or (2) any mural or other painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (Calif. Civil Code §§ 987 et seq.) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. §§ 101 et seq.).

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

**9.8. Transportation Demand Management Plan.** Tenant will comply with the Transportation Demand Management Plan, attached as **Exhibit Y** throughout the Term.

**9.9. Soil Management Plan.** Tenant will comply, and will cause its Agents to comply, with all applicable provisions of the Soil Management Plan, a copy of which has been provided to Tenant. Any and all Subleases will require Subtenants (including its Agents) to comply with all applicable provisions of the Soil Management Plan.

**10. REPAIR AND MAINTENANCE; FACILITIES CONDITION REPORT; RESERVE ACCOUNT.**

**10.1. Covenants to Repair and Maintain the Premises.** Except as may otherwise be provided under **Articles 14** (Damage or Destruction) and **15** (Condemnation), throughout the Term, Tenant will maintain and repair, at no cost to Port, the Premises, all Improvements within the Premises (including, without limitation, all Material Systems) and Subsequent Construction thereon in accordance with the prudent business practices of institutional landlords of buildings of comparable age, size, type and use located in San Francisco (less reasonable wear and tear), and in compliance with all applicable Laws and this **Article 10**. Tenant will with reasonable promptness make (or cause others to make) all repairs, renewals and replacements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, foreseen or unforeseen, required to comply with this **Section 10.1**, except as set forth in **Article 7**, **Article 14** or **Article 15**. 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.

## **10.2. Facilities Condition Report.**

### **(a) Additional Definitions.**

“**Capital Items**” mean replacements, repairs, and/or improvements to the Premises, the foundation and structural integrity of the Improvements and Material Systems serving the Premises, and other Improvements within the Premises that would be deemed capital assets under general accounting principles consistently applied.

“**Capital Reserves**” means funds in a bank account where all funds will be used solely to replace, repair, and improve Capital Items within the Premises.

“**Capital Reserve Deposits**” means the deposits into an account for Capital Reserves.

“**FCR Date**” means the twentieth (20<sup>th</sup>) Anniversary Date and every ten (10) years thereafter until and including the sixtieth (60<sup>th</sup>) Anniversary Date and every five (5) years thereafter until the expiration of the Term.

(b) **Facilities Condition Report.** No less than ninety (90) days before each FCR Date, Tenant will deliver to Port a facilities condition report (the “**Facilities Condition Report**”) prepared by a qualified team of construction professionals including, without limitation, a structural and mechanical engineer, each with at least ten (10) years of experience in constructing, renovating and/or evaluating major residential buildings in California. The Facilities Condition Report will be substantially in the form is attached hereto as ***Exhibit L***. Additionally, if a Facilities Condition Report is prepared by Tenant or another party in connection with any Transfer or Refinancing, then Tenant will provide or cause the other party to provide, a copy of such Facilities Condition Report to Port.

(c) **Failure to Revise or Submit Report.** If Port reasonably believes the Facilities Condition Report does not satisfy the requirements set forth in ***Section 10.2(b)***, then Port will notify Tenant of such deficiency within forty-five (45) days following receipt of the Facilities Condition Report and Tenant will revise the Facilities Condition Report, to address Port’s concerns within sixty (60) days. If Tenant fails to provide a Facilities Condition Report, or a revised Facilities Condition Report to Port within such period of time, Port after giving thirty (30) days’ notice to Tenant will have the right, but not the obligation, to cause the preparation of a Facilities Condition Report by construction professionals of Port’s choice, satisfying the experience requirements set forth in ***Section 10.2(b)*** at Tenant’s sole cost. Upon Port’s delivery to Tenant of an invoice for such Facilities Condition Report, Tenant will promptly reimburse Port the amount set forth in such invoice.

(d) **Maintenance and Repair of Identified Items.** Tenant will use commercially reasonable efforts to perform the recommended repairs identified in the Facilities Condition Report in accordance with the prudent business practices of institutional landlords of buildings of comparable age, size, type and use located in San Francisco.

## **10.3. Capital Reserves.**

(a) **Lender Capital Reserves Requirement.** Subject to ***Section 10.3(b)***, Tenant will establish and maintain Capital Reserves to pay for replacements, repairs, and improvements of Capital Items within the Premises to the extent and on the terms and conditions required by Tenant’s Lender. If Tenant’s Lender does not require the establishment of such Capital Reserves, then Tenant will establish and maintain Capital Reserves pursuant to ***Section 10.3(b)***.

(b) **No Lender Capital Reserves Requirement.** From and after Completion of the Initial Improvements, if a Lender does not require Tenant to maintain Capital Reserves, Tenant will establish and maintain Capital Reserves consistent with the prudent business practices of institutional landlords of buildings of comparable age, size, type and use located in



San Francisco with a depository institution reasonably acceptable to Port. Tenant will use the Capital Reserves only for the repair and/or replacement of Capital Items.

(c) **Capital Reserves Statements.** If a Lender does not require Tenant to maintain Capital Reserves, Tenant will provide Port on an annual basis, a statement from the depository institution where the Capital Reserves are held, showing the then current balance and any activity on such account that occurred during the immediately prior calendar year. In the event that Tenant has used Capital Reserves within the immediately prior calendar year, Tenant will include with the delivery of such statement, an explanation for such withdrawal, along with reasonably detailed statements relating to the expenditure of such funds.

**10.4. No Obligation of Port; Waiver of Rights.** From and after the Commencement Date, Tenant will be solely responsible for the condition, operation, repair, maintenance and management of the Premises, including the Initial Improvements, Subsequent Construction, and any and all other Improvements. Port will not, as a result of this Lease, have any obligation to make repairs or replacements of any kind or maintain the Premises or any portion of any of them. Tenant waives the benefit of any Law that would permit Tenant to make repairs or replacements at Port's expense, or abate or reduce any of Tenant's obligations under, or terminate, this Lease, on account of the need for any repairs or replacements. Without limiting the foregoing, Tenant hereby waives any right to make repairs at Port's expense as may be provided by California Civil Code Sections 1932(1), 1941 and 1942, as any such provisions may from time to time be amended, replaced or restated.

**10.5. Port's Right to Repair.** In the event Tenant fails to maintain and repair the foundation, the structural integrity of the Improvements, the roofs, and building systems (including plumbing, sewer, mechanical, electrical and other utility systems) (collectively, "Material Systems") within the Premises in accordance with **Section 10.1** and such failure is likely to cause imminent physical harm to any Person or constitutes a violation of applicable Law, Port may repair the same at Tenant's cost and expense and Tenant will reimburse Port therefor as provided in this **Section 10.5**. Except in the event of an emergency, Port will first provide no less than fifteen (15) days prior notice to Tenant before commencing any maintenance to or repair of a Material System ("Port's Repair Notice"). If Tenant does not commence maintenance or repair of the affected Material System or provide assurances reasonably satisfactory to Port that Tenant will commence maintenance or repair of the same within such fifteen (15) day period, then Port may proceed to take the required action. If Port elects to proceed with such repair or maintenance, then promptly following completion of any work taken by Port pursuant to this **Section 10.5**, Port will deliver a detailed invoice of the work completed, the materials used and the costs relating thereto. Tenant also will pay to Port 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 excludes any costs associated with design, such as architectural fees. Tenant will pay to Port the amount set forth in the invoice within thirty (30) days after delivery of Port's invoice.

In the event Port notifies Tenant of a failure to maintain and repair 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 (\$100) 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 10**, 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) 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 10.5* are due within five (5) days following delivery of the applicable Maintenance Notice.

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

## **11. IMPROVEMENTS.**

**11.1. *Tenant's Obligation to Construct the Initial Improvements.*** Construction of the Initial Improvements will be governed by the terms and conditions of the Vertical DDA, and with respect to any other obligations relating to the Coordination Agreement, and subject to (i) this Lease and all applicable Laws, including without limitation, the SUD and the Design Controls, (ii) the Soil Management Plan, (iii) the Mitigation Monitoring and Reporting Program, and (iv) the Transportation Demand Management Plan. Any Subsequent Construction will be performed in accordance with *Article 12*.

**11.2. *Failure to Timely Construct Initial Improvements.*** If Tenant fails to Commence Construction of the Initial Improvements within the time period set forth in Section 12.1(b) of the Vertical DDA, without limiting any other remedies set forth in this Lease or the Vertical DDA, Port may terminate this Agreement in accordance with the procedures outlined in *Sections 25.4(a)* and Schedule 15.3 of the Vertical DDA.

**11.3. *Title to Improvements.*** During the Term, Tenant will own all of the Improvements within the Premises, including all Subsequent Construction and all appurtenant fixtures, machinery and equipment installed therein (except for Subtenant improvements to the extent owned by any Subtenant pursuant to the applicable sublease, trade fixtures and other personal property of Subtenants). At the expiration or earlier termination of this Lease, title to the Improvements, including appurtenant fixtures (but excluding trade fixtures and other personal property of Tenant and its Subtenants other than Port), will vest in Port without further action of any Party, and without compensation or payment to Tenant. Tenant and its Subtenants will 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 material damage to the Premises, Tenant will promptly cause the repair of such damage at no cost to Port.

## **12. CONSTRUCTION.**

### **12.1. *Port Approval.***

(a) **Generally.** Tenant will have the right, from time to time during the Term, to construct the Initial Improvements in accordance with the Vertical DDA and perform Subsequent Construction (collectively, "**Construction**") in accordance with the provisions of this *Article 12*.

(b) **Construction Requiring Port's Prior Approval.** Tenant has the right during the Term to perform Subsequent Construction in accordance with the provisions of this *Article 12*, provided that Tenant cannot perform Subsequent Construction without Port's prior approval.

**12.2. *Permits/Design Review/Tenant Improvements.*** Tenant must obtain all Regulatory Approvals and all permits required by applicable Law to be obtained from governmental agencies having jurisdiction, including, where applicable, from Port itself. Without limiting the foregoing, Tenant acknowledges that the Initial Improvements and any major alterations or additions (as defined in the Design Controls) and the design review process set forth in Planning Code Section 249.80 (Mission Rock Special Use District), requires review and approval by Port for certain improvements, for consistency with the SUD and Design Controls. Without limiting anything else in this *Article 12*, Port's approval, in its proprietary capacity, will not be required for the installation or alteration of tenant improvements and

Port, as Additional Rent, an amount equaling Four Hundred Dollars (\$400), which amount will be increased by One Hundred Dollars (\$100) 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 10.5* are due within five (5) days following delivery of the applicable Maintenance Notice.

Initials: MM Tenant

## **11. IMPROVEMENTS.**

**11.1. *Tenant's Obligation to Construct the Initial Improvements.*** Construction of the Initial Improvements will be governed by the terms and conditions of the Vertical DDA, and with respect to any other obligations relating to the Coordination Agreement, and subject to (i) this Lease and all applicable Laws, including without limitation, the SUD and the Design Controls, (ii) the Soil Management Plan, (iii) the Mitigation Monitoring and Reporting Program, and (iv) the Transportation Demand Management Plan. Any Subsequent Construction will be performed in accordance with *Article 12*.

**11.2. *Failure to Timely Construct Initial Improvements.*** If Tenant fails to Commence Construction of the Initial Improvements within the time period set forth in Section 12.1(b) of the Vertical DDA, without limiting any other remedies set forth in this Lease or the Vertical DDA, Port may terminate this Agreement in accordance with the procedures outlined in *Sections 25.4(a)* and Schedule 15.3 of the Vertical DDA.

**11.3. *Title to Improvements.*** During the Term, Tenant will own all of the Improvements within the Premises, including all Subsequent Construction and all appurtenant fixtures, machinery and equipment installed therein (except for Subtenant improvements to the extent owned by any Subtenant pursuant to the applicable sublease, trade fixtures and other personal property of Subtenants). At the expiration or earlier termination of this Lease, title to the Improvements, including appurtenant fixtures (but excluding trade fixtures and other personal property of Tenant and its Subtenants other than Port), will vest in Port without further action of any Party, and without compensation or payment to Tenant. Tenant and its Subtenants will 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 material damage to the Premises, Tenant will promptly cause the repair of such damage at no cost to Port.

## **12. CONSTRUCTION.**

### **12.1. *Port Approval.***

(a) **Generally.** Tenant will have the right, from time to time during the Term, to construct the Initial Improvements in accordance with the Vertical DDA and perform Subsequent Construction (collectively, "**Construction**") in accordance with the provisions of this *Article 12*.

(b) **Construction Requiring Port's Prior Approval.** Tenant has the right during the Term to perform Subsequent Construction in accordance with the provisions of this *Article 12*, provided that Tenant cannot perform Subsequent Construction without Port's prior approval.

**12.2. *Permits/Design Review/Tenant Improvements.*** Tenant must obtain all Regulatory Approvals and all permits required by applicable Law to be obtained from



finishes to prepare portions of the Premises for occupancy or use by Subtenants, provided that the foregoing does not alter Tenant's obligation to obtain any required Regulatory Approvals and permits, including, as applicable, a building permit from Port, in its regulatory capacity.

### **12.3. Construction Schedule.**

(a) **Performance.** Once commenced, Tenant will prosecute all Construction with reasonable diligence, subject to Force Majeure, and subject to any other applicable provisions regarding timing as set forth in the Vertical DDA and the Coordination Agreement.

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

### **12.4. Construction.**

(a) **Commencement of Construction.** Tenant will not commence any Construction until all the following conditions have been satisfied or waived by Port:

(i) Tenant has obtained and paid for all required building permits (or site permits and necessary addenda) and any other required Regulatory Approvals to commence Construction; and

(ii) If any Bond, sub-guard insurance (or other insurance product), guaranty, or other security is obtained by or for the benefit of Tenant with respect to the payment of any funds or performance obligations associated with the Initial Improvements or any Subsequent Construction, Tenant will cause to have (1) Port named as a co-obligee to any performance and/or payment bond, (2) Port named as an additional insured or third-party beneficiary with respect to any sub-guard or other insurance product, and (3) Port named as an additional beneficiary to any guaranty provided by a guarantor of any Subtenant's obligations that is granted a Non-Disturbance Agreement in accordance with *Section 18.4*; provided, however, Port's rights under such Bond, insurance product or guaranty will (x) remain subordinate to the rights of any Lender, and (y) not be exercised by Port before an Event of Default.

(b) **Construction Standards.** All Construction will be performed by duly licensed and bonded contractors or mechanics and will be accomplished expeditiously, diligently and in accordance with good construction and engineering practices and applicable Laws.

(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 Port or 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 Construction, Port and its Agents will have the right to enter areas in which Construction is being performed, on reasonable prior written notice during customary construction hours, subject to the rights of Subtenants, 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 applicable provisions of the Workforce Development Plan, which is attached hereto as *Exhibit M*.

**12.5. Safety Matters.** Tenant, while performing any 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 disruption or damage to adjoining portions of the Premises and Improvements and the surrounding property, or the risk of injury to members of the public, caused by or resulting from the performance of its Work. Tenant will erect appropriate construction barricades to enclose the areas of such construction and maintain them until the Construction has been substantially completed, to the extent reasonably necessary to minimize the risk of hazardous construction conditions.

**12.6. Record Drawings.**

(a) With respect to any Construction requiring a building permit, Tenant will furnish to Port one set of design/permit drawings in their finalized form and Record Drawings with respect to such Construction within ninety (90) days following completion of the applicable 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 Record Drawings, 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 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 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 will limit Tenant’s obligations, if any, to provide plans and specifications in connection with Construction under applicable regulations adopted by Port in its regulatory capacity. Tenant will be 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 12.6* as technology changes and new engineering/architectural software is developed.

**12.7. Certification of Total Development Costs.** *Attachment 1 to Exhibit D* includes the provisions to certify Entitlement Costs and Total Development Costs of the Initial Tenant.

### **13. UTILITY AND TELECOMMUNICATIONS SERVICES.**

**13.1. 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. In accordance with the requirements under the DDA, the Premises will be served by the Horizontal Improvements constructed by Master Developer or Phase 1 Horizontal Developer (as applicable), construction of which may occur simultaneously with construction of the Initial Improvements. If Tenant desires to coordinate construction activities with Master Developer or Phase 1 Horizontal Developer (as applicable) or construction of the Initial Improvements with the Horizontal Improvements, Tenant will include such provision in the Coordination Agreement. Tenant, at no cost to Port or the City, will (i) arrange for the provision and construction of all on-site and any off-site utilities necessary to construct, operate and use all of the Improvements and any other portion of the Premises for their intended use, (ii) be responsible for contracting with, and obtaining, all necessary utility and other services, as may be necessary and appropriate to the uses to which all of the Improvements and the Premises are put (it being acknowledged that City (including its SFPUC) is the sole and exclusive provider to the Premises of certain public utility services), and (iii) maintain and repair all utilities serving the Premises to the point provided by the respective utility service provider (whether on or off the Premises). Tenant also must coordinate with the respective utility service provider with respect to the installation of utility services, 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. Tenant agrees, with respect to any public utility services provided to the Premises by City, that no act or omission of City in its capacity as a provider of public utility services, will abrogate, diminish, or otherwise affect the respective rights, obligations and liabilities of Tenant and 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 will not constitute a waiver by Tenant of any claim it may now or in the future have (or claim to have) against any such public utility provider relating to the provision of (or failure to provide) utilities to the Premises.

Notwithstanding the foregoing, to the extent installed by Master Developer, Phase 1 Horizontal Developer, Master Association or each of their respective successors or assigns (including without limitation, any separate utility provider that installs or operates any such facilities) and included in the Master CC&Rs to be recorded against the Premises, Tenant will be required to participate in the districtwide utility systems serving Mission Rock, including, without limitation, procuring recycled water from the district blackwater system and heating and

cooling from the district energy system in accordance with the Master CC&Rs. Notwithstanding anything herein to the contrary, the Port's prior written consent, including to the extent otherwise required under Section 18.3(b), shall not be required for any Sublease entered into by Tenant in connection with such facilities (including any Sublease (i) with a Tenant Affiliate; (ii) Controlled by Tenant or a Tenant Affiliate; or (iii) owned either directly or indirectly by Tenant or a Tenant Affiliate); provided, however, if the applicable subtenant is an entity other than Mission Rock Utilities, Inc., the Port shall have the right to approve such subtenant (which such approval shall not be unreasonably withheld, conditioned or delayed) and the Tenant will provide a copy of such sublease to the Port promptly after execution.

**13.2. *Intentionally Omitted.***

**13.3. *Rooftop and Other District-Wide Equipment.***

(a) **Telecommunications Equipment and Satellite Dish.** Tenant will have the right to install satellite dish(es) and telecommunications equipment on the roof of the Premises and to sublease such portions to an operator, provided that Tenant (i) complies with all Laws, and (ii) obtains all required Regulatory Approvals. The Parties will cooperate in connection with the location of any satellite dish or telecommunications equipment installed pursuant to this *Section 13.3(a)* and the location of any satellite dish or telecommunications equipment installed by Port or City pursuant to *Section 13.3(b)(i)* so as to minimize interference with the systems serviced by such satellite dish or telecommunications equipment.

(b) **Other Equipment.**

(i) ***Communications Facilities.*** Tenant agrees that Port and City have the right to install at no charge, satellite dish(es) and other telecommunications facilities reasonably required for Port's or City's operations and/or District-wide programs and systems, including, without limitation, (i) facilities for City's emergency or 700-Mhz and 800-Mhz City-wide radio system communications facilities (or its successor), (ii) public Wi-Fi networks, and (iii) a master cellular network, which may require installation on the roof or exterior of any building within the Premises, provided that Port (a) complies with all Laws, (b) obtains all required Regulatory Approvals, and (c) obtains Tenant's prior reasonable approval with respect to the size, location, dimensions, color, text (if any), screening, reflectivity, and method of installation of the applicable satellite dish or telecommunications facility. The installation of any such satellite dish(es) and other telecommunications facilities will be at Port's or City's sole cost. If the installation of any such satellite dish or other telecommunications facility requires alterations and/or improvements of any portion of the Premises, including, without limitation, the relocation of any photo-voltaic panels or any other satellite dish previously installed on the roof of the Premises, such alterations and/or improvements will be at Port's sole cost and expense, and Port will promptly repair, at its sole cost, any damage to the Premises including, without limitation, to any photo-voltaic panels. All aspects and phases of Port's installation, other equipment, wiring, conduit, roof mount and base, will at all times be subject to supervision and approval by Tenant, not to be unreasonably withheld, conditioned or delayed. All approval and supervision rights of Tenant are intended solely to protect Tenant's interests. Port will be responsible for procuring, prior to any installation, and maintaining in force at all times thereafter, any and all Regulatory Approvals as may be required for the lawful installation, use and operation of Port's or City's system. Port will be permitted access to the areas on the roof where any such installation is made, as necessary for the installation, repair, maintenance, and replacement thereof. Any access, interruptions or disturbance for the foregoing purposes will be temporary only. Port's access to the roofs will not unreasonably interfere with or disturb Tenant's or Subtenants' use and enjoyment of the Premises, will be subject to the reasonable building security procedures adopted by Tenant, and will require prior written consent for access occurring during regular business hours (except in cases of emergency). Port's access may be subject to temporary interruption in cases of emergency. Port will promptly repair and restore any damage to persons or property caused as a result of Port's access to and activities on the



roof. Port will be solely responsible for all maintenance, utilities and other costs of operation of any such facility installed pursuant to the terms of this *Section 13.3*.

**13.4. *Electricity from SFPUC.*** Section 5.8(f) of the Development Agreement, a copy of which is attached hereto as *Exhibit N*, will govern Tenant's obligation to procure electricity for the Premises from the San Francisco Public Utilities Commission.

**13.5. *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 does 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.

**14. DAMAGE OR DESTRUCTION.**

**14.1. *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 (other than a de minimis portion) from fire or other casualty (each a "Casualty"), Tenant will promptly give telephonic and written notice ("Casualty Notice") thereof to Port generally describing the nature and extent of such Casualty.

(b) ***No Effect on Lease.*** Except as set forth in *Section 14.3*, 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 14* 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 Additional Rent and any other sums due hereunder, will continue as though said Premises and/or Improvements had not been damaged or destroyed and without abatement, suspension, diminution or reduction of any kind.

**14.2. *Restoration Obligation.*** In the event of a Casualty, unless Tenant terminates this Lease in accordance with *Section 14.3*, Tenant will commence and diligently Restore the Improvements to the condition they were in immediately before such Casualty in accordance with then applicable Laws (including any required code upgrades), without regard to the amount or availability of insurance proceeds, subject to Force Majeure; provided, however, subject to the rights of Lenders in accordance with *Article 40*, all all-risk coverage insurance proceeds, earthquake and flood insurance proceeds, boiler and machinery insurance proceeds, and any other insurance proceeds paid to Tenant by reason of Casualty (other than business or rental interruption insurance), must be first used by Tenant for Restoration of the Premises. All Restoration must be performed in accordance with the procedures set forth in *Article 12* relating to Construction and at Tenant's sole expense and must be completed within five (5) years following the event of Casualty, subject to Force Majeure. In connection with any Restoration, any Restoration that would otherwise require Port approval under *Section 12.1(b)* will require Port's prior approval subject to the standards set forth in such section. The Restored Improvements must be at least equivalent in quality, appearance, public safety, and durability to the Initial Improvements and provide similar public benefit as the original Initial Improvements, subject to the Permitted Uses.

**14.3. *Termination Due to Major or Uninsured Casualty.***

"Major Casualty" means damage to or destruction of all or any portion of the Premises to the extent that the hard costs of Restoration will exceed thirty percent (30%) of the hard costs to replace the Improvements in their entirety. The calculation of such percentage will be based

upon replacement costs and requirements of applicable Laws in effect as of the date of the event causing such Major Casualty.

“**Uninsured Casualty**” means any of the following: (i) a Casualty event occurring at any time during the Term for which the costs of Restoration (including the cost of any required code upgrades) are not insured or insurable under the policies of insurance that Tenant is required to carry under *Article 20* and such costs exceed One Million Dollars (\$1,000,000.00), which amount will be increased by an additional Five Hundred Thousand Dollars (\$500,000.00) on the tenth (10<sup>th</sup>) Anniversary Date and every ten (10) years thereafter, or (ii) a Casualty event occurring at any time during the Term which is covered under Tenant’s policies of insurance that Tenant is required to carry under *Article 20* but where the cost of Restoration (including the cost of any required code upgrades) will exceed the sum of (A) the net proceeds of any insurance payable, (B) the amount of any applicable policy deductibles, and (C) One Million Dollars (\$1,000,000.00), which amount will be increased by an additional Five Hundred Thousand Dollars (\$500,000.00) on the tenth (10<sup>th</sup>) Anniversary Date and every ten (10) years thereafter. Any Casualty event not insured due to Tenant’s failure to maintain the requisite insurance policies and coverage requirements under *Article 20* will not be considered an Uninsured Casualty.

(a) **Tenant’s Election to Terminate.** If an event of Major Casualty or Uninsured Casualty occurs at any time during the Term, then within ninety (90) days following Tenant’s delivery to Port of the Casualty Notice, Tenant may, by written notice to Port, terminate this Lease upon satisfaction of all the following conditions set forth in *Sections 14.3(b)(i)* through *14.3(b)(vii)* below, unless waived by Port; provided, however, that so long as there are Outstanding Bonds, then Tenant shall have no right to terminate this Lease, but, provided Tenant has provided notice to Port of its intention to terminate this Lease pursuant to this *Article 14*, (i) Tenant shall be relieved of its obligations to pay Base Rent (if any) and (ii) Tenant shall have no obligation to restore the Premises in accordance with *Section 14.2* hereof and Tenant must terminate this Lease in accordance with this *Section 14.3(a)* within ninety (90) days after the date the Outstanding Bonds that were in effect on the date that Tenant elected to terminate this Lease are no longer outstanding. Port shall provide Tenant with reasonable prior written notice of the date on which the Outstanding Bonds that were in effect on the date that Tenant elected to terminate this Lease shall no longer be outstanding. Notwithstanding anything to the contrary in this Lease, Tenant shall repair and restore all or a portion of the Premises as required in order to comply with any City or Port issued mandate to protect the health and safety of any subtenant, including residents, of the Premises.

(b) **Conditions to Termination.** As a condition precedent to Tenant’s right to terminate this Lease in accordance with *Section 14.3*, unless waived by Port, Tenant will do all of the following:

(i) Unless otherwise requested by Port, in its sole discretion, Tenant will, at its sole cost and expense, Demolish and Remove the Improvements prior to the effective termination date;

(ii) Unless the Improvements are to be demolished as set forth in *Section 14.3(b)(i)*, Tenant will provide Port the estimated cost of Restoration;

(iii) Cure all Tenant monetary Events of Defaults and any Events of Default or Unmatured Events of Default relating to the provisions of *Section 21*;

(iv) Pay in full all utility charges and Impositions incurred up to and including the effective date of termination;

(v) Maintain all the insurance required to be maintained under *Section 20* until the effective date of termination;

(vi) Pay or cause to be paid the following amounts solely from the insurance proceeds as and to the extent available arising from each Casualty promptly following receipt of such proceeds, in the order required by any senior Mortgage, and if none, in the following order of priority:

(1) First, to Port (or Tenant, if such work is performed by, or on account of, Tenant at its cost) for the actual costs incurred for any work required to alleviate any conditions caused by such Casualty that could cause an immediate or imminent threat to the public safety and welfare or damage to the environment, including any demolition or hauling of rubble or debris;

(2) Second, to Port, for all accrued and unpaid amounts owed to Port under this Lease, if any, by Tenant, up to the effective date of the termination;

(3) Third, to each non-Affiliate Lender demanding payment, in order of priority, a portion of the remaining casualty insurance proceeds arising out of or in connection with the Casualty in an amount not to exceed the aggregate amounts that are secured by the applicable non-Affiliate Mortgage then owed to each such non-Affiliate Lender;

(4) Fourth, to the appropriate governmental or quasi-governmental entity, all Impositions due up to the effective date of termination; and

(5) Fifth, the balance of the proceeds will be divided proportionately between Port, for the value of Port's reversionary interest in the Premises and Improvements (in their condition immediately prior to the Casualty event) as of the date the Term would have expired but for the Casualty event, and Tenant, for the value of the Improvements for the remaining unexpired portion of the Term (in their condition immediately prior to the event of damage or destruction) less any proceeds distributed in repayment of any Mortgages as provided in *Section 14.3(b)(vi)(3)*.

(c) Upon termination in accordance with this *Section 14.3*, Tenant will deliver possession of the Premises to Port and quitclaim to Port all right, title and interest in the Premises and in any remaining Improvements. Upon such termination, the Parties will be released thereby without further obligation to the other Party as of the effective date of such termination; provided, however, that the Indemnification provisions hereof or any other provision that explicitly survives the expiration or earlier termination of this Lease will survive any such termination with respect to matters arising before the effective date of any such termination.

**14.4. *Distribution Upon Lease Termination Due to Tenant Failure to Restore.*** If Tenant is obligated to and fails to Restore the Improvements as provided herein and commits an Event of Default in failing to Restore the Improvements and this Lease is thereafter terminated due to such Event of Default, all insurance proceeds remaining after application pursuant to *Section 14.3(b)(vi)(1)—14.3(b)(vi)(4)* will be paid to and retained by Port.

## **15. CONDEMNATION.**

### **15.1. *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 15*.

(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 15*, 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 15*, 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.

**15.2. 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 explicitly survive the expiration or earlier termination of this Lease.

**15.3. 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, this Lease will terminate, at Tenant’s option (which must 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, as further provided below. For purposes of this *Article 15*, “**Substantial Condemnation**” means a Condemnation of (i) less than the entire Premises which renders the Project untenable, unsuitable, or economically infeasible for the Permitted Uses as reasonably determined by Tenant, or (ii) of property located outside the Premises that, in any case, substantially and materially eliminates access to the Premises where no alternative access can be constructed or made available. Notwithstanding the foregoing, Tenant will have no right to terminate this Lease under this *Section 15.3(a)* if the Substantial Condemnation, as the case may be: (x) can be cured by the performance of Restoration (unless such Substantial Condemnation occurs during the last ten (10) years of the Term or if Tenant reasonably anticipates, based upon a schedule of performance for such Restoration prepared with due diligence by Tenant in consultation with Port that at the time of completion of the Restoration, less than ten (10) years would remain in the Term), and (y) the cost of such Restoration does not exceed by at least One Million Dollars (\$1,000,000.00), which amount will be increased by an additional Five Hundred Thousand Dollars (\$500,000.00) on the tenth (10<sup>th</sup>) Anniversary Date and every ten (10) years thereafter, the portion of the Award fairly allocable to severance damages suffered by Tenant. In such case, this Lease will not terminate, and, upon a determination that the Lease will continue based upon the availability and amount of Award, Tenant will commence and complete such Restoration as promptly as reasonably practicable by using commercially reasonable diligence and pursuant to the provisions of *Article 12* and *Section 15.4*, subject to events of Force Majeure.

(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 15.2* or *Section 15.3(a)* (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, and Tenant will promptly commence and complete, subject to events of Force Majeure, any necessary Restoration of the remaining portion of the Premises, at no cost to Port. Any such Restoration will be performed in accordance with the provisions of *Article 12*.

**15.4. Awards.** Except as provided in *Sections 15.5* and *15.6*, 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:

- (i) First, to Port for the payment of all unpaid Rent.
- (ii) Second, in the event of a Partial Condemnation, to pay costs of Restoration incurred by Tenant, in which case, the portion of the Net Awards and Payments allocable to Restoration will be payable to Tenant, a Lender, or trustee in accordance with the requirements governing payment of insurance proceeds set forth in **Section 14.3(b)(vi)**;
- (iii) 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 (the “**Condemned Land Value**”);
- (iv) Fourth, to any non-Affiliate Lender pursuant to a non-Affiliate Mortgage as and to the extent provided therein, for payment of all sums secured by its non-Affiliate 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.
- (v) 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;
- (vi) 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 Improvements (based on the date the Term would have expired but for the event of Condemnation), and Tenant, for the value of the Improvements for the remaining unexpired portion of the Term to the original scheduled Expiration Date.
- (vii) 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, will be paid to Port or Tenant, as applicable, as so designated by the condemning authority or judgment.

**15.5. 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, there will be no abatement of Rent, and the entire Award will be payable to Tenant.

**15.6. Relocation Benefits, Personal Property.** Notwithstanding **Section 15.4**, 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.

## **16. LIENS.**

**16.1. 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 4**), and (iii) Mortgages.

**16.2. 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 Subsequent 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.

## **17. DEPOSITS.**

### **17.1. *Intentionally Omitted.***

**17.2. *Environmental Financial Performance Deposit.*** On or prior to the commencement of any Sublease with a Subtenant that will engage in activities on the Premises involving the use of Hazardous Materials (other than (a) standard building materials and equipment that do not contain asbestos or asbestos-containing materials, lead or polychlorinated biphenyl (PCBs), and (b) 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), Tenant will deliver to Port an amount determined by Port to be reasonable additional security for any increased environmental liabilities to Port arising out of the Subtenant's specific use of non-Excepted Hazardous Materials at the Premises (the "**Environmental Financial Performance Deposit**") as additional collateral for the full and faithful performance by Tenant of its obligations under **Article 21**. Port's determination of the amount of the Environmental Financial Performance Deposit will be consistent with the Port Commission's adoption of the Environmental Risk Policy and Financial Assurance Requirements for Real Property Agreements on November 13, 2007, pursuant to Resolution No. 07-81, as may be amended or updated from time to time (the "**Port Environmental Risk Policy**"). In the event Port determines in its sole but reasonable discretion that any proposed change(s) to Tenant's (or its Subtenants') use and operation of Hazardous Materials (other than Excepted Hazardous Materials) on the Premises increase Port's risk of Loss, then prior to commencement of such Sublease, Port may require Tenant to increase the Environmental Financial Performance Deposit in a manner consistent with the Port Environmental Risk Policy. Port also has the right to increase every five (5) years the amount of the Environmental Financial Performance Deposit in a manner consistent with the Port Environmental Risk Policy if Port reasonably believes after review of Tenant's and Subtenants' use and operation of Hazardous Materials (other than Excepted Hazardous Materials) that the then current amount is insufficient.

### **17.3. *Environmental Oversight Deposit.***

(a) If Tenant is required to provide an Environmental Financial Performance Deposit in accordance with **Section 17.12**, then prior to commencement of the Sublease necessitating such deposit, Tenant will also deliver to Port an environmental oversight deposit ("**Environmental Oversight Deposit**") in cash, in an amount equaling Ten Thousand Dollars (\$10,000), as security for Port's recovery of costs of inspection, monitoring, enforcement, and administration of Tenant's performance of its obligations under **Article 21**.

(b) Port at its option may demand reimbursement from Tenant within five (5) business days following demand, or use, apply, or retain the Environmental Oversight Deposit in whole or in part to reimburse Port, for Port's costs incurred if an Environmental Regulatory Agency delivers a notice of violation or order regarding a Hazardous Material Condition ("**Environmental Notice**") to Tenant and either: (i) the actions required to cure or comply with the Environmental Notice cannot be completed within fourteen (14) days after its delivery; or

(ii) Tenant has not begun to cure or comply with the Environmental Notice or is not working actively to cure or comply with the Environmental Notice within fourteen (14) days after its delivery. Under these circumstances, Port's costs may include staff time corresponding with and responding to Regulatory Agencies, Attorneys' Fees and Costs, and inspection, collection, and laboratory analysis of environmental samples and monitoring the Hazardous Material Condition.

(c) If an Environmental Notice is delivered to Tenant, and Tenant has cured or complied with the Environmental Notice within fourteen (14) days after its delivery, Port at its option may demand payment from Tenant within five (5) days following demand, or apply the sum of Five Hundred Dollars (\$500) (which amount will be increased by One Hundred Dollars (\$100) on the tenth (10<sup>th</sup>) anniversary of the Commencement Date and every ten years thereafter) from the Environmental Oversight Deposit, as Additional Rent for each Environmental Notice delivered to Tenant to reimburse Port for its administrative costs.

#### **17.4. Generally.**

(a) The Environmental Financial Performance Deposit (if any) and the Environmental Oversight Deposit (if any), are collectively referred to as the "**Security Deposit.**" Tenant will not be entitled to any interest on the Security Deposit.

(b) The amount of the Security Deposit will not be deemed to limit Tenant's liability for the performance of any of its obligations under this Lease nor be a measure of Port's damages upon an Event of Default. Port may apply the Security Deposit as provided herein without waiving any of Port's other rights and remedies hereunder or at Law or in equity.

(c) The Security Deposit will not be deemed an advance of Rent, an advance of any other payment due to Port under this Lease, or a security deposit subject to the California Civil Code.

(d) Should Port use any portion of the Security Deposit, Tenant must replenish the Security Deposit to the full extent of the required amount within five (5) business days following Port's demand.

(e) Port's obligations with respect to the Security Deposit are those of a debtor and not a trustee. Port will not be required to keep the Security Deposit separate from its general funds.

(f) Upon the expiration or earlier termination of this Lease, Port will return the unused balance of the Security Deposit to Tenant (less any amounts then due and payable from Tenant to Port under this Lease) within thirty (30) days after Tenant surrenders possession of the Premises to Port.

(g) Tenant may satisfy its obligations under *Sections 17.12* and *17.3* by providing to Port a letter of credit naming Port as a joint beneficiary (with Tenant) under a letter of credit which permits Port to draw directly on such letter of credit in the amount of any Environmental Financial Performance Deposit and Environmental Oversight Deposit which may be required in connection with a Sublease authorizing the Subtenant to engage in activities on the Premises involving the use of Hazardous Materials as specified in *Section 17.1*.

### **18. ASSIGNMENT AND SUBLETTING.**

#### **18.1. Transfer.**

##### **(a) Additional Definitions.**

"**Assignment**" means an assignment, conveyance, hypothecation, pledge (other than a pledge in connection with any mezzanine financing which will not require prior Port approval), or otherwise transfer all or any of Tenant's interest in this Lease or Leasehold Estate.

"**Control**" means with respect to any Person (a) the possession, directly or indirectly, of the power to direct or cause the direction of the day to day management, policies or activities of

such Person whether through ownership of voting securities, by contract or otherwise (excluding customary limited partner or non-managing member approval rights, or (b) the ownership (direct or indirect) of more than fifty percent (50%) of the profits or capital of another Person, or (c) the ownership (direct or indirect) of more than fifty percent (50%) of the ownership interest of such Person (whether shares, partnership interests, membership interest or other equity, and whether one or more classes thereof). “Controlled” and “Controlling” have correlative meanings.

“**Excluded Transfer**” means any of the following: (a) the exercise of customary remedies under mezzanine financing of Tenant or any constituent owner thereof; (b) the exercise of customary limited partner or non-managing member remedies under a partnership or limited liability company operating agreement, as applicable; (c) a change resulting from death or legal incapacity of a natural person; (d) the sale, transfer or issuance of less than the Controlling interest of stock listed on a nationally or internationally recognized stock exchange in a single transaction or a related series of transactions; or (e) a transfer of direct or indirect equity interests in the Tenant so long as a party in Control immediately prior to the transaction remains in Control immediately after the transaction.

“**Managing Party**” means, with respect to any Person, both (a) the possession, directly or indirectly, of the power to direct or cause the direction of the day-to-day management, policies or activities of Tenant (excluding customary limited partner or non-managing member approval rights) and (b) the ownership (direct or indirect) of more than ten percent (10%) of the profits or capital of Tenant.

“**Minimum Net Worth Amount**” means Twenty-Seven Million Five Hundred Thousand Dollars (\$27,500,000.00), which amount will increase by ten percent (10%) on the tenth (10th) anniversary of the Commencement Date and every ten (10) years thereafter.

“**Net Worth Guarantor**” means a Person, in combination with Tenant or the proposed transferee, satisfying the Net Worth Requirement that is the guarantor under the Net Worth Guaranty.

“**Net Worth Guaranty**” means a guaranty of performance of all the obligations under this Lease, in an amount not to exceed the Net Worth Requirement (less the net worth of Tenant or the proposed transferee), and otherwise in form and substance reasonably satisfactory to Port, delivered to Port by a Person, in combination with Tenant or the proposed transferee, satisfying the Net Worth Requirement.

“**Net Worth Requirement**” means, with respect to a proposed transferee, the proposed transferee has (a) prior to issuance of a Certificate of Completion, a net worth (inclusive of its equity in the Property) equal to at least the Minimum Net Worth Amount, less any debt to be secured by (i) the proposed transferee’s interest in the Premises or Leasehold Estate, or (ii) a pledge of the proposed transferee’s ownership interest, or (b) following the issuance of a Certificate of Completion, a net worth (inclusive of its equity in the Property) equal to or at least the lesser of (i) Minimum Net Worth Amount and (ii) thirty percent (30%) of the fair market value of the Premises, in each case.

“**Qualified Transferee**” means any transferee that satisfies each of the following criterion: (1) has, or has engaged a property manager with, at least ten (10) years’ experience operating major mixed-use residential projects; (2) satisfies the Net Worth Requirement; and (3) is subject to jurisdiction of the courts of the State.

“**Significant Change**” means any change in the direct or indirect ownership of Tenant that results in a change in Control of Tenant; provided, however, in no event will any Excluded Transfer be deemed a Significant Change.

“**Transfer**” means an Assignment or Significant Change.

(b) **Conditions to Transfer Before Certificate of Completion.** Subject to Sections 18.1(e), 18.1(h), 18.1(i), before Port’s issuance of a Certificate of Completion, Tenant



will not (A) suffer or permit any Significant Change to occur, or (B) consummate an Assignment without the prior written consent of Port, which consent may not be unreasonably withheld by Port if each of the following conditions is satisfied:

(i) In the case of an Assignment only, the proposed transferee executes and delivers an Assignment and Assumption Agreement in substantially the form attached to the Vertical DDA as "Exhibit R" if the Vertical DDA is still in effect, or *Exhibit O* attached hereto if Port has issued a Certificate of Completion (each an "Assignment and Assumption Agreement"), which Assignment and Assumption Agreement must contain:

(1) an express assumption by the proposed transferee, for itself and its successors and assigns, and expressly for the benefit of Port, of all of the obligations of Tenant arising from or after the effective date of the Transfer under this Lease, the Vertical DDA if in effect, and any other agreements or documents entered into by and between Port and Tenant pursuant to this Lease directly relating to the Project, and an express agreement by the proposed transferee to be subject to all of the conditions and restrictions to which Tenant is subject;

(2) a representation by the proposed transferee that it has conducted a thorough investigation and due diligence of the Improvements, including the condition of the real property, of all Material Systems, the roof and structural integrity of the Improvements, and if the Transfer occurs after the twentieth (20th) anniversary of the Commencement Date, has reviewed the most recent Facilities Condition Report prepared by Tenant; and

(3) a release by the proposed transferee of the Indemnified Parties and the State Lands Indemnified Parties and waiver of any and all Losses against the Indemnified Parties and the State Lands Indemnified Parties for the condition of the Improvements or the real property or any claims assignor may have against the Indemnified Parties arising prior to the effective date of the Transfer.

(ii) In the case of a Significant Change only, Tenant delivers to Port, a certificate setting forth the purchaser or purchasers of the ownership interest resulting in the Significant Change, purchase price of such interest, any Net Sale Proceeds owed to Port, and a reaffirmation from Tenant that it will continue to be obligated under all the terms and conditions of this Lease, all certified by Tenant's chief financial officer as true, accurate, and complete, the form of which is attached hereto as *Exhibit P* ("Significant Change Certificate");

(iii) All instruments and other legal documents involved in effectuating the Transfer reasonably requested by Port, including all documentation necessary for Port to confirm the amount of Port's share of Net Sale Proceeds, has been submitted to Port for its review and reasonable approval, or at the request of Tenant, such documents are made available for Port's review at Tenant's office in San Francisco;

(iv) There is no Event of Default or Unmatured Event of Default on the part of Tenant under this Lease or any of the other documents or obligations to be assigned to the proposed transferee where Tenant or proposed transferee have not made provisions to cure the applicable default, which provisions are satisfactory to Port in its sole discretion;

(v) If the effective date of the Transfer is prior to Port's issuance of a Certificate of Completion, there is no Developer Event of Default or an Unmatured Developer Event of Default (as such terms are defined in the Vertical DDA) on the part of Developer under the Vertical DDA, where Tenant or the proposed transferee has not made provisions to cure the default, which provisions are satisfactory to Port;

(vi) Subject to *Section 18.1(b)(vii)*, (1) in the case of a Significant Change, Tenant must be a Qualified Transferee immediately following the consummation of such Significant Change; and (2) in the case of an Assignment, the proposed transferee is a Qualified Transferee;

(vii) If Tenant (in the case of a Significant Change) or proposed transferee (in the case of an Assignment) does not satisfy the Net Worth Requirement, Tenant or the proposed transferee, as applicable, will have the right to deliver a Net Worth Guaranty in lieu of satisfying the Net Worth Requirement. Under the Net Worth Guaranty, the Net Worth Guarantor, among other things, will:

(1) guaranty performance of all of Tenant's obligations under this Lease in an amount not to exceed the Net Worth Requirement;

(2) covenant that it will throughout the term of the Net Worth Guaranty, maintain the Net Worth Requirement; and

(3) provide Port as of the first day of each calendar year, a statement certified by its chief financial officer, or if the Net Worth Guarantor is an individual, a certified public accountant, that the Net Worth Guarantor continues to meet the Net Worth Requirement and that to his/her actual knowledge, he/she is not aware of any facts that would cause the Net Worth Guarantor to not meet the Net Worth Requirement.

The Net Worth Guaranty will otherwise be in form and substance reasonably satisfactory to Port. The Net Worth Guaranty will terminate when the Tenant benefiting from the Net Worth Guaranty meets the Net Worth Requirement. Tenant and the Net Worth Guarantor will provide Port with (or make available to) its financial statements and other information necessary to substantiate its position that it meets the Net Worth Requirement and that the Net Worth Guaranty should terminate.

(viii) Tenant provides to Port an estoppel certificate substantially in the form attached hereto as **Exhibit Q**, which estoppel certificate will be effective as of the effective date of Transfer;

(ix) Port receives on or prior to the effective date of Transfer (A) Port's share of Net Sale Proceeds, as described in **Section 4 of Exhibit D**, and (B) a settlement statement relating to the Transfer or other evidence, reasonably satisfactory to Port, of Port's share of Net Sale Proceeds; and

(x) Port receives on or prior to the effective date of Transfer sufficient funds to reimburse Port for its Attorneys' Fees and Costs to review the proposed Transfer provided, however, if Port has not delivered to Tenant an invoice for Attorneys' Fees and Costs prior to the effective date of Transfer, Tenant will reimburse Port for same within ten (10) business days of receipt of such invoice.

(c) **Transfer After Certificate of Completion.** From and after Port's issuance of a Certificate of Completion, Tenant may Transfer without the prior consent of Port so long as:

(i) in the case of a Significant Change, Tenant is a Qualified Transferee immediately following the consummation of such Significant Change; or in the case of an Assignment, the proposed transferee is a Qualified Transferee; provided, however, if Tenant (in the case of a Significant Change) or proposed transferee (in the case of an Assignment) does not satisfy the Net Worth Requirement, Tenant or the proposed transferee, as applicable, will have the right to deliver a Net Worth Guaranty in lieu of satisfying the Net Worth Requirement in accordance with **Section 18.1(b)(vii)**;

(ii) Tenant provides Port prior notice before the effective date of the Transfer;

(iii) in the case of an Assignment, within thirty (30) days after such Assignment, Tenant delivers an Assignment and Assumption Agreement to Port, executed by transferor and the transferee; and

(iv) in the case of a Significant Change, within thirty (30) days after such Significant Change, Tenant delivers a Significant Change Certificate to Port.

(d) **No Limitation.** It is the intent of this Lease, to the fullest extent permitted by Law and equity that no Transfer of this Lease, or any interest therein, however consummated or occurring, and whether voluntary or involuntary, may operate, legally or practically, to deprive or limit Port of the benefits under this Lease or any rights or remedies or controls provided in or resulting from this Lease with respect to the Premises that Port would have had, had there been no such Transfer.

(e) **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 Lender or other purchaser in connection with the exercise of remedies under the provisions of a Mortgage, subject to the limitations, rights and conditions set forth in *Article 40* hereof.

(f) **Limitation on Liability.** From and after an Assignment of all of the transferor's interest in this Lease or Leasehold Estate, the transferor will be released from all obligations and liability under this Lease to the extent first arising after the date of such Assignment. In no event will the transferor be liable for a new default first arising after the date of such Assignment. The effectiveness of any Assignment hereunder is not in any way to be construed to relieve the transferor tenant of any liability arising out of or with regard to the performance of any covenants or obligations to be performed by the transferor tenant hereunder before the date of such Assignment. In connection with any such Assignment, upon request from the transferor, Port will execute documentation evidencing the foregoing release of obligations and liabilities in the form as set forth in the attached *Exhibit O* provided, failure to do so will not invalidate or limit the effect of the release set forth in this Section.

(g) **Notice of Significant Changes; Reports to Port.** Tenant will promptly notify Port of any and all Significant Changes. At such time or times as Port may reasonably request, Tenant must furnish Port with a statement, certified as true and correct by an officer of Tenant, setting forth all of the constituent members of Tenant and the extent of their respective holdings, and in the event any other Persons have a beneficial interest in Tenant, their names and the extent of such interest.

(h) **Assignment to Accommodate Sale of Low-Income Housing Tax Credits.** Notwithstanding anything to the contrary set forth herein, Port's consent will not be required in the event of a Transfer to an entity solely for the purpose of taking advantage of the Low Income Housing Tax Credit, as applicable, subject to all of the following conditions: (i) at least thirty (30) days prior to such Transfer, Tenant furnishes Port with the name of the proposed assignee, together with evidence reasonably satisfactory to Port indicating that the proposed Transfer is solely for the purpose of taking advantage of the Low Income Housing Tax Credit, as applicable; and (ii) the conditions set forth in *Sections 18.1(b)(i)—18.1(b)(viii), and 18.1(b)(x)* have all been met.

(i) **Transfers Not Requiring Port Consent Before Certificate of Completion.** Notwithstanding anything to the contrary set forth herein, Port's consent will not be required in the event of a Transfer to a Tenant Affiliate or a Significant Change in which there is no change of the Managing Party of Tenant, subject to all of the following conditions: (i) at least five (5) business days prior to such Transfer, Tenant provides notice thereof to Port; and (ii) the conditions set forth in *Section 18.1(b)(i)—18.1(b)(viii) and 18.1(b)(x)* have all been met.

**18.2. Assignment of Rents.** Tenant hereby assigns to Port all rents and other payments of any kind, due or to become due from any present or future Subtenant as security for Tenant's obligations hereunder prior to actual receipt thereof by Tenant; provided, however, the foregoing assignment will be subject and subordinate to any assignment made to a Lender under *Article 40* until such time as Port has terminated this Lease (subject to the Port's agreement to enter into a

New Lease with Lender and all other provisions of this Lease protecting Lender's interests in this Lease), at which time the rights of Port in all rents and other payments assigned pursuant to this **Section 18.2** will become prior and superior in right; provided, further, any rents collected by any Lender 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.

**18.3. Subletting by Tenant.**

(a) **Qualifying Subleases.** Tenant has the right to sublet all or any portion of the Improvements to one or more Subtenants by written Subleases from time to time without the necessity of obtaining the prior written consent of Port for each applicable Sublease upon satisfaction of all the conditions set forth in this **Section 18.3(a)**:

(i) The Sublease (and any further sub-subleases of the Sublease Space) are all subject to the terms and conditions of this Lease and the terms and conditions of the Sublease and further sub-subleases are consistent with the provisions of this Lease, provided that Subtenants need not be obligated for Restoration, and, provided further 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;

(ii) The term of the Sublease does not extend beyond the Term;

(iii) The Sublease rental rates reflect an arms-length transaction at fair market rents for subleases as reasonably determined by Tenant, taking into account, among other things, market conditions, vacancy rates, tenant mix, preferred amenities, creditworthiness of the subtenant and other factors that prudent institutional landlords of buildings of comparable age, size, type and use located in San Francisco would use to determine Sublease rental rates;

(iv) If the Sublease is for property management services at the Premises, (including to a Tenant Affiliate without regard to the provisions of **Section 18.3(b)**), then the size of the Sublease space is comparable to the size of property management offices for buildings of institutional landlords that are of comparable age, size, type and use located in San Francisco, and the Sublease rental rates reflect an arms-length transaction at fair market rents as reasonably determined by Tenant;

(v) The Sublease (other than Subleases directly from Tenant for individual residential units) contains an Indemnification and waiver of claims provision benefitting Port that is substantially and materially the same as **Article 19** except that the term "Tenant" in such provision means "Subtenant" and Subtenant's obligation to Indemnify Port from any Losses arising outside the Premises will be limited to Losses arising from the acts or omissions of Subtenant or its Agents;

(vi) The Sublease (other than Subleases directly from Tenant for individual residential units) 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;

(vii) Subject to the rights of any Lender, the Sublease (other than Subleases directly from Tenant for individual residential units) 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;

(viii) The Sublease (other than Subleases directly from Tenant for individual residential units) requires the Subtenant to expressly waive entitlement to any and all relocation assistance and benefits in connection with this Lease;

(ix) The Sublease (other than Subleases directly from Tenant for individual residential units) contains a provision similar to *Article 39* (Right to Enter) requiring Subtenant to permit Port to enter its Subleased Space for the purposes specified in *Article 39*;

(x) The Sublease (other than Subleases directly from Tenant for individual residential units) contains a provision similar to *Article 31* (Tenant Estoppel) requiring Subtenant, from time to time, to provide Port an estoppel certificate substantially similar to the form attached hereto as *Exhibit R*;

(xi) The Sublease (other than Subleases directly from Tenant for individual residential units) requires Subtenant to comply with the Other City Requirements set forth in *Article 45*;

(xii) The Sublease contains a provision that if for any reason whatsoever this Lease is terminated, unless Port has agreed otherwise in a Non-Disturbance Agreement between Port and the Subtenant, such termination will result in the automatic termination of the Sublease and any existing subleases for the Subleased Space; and

(xiii) Intentionally omitted.

(b) **Sublease with Tenant Affiliate Requires Port Approval.** All Subleases (i) with a Tenant Affiliate; (ii) Controlled by Tenant or a Tenant Affiliate; or (iii) owned either directly or indirectly by Tenant or a Tenant Affiliate, require the prior written consent of Port, which consent may not be unreasonably withheld if the Sublease is on rental rates that reflect an arms' length transaction at fair market rents, as reasonably determined by Port.

(c) **Required Sublease Information.** Within fifteen (15) days of executing any Sublease, Tenant must provide Port with all information related to such Sublease necessary for Port to comply with Administrative Code Sections 23.38 and 23.39 (or any successor statute).

#### **18.4. *Non-Disturbance of Subtenants and Attornment.***

(a) **Generally.** Subject to the provisions of this *Section 18.4*, from time to time upon the request of Tenant, Port will enter into agreements with Subtenants providing generally, with regard to a given Sublease, that in the event of any termination of this Lease resulting from an Event of Default, Port will not terminate or otherwise disturb the rights of the Subtenant under such Sublease, but will instead honor such Sublease as if such agreement had been entered into directly between Port and such Subtenant ("**Non-Disturbance Agreements**").

(b) **Conditions for Issuance of Non-Disturbance Agreements.** Port will enter into a Non-Disturbance Agreement with a particular Subtenant if all of the following conditions are satisfied:

(i) The applicable Sublease is for a term of at least five (5) years (not including any renewal terms);

(ii) The applicable Sublease Space is comprised of at least 10,000 rentable square feet;

(iii) The performance by Tenant of its obligations under such Sublease will not cause an Event of Default to occur under this Lease;

(iv) The applicable Sublease term, including options, does not extend beyond the scheduled Term;

(v) The applicable Sublease complies with all the conditions of *Section 18.3(a)*;

(vi) The Subtenant agrees that in the event this Lease expires, terminates or is canceled during the term of the Sublease, the Subtenant will attorn to Port (provided Port agrees not to disturb the occupancy or other rights of the Subtenant and to be bound by the terms of the Sublease, except as otherwise set forth in the Non-Disturbance Agreement), and the Sublease will be deemed a direct lease between the Subtenant and Port, except that any subleases entered into by Subtenant (or its subtenants) for the Sublease Space will be terminated and Port will not be:

(1) liable to the Subtenant for any security deposit or prepaid rent or other charges previously paid by such Subtenant to Tenant unless such deposits, rent or charges are transferred to Port;

(2) bound by any indemnification obligations or any waivers and releases made by the sublandlord in the Sublease for the benefit of Subtenant or any other party;

(3) bound by any requirement or obligation of the sublandlord under the Sublease to pay any (A) unpaid or unreimbursed tenant improvement allowance (provided, however, if the Subtenant incurs costs after termination of this Lease that are reimbursable from any remaining and unpaid tenant allowance (“**Reimbursable Subtenant Costs**”), then so long as Subtenant is not in default under the Sublease, Subtenant may receive a rent credit of up to fifty percent (50%) of the monthly base rent then payable until the Reimbursable Subtenant Costs are fully reimbursed, as further refined and agreed to between the parties in the Non-Disturbance Agreement), or (B) liquidated damages;

(4) bound by any Subtenant right of first offer to purchase, first negotiation to purchase or first refusal to purchase Tenant’s interest in the Subleased Premises;

(5) bound by any Sublease term, including options to renew, that extend beyond the expiration date of this Lease;

(6) liable to Subtenant for any indirect, consequential, incidental, punitive or special damages;

(7) bound by any limitation on Subtenant’s obligation to indemnify any sublandlord parties based on Subtenant’s insurance coverage;

(8) bound by any limitation on sublandlord’s ability to transfer its interest in the Sublease (including any requirement to deliver prior notice to Subtenant or obtain Subtenant’s prior approval); and

(9) bound by any requirement or obligation to keep records or documents confidential that violates the Public Records Act or the City’s Sunshine Ordinance.

(vii) During the continuance of any Event of Default, Port may, in its sole discretion, withhold or condition its agreement to provide a Non-Disturbance Agreement on the cure of such default as Port may specify either in a notice of default given under **Section 24.1** or in a notice withholding or conditioning its agreement to provide a Non-Disturbance Agreement;

(viii) Concurrently with its request for a Non-Disturbance Agreement from Port, Tenant will submit to Port:

(1) an electronic copy of the Sublease in the form to be executed in Microsoft Word format (or other comparable format),

(2) a summary of basic terms of the Sublease,

(3) an electronic draft of a Non-Disturbance Agreement in Microsoft Word format (or other comparable format), redlined against the form required by **Section 18.4(d)**,

(4) a statement certifying that the Sublease satisfies all the conditions and requirements set forth in **Section 18.3(a)** including that the Sublease rental rates reflect an arms-length transaction at fair market rents as reasonably determined by Tenant, and the proposed Non-Disturbance Agreement complies with all the conditions and requirements set forth in **Section 18.4(b)**, and

(5) an executed Tenant estoppel certificate substantially in the form attached hereto as **Exhibit Q**, and Tenant will certify as of the effective date of the Non-Disturbance Agreement that the certifications made by Tenant in the estoppel certificate remains unchanged; and

(6) all relevant information requested by Port including reasonable financial information establishing the ability of the proposed Subtenant to perform its contemplated obligations under such Sublease, and relevant information concerning the business character and operating history of the proposed Subtenant; provided however, in lieu of submitting the Subtenant's financial information to Port, Tenant may make such information available for review (but not duplication) at Port's office or at Tenant's office in the City of San Francisco.

(ix) Tenant deposits sufficient funds to reimburse Port for its Attorneys' Fees and Costs to review the proposed Non-Disturbance Agreement (which, for avoidance of doubt, includes any additional administrative fees, or outside counsel or contractors engaged by Port to review such request for a Non-Disturbance Agreement);

(x) Subtenant agrees that notwithstanding any Non-Disturbance Agreement, the Sublease will terminate as of the Lease termination date (1) if the Lease terminates (A) as a result of Tenant exercising its Termination Option due to change in Laws, as further described in **Section 7.3**, or (B) in the event of Casualty or Condemnation, as further described in **Articles 14 and 15**, or (C) as a result of Tenant exercising its termination option for certain Remediation obligations during the last ten (10) years of the Term, as further described in **Section 21.4(d)**; or (2) if there is an uncured Subtenant event of default, giving effect to any notice and cure period provided therein (which agreement will be evidenced by acceptance of a Non-Disturbance Agreement reflecting the matters described in this **Section 18.4(b)(x)**);

(xi) If a guarantor guaranties any Subtenant obligation under the Sublease, Port will be named as an additional beneficiary to such guaranty; provided, however, Port's rights under such guaranty will not be effective until termination of this Lease; and

(xii) The applicable Sublease will provide that the Subtenant will deliver to Port as of the Master Lease termination date or promptly following request by Port an executed estoppel certificate, substantially in the form attached hereto as **Exhibit R**, certifying as of the Master Lease termination date, among other things: (A) that the Sublease, including all amendments, is attached thereto and is unmodified, except for such attached amendments, and is in full force and effect, as so amended, or if such Sublease is not in full force and effect, so stating, (B) which amendments, if any, to the Sublease have been previously approved by Port in writing, including the dates of approval, (C) the dates, if any, to which any rent and other sums payable thereunder have been paid, (D) that the Subtenant is not aware of any Tenant defaults under the Sublease which have not been cured, except as to defaults specified in said certificate, and (E) that the Subtenant is not aware of any Subtenant defaults which have not been cured.

(c) **Copy of Sublease.** To the extent a Sublease has been provided to Port in connection with a request for a Non-Disturbance Agreement, Tenant will provide Port a true and complete copy of the executed Sublease and summary of the Sublease basic terms attached to the Tenant estoppel certificate, in accordance with **Section 18.4(b)(viii)(5)** within five (5) business days after the execution thereof, which Sublease will contain substantially the same (or more favorable to the landlord) business terms as in the form of Sublease, statement, and other information previously provided to Port.

(d) **Form of Non-Disturbance Agreement.** Each Non-Disturbance Agreement will be substantially in the form of *Exhibit S* and, if not in such form, will be in form and substance agreed upon by Tenant and Port, not to be unreasonably withheld by either Party. With each request for a Non-Disturbance Agreement, Tenant will submit a copy of the form, showing any requested interlineations or deletions.

(e) **Response Period.**

(i) Port will respond to any request for a Non-Disturbance Agreement within fifteen (15) business days after receipt of all the materials described in *Section 18.4(b)(viii)*; provided, however, if Tenant requests three (3) or more Non-Disturbance Agreements whose response time overlaps at any given time, (1) Port will have an additional five (5) business days to respond for each Non-Disturbance Agreement, and (2) Tenant will pay to Port an additional administrative processing fee of One Thousand Dollars (\$1,000) for every overlapping Non-Disturbance Agreement request above two (2), which amount will be increased by Five Hundred Dollars (\$500) on the tenth (10th) Anniversary Date and every ten (10) years thereafter.

(ii) If Port fails to respond to such request within such fifteen (15) business day period (or twenty (20) business days if so extended), then Tenant will deliver to Port a second notice requesting Port's response ("**Second NDA Notice**"). The Second NDA Notice must display prominently on the envelope enclosing such notice and the first page of such notice, substantially the following: "**APPROVAL REQUEST FOR PHASE 1 LOT 4/MISSION ROCK SUBLEASE MATTERS. IMMEDIATE ATTENTION REQUIRED; FAILURE TO RESPOND WITHIN FIVE (5) BUSINESS DAYS WILL RESULT IN THE REQUEST BEING DEEMED APPROVED.**" If Port fails to respond within five (5) business days after Port's receipt of the Second NDA Notice, then such non-response will be deemed to be approval of such Non-Disturbance Agreement and the applicable Subtenant will be entitled to rely on the terms of the applicable Non-Disturbance Agreement, provided, however, if there are any conflicts between the provisions in the Sublease and the deemed approved Non-Disturbance Agreement, on the one hand, and *Sections 18.3* and *18.4(b)* on the other hand, *Sections 18.3* and *18.4(b)* will control.

**18.5. No Further Amendment or Consent Implied.** Port's consent to any amendment of a Sublease subject to an effective Non-Disturbance Agreement will not be required if the amendment conforms to all of the requirements of *Section 18.3* and *Section 18.4(b)*. Tenant will provide Port a true and complete copy of any amendment of a Sublease subject to an effective Non-Disturbance Agreement, accompanied by a summary of any revisions to the Sublease basic terms within five (5) business days after the execution thereof. Consent to one Sublease or amendment, as applicable, will not be construed as consent to a subsequent Sublease or amendment, as applicable.

**18.6. 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. Except as set forth in *Section 18.2*, 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.

**18.7. Acknowledgement.** Tenant acknowledges and agrees that each of the rights of Port set forth in this *Article 18* is a reasonable limitation on Tenant's right to assign or sublet for purposes of California Civil Code Section 1951.4.

**19. INDEMNIFICATION.**

**19.1. General Indemnification of the Indemnified Parties.** Subject to *Section 19.4*, 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, or under, the Premises or any part thereof and which may be directly or indirectly caused by any acts done in, on, or under, the Premises during the Term, or any acts or omissions of Tenant, its Agents, Subtenants, or Invitees, or their respective Agents and Invitees in, on, or under the Premises;

(b) any use, non-use, possession, occupation, operation, maintenance or management by, 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 during the Term 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 Indemnity) and subject to *Section 19.4*, Tenant 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, Release or Exacerbation of Hazardous Materials in, on, or under the Premises during the Term;

(iii) Intentionally omitted; or

(iv) without limiting Tenant's Indemnification obligations in *Sections 19.2(a)(ii) or 19.2(a)(iii)*, any Handling, Release, or Exacerbation of Hazardous Materials outside of the Premises, but in, on, or under Mission Rock, by Tenant or any Related Third Party during the Term. "Related Third Party" means Tenant's Agents, Subtenants, or their respective Agents; or

(v) failure by Tenant or any Related Third Party to comply with the Soil Management Plan; or

(vi) claims by Tenant or any Related Third Party for exposure occurring during the Term to Pre-Existing Hazardous Materials or New Hazardous Materials in, on, or under Mission Rock.

(b) Tenant's obligations 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; (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 19.2**, Tenant must reimburse Port for Port's costs, plus interest at the Default Rate from the date Port incurs each cost 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**, arises upon the earlier to occur of:

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

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

(iii) the Handling, Release, or Exacerbation of Hazardous Materials in, on, or under outside the Premises but within Mission Rock caused by Tenant or a Related Third Party;

(iv) any occurrence of a Hazardous Materials Condition during the Term; or

(v) 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**, 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** (Indemnities) relieves the Indemnified Parties or the State Lands Indemnified Parties from liability, nor will the Indemnities set forth in **Section 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 **Section 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 prior to the Commencement Date.

(b) If it is reasonable for an Indemnified Party or a State Lands Indemnified Party to assert that a claim for Indemnification under this **Section 19.4** 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 this **Section 19.4**. 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 this **Section 19.4** 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** survive the expiration or earlier termination of this Lease.

**19.6. Defense.** Tenant will, at its option but subject to 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 the Port alleging such failure, to take reasonable and appropriate action to defend, compromise or settle such suit or claim, Port has the right promptly to use the City Attorney or hire outside counsel, at Tenant's sole expense, to carry out such defense, compromise or settlement, which expense is due and payable to 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 and will include in any contract with Related Third Parties an assumption of the risk of, and waiver, discharge and release of, any and all claims against the Indemnified Parties and the State Lands Indemnified Parties from any Losses arising out of this Lease or relating to the Premises, including: (a) damages by death of or injury to any Person, or to property of any kind whatsoever and to whomever belonging; (b) goodwill; (c) business opportunities; (d) any act or omission of persons occupying adjoining premises; (e) theft; (f) explosion, fire, steam, oil, electricity, water, gas or rain, pollution or contamination; (g) building defects (including stopped, leaking or defective Material Systems); (h) inability to use all or any portion of the Premises due to sea level rise or flooding or seismic events; and (i) any other acts, omissions or causes arising at any time and from any cause, in, on, or under the Premises, 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 the 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 the 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 the 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 the 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 OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

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.**

Tenant will comply with the insurance requirements set forth in *Exhibit T* attached hereto throughout the Term.

## **21. HAZARDOUS MATERIALS.**

**21.1. Compliance with Environmental Laws.** Tenant will comply and cause its Subtenants, their respective Agents and Invitees, while in, on, or under the Premises, to comply with all Environmental Laws, Operations Plans (if any), the Soil Management Plan, and prudent business practices, including, without limitation, any deed restrictions, regulatory agreements, deed notices, any additional 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 in, on, or under 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 (collectively, "**Excepted Hazardous Material.**")

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

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:     *BM*    

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.**

Tenant will comply with the insurance requirements set forth in *Exhibit T* attached hereto throughout the Term.

## **21. HAZARDOUS MATERIALS.**

**21.1. Compliance with Environmental Laws.** Tenant will comply and cause its Subtenants, their respective Agents and Invitees, while in, on, or under the Premises, to comply with all Environmental Laws, Operations Plans (if any), the Soil Management Plan, and prudent business practices, including, without limitation, any deed restrictions, regulatory agreements, deed notices, any additional 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 in, on, or under the Premises,



**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 the Term:

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

(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 (other than to the extent the Master Developer, Phase 1 Horizontal Developer or another vertical developer within Mission Rock is designated as the “generator” and such designation is approved in writing by the Port’s Deputy Director of Planning and Environment); provided that the Port hereby approves Master Developer and/or Phase 1 Horizontal Developer as the “generator” of any waste resulting from such entity’s work on the Premises in connection with Phase 1 (as defined in the DDA);

(e) Will comply with all provisions of the Soil 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.

**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 Soil 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*, Handled, in, on, over or under the Premises or emanating from the Premises, or from off-site conditions or events affecting receptors or the environment condition in, on, over, or under, the Premises, or from any vehicles Tenant, or its Agents and Invitees use during the Term 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, over, or under the Premises or emanating from the Premises, or from off-site conditions or events affecting receptors or the environmental condition in, on, over, or under, the Premises during the Term, or from any vehicles Tenant, or its Agents and Invitees use during the Term 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, over or under the Premises during the Term or emanating from the Premises, or from off-site conditions or events affecting receptors or the environmental condition in, on, over, or under, the Premises, or from any vehicles Tenant, or its Agents and Invitees use during the Term;

(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, over, or under the Premises or emanating from the Premises, or from off-site conditions or events affecting receptors or the environmental condition in, on, over, or under, the Premises or from any vehicles Tenant or its Agents and Invitees use in, on, or under the Premises during the Term; 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** 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.

(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** and subject to **Section 21.4(f)**, 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; provided Tenant must take all necessary immediate actions to the extent practicable to address an emergent Hazardous Material Condition to confine or limit the extent or impact of such Hazardous Material Condition, 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 any Hazardous Material Condition caused by Tenant's or its Agents' or Invitees' Handling, Release or Exacerbation of Hazardous Materials during the Term.

(c) In addition to its obligations under *Section 21.4(a)*, but subject to *Section 21.4(d)* before this Lease terminates for any reason, Tenant must Remediate, at its sole cost and in compliance with all Environmental Laws and this Lease any Hazardous Material Condition discovered during the Term 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 Initial Improvements.

(d) If the Hazardous Material Condition requiring Remediation described in *Section 21.4(c)* was not caused by Tenant, its Agents, Subtenants or Invitees and such discovery of such Hazardous Material Condition first occurring during the last ten (10) years of the Term, Tenant will have the option, but not the obligation, to terminate this Lease upon satisfaction of all of the following conditions: (i) provide Port not less than one hundred twenty (120) days prior notice of its intent to terminate; and (ii) pay Port before the effective date of termination of this Lease, a termination fee equal to annual Base Rent, if any, and the Mello-Roos Taxes payable during the twenty-four (24) month period immediately following the effective termination date (the "**Early Termination Fee**"), so long as there are no Outstanding Bonds. If Tenant elects to terminate this Lease in accordance with this Section 21.4(d) and pays Port the Early Termination Fee, Tenant will have no Remediation obligation or any Indemnity obligations relating to such Hazardous Material Condition first occurring during the last ten (10) years of the Term.

(e) 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.

(f) Unless Tenant or its Subtenants or 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.

**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 *Item 10* (Integrated Pest Management Program) of *Exhibit W*.

#### **21.6. Additional Definitions.**

"**Environmental Covenants**" means any recorded deed restrictions, as may be in effect from time to time, which impose conditions under which certain land uses will be permitted at designated portions of the Project Site.

"**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 3 of the San Francisco Environment Code), the FOG Ordinance, the Soil Management Plan, and Environmental Covenants.

“**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 Soil 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**” has a correlative meaning.

“**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 Soil Management Plan.

**“Hazardous Materials Claim”** means any Environmental Regulatory Action or any claim made or threatened by any third party against the 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, over or under the Premises emanating from the Premises, or from off-site conditions or events affecting receptors or the environmental condition in, on, over, or under, the Premises or from any vehicles Tenant or its Agents and Invitees use in, on, or under the Premises during the Term.

**“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, or under 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 from the Premises or from off-site conditions or events affecting receptors or the environmental condition in, on, over, or under, the Premises. Investigation will include preparation of site history reports and sampling and analysis of environmental conditions in, on, or under the Premises or any Improvements.

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

**“Pre-Existing Hazardous Materials”** means any Hazardous Material existing in, on, or under the Premises as of the Effective Date and identified in the reports listed on *Exhibit U* attached hereto.

**“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, over, or under the Premises or which have been, are being, or threaten to be Released into the environment from the Premises or from off-site conditions or events affecting receptors or the environmental condition in, on, over, or under, the Premises 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.

**“Soil Management Plan”** means that certain Soil Management Plan dated as of October 18, 2019 and prepared by Ramboll US Corporation for the Project Site, approved by Port, DPH, and DTSC.

**“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. DELAY DUE TO FORCE MAJEURE.**

For all purposes of this Lease, a Party whose performance of its obligations hereunder is hindered or affected by events of Force Majeure will not be considered in breach of or in default in its obligations hereunder to the extent of any delay resulting from Force Majeure, provided, however, that the provisions of this *Article 22* will not apply to Tenant's obligation to pay Rent. A Party seeking an extension of time pursuant to the provisions of this section will give notice to the other Party describing with reasonable particularity (to the extent known) the facts and circumstances constituting Force Majeure (a) within a reasonable time (but not more than fifteen (15) days) after knowledge of the beginning of such enforced delay or (b) promptly after the other Party's demand for performance.

**23. PORT'S RIGHT TO PAY SUMS OWED BY TENANT.**

**23.1. *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 *Article 6* 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.

**23.2. *Tenant's Obligation to Reimburse Port.*** If pursuant to *Section 23.1*, 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 23* are in addition to its rights under any other provision of this Lease or under applicable Laws. The provisions of this *Section 23.2* will survive the expiration or earlier termination of this Lease.

**24. EVENTS OF DEFAULT .**

**24.1. *Events of Default.*** Subject to the provisions of *Section 24.2*, 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 24* will constitute an "Event of Default" under the terms of this Lease:

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

(b) 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;

(c) [Intentionally blank];

(d) Prior to the issuance of a Certificate of Completion, a Vertical Developer Default (as such term is defined in the Vertical DDA) occurs under the Vertical DDA and remains uncured but such Event of Default under this Lease will be deemed cured if the Vertical Developer Default is cured pursuant thereto;

(e) 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;

(f) 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 twenty-four (24) hours following written notice from Port; provided, however, if such default cannot reasonably be cured within such twenty-four (24) hours, Tenant will not be in default of this Lease if Tenant commences to cure the default within such twenty-four (24) hours and diligently and in good faith continues to cure the default;

(g) Intentionally omitted;

(h) Tenant fails to comply with the provisions of *Section 10.1* 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 meetings to determine the path to cure such default will be deemed to be a commencement of cure;

(i) Tenant fails to restore the Improvements after an event of Casualty in accordance with and within the time frame set forth in *Section 14.2* and such failure continues for a period of fifteen (15) days following written notice from Port; provided, however, if such default cannot reasonably be cured within such fifteen (15) days period, Tenant will not be in default of this Lease if Tenant commences to cure the default within such fifteen (15) day period and diligently and in good faith continues to cure the default;

(j) Tenant fails to comply with the provisions of *Sections 21.1—21.5* 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 meetings to determine the path to cure such default will be deemed to be a commencement of cure;

(k) 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;

(l) 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 Lender of any of its remedies under its Mortgage will not, in and of itself, constitute a default under this *Section 24.1(l)*;

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

(n) 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.

**24.2. *Courtesy Notice of Default to Mezzanine Lender and Mezzanine Lender Rights to Cure.***

(a) Port will (i) provide a copy of a notice of an Event of Default to Lender in accordance with *Section 40*; and (ii) provide a courtesy copy of an Event of Default to any then current Mezzanine Lender that has requested a copy of an Event of Default notice in accordance with *Section 24.2(b)*, provided Port will not be in default for any failure or delay in providing any courtesy copy of such notice to any then current Mezzanine Lender. Mezzanine Lender will have the right (but not the obligation), at its option, to commence to cure or cause to be cured any Event of Default, within the same period afforded to Tenant. Port will also accept a cure of an Event of Default by any Tenant investor or Mezzanine Lender with the same force and effect as if performed by Tenant.

(b) Each Mezzanine Lender that has delivered a notice to Port in substantially the following form is entitled to receive a courtesy notice of an Event of Default in accordance with *Section 24.2(a)*:

“The undersigned does hereby certify that it is a Mezzanine Lender, as such term is defined in that certain lease entered into by and between the City and County of San Francisco, operating by and through the San Francisco Port Commission, as landlord, and [*insert name of Tenant*], as tenant (the “Lease”). Mezzanine Lender has a security interest in the partnership/membership interest of Tenant. The undersigned hereby requests that a courtesy copy of an Event of Default notice given under the Lease to tenant by Port be sent to the undersigned at the following address: \_\_\_\_\_. The undersigned acknowledges that it has no claims against Port nor will Port be liable to the undersigned, for any Port failure to deliver a courtesy copy of any Event of Default notice to the undersigned.”

**25. REMEDIES.**

**25.1. *Port’s Remedies Generally.*** Upon the occurrence and during the continuance of an Event of Default under this Lease, 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 applicable Special City and Port Provisions; provided, further, Port’s right to terminate this Lease for an Event of Default will be limited to Events of Default described in *Sections 24.1(a) and 24.1(d)—24.1(m)*.

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.

**25.2. *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, Port may, following written notice to Tenant, 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 (but in no event to extend beyond December 31, 2105), 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 25.2*, nor any appointment of a receiver upon Port's initiative to protect its interest under this Lease, 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 25.2(a)*, the rent that Port receives from reletting will be applied to the payment of:

(i) First, 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;

(ii) Second, the payments of any Imposition or any other indebtedness other than Rent due and unpaid hereunder from Tenant to Port;

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

(iv) After deducting the payments referred to in this *Section 25.2(c)*, any sum remaining from the rent Port receives from reletting will be held by Port and applied to 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 described in *Section 25.2(c)*.

**25.3. 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 cost. If Port at any time following an Event of Default, 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 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 by Tenant.

**25.4. Termination of Tenant's Right to Possession.**

(a) Before exercising any right to terminate this Lease as a result of Tenant's failure to timely commence Construction of the Initial Improvements as described in *Section 11.2*, which failure also results in a Vertical Developer Default under the Vertical DDA, Tenant will have thirty (30) days following Port's delivery of a notice of such default to cure.

(b) Before exercising any right to terminate this Lease and Tenant's right to possession of the Premises for the following Events of Default, 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 24.1(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 24.1(d), 24.1(e), 24.1(h), or 24.1(i)*, Tenant will have ten (10) days following delivery of the Second Default Notice to cure; provided, however, if such default cannot reasonably be cured within such ten (10) day period, then Port will not exercise its termination right if Tenant diligently and in good faith continues to cure the default to completion;

(iii) For an Event of Default under *Sections 24.1(f), 24.1(g)Error! Reference source not found., or 24.1(j)*, 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 diligently and in good faith continues to cure the default to completion;

(iv) For an Event of Default under *Sections 24.1(k), 24.1(l), or 24.1(m)*, Tenant will have thirty (30) days following delivery of the Second Default Notice to cure, which may include a dismissal or stay, as applicable.

(c) Port may terminate this Lease and Tenant's right to possession of the Premises for the Events of Default described in *Sections 25.4(a) or 25.4(b)* at any time following expiration of the applicable cure periods set forth in *Sections 25.4(a) and 25.4(b)* for the applicable Event of Default by providing Tenant with a written notice of termination.

(d) 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.

(e) 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 25.4(e)(i) and 25.4(e)(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 25.4(e)(iii)* 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%).



(f) Notwithstanding anything else to the contrary in this *Article 25* or elsewhere in this Lease, so long as there are any Outstanding Bonds, the Port shall comply with any limitations on the Port's authority to terminate the Lease as set forth in the City's financing documents pursuant to which the Outstanding Bonds were issued or authorized.

**25.5. 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.

**25.6. 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.

**25.7. 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.

**25.8. 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 24.1(f)*, if Tenant uses the Premises for the same type of Prohibited Use more than two (2) times within a six (6) month period, then Tenant will pay Port the Prohibited Use Charge as further described in *Section 3.3*.

**25.9. Remedies Not Exclusive.** The remedies set forth in this *Article 25* 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.

## **26. 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.

## **27. NO WAIVER.**

**27.1. 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 will continue in full force and effect, or the respective rights of Port or Tenant with respect to any other then existing or subsequent breach.

**27.2. 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).

## **28. DEFAULT BY PORT; TENANT'S REMEDIES.**

**28.1. *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 (a) such failure continues for more than the time of any cure period provided herein, or, (b) 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, (c) 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.

**28.2. *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 conduct the use on the Premises provided for hereunder or materially obstructs the realization of the Project, Tenant has the exclusive right (a) to offset or deduct only from the Rent becoming due hereunder, or if no Rent is due hereunder, then the amount of the damage award will be amortized over a ten (10) year period and payable by Port on a monthly basis, but in either event only after obtaining a final, unappealable judgment in a court of competent jurisdiction for such damages in accordance with applicable Law and the provisions of this Lease, or (b) to seek equitable relief 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; provided, however, (x) in no event will Tenant be entitled to offset from all or any portion of the Rent becoming due hereunder or to otherwise recover or obtain from Port or its Agents any damages (including, without limitation, any indirect or consequential, incidental, punitive or special damages proximately arising out of a default by Port hereunder) or Losses other than Tenant's actual damages as described in the foregoing clause (a), (y) 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 (z) Tenant has no remedy of self-help.

## **29. TENANT'S RECOURSE AGAINST PORT.**

**29.1. *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.

**29.2. No Recourse Against Specified Persons.** No commissioner, officer or employee of Port or City 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.

**29.3. 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.

### **30. LIMITATIONS ON LIABILITY.**

**30.1. Waiver of Indirect or Consequential, Incidental, Punitive or 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 hereby waives any claims against the other Party for any indirect or consequential, incidental, punitive, special damages.

**30.2. Limitation on Port's 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).

### **31. ESTOPPEL CERTIFICATES BY TENANT AND SUBTENANT.**

**31.1.** 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 Q* stating to the best of Tenant's actual knowledge after diligent inquiry (i) 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), (ii) the dates, if any, to which any Rent and other sums payable hereunder have been paid, (iii) 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 (iv) any other matter actually known to Tenant, directly related to this Lease and reasonably requested by Port.

**31.2.** Unless otherwise 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, to the best of Tenant's knowledge, such attachment is a true, correct and complete copy of this Lease, as applicable, including all modifications thereto.

**31.3.** 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.

**31.4.** Tenant will insert a provision similar to this *Article 31* 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 R*, covering, among other things, the matters described in this *Article 31* with respect

to such Sublease, along with a true and correct copy of the applicable Sublease and all amendments thereto.

### **32. ESTOPPEL CERTIFICATES BY PORT.**

Port will execute, acknowledge and deliver to Tenant (or at Tenant's request, to any prospective Subtenant that is entitled to obtain a Non-Disturbance Agreement from Port in accordance with *Section 18.4(b)*, prospective Lender meeting the requirements of *Article 40*, any Mezzanine Lender that has requested a copy of an Event of Default in accordance with *Section 24.2(b)* or a prospective Mezzanine Lender, 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 V* stating to Port's actual knowledge after diligent inquiry (or with respect to any estoppel certificates being provided to Mezzanine Lenders, to the actual knowledge of Port's project manager for this Lease without 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, (c) whether or not, to the knowledge of Port, there are then existing any defaults under this Lease (and if so, specifying the same) and (d) 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 the best of 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 prospective Subtenant, Lender, prospective Lender, prospective purchaser, or other prospective transferee of Tenant's interest under this Lease.

### **33. APPROVALS BY PORT; STANDARD OF REVIEW; FEES FOR REVIEW.**

**33.1. 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 to the extent applicable, or if the Executive Director determines, in his or her sole discretion, that Port Commission action approving execution of such instrument is necessary.

**33.2. 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, 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.

**33.3. 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 for Port staff time incurred in connection with the review, investigation, processing, documentation and/or approval of any proposed Transfer, Sale, Mortgage, estoppel certificate, Non-Disturbance Agreement, Refinancing, other certificate, or Subsequent Construction (excluding any such costs incurred by Port's regulatory capacity, which costs will be paid separately by Tenant to the extent required in connection with the review or processing of such regulatory request). Tenant will pay such costs regardless of whether or not Port consents to such proposal.

**34. 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.

**35. QUIET ENJOYMENT.**

Subject to the Permitted Title Exceptions, the terms and conditions of this Lease, the Vertical DDA (while in effect), 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 (unless such defect is due to City's willful misconduct). 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.

**36. SURRENDER OF PREMISES.**

**36.1. Condition of Premises.** Except as set forth in *Section 36.2*, upon the expiration or earlier termination of this Lease, Tenant will quit and surrender to Port the Premises (i) in good order and condition consistent with the requirements of *Section 10.1*, reasonable wear and tear excepted to the extent the same is consistent with maintenance of the Premises in the condition required hereunder; (ii) clean, free of debris, waste, and Hazardous Materials (other than any Pre-Existing Hazardous Materials that have not been Handled, Released, or Exacerbated), and (iii) free and clear of all liens and encumbrances other than the Permitted Title Exceptions and other licenses, easements or access rights approved or consented to by Port in accordance with *Section 3.5*. 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 36.2*, the Premises will be surrendered with all Improvements, repairs, alterations, additions, substitutions and replacements thereto. Tenant hereby agrees to execute all documents as Port may deem necessary to evidence or confirm any such other termination.

**36.2. Demolition of Improvements.**

(a) **Notice.** 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 and surrender the Premises as a vacant parcel of unimproved 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, (ii) within ninety (90) days following Tenant's election to terminate this Lease in accordance with **Section 7.3** (Termination for Cost Associated with Change in Laws), **Section 14.3(a)** (Termination for Major Casualty), or **Article 15** (Condemnation), or (iii) upon termination of this Lease due to an Event of Default described in **Section 25.4**.

(b) **Access After Termination.** If Port exercises the Demolition Option in accordance with **Section 36.2(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 described in **Section 25.4**), 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 12** (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) **Period to Complete.** Tenant must commence and complete the Demolition and Removal in a timely manner, with due diligence and care, and complete the same within the time period agreed to between the Parties, but in no event shall Tenant commence such Demolition and Removal later than six (6) months following the expiration or earlier termination of this Lease. The provisions of this **Section 36.2** will survive the expiration or earlier termination of this Lease.

**36.3. Personal Property.** On or before expiration or earlier termination of this Lease, Tenant will remove, and will cause all Subtenants to remove (other than any Subtenants that are permitted to remain on the Premises beyond the termination of this Lease in accordance with a Non-Disturbance Agreement previously entered into between the applicable Subtenant and Port), all of their respective Personal Property and Signs within the Premises. If the removal of such Personal Property causes damage to the Premises, Tenant must 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.

**36.4. 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.

**37. HOLD OVER.**

Any holding over by Tenant after the expiration or termination of this Lease (“**Hold Over Period**”) will not constitute a renewal hereof but will be deemed a month-to-month tenancy and will be upon each and every one of the other terms, conditions and covenants of this Lease, except that Rent payable for each applicable month will be equal to twenty percent (20%) of the average Adjusted Gross Income for the three (3) Lease Years immediately prior to the Expiration Date (as described in ***Exhibit D***). Either Party may cancel said month-to-month tenancy upon thirty (30) days written notice to the other Party.

**38. NOTICES.**

**38.1. Notices.** All notices, demands, consents, and requests which may or are to be given by any Party to the other must be in writing, except as otherwise provided herein. All notices, demands, consents and requests to be provided hereunder will 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:

<b><i>To Port:</i></b>	Port of San Francisco Pier 1 San Francisco, CA 94111 Attention: Deputy Director of Real Estate and Development (Reference: Phase 1 Lot 4/Mission Rock) Telephone: (415) 274-0400 Email: <a href="mailto:michael.martin@sfport.com">michael.martin@sfport.com</a>
<b><i>With a copy to:</i></b>	Port of San Francisco Pier 1 San Francisco, CA 94111 Attention: Port General Counsel (Reference: Phase 1 Lot 4/Mission Rock) Telephone: (415) 274-0400
<b><i>To Tenant:</i></b>	Mission Rock Parcel F Owner, L.L.C. c/o Tishman Speyer Development, L.L.C. One Bush Street, Suite 500, San Francisco, California, 94104 Attention: General Counsel
<b><i>With a copy to:</i></b>	Mission Rock Parcel F Owner, L.L.C. c/o San Francisco Giants 24 Willie Mays Plaza San Francisco, CA 94107 Attention: Jack Bair

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 number or 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.

**38.2. Form and Effect of Notice.** Every notice given to a Party or other Person under this *Article 38* must state (or 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 38.2*.

**39. ACCESS TO THE PREMISES BY PORT.**

**39.1. Entry by Port.** 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.

**39.2. General Entry.** In addition to its rights pursuant to *Section 39.3*, 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 *Section 10.1* or *25.2*;
- (b) To serve, post, or keep posted any notices required or allowed under the provisions of this Lease;
- (c) To post "For Sale" signs at any time during the Term; to post "For Lease" signs during the last six (6) months of the Term or during any period in which an Event of Default is continuing;
- (d) On an occasional basis, at all reasonable times after giving Tenant reasonable advance written or oral notice, to show the Premises to prospective tenants or other interested parties during the last eighteen (18) months of the Term; and
- (e) 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 three (3) business 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 39.2*.

**39.3. 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.

**39.4. 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 this *Article 39* 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.

**39.5. Non-Disturbance.** Port will use its commercially reasonable efforts to conduct its activities on the Premises as allowed in this *Article 39* in a manner which, to the extent reasonably practicable, will minimize annoyance or disturbance to Tenant.

**39.6. Subtenant Agreement.** Tenant will require each Subtenant to permit Port to enter its premises for the purposes specified in *Section 39.1* through *Section 39.3*.

#### **40. MORTGAGES.**

##### **40.1. Mortgages.**

(a) **Right to Grant Mortgages.** Tenant has the right during the Term, to grant a mortgage, deed of trust or other security instrument (each a "**Mortgage**") encumbering (i) all or a portion of the Leasehold Estate in all or a portion of the Premises, (ii) Tenant's interest in any permitted Subleases thereon, (iii) any Personal Property of Tenant, (iv) products and proceeds of the foregoing, and (v) any other rights and interests of Tenant arising under this Lease for the benefit of a Bona Fide Institutional Lender (together with its successors in interest, a "**Lender**") as security for one or more loans related solely to the Project or the Property, the proceeds from which are used to pay or reimburse costs incurred in connection with the Project and/or the Property, subject to the terms and conditions contained in this *Article 40*.

"**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 pension fund, an investment banking or merchant banking firm, or any entity directly or indirectly sponsored or managed by any of the foregoing, or other lender, all of which, at the time a Mortgage is recorded in favor of such entity, owns or manages assets of at least Five Hundred Million Dollars (\$500,000,000) in the aggregate (or the equivalent in foreign currency), or (ii) a Low Income Housing Credit investor or Affiliate thereof that has given a loan to Tenant to optimize or utilize effectively the Low Income Housing Tax Credits.

(b) **Restrictions on Financing.** No Mortgage will be granted to secure obligations unrelated to the Project and/or the Property or to provide compensation or rights to a Lender in return for matters unrelated to the Project and/or the Property.

(c) **Leasehold Mortgages Subject to this Lease.** With the exception of the rights expressly granted to Lenders in this *Article 40*, the execution and delivery of a Mortgage will not give or be deemed to give a Lender any greater rights than those granted to Tenant hereunder.

(d) **Transfer by Lenders.** A Lender may transfer or assign all or any part of or interest in any Mortgage to a Bona Fide Institutional Lender without the consent of or notice to any Party; provided, however, that Port will have no obligations under this Agreement to a Lender unless Port is notified of such Lender. Furthermore, Port's receipt of notice of a Lender

following Port's delivery of a notice or demand to Tenant or to one or more Lenders under **Section 40.4** will not result in an extension of any of the time periods in this **Article 40**, including the cure periods specified in **Section 40.5**.

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

(f) **Violation of Covenant.** Any Mortgage not permitted by this **Article 40** will be deemed to be a violation of this covenant on the date of its execution or filing of record regardless of whether or when it is foreclosed or otherwise enforced.

#### **40.2. Copy of Notice of Default to Lender.**

(a) **Copy to Lender.** Whenever Port delivers any notice or demand to Tenant for any breach or default by Tenant in its obligations or covenants under this Lease, Port will at the same time forward a copy of such notice or demand to each Lender that has previously made a written request to Port for a copy of any such notices in accordance with **Section 40.2(b)**. A delay or failure by Port to provide such notice or demand to any Lender that has previously made a written request therefor will extend, by the number of days until notice is given, the time allowed to such Lender to cure.

(b) **Notice from Lender to Port.** Each Lender is entitled to receive notices in accordance with **Section 40.2(a)** provided such Lender has delivered a notice to Port in substantially the following form:

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

\_\_\_\_\_."

If Lender desires to have Port acknowledge receipt of Lender's name and address delivered to Port pursuant to this **Section 40.2(b)**, then such request must be made in bold, underlined and in capitalized letters.

#### **40.3. Lender's Option to Cure Defaults.**

(a) Before or after receiving any notice of failure to cure referred to in **Section 40.2**, Lender will have the right (but not the obligation), at its option, to commence to cure or cause to be cured any Event of Default, within the same period afforded to Tenant hereunder plus an additional period of (a) fifteen (15) days with respect to a monetary Event of Default and (b) forty-five (45) days with respect to a non-monetary Event of Default that is susceptible of cure by such Lender without obtaining title to the applicable property subject to the applicable Mortgage or acquiring the ownership interests in Tenant, as applicable.

(b) If a non-monetary Event of Default cannot be cured by Lender without obtaining title to the Leasehold Estate, or applicable portion thereof, Port will refrain from exercising its right to terminate this Lease and will permit the cure by a Lender of such Event of Default if, within the cure period set forth in **Section 40.3(a)**: (i) such Lender notifies Port in writing that such Lender intends to proceed with due diligence to foreclose the Mortgage or otherwise obtain title to the subject property or ownership interests, as applicable; (ii) such Lender commences foreclosure proceedings whether by non-judicial foreclosure, judicial foreclosure, by appointment of a receiver, or deed (or assignment) in lieu of foreclosure, within sixty (60) days after giving such notice, and diligently pursues such proceedings to completion;

and (iii) after obtaining title, such Lender, subject to **Section 40.4**, diligently proceeds to cure those Events of Default that are susceptible of cure by such Lender. The period from the date Lender so notifies Port 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**.”

(c) Nothing in this **Article 40** will preclude Port from exercising any rights or remedies under this Lease against Tenant (other than a termination of this Lease) with respect to any other Events of Default during the Foreclosure Period.

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

#### **40.4. Lender’s Obligations with Respect to the Property.**

(a) **Rights and Obligations upon Lender Acquisition.** Except as set forth in this **Article 40**, no Lender will have any obligations or other liabilities under this Lease unless and until it acquires title by any method to the Leasehold Estate (referred to as “**Foreclosed Property**”). Except as otherwise provided herein (including, without limitation, **Sections 40.4(b)-(d)**), a Lender (or its designee, successor or assign) or other winning bidder at a foreclosure sale (collectively, a “**Successor Owner**”) that acquires title to any Foreclosed Property (a “**Lender Acquisition**”) will take title subject to all of the terms and conditions of this Lease to the extent applicable to the Foreclosed Property, including any claims for payment or performance of obligations that are due as a condition to enjoying the benefits under this Lease from and after the Lender Acquisition. Upon completion of a Lender Acquisition, Port will recognize the Successor Owner as Tenant under this Agreement. Such recognition will be effective and self-operative without the execution of any further instruments; provided, upon request, at no cost to Port, Port will execute a written agreement recognizing Successor Owner. A Successor Owner, upon a Lender Acquisition, will be required promptly to cure all monetary defaults and all other defaults then reasonably susceptible of being cured by such Successor Owner to the extent not cured prior to completion of the Lender Acquisition. The foregoing obligation includes any obligation to Restore, except as set forth in **Section 40.4(c)**.

(b) **Obligations by 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 **Article 40**). 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, including the payment of all Impositions and any other sums due and owing hereunder.

(c) **No Obligation to Restore.** Subject to **Sections 40.4(d)** and **(e)**, Lender, including any Lender who obtains title to Foreclosed Property through a Lender Acquisition will not be obligated by the provisions of this Lease to Restore any damage or destruction to the Improvements 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.

(d) **Obligation to Sell If Not Restore.** In the event that Lender acquires the Foreclosed Property through a Lender Acquisition and chooses not to complete or Restore the Improvements, it will notify Port in writing of its election within one hundred twenty (120) days following the Lender Acquisition and will sell its interest with reasonable diligence to a purchaser that will be obligated to Restore the 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").

(e) **Lender Agreement to Complete or 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. In the event Lender agrees, or is deemed to have agreed, to Restore the Improvements, all such work will be performed in accordance with all the requirements set forth in this Lease, and Lender must submit evidence reasonably satisfactory to Port that it has the qualifications and financial responsibility necessary to perform such obligations.

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

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

**40.7. *Multiple Mortgages.***

(a) If at any time there is more than one Mortgage constituting a lien on a single portion of the Property or any interest therein, the lien of Lender prior in time to all others (the "Senior Lender") will be vested with the rights under **Sections 40.3, 40.10, 40.13, and 40.14** to the exclusion of the holder of any other Mortgage except if the Senior Lender fails to exercise the rights set forth in **Sections 40.3 and 40.10**, as applicable, then the holder of a junior Mortgage that has provided notice to Port in accordance with **Section 40.2** will succeed to the rights set forth in **Sections 40.3 and 40.10**, as applicable, only if the holders of all Mortgages senior to it have failed to exercise the rights set forth in **Sections 40.3 and 40.10**, as applicable.

(b) A Senior Lender's failure to exercise its rights under **Sections 40.3, 40.10, 40.13, or 40.14**, as applicable, or any delay in the response of any Lender to any notice by Port will not extend (i) any cure period, (ii) period to enter into a New Lease, or (iii) Tenant's or any Lender's rights under this **Article 40**. For purposes of this **Section 40.7**, in the absence of an order of a court of competent jurisdiction that is served on Port, a title report prepared by a reputable title company licensed to do business in the State of California and having an office in the City, setting forth the order of priorities of the liens of Mortgages on real property, may be relied upon by Port as conclusive evidence of priority.

**40.8. *Cured Defaults.*** Port will accept performance by a Lender with the same force and effect as if performed by Tenant. No such performance on behalf of Tenant in and of itself

will cause Lender to become a “mortgagee in possession” or otherwise cause it to be bound by or liable under this Lease.

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

If a Lender becomes the owner of the Leasehold Estate under this Lease or under a New Lease, (i) except as set forth in *Sections 40.4(c)* and *40.4(d)*, such Lender will be liable to Port for the obligations of Tenant hereunder only to the extent such obligations arise during the period that such Lender remains the owner of the Leasehold Estate, and (ii) in no event will Lender have personal liability under this Lease or New Lease, as applicable, greater than Lender’s interest in this Lease or such New Lease, and Port will have no recourse against Lender’s assets other than its interest herein or therein.

**40.10. New Lease.** In the event of the termination of this Lease before the expiration of the Term, including, without limitation, the rejection of this Lease by a trustee of Tenant in bankruptcy or by Tenant as a debtor-in-possession, except (i) by Total Condemnation, (ii) as the result of damage or destruction as provided in *Article 14*, or (iii) as a result of Tenant exercising its option to terminate this Lease due to change in Laws as provided in *Section 7.3*, 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”):

(i) 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

(ii) 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. If Lender elects not to Restore, then it will follow the procedures set forth in *Sections 40.4(d)* and *(e)*. 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 40.10(ii)* will survive any termination of this Lease (except as otherwise expressly set out in the first sentence of *40.10*), and will constitute a separate agreement by Port for the benefit of and enforceable by Lender.

**40.11. Nominee.** Any rights of a Lender under this *Article 40*, 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.

**40.12. Subleases and Other Property Agreements.** Effective upon the commencement of the term of any New Lease executed pursuant to **Subsection 40.10**, 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 which were not automatically terminated upon termination of the Lease as a result of the absence of a Non-Disturbance Agreement with the Subtenant of such Sublease (unless all the conditions to Port’s recognition of the Sublease under the Non-Disturbance Agreement have not been met) 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.

**40.13. Consent of Lender.** Port will not (i) modify this Lease in a manner that increases base rent owed to Port, decreases the Term 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 not 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.

**40.14. Cooperation.** Port, through its Executive Director, and Tenant will cooperate in including in this Lease by suitable written amendment or agreement from time to time any provision which may be reasonably requested by the Senior Lender and customarily included in such amendment or agreement to implement the provisions and intent of this **Article 40**, provided, however, that any such amendment or agreement will not adversely affect in any material respect any of Port’s rights and remedies under this Lease. Port’s execution of any such amendment or agreement is conditioned on Port’s receipt of its share of Net Refinancing Proceeds (if any), and Attorneys’ Fees and Costs incurred in connection with the review and negotiation of such document.

#### **41. 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.

#### **42. ECONOMIC ACCESS.**

Tenant will comply with the Workforce Development Plan, including the Local Business Enterprise (LBE) Utilization Plan, attached hereto as **Exhibit M** (collectively, 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 Initial

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.

**43. REPRESENTATIONS AND WARRANTIES.**

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 California.

(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.

(c) **No Limitation on Ability to Perform.** Neither Tenant's articles of organization or 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.

(d) **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.

(e) **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.

(f) **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, and (iv) to Tenant's knowledge, no involuntary petition naming Tenant as debtor has been filed under any chapter of the U.S. Bankruptcy Code.

The representations and warranties herein will survive any termination of this Lease to the extent specified in this Lease.

**44. MITIGATION MONITORING REPORTING PROGRAM.**

In order to mitigate the significant environmental impacts of this Lease and operation of the Premises, Tenant agrees that the operation of the Project will be in accordance with the applicable Mitigation Monitoring Reporting Program attached to this Lease as ***Exhibit K***. As

appropriate, Tenant will incorporate such Mitigation Monitoring Reporting Program into any contract for the operation of the Improvements.

**45. OTHER CITY REQUIREMENTS.**

Tenant will comply with the Other City Requirements attached hereto as *Exhibit W*.

**46. GENERAL**

**46.1. 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 the provisions of *Article 22* relating to Force Majeure.

**46.2. 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.

**46.3. Successors and Assigns.** This Lease is binding upon and will inure to the benefit of the successors and assigns of Port, Tenant, and any Lender. Where the term “**Tenant**,” “**Port**,” “**Lender**” is used in this Lease, it means and includes their respective successors and assigns, including, as to any Lender, 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 an 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.

**46.4. 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 40* with regard to Lenders.

**46.5. 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 and this Lease.

**46.6. 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.

**46.7. Entire Agreement.** This Lease (including the Exhibits) constitute 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.

**46.8. 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.

**46.9. 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.

**46.10. 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 X*. 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.

**46.11. 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 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.

**46.12. Effective Date.** This Lease will become effective on the date (the "**Effective Date**") the Parties duly execute and deliver this Lease. The Effective Date will be inserted by Port on the cover page and on page 1 hereof, provided, however, that either Party's failure to insert the Effective Date will not invalidate this Lease. Where used in this Lease or in any of its exhibits, references to "the date of this Lease," the "reference date of this Lease," "Lease Date" or "Effective Date" will mean the Effective Date determined as set forth above and shown on the first page hereof.

**46.13. 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.

#### **47. DEFINITIONS OF CERTAIN TERMS.**

For purposes of this Lease, initially capitalized terms will have the meanings ascribed to them in this *Article 47*:

"**Additional Rent**" means any and all sums (including any portion of Net Sale Proceeds and Refinancing Proceeds due to the Port hereunder (if any) and, to the extent applicable, shall include all Rent due during any Hold Over Period (as defined in *Section 37*)) that may become due or be payable by Tenant under this Lease.

"**Affiliate**" means any Person directly or indirectly Controlling, Controlled by or under Common Control with the other Person in question.

"**Agents**" means, when used with reference to either Party to this Lease, the members, officers, directors, commissioners, employees, agents and contractors of such Party, and their respective heirs, legal representatives, successors and assigns.

"**Allocated Tax Increment**" means the portion of Gross Tax Increment from Project Area I that the City has agreed to allocate to the IFD for use in Project Area I by approving Appendix I.

"**Anniversary Date**" means each anniversary date of the Commencement Date; provided, however, that if the Commencement Date is other than the first day of a month, then the first Anniversary Date will be the first day of the thirteenth (13th) month thereafter.

"**As Is With All Faults**" is defined in *Section 1.1(g)*.

**“Assessment Shortfall”** is defined in the DDA.

**“Assessor Information”** is defined in *Section 5.4(a)*.

**“Assessor-Recorder”** or **“County Recorder”** means the Office of the Assessor-Recorder in the City and County of San Francisco, or any successor agency responsible for assessing real property in the City and County of San Francisco.

**“Assignment”** is defined in *Section 18.1(a)*.

**“Assignment and Assumption Agreement”** is defined in *Section 18.1(b)(i)*.

**“Attorneys’ Fees and Costs”** means reasonable attorneys’ fees, costs, expenses and disbursements, including, but not limited to, expert witness fees and costs, travel time and associated costs, transcript preparation fees and costs, document copying, exhibit preparation, courier, postage, facsimile, long-distance and communications expenses, court costs and other reasonable costs and fees associated with any other legal, administrative or alternative dispute resolution proceeding, including such fees and costs associated with execution upon any judgment or order, and costs on appeal.

**“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”** is defined in the DDA.

**“Base Rent”** means monthly installments of rent equal to Zero Dollars (\$0.00) for the first seventy-five years from the Effective Date.

**“Bona Fide Institutional Lender”** is defined in *Section 40.1(a)*.

**“Bond”** is defined in the DDA.

**“Books and Records”** is defined in *Section 3.6* of *Exhibit D*.

**“Capital Items”** is defined in *Section 10.2(a)*.

**“Capital Reserves”** is defined in *Section 10.2(a)*.

**“Capital Reserve Deposits”** is defined in *Section 10.2(a)*.

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

**“Casualty”** is defined in *Section 14.1*.

**“Casualty Notice”** is defined in *Section 14.1(a)*.

**“Certificate of Completion”** is defined in the Vertical DDA”

**“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.

**“Claims”** or **“Claim”** means a demand made in an action or in anticipation of an action for money, mandamus, or any other relief available at law or in equity for a Loss arising directly or indirectly from acts or omissions occurring in relation to the Project or at the Premises during the Term.

**“Commencement Date”** is defined in the Basic Lease Information.

**“Common Control”** means that two Persons are both Controlled by the same other Person.

**“Completion”** means completion of construction of all or any applicable portion of the Initial Improvements, in accordance with the terms hereof, as conclusively evidenced by the issuance of a temporary certificate of occupancy. **“Complete”** has a correlative meaning.

**“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.

**“Condemned Land Value”** is defined in *Section 15.4(iii)*.

**“Construction”** is defined in *Section 12.1(a)*.

**“Construction Impacts”** is defined in *Section 4.1*.

**“Contest Notice”** is defined in *Section 5.4(c)*.

**“Control”** is defined in *Section 18.1(a)*. **“Controlled”** and **“Controlling”** have correlative meanings.

**“Coordination Agreement”** means the Vertical Cooperation Agreement to be entered into between Tenant and Phase 1 Horizontal Developer.

**“DDA”** is defined in *Recital C*.

**“Default Rate”** is defined in *Section 3.9 of Exhibit D*.

**“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”** has a correlative meaning.

**“Demolition Option”** is defined in *Section 36.2(a)*.

**“Design Controls”** means the Design for Development for Mission Rock that the Port Commission and the Planning Commission approved.

**“Development Agreement”** means that certain Development Agreement between City and Seawall Lot 337 Associates, LLC, a Delaware limited liability company, dated as of August 15, 2018, as may be amended from time to time.

**“Development Documents”** means (i) the SUD; (ii) the Design Controls (including the Green Building Specifications); (iii) the Port Plans and Policies; and (iv) the Development Agreement.

**“Development Projects”** is defined in *Section 4.1*.

**“Disabled Access Laws”** means all Laws related to access for persons with disabilities including, without limitation, the Americans with Disabilities Act, 42 U.S.C. Section 12101 et seq. and disabled access laws under the Port’s building code.

**“DPH”** means the City and County of San Francisco Department of Public Health Environmental Health Branch.

**“DTSC”** means the California Department of Toxic Substances Control.

**“Effective Date”** is defined in *Section 46.12*.

**“Encroachment Area”** is defined in *Section 1.1(e)(i)*.

**“Encroachment Area Charge”** is defined in *Section 1.1(e)(i)*.

**“Environmental Financial Performance Deposit”** is defined in *Section 17.1*.

**“Environmental Laws”** is defined in *Section 21.6*.

**“Environmental Notice”** is defined in *Section 17.3(b)*.

**“Environmental Oversight Deposit”** is defined in *Section 17.3(a)*.

**“Environmental Regulatory Action”** is defined in *Section 21.6*.

**“Environmental Regulatory Agency”** is defined in *Section 21.6*.

**“Event of Default”** is defined in *Section 24.1*.

**“Exacerbate”** or **“Exacerbating”** is defined in *Section 21.6*.

**“Exempt Parcel”** means, depending on the context: (i) any assessor’s parcel of a real property interest that is exempt from property taxation under California law; and (ii) any assessor’s parcel of a real property interest that is exempt from Mello-Roos Taxes under an RMA. “Exempt Parcel” excludes any parcel that: (1) the Port or any other Regulatory Agency acquires by gift, devise, negotiated transaction, or foreclosure; (2) the Port acquires under the DDA; or (3) is in private use for taxable purposes.

**“Excepted Hazardous Materials”** is defined in *Section 21.1*.

**“Excluded Transfer”** is defined in *Section 18.1(a)*.

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

**“Facilities Condition Report”** is defined in *Section 10.2(b)*.

**“FCR Date”** is defined in *Section 10.2(a)*.

**“Final Certificate of Occupancy”** means a certificate of occupancy and completion that the Chief Harbor Engineer issues in the form of DDA Exh D13 after accepting an Architect’s Certificate verifying that a Vertical Developer has finally completed a Vertical Improvement.

**“Final Map”** means a final Subdivision Map meeting the requirements of the Subdivision Code and the Map Act, subject to amendments made by the DA Ordinance.

**“Flagpoles”** is defined in *Section 9.5*.

**“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 and not caused by the acts or omissions of such Party, including, but not restricted to, acts of nature or of the public enemy, fires, floods, earthquakes, tidal waves, strikes, freight embargoes, and unusually severe weather. Force Majeure does not include (i) failure to obtain financing or failure to have adequate funds, (ii) sea level rise, (iii) flooding as a result of curbsless streets and/or sidewalks, or (iv) any event that does not cause an actual delay. 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 additional repairs or obtain additional Regulatory Approvals that would not have otherwise been required but for the Force Majeure event.

**“Foreclosed Property”** is defined in *Section 40.4(a)*.

**“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.

**“Foreclosure Period”** is defined in *Section 40.3(b)*.

**“Generator”** is described in *Section 21.2(d)*

**“graffiti”** is defined in *Section 9.6*.

**“Gross Income”** is defined in *Section 3.2a)(iii)* in *Exhibit D*.

**“Gross Tax Increment”** means 100% of the property and possessory interest taxes that the City actually receives in a City Fiscal Year by application of the 1% ad valorem tax against the increase in assessed value of Taxable Parcels in Project Area I above their values in the base year of Project Area I.

**“Handle”** is defined in *Section 21.6*.

**“Hard costs”** is defined in *Section 10.5*.

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

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

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

**“Horizontal Improvements”** is defined in the Appendix to the DDA.

**“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 date on which all allocations to the IFD of Tax Increment from the Sub-Project Area in which the Premises is located, and the IFD’s authority to repay indebtedness with Tax Increment from that Sub-Project Area end under Appendix I in accordance with IFD Law, which is no later than 45 years after the IFD actually receives \$100,000 in Tax Increment from that Sub-Project Area.

**“Impositions”** is defined in *Section 5.1(b)*.

**“Improvements”** means all buildings, structures, fixtures and other improvements erected, built, placed, installed, constructed, renovated, or Restored, located upon or within the Premises on or after the Commencement Date, including, but not limited to, the Initial Improvements and any Subsequent Construction.

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

**“Indemnify”** means indemnify, protect and hold harmless.

**“Information Charge”** is defined in *Section 5.4(d)*.

**“Infrastructure CFD”** means the City and County of San Francisco Community Facilities District No. 2020-1 (Mission Rock Public Improvements).

**“Initial Improvements”** means all Improvements to be built on the Premises or portion(s) thereof in accordance with the Vertical DDA, Scope of Development, and SUD.

**“Initial Response Period”** is defined in *Section 5.4(b)*.

**“Investigate”** or **“Investigation”** is 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"** is defined in Basic Lease Information.

**"Late Charge"** is defined in *Section 3.10* of *Exhibit D*.

**"Law"** or **"Laws"** means any one or more present and future laws, (including Environmental 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.

**"Lease"** means this lease, as it may be amended from time to time.

**"Lease Year"** is defined in *Exhibit D*.

**"Leasehold"** or **"Leasehold Estate"** means Tenant's leasehold estate created by this Lease.

**"Leasing Activity Report"** is defined in *Section 9.3*.

**"Lender Acquisition"** is defined in *Section 40.4(a)*.

**"Lender"** means the holder or holders of a Mortgage in compliance with *Article 40* 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 will 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 (including direct or vicarious liabilities), damages (including foreseeable and unforeseeable, incidental and 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.

**"Low Income Housing Tax Credit"** means a tax credit obtained in accordance with 26 U.S. Code §42 (as amended from time to time), or an equivalent federal or state tax credit program for affordable housing.

**"Maintenance Notice"** is defined in *Section 10.5*.

**"Major Casualty"** means damage to or destruction of all or any portion of the Premises to the extent that the hard costs of Restoration will exceed thirty percent (30%) of the hard costs to replace the Premises in their entirety. The calculation of such percentage will be based upon replacement costs and requirements of applicable Laws in effect as of the date of the event causing such Major Casualty.

**"Managing Party"** is defined in *Section 18.1(a)*.

**"Master Association"** is defined in the DDA.

**"Master CC&Rs"** is defined in the DDA.

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

**“Master Developer Agreements”** means the DDA, the Master Lease, the DA, and related agreements.

**“Master Lease”** is defined in *Recital C*.

**“Material Systems”** is defined in *Section 10.5*.

**“Mello-Roos Taxes”** means special taxes that the City levies in a City Fiscal Year on Taxable Parcels in the Mission Rock CFD in accordance with the RMA, including delinquent special taxes collected at any time by payment or through foreclosure.

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

**“Mezzanine Lender”** means a lender which has a security interest in the partnership/membership interest of Tenant.

**“Minimum Net Worth Amount”** is defined in *Section 18.1(a)*.

**“Mission Rock”** means the master-planned portion of the Mission Rock project that will encompass SWL 337, portions of Terry Francois Boulevard, and the expansion of China Basin Park.

**“Mission Rock CFD”** is a term used for the CFD for Mission Rock, if and when formed.

**“Mitigation Monitoring and Reporting Program”** means the Mitigation Monitoring and Reporting Program described in *Exhibit K*.

**“Mortgage”** means a mortgage, deed of trust, assignment of rents, fixture filing, security agreement or similar security instrument or assignment of the Leasehold Estate recorded in the Official Records.

**“Net Awards and Payments”** is defined in *Section 15.4*.

**“Net Worth Guarantor”** is defined in *Section 18.1(a)*.

**“Net Worth Guaranty”** is defined in *Section 18.1(a)*.

**“Net Worth Requirement”** is defined in *Section 18.1(a)*.

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

**“New Lease”** is defined in *Section 40.10*.

**“New Lease Execution Period”** is defined in *Section 40.10(i)*.

**“Non-Disturbance Agreements”** is defined in *Section 18.4(a)*.

**“Notice for Information”** is defined in *Section 5.4(c)*.

**“Notice of Special Tax”** is defined in *Section 5.2(a)*.

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

**“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.

**“Operations Plan”** means an operations plan reasonably approved by Port regarding the Handling of Hazardous Materials within, on, or near the Premises and the management of Hazardous Materials risks associated with such operations. Any Operations Plan previously approved by Port may be amended from time to time with the prior consent of Port.

**“Other Property Agreements”** is defined in *Section 40.12*.



**“Outstanding Bonds”** shall mean Bonds (i) for which the City has or will have repayment obligations from special taxes or tax increment, (ii) that have been issued by the City and remain outstanding under the terms of such Bonds, (iii) for which the indenture, fiscal agent agreement, resolution or other instrument pursuant to which such Bonds were issued or authorized expressly prohibits the early termination of this Lease, and (iv) which either (a) expire prior to the last ten (10) years of the Term of this Lease, or (b) have been expressly approved in writing by Tenant to extend into the last ten (10) years of the Term of this Lease. The City shall not issue any Bonds which would remain outstanding during the last ten (10) years of the Term of the Lease without the prior written consent of Tenant, which consent may be withheld in Tenant’s sole and absolute discretion.

**“Partial Condemnation”** is defined in *Section 15.3(b)*.

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

**“PCBs”** is defined in *Section 21.6*.

**“Permitted Title Exceptions”** is defined in *Section 1.1(b)*.

**“Permitted Uses”** is defined in *Section 3.1*.

**“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 described in *Section 21.5*.

**“Phase”** means one of the integrated stages of horizontal and vertical development for the Project Site as shown in the Phasing Plan.

**“Phase 1 Horizontal Developer”** is defined in *Recital D*.

**“Phase Area”** means the Development Parcels and other land in the Project Site that are to be developed in a Phase.

**“Phasing Plan”** means DDA Exh A4, which shows the order of development of the Phases and the Development Parcels in each Phase Area, subject to revision under DDA Art. 3 (Phase Approval).

**“Port”** means the San Francisco Port Commission.

**“Port Environmental Risk Policy”** is defined in *Section 17.1*.

**“Port’s Repair Notice”** is defined in *Section 10.5*.

**“Potential Assessment”** is defined in *Section 5.4(a)*.

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

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

**“Prevailing party”** is defined in *Section 46.11*.

**“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”** is defined in *Section 3.2*.

**“Prohibited Use Charge”** is defined in *Section 3.3*.

**“Project”** means the project described in the Scope of Development attached hereto as *Exhibit C-1*, including all Improvements.

**“Project Approvals”** is defined in the Basic Lease Information.

**“Project Area I”** means the area within the IFD covering Mission Rock formed by Ordinance No. 34-18.

**“Project Site”** is defined in *Recital C*.

**“Property”** is defined in Basic Lease Information.

**“Public Access Area”** means any Horizontal Improvement for public enjoyment, such as a public park, public recreational facility, public access, open space, and other similar public amenities, which may be a rooftop facility, or any area marked as a Public Access Area on *Exhibit B*.

**“public work”** is defined in *Section 12.4(f)*.

**“Qualified Transferee”** is defined in *Section 18.1(a)*.

**“reasonable wear and tear”** is defined in *Section 10.1*.

**“Reassessment”** means a proceeding that a taxpayer initiates under the California Revenue and Taxation Code that results in a reduction in ad valorem taxes assessed against the Premises.

**“Record Drawings”** is defined in *Section 12.6(a)*.

**“Refinancing Proceeds”** is defined in *Section 3.5(e)* of *Exhibit D*.

**“Refinancing”** is defined in *Section 3.5(e)* of *Exhibit D*.

**“Regulatory Agency”** means a City Agency or federal, state, or regional body administrative agency, commission, court, or other governmental or quasi-governmental organization with jurisdiction over any aspect of the Improvements or the Premises or the Project Site.

**“Regulatory Approval”** means any motion, resolution, ordinance, permit, approval, license, registration, permit, utility services agreement, Final Map, or other action, agreement, or entitlement required or issued by any Regulatory Agency with jurisdiction over any portion of the Project Site, as finally approved.

**“Reimbursable Subtenant Costs”** is defined in *Section 18.4(b)(vi)(3)*.

**“Release”** is defined in *Section 21.6*.

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

**“Rent”** means Base Rent, if any, the sum of rent for any Hold Over Period pursuant to Section 37, the portion of Net Sale Proceeds or Refinancing Proceeds due to the Port hereunder (if any), Additional Rent and all other sums payable by Tenant to Port hereunder, including any Late Charges and interest assessed at the Default Rate.

**“Replacement Notice”** is defined in *Section 9.5*.

**“Requested Information”** is defined in *Section 5.4(b)*.

**“Response Period”** is defined in *Section 5.4(c)*.

**“Restoration”** means the restoration, replacement, or rebuilding of the Improvements (or the relevant portion thereof) in accordance with all Laws then applicable. All Restoration will be conducted in accordance with the provisions of *Section 12*. **“Restore”** and **“Restored”** have correlative meanings.

**“RMA”** is an acronym for the Rate and Method of Apportionment.

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

**“Sale”** is defined in *Section 3.4(e)* of *Exhibit D*.

**“Sale period”** is defined in *Section 40.4(d)*.

**“Sale Proceeds”** is defined in *Section 3.4(e)* of *Exhibit D*.

**“Second NDA Notice”** is defined in *Section 18.4(e)(ii)*.

**“Security Deposit”** is defined in *Section 17.4(a)*.

**“Senior Lender”** is defined in *Section 40.7(a)*.

**“SFPUC”** means the San Francisco Public Utilities Commission.

**“SFPW”** means San Francisco Public Works.

**“Shoreline Protection Facilities”** means future Improvements to protect the San Francisco Bay shoreline from perils associated with seismic events and climate change, including sea level rise and floods, and other public improvements approved by the Port Commission and the Board of Supervisors.

**“Shoreline Protection Project”** means planning, design, and construction of Shoreline Protection Facilities.

**“Sign”** is defined in *Section 3.4*.

**“Significant Change”** is defined in *Section 18.1(a)*.

**“Significant Change Certificate”** is defined in *Section 18.1(b)(ii)*.

**“Soil Management Plan”** is defined in *Section 21.6*.

**“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, successors 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), and any amendment, modification or supplement thereto, but excluding access or occupancy rights granted under the Master CC&Rs (as defined in the DDA).

**“Subleased Space”** means the portion of the Premises subject to a Sublease.

**“Sub-Project Area”** means a sub-project area that the Board of Supervisors established in Project Area I.

**“Subsequent Assessed Value”** means the assessed value of the Premises in any City Fiscal Year after the most recent Baseline Assessed Value was established.

**“Subsequent Construction”** means all repairs to and reconstruction, replacement, addition, expansion, Restoration, alteration or modification of any Improvements, or any construction of additional Improvements, following completion of the Initial Improvements.

**“Substantial Condemnation”** is defined in *Section 15.3(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 249.80 establishing the Mission Rock Special Use District, as it may be amended from time to time.

**“Tax Increment”** refers to Allocated Tax Increment or Gross Tax Increment, as appropriate in the context.

**“Taxable Parcel”** means an assessor’s parcel of real property or other real estate interest created by each Phase Final Map that is not an Exempt Parcel, which may include leased space occupied for private use in an Exempt Parcel.

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

**“Term”** is defined in *Section 1.2*.

**“Termination Notice for Change in Laws”** is defined in *Section 7.3*.

**“Termination Option”** is defined in *Section 7.3*.

**“Total Condemnation”** is defined in *Section 15.2*.

**“Transportation Demand Management Plan”** means the Transportation Demand Management Plan attached hereto as *Exhibit Y*.

**“Transfer”** is defined in *Section 18.1(a)*.

**“Uninsured Casualty”** is defined in *Section 14.3*.

**“Unmatured Event of Default”** means any default that, with the giving of notice or the passage of time, or both, would constitute an Event of Default.

**“Vertical DDA”** means the Vertical Disposition and Development Agreement between Port and Tenant, as developer, dated as of June 25, 2020.



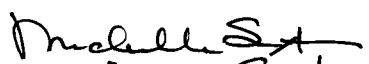
**“Work”** is defined in *Section 12.5*.

**“Workforce Development Plan”** is defined in *Article 42*.

**“worth at the time of award”** is defined in *Section 25.4*.

[Signature Page Follows]

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

<u>Tenant:</u>	<b>MISSION ROCK PARCEL F OWNER, L.L.C.,</b> a Delaware limited liability company  By:  Name: <b>Authorized Signatory</b> Title: <b>Carl D. Shannon</b>
<u>Port:</u>	<b>CITY AND COUNTY OF SAN FRANCISCO,</b> operating by and through the <b>SAN FRANCISCO PORT COMMISSION</b>  By:  Name: <b>Elaine Forbes</b> Title: <b>Executive Director</b>
APPROVED AS TO FORM: DENNIS J. HERRERA, City Attorney  By:  Name: <b>Michelle Sexton</b> Title: <b>Deputy City Attorney</b>	

Port Commission Resolution No. 18—03, adopted on January 30, 2018

Board of Supervisors Resolution No. 36—18, adopted on February 13, 2018



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

<u>Tenant:</u>	<b>MISSION ROCK PARCEL F OWNER, L.L.C.,</b> a Delaware limited liability company  By: Name: Title:
<u>Port:</u>	<b>CITY AND COUNTY OF SAN FRANCISCO,</b> operating by and through the <b>SAN FRANCISCO PORT COMMISSION</b>  By: Name: Title:
APPROVED AS TO FORM: DENNIS J. HERRERA, City Attorney  By: Name: Title:	

Port Commission Resolution No. 18—03, adopted on January 30, 2018

Board of Supervisors Resolution No. 36—18, adopted on February 13, 2018

**EXHIBIT A**

**Legal Description**



LEGAL DESCRIPTION

"LOT 4"

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

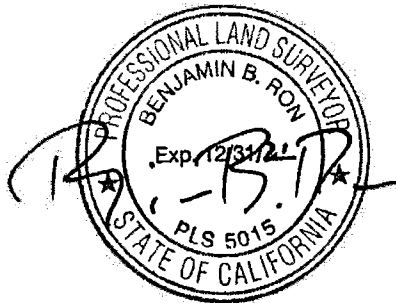
LOT 4, AS SAID LOT IS SHOWN ON FINAL MAP 9443 FILED FOR RECORD ON JUNE 12, 2020, IN BOOK 1 OF FINAL MAPS, PAGES 28-38 INCLUSIVE, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO.

CONTAINING 25,113 SQ.FT. OR 0.58 ACRES, MORE OR LESS

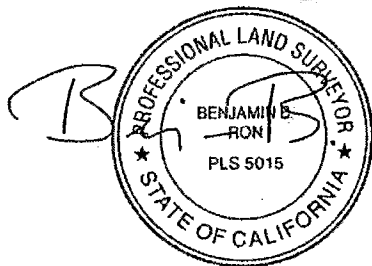
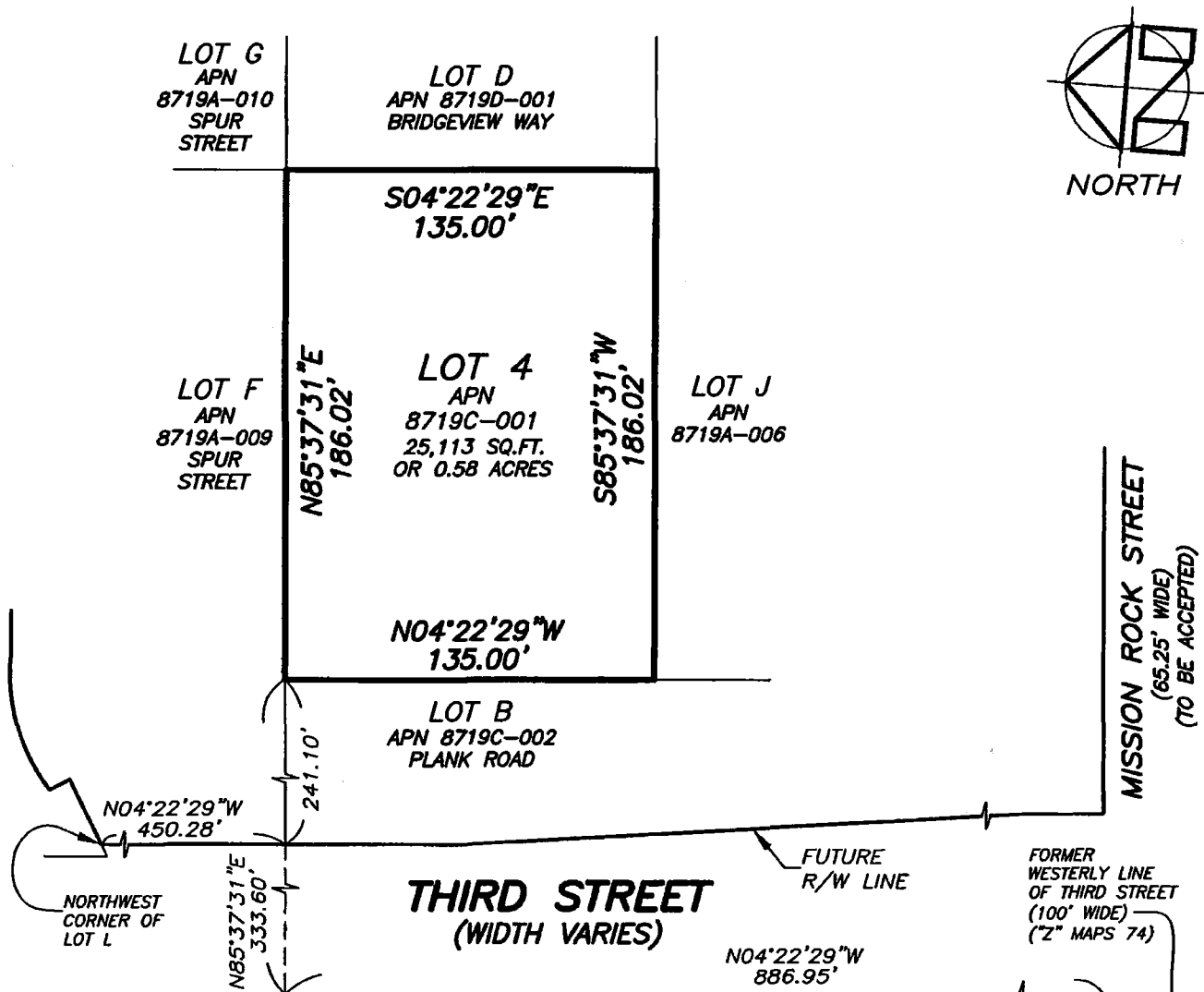
EXCEPTING THEREFROM, ALL SUBSURFACE MINERAL DEPOSITS, INCLUDING OIL AND GAS DEPOSITS, TOGETHER WITH THE RIGHT OF INGRESS AND EGRESS ON SAID LAND FOR EXPLORATION, DRILLING AND EXTRACTION OF SUCH MINERAL, OIL AND GAS DEPOSITS, AS EXCEPTED AND RESERVED BY THE STATE OF CALIFORNIA IN THAT CERTAIN ACT OF THE 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.

AND FURTHER EXCEPTING THEREFROM:

UNTO THE STATE OF CALIFORNIA, ITS SUCCESSORS, AND ASSIGNS, FOREVER, ALL MINERALS AND MINERAL RIGHTS OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED IN THE HEREINAFTER DESCRIBED PORTION OF THE ABOVE DESCRIBED REAL PROPERTY INCLUDING, BUT NOT LIMITED TO, OIL AND GAS AND RIGHTS THERETO, TOGETHER WITH THE SOLE, EXCLUSIVE, AND PERPETUAL RIGHT TO EXPLORE FOR, REMOVE AND DISPOSE OF THOSE MINERALS BY ANY MEANS OR METHODS SUITABLE TO THE STATE OF CALIFORNIA OR TO ITS SUCCESSORS AND ASSIGNS, BUT WITHOUT ENTERING UPON OR USING THE SURFACE OF THE LANDS CONVEYED AND IN SUCH MANNER AS NOT TO DAMAGE THE SURFACE OF THE LANDS CONVEYED, OR TO INTERFERE WITH THE USE THEREOF BY THE CITY AND COUNTY OF SAN FRANCISCO, ITS SUCCESSORS AND ASSIGNS, PROVIDED, HOWEVER, THAT THE STATE OF CALIFORNIA, ITS SUCCESSORS AND ASSIGNS, WITHOUT THE PRIOR WRITTEN PERMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO, ITS SUCCESSORS AND ASSIGNS, SHALL NOT CONDUCT ANY MINING ACTIVITIES OF ANY NATURE WHATSOEVER ABOVE A PLANE FIVE HUNDRED FEET (500') BELOW THE SURFACE OF THE HEREINAFTER DESCRIBED PORTION OF THE ABOVE DESCRIBED REAL PROPERTY, AS RESERVED IN THAT CERTAIN PATENT FROM THE STATE OF CALIFORNIA TO THE CITY AND COUNTY OF SAN FRANCISCO, A CHARTER CITY AND COUNTY, RECORDED JULY 19, 1999, IN REEL H429, IMAGE 518, AS INSTRUMENT NO. G622166, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, AND AS SET FORTH IN CHAPTER 1143, STATUTES OF 1991, AND AMENDMENTS THERETO UPON THE TERMS AND PROVISIONS SET FORTH THEREIN SUCH PORTION OF THE ABOVE DESCRIBED REAL PROPERTY.



# PLAT TO ACCOMPANY LEGAL DESCRIPTION



## BASIS OF BEARINGS

THE BEARING OF S56°47'46"W BETWEEN POINT NOS. 109 AND 431 OF THE HIGH PRECISION NETWORK DENSIFICATION (HPND), CITY & COUNTY OF SAN FRANCISCO 2013 COORDINATE SYSTEM (SFCS13)

## NOTE

LOTS 4, B, D, F, G, J & L, THE ASSOCIATED APNs AND STREET NAMES ARE AS SHOWN ON FINAL MAP 9443 RECORDED JUNE 12, 2020 IN BOOK 1 OF FINAL MAPS, PAGES 28-38 INCLUSIVE, OFFICIAL RECORDS.

## LEGEND

R/W RIGHT OF WAY

## BOUNDARY — LOT 4

BY JP CHKD. BR DATE 6/17/20 SCALE 1"=60' SHEET 1 OF 1 JOB NO. S-9229

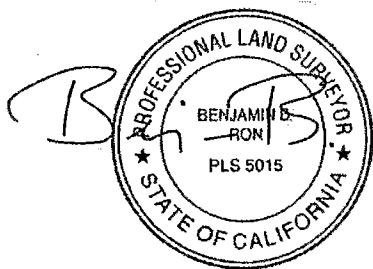
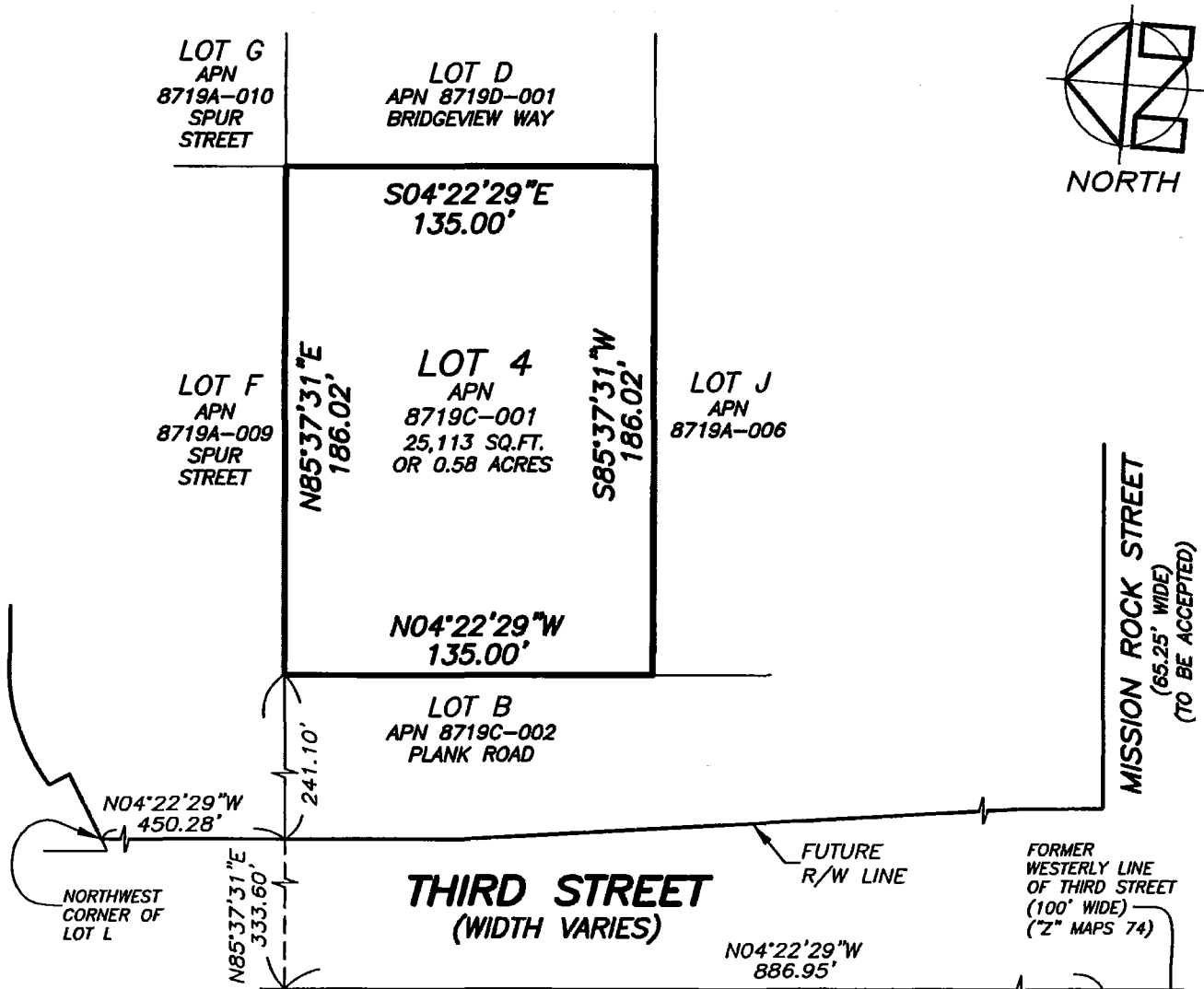
MARTIN M. RON ASSOCIATES, INC.  
LAND SURVEYORS

859 HARRISON STREET  
SAN FRANCISCO, CA. 94107  
(415) 543-4500  
S-9229E-FINAL MAP\_PARCEL  
PLATS.dwg

**EXHIBIT B**

**Site Plan**

# PLAT TO ACCOMPANY LEGAL DESCRIPTION



## BASIS OF BEARINGS

THE BEARING OF S56°47'46"W BETWEEN POINT NOS. 109 AND 431 OF THE HIGH PRECISION NETWORK DENSIFICATION (HPND), CITY & COUNTY OF SAN FRANCISCO 2013 COORDINATE SYSTEM (SFCS13)

## NOTE

LOTS 4, B, D, F, G, J & L, THE ASSOCIATED APNs AND STREET NAMES ARE AS SHOWN ON FINAL MAP 9443 RECORDED JUNE 12, 2020 IN BOOK 1 OF FINAL MAPS, PAGES 28-38 INCLUSIVE, OFFICIAL RECORDS.

## LEGEND

R/W RIGHT OF WAY

## BOUNDARY — LOT 4

BY JP CHKD. BR DATE 6/17/20 SCALE 1"=60' SHEET 1 OF 1 JOB NO. S-9229

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SAN FRANCISCO, CA. 94107  
(415) 543-4500  
S-9229E-FINAL MAP\_PARCEL  
PLATS.dwg

EXHIBIT C-1

Scope of Development

### Scope of Development - Mission Rock (Phase 1 Parcel F / Lot 4)

**Primary Use:** Residential Mixed Use, including above grade retail space

**Ground Floor:** Retail or other ground floor uses allowed within the Mission Rock Special Use District

**Gross Square Footage:** 300,000 – 325,000 square feet

**Building Description:** up to 24 floors, a total of 240' and massing as approved in the Design Controls.

**Affordable Housing Subsidy:** §5.4(b)(ii) (Jobs / Housing Equivalency Fee) of the Development Agreement states that each Vertical DDA for nonresidential use (a "JHEF Project") will require the Vertical Developer to pay to the Port a Jobs/Housing Equivalency Fee. The Port shall direct the Special Fund Trustee to disburse from the Affordable Housing Fund to the Vertical Developer of the applicable Residential Project, the amount of the Affordable Housing Subsidy allocated to such Residential Project within 30 days following the Foundation Completion Date, in accordance with the Affordable Housing Subsidy Plan.

The amount of Affordable Housing Subsidy allocated to by paid to Parcel F / Lot 4 shall be: \$103.5 million

### Estimated Unit Count and Inclusionary Unit Mix:

Parcel F - Housing Data Table								
Residential Parcel	Total Residential Units	Total Inclusionary Units	Parcel Acreage	Number of Inclusionary Units @ 45%	Number of Inclusionary Units @ 55%	Number of Inclusionary Units @ 90%	Number of Inclusionary Units @ 120%	Number of Inclusionary Units @ 150%
Parcel F (1)	254	97	0.58	0	0	13	56	28

Inclusionary Unit Mix - Parcel F (1)						
Type	Beds	90% AMI	120% AMI	150% AMI	Total BMR	% Total
Studio	0	2	5	1	8	8%
1 Bedroom	1	6	30	15	51	53%
2 Bedrooms	2	4	19	12	35	36%
3 Bedroom	3	1	2	0	3	3%
Total Units		13	56	28	97	38%

<sup>1</sup> Inclusionary Unit mix is subject to final confirmation of Inclusionary Unit locations before recordation of the Declaration of Restrictions as set forth in Section 3.1(g) of the Housing Plan.

EXHIBIT C-2

Affordable Housing Requirements

**EXHIBIT C-2**  
**AFFORDABLE HOUSING REQUIREMENTS**  
**[SEE DISPOSITION AND DEVELOPMENT AGREEMENT EXHIBIT B5]**

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**DDA EXHIBIT B5**

**"Housing Plan"**



**DDA EXHIBIT B5**

**DISPOSITION AND DEVELOPMENT AGREEMENT**

**(MISSION ROCK)**

**HOUSING PLAN**



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## **ATTACHMENTS**

- Exhibit A – Form of Declaration of Restrictions
- Exhibit B – Housing Data Table





## MISSION ROCK HOUSING PLAN SUMMARY<sup>1</sup>

The development plan for Mission Rock under the Transaction Documents provides for the development of approximately 1,000 to 1,950 Residential Units. This housing plan (the "Housing Plan") provides that not less than 40% of the Residential Units that may be developed at the Project Site will be below market rate units Affordable to low and moderate income households or TAY Units ("Inclusionary Units"). The parties anticipate that all Inclusionary Units will be built by Vertical Developers in concert with Market-Rate Units within private market-rate development projects. As discussed below, the Port shall convey land to Vertical Developers to develop all Residential Units on the Project Site. The Inclusionary Units will be constructed and rented in accordance with this Housing Plan.

Developer will submit Phase Submittals to the Port pursuant to the Transaction Documents. Following each Phase Approval, the Port will authorize the Chief Harbor Engineer to issue Port permits necessary for Developer to begin to construct the Horizontal Improvements in accordance with the DDA and the Master Lease. Upon exercise of an Option in accordance with the DDA, the Port will convey each Residential Parcel through Parcel Leases to a Vertical Developer. A Vertical Developer will construct the Vertical Improvements, including Residential Parcels and Inclusionary Units therein, in accordance with the Parcel Lease and Vertical DDA. Inclusionary Units within the Vertical Improvements will be constructed in accordance with this Housing Plan. While the Developer will retain certain flexibility and discretion to respond to market conditions as to each Phase and Vertical Improvement, the Project is required by the DDA to comply with certain Inclusionary Housing Milestones by Phase Approval regarding the types, sizes, locations, level of affordability and percentage of the Inclusionary Units.

Developer and the Port will designate the general location of potential Residential Parcels, which will be distributed throughout the Project Site in accordance with a generalized Phasing Plan. The Inclusionary Units are expected to include a range of Residential Unit types, including transition age foster youth ("TAY") units. Each Vertical Developer will retain the discretion to determine the type of Inclusionary Units to be constructed so long as such units are consistent with the Phase Approval and contain the same unit mix (i.e. studio, 1 bedroom, 2 bedroom, or 3 bedroom) or a larger bedroom mix as the Market-Rate Units in that particular Vertical Improvement.

A variety of private and public funding sources may be used to finance the Inclusionary Units, including, but not limited to, low-income housing tax credits, the Jobs/Housing Equivalency Fees, tax-exempt housing bonds, and various other local, State and Federal sources of funding.

The foregoing summary is provided for convenience and for informational purposes only. In case of any conflict, the provisions of the DDA, the Housing Plan, and each Vertical DDA shall control.

---

<sup>1</sup> Defined terms in the Summary have the meaning set forth in this Housing Plan.

## 1. DEFINITIONS

Initially capitalized terms unless separately defined in this Housing Plan have the meanings and content set forth in the DDA. Terms defined in the DDA and also set forth in this Section are provided herein for convenience only.

1.1 Affordable, Affordability, or Affordable Housing Cost means with respect to a Rental Unit, a monthly rental charge (including the Utility Allowance applicable to the Household Size of such Rental Unit) that does not exceed thirty percent (30%) of the maximum Area Median Income percentage permitted for the applicable type of Residential Unit, based upon Household Size.

1.2 Area Median Income or AMI means for the Inclusionary Units, unadjusted median income for the San Francisco area as published from time to time by the United States Department of Housing and Urban Development (HUD) adjusted solely for household size.

1.3 BMR Units has the meaning set forth in the Monitoring and Procedures Manual.

1.4 Declaration of Restrictions means a document or documents recorded against an Inclusionary Unit requiring that the Unit remain Affordable in accordance with the terms of this Housing Plan. The Declaration of Restrictions for the Rental Inclusionary Units shall be in the form attached hereto as Exhibit A.

1.5 Development Agreement has the meaning set forth in the DDA.

1.6 Financing Plan means the Financing Plan attached to the DDA.

1.7 Horizontal Improvements has the meaning set forth in the DDA.

1.8 Household Size means the total number of persons residing within a Residential Unit

1.9 Housing Data Table means the table attached here to as Exhibit B.

1.10 Housing Preferences and Lottery Procedures Manual means MOHCD's Housing Preferences and Lottery Procedures Manual dated March 31, 2017, as may subsequently be updated.

1.11 Implementing Manuals means the Housing Preferences and Lottery Procedures Manual and the Monitoring and Procedures Manual.

1.12 Inclusionary Milestone means the date of each Phase Submittal submittal.

1.13 Inclusionary Obligation has the meaning set forth in Section 3.1(a) of this Housing Plan.

1.14 Inclusionary Units means for a Rental Unit, a unit that is available to and occupied by households with incomes not exceeding One Hundred Fifty percent (150%) of Area Median Income and rented at an Affordable Housing Cost for households with incomes at or below One Hundred Fifty percent (150%) of Area Median Income, including TAY Units. The mechanism for setting the maximum Affordable Housing Cost and income level for each Inclusionary Unit is set forth in Section 3 of this Housing Plan. For clarity, Developer anticipates that Inclusionary Units will be built within private market-rate development projects, subject to Section 3.1(e).

1.15 Jobs/Housing Equivalency Fee has the meaning set forth in the Development Agreement.

1.16 Marketing and Operations Plan has the meaning set forth in Section 3.1(i) of this Housing Plan.

1.17 Market-Rate or Market-Rate Unit means a Residential Unit constructed on a Residential Parcel that has no restrictions under this Housing Plan or the DDA with respect to Affordable Housing Cost levels or income restrictions for occupants.

1.18 Minimum Affordable Percentage has the meaning set forth in Section 2.1 of this Housing Plan.

1.19 MOHCD shall mean the City of San Francisco's Mayor's Office of Housing and Community Development or any successor agency.

1.20 Monitoring and Procedures Manual means the City and County of San Francisco's Inclusionary Affordable Housing Program Monitoring and Procedures Manual, dated May 10, 2013, as may be subsequently updated.

1.21 Option has the meaning set forth in the DDA.

1.22 Parking Space means a parking space constructed in the Parking Garage by or on behalf of Developer.

1.23 Phase has the meaning set forth in the DDA.

1.24 Phase Approval has the meaning set forth in the DDA.

1.25 Phase Submittal has the meaning set forth in the DDA.

1.26 Project Site has the meaning set forth in the DDA.

1.27 Residential Parcel has the meaning set forth in the DDA.

1.28 Residential Unit means a room or suite of two or more rooms that is designed for residential occupancy for 32 consecutive days or more, including provisions for sleeping, eating and sanitation, for not more than one family, and may include senior and assisted living facilities.

- 1.29 Section 415 means San Francisco Planning Code Section 415 *et seq.*
- 1.30 Schedule of Performance has the meaning set forth in the DDA.
- 1.31 Vertical DDA shall have the meaning in the DDA.
- 1.32 Vertical Developer shall have the meaning set forth in the DDA.
- 1.33 Vertical Improvement is defined in the DDA.

## **2. HOUSING DEVELOPMENT**

2.1 Development Program. Vertical Developers may develop approximately 1,000 to 1,950 Residential Units on the Project Site. At Project build-out, the number of the Inclusionary Units developed on the Project Site shall be equal to forty percent (40%) of the total number of the Residential Units that are developed on the Project Site (the “Minimum Affordable Percentage”). The Parties understand and agree that Vertical Developers’ right to construct the number of Residential Units specified in this Housing Plan is absolute and is based on the total number of Residential Units entitled under the DDA, Phase Approvals and Vertical DDAs.

### **2.2 Development Process.**

(a) Subject to the terms of the DDA, the Project shall be developed in a series of Phases. The DDA includes a process for Developer's submittal of Phase Submittals and the Port's review and approval of Phase Submittals. The anticipated order of development of the Phases is set forth in the Phasing Plan and the Schedule of Performance, subject to revision in accordance with the procedures set forth in the DDA.

(b) Developer will submit Phase Submittals to the Port pursuant to the Transaction Documents. Following each Phase Approval, the Port will authorize the Chief Harbor Engineer to issue Port permits necessary for Developer to begin to construct the approved Horizontal Improvements in accordance with the DDA and the Master Lease. Upon exercise of an Option in accordance with the DDA, the Port will convey each Residential Parcel through Parcel Leases to each Vertical Developer.

(c) Simultaneously with the Closing of each Parcel Lease, the Port, in consultation with MOHCD, and the Vertical Developer will enter into a Vertical DDA which will include a commitment by the Vertical Developer to construct its Vertical Improvements within a specific timeframe coordinated with the approved Schedule of Performance in the Phase Submittal. The Vertical DDA will be substantially in a form agreed upon by the Port and Developer following the execution of the DDA and shall specify, among other things (i) the maximum number of Market-Rate Units allowed to be constructed on the Residential Parcel, (ii) the minimum number of Inclusionary Units to be constructed on the Residential Parcel (consistent with Section 3.1(c) of this Housing Plan), (iii) the Affordability level of each Inclusionary Unit (consistent with Section 3.1(a) of this Housing Plan), (iv) the location of the Inclusionary Units before recordation of the Declaration of Restrictions as set forth in Section 3.1(f) of this Housing Plan, and (v) the approximate unit type and size for each Inclusionary and

Market-Rate Unit. Vertical Developers will have the flexibility to select the size and type of Residential Units, including the complete discretion to determine the unit mix for Market-Rate Units subject to the unit mix requirements of Section 3.1(c)(v), and the applicable Vertical DDA and Parcel Lease.

(d) Developer shall submit the Housing Data Table with each Phase Submittal and the table will preliminarily identify the maximum number and location of Residential Units, including the number and location of anticipated Inclusionary Units, for each Residential Parcel within such submittal. Developer or the Port may request a revision to such number before execution of a Vertical DDA and the corresponding Parcel Lease conveying a Residential Parcel to a Vertical Developer, subject to the requirements of this Housing Plan and the DDA. The final details of the plan for the Inclusionary Units for each Residential Parcel shall be specified in the Parcel Lease and corresponding Vertical DDA. Vertical Developer may revise such numbers at any time after execution of a Vertical DDA and the corresponding Parcel Lease conveying a Residential Parcel to a Vertical Developer, subject to Port approval, in consultation with MOHCD, as required by the applicable Vertical DDA and Parcel Lease, as defined pursuant to Section 2.2(c), above.

(e) Subject to the terms of the applicable Vertical DDA and Parcel Lease, following receipt of all Vertical Approvals, the Vertical Developer may construct the applicable Vertical Improvements, and upon such construction, the Vertical Developer must include the number of Inclusionary Units for such Vertical Improvements as are set forth in the Vertical DDA and Parcel Lease.

### 2.3 Developer Land Conveyances.

(a) Housing Plan Compliance in Phase Submittals. This Housing Plan is intended to provide flexibility regarding delivery of Inclusionary Units within the Project Site, subject to the overall 40% Inclusionary Unit commitment. In order to track Developer's compliance with this Housing Plan, as part of the applicable Phase Submittal for a Residential Parcel, Vertical Developer shall submit a Project Housing Data Table, in the form of Exhibit B attached hereto, containing the following information:

(1) the location of each Residential Parcel subject to the Phase Submittal, including:

- (a) the parcel acreage;
- (b) the number of Residential Units;
- (c) the number and location of any Inclusionary Units, including the size, bedroom count, Household Size and amenities for each such Unit;
- (d) the AMI Percentage of each Inclusionary Unit;
- (e) the type and square footage of uses that are not residential uses (e.g., retail, community space, open space); and

(f) the anticipated date for completion of the Residential Parcel.

(b) Conveyance of Residential Parcels. After exercising an Option, the Port will convey the applicable Residential Parcel to the applicable Vertical Developer through a Parcel Lease. The Port will also enter into a Vertical DDA and confirm or modify pursuant to Section 2.4, as applicable, the information provided in the Phase Approval regarding items 2.3(a)(1) above for the Vertical Improvement that is the subject of the Vertical DDA.

2.4 Changes to Phasing Approval. Developer may, from time to time, request changes, including material changes, to the Phasing Approval, including but not limited to regarding the size, location or composition of a Residential Parcel(s) within a Phase, with a brief explanation as to why Developer is requesting such change. Any material change shall be subject to the Port's review and approval, in consultation with MOHCD, provided that the Port will not withhold its approval of any such changes which are consistent with the DDA and this Housing Plan.

2.5 Maintenance of the Horizontal Infrastructure. Following completion and conveyance to the Port or other City agency, as determined by the parties, it is anticipated that a master association will maintain or cause to be maintained the Horizontal Improvements in accordance with the DDA.

### 3. INCLUSIONARY HOUSING REQUIREMENTS

#### 3.1 Inclusionary Housing Requirements.

(a) Development of Inclusionary Units. Forty percent (40%) of all Residential Units shall be Inclusionary Units, with an Affordable Housing Cost to households with incomes not exceeding One Hundred Fifty percent (150%) of Area Median Income (the "Inclusionary Obligation"). The Inclusionary Obligation will be satisfied by developing Inclusionary Units at the following affordability levels:

Levels of Affordability	
% of Total Units	AMI Levels
2%	45%
10%	55%
4%	90%
17%	120%
7%	150%

(b) Transition Age Youth Housing. The Housing Program includes 24 Inclusionary Units that shall be set aside to house persons transitioning out of public systems, such as the foster system, or homelessness (TAY Units). It is anticipated that the Vertical Developer developing the Residential Parcel that includes TAY Units will partner with a qualified non-profit services provider and, in consultation with such provider and the Port, in consultation with MOHCD, the City's Budget Office, and the City's Department of Homelessness and Supportive Housing ("HSH"), will establish TAY Unit requirements to govern the Vertical Developer's obligations regarding construction and operation of the TAY Units and any associated service space. TAY Units built on the Project Site shall qualify as Inclusionary Units for purposes of meeting the Minimum Affordable Housing Percentage and Inclusionary Housing Obligation and as Inclusionary Units meeting affordability levels of 45% and/or 55% AMI levels for the purposes of satisfying the Inclusionary Housing Obligation. Notwithstanding anything to the contrary in this Housing Plan, TAY Units may be grouped together in a single Residential Parcel, among Market-Rate Units and other Inclusionary Units, for financing purposes and to maximize the efficient provision of on-site services to TAY Unit occupants.

(c) Developer Flexibility. Developer shall have sole discretion to determine the exact number of Inclusionary Units to be developed on each Residential Parcel and the Affordability level of each Inclusionary Unit, provided that: (i) the Housing Data Table to be submitted with each Phase Submittal shall identify the location of the Residential Parcels containing Inclusionary Units, the number of Inclusionary Units, and the Inclusionary Unit allocation shall be in accordance with the Phase Approval, subject to any subsequent revisions in accordance with the DDA, (ii) the cumulative number of all Inclusionary Units approved pursuant to a Phase Submittal shall at no time be less than thirty percent (30%) of the total Residential Units approved pursuant to such Phase Submittal; (iii) the number of Inclusionary Units in each Vertical Improvement approved pursuant to a Phase Submittal shall be between twenty percent (20%) and sixty percent (60%) of the total Residential Units within such Vertical Improvement approved pursuant to a Phase Submittal; (iv) Except for TAY Units, Affordability levels shall be appropriately distributed throughout the Project Site and Inclusionary Units consisting of Forty-Five percent (45%) and Fifty-Five percent (55%) Area Median Incomes shall not be grouped together or constructed in only the later phases of the Project, unless approved by Port, in consultation with MOHCD; (v) the unit mix of the Inclusionary Units must either (a) match the unit mix of the Market-Rate Units within a Vertical Improvement (this can be calculated by multiplying the number of any type of Market-Rate Unit (e.g. studio) by the required inclusionary percentage under the Vertical DDA), or (b) be composed of larger units than the Market-Rate Units (for example, a Residential Parcel may contain 3 bedroom Inclusionary Units, but not 3 bedroom Market-Rate Units) and (vi) Developer shall demonstrate that the Inclusionary Obligation has been or will be satisfied at each Inclusionary Milestone as set forth in Section 3.1(d) of this Housing Plan.

(d) Inclusionary Milestones. Developer retains flexibility in the order of development of Residential Parcels within a Phase. The purpose of the Inclusionary Milestones is to advise the Port, MOHCD and the Developer, as part of any new Phase Submittal, regarding the overall status of Residential Parcel construction, including compliance

with Inclusionary Obligations, which are consistent with the Inclusionary Housing obligations under previously approved Phase Submittals. Compliance with the Inclusionary Obligation at each Inclusionary Milestone shall be demonstrated by Developer providing the Port and MOHCD with information as follows: (1) a chart summarizing by Phase all Market-Rate and Inclusionary Units (including Affordability levels) approved to date, and describing construction and occupancy status as to each; and (2) a calculation of the cumulative percentages of Residential Units and Inclusionary Units constructed to date, by Phase and overall for the Project Site. During buildout of a Phase, interim conditions may dictate that the current number of units by Phase or cumulatively within the Project Site is less than thirty percent (30%) of the completed Residential Units by Phase or within the Project Site. If this is the case, then the Developer shall submit to the Port and MOHCD a plan summarizing the status of approved but not yet constructed projects on Residential Parcels, and include the plan for modifications to the prior Phase Approvals that will help to expedite development of the remaining Residential Parcels within the previously approved Phase(s). Developer's proposed plan shall be presented to the Port and MOHCD no later than thirty (30) days after the Inclusionary Milestone in which the Inclusionary Obligation was not met.

(e) Variations. MOHCD, in consultation with the Port, may approve a Phase Submittal or Vertical DDA that does not comply with Section 3.1(c)(iii) or (iv) if it determines that the proposed development will otherwise comply with this Housing Plan and such variance will allow a Vertical Developer to maximize available financing for the production and/or operation of Inclusionary Housing in the Project Site, such approval shall not be unreasonably withheld or delayed. By way of example only, it is anticipated that the TAY Units will be located in a single building for purposes of service delivery, and depending on factors such as the building size and remaining unit mix, the Inclusionary Unit percentage within such building could exceed 60%. There may be other examples of similar circumstances where a special circumstance warrants a higher level of affordability in a building; however, it is generally the intent of the Parties to develop a Project composed of mixed income buildings and not create stand-alone affordable buildings.

(f) Inclusionary Restrictions. The Port, in consultation with MOHCD, shall impose the Inclusionary Obligation on each Vertical Developer of a Residential Parcel. The obligation will be imposed in the Parcel Lease for the Residential Parcel and shall include any requirements pursuant to the DDA and the Vertical DDA.

(g) Continued Affordability of Inclusionary Units. The Inclusionary Units required under this Housing Plan shall remain for rent for the term of the applicable Parcel Lease (i.e. 75 years) and such units will not be mapped for individual unit ownership, provided, however, that the Market-Rate Units may be mapped for individual unit ownership to allow such Market-Rate Units to be converted in the future. The prohibition on condominium conversion on the required Inclusionary Units shall be included in the applicable Vertical DDAs. No later than the issuance of a first construction document applicable to an Inclusionary Unit, the applicable Vertical Developer shall record against the Inclusionary Unit a Declaration of Restrictions substantially in the form attached hereto as Exhibit A. Vertical Developer shall, upon recordation, provide to the Port and MOHCD a copy of the applicable Declaration of Restriction.



(h) Comparability. The Inclusionary Units required under this Housing Plan shall comply with the comparability requirements of Zoning Administrator Bulletin No. 10, dated December 2015, as may subsequently be updated, provided, however, that (a) the unit mix of the Inclusionary Units must not match the unit mix for the Project if the unit mix of the Inclusionary Units is composed of larger units than the Market-Rate Units (for example, a Residential Parcel may contain 3 bedroom Inclusionary Units, but not 3 bedroom Market-Rate Units), and (b) more than 50% of the units on any floor may be designated as Inclusionary Units in the case of the TAY Units, or as may be otherwise approved by the Port, in consultation with MOHCD.

(i) Marketing and Operations Guidelines for Inclusionary Units. A Vertical Developer may not market or rent Inclusionary Units until MOHCD, in consultation with the Port, has approved the following for such Inclusionary Units for consistency with this Housing Plan and the Implementing Manuals: (i) the marketing plan (which includes any preferences determined pursuant to San Francisco Administrative Code Chapter 47; such preferences may include, but shall not be limited to, preferences for educators currently employed with the San Francisco Unified School District); (ii) conformity of the rental charges for such Inclusionary Units with this Housing Plan; and (iii) eligibility and income-qualifications of renters, together with any supplemental information required under the Implementing Manuals (collectively “Marketing and Operations Plan”). Such approval shall not be unreasonably withheld or delayed. The Vertical Developer that develops the TAY Units must work with HSH to create and implement a lease-up and occupancy plan (the “TAY Unit Occupancy Plan”). Vertical Developers shall submit the HSH-approved TAY Unit Occupancy Plan to the Port not later than one hundred twenty (120) days before the date Vertical Developer expects to begin marketing the Market Rate Units. The Port, in consultation with MOHCD and HSH, shall review and consider approval of the applicable plan in accordance with the Vertical DDA and this Housing Plan, provided, however, if the Port does not respond to Vertical Developer within sixty (60) days after receipt of the applicable plan, such plan will be deemed approved.

(j) Planning Code Section 415 and Implementing Manuals. The provisions of this Housing Plan are hereby expressly deemed to satisfy the requirements of the San Francisco Inclusionary Affordable Housing Program and Section 415. The Parties agree and acknowledge that the Planning Department and MOHCD have established certain protocols for implementation of Section 415 as set forth in the Implementing Manuals. Vertical Developers of Inclusionary Units shall comply, as applicable, with the rental program for BMR Units set forth in the Implementing Manuals, provided, however, that Developer may: (i) use other development subsidies to finance the construction of Inclusionary Units beyond those described in Section V.C of the Monitoring and Procedures Manual; and (ii) establish an alternate pricing process, in consultation with the Port, including setting income levels and rents and establishing a methodology for maximum monthly rent levels consistent with the use of financing, other than the process described in Section III.C of the Monitoring and Procedures Manual, so long as the alternate pricing formula does not create affordability levels that exceed the levels set forth in Section 3.1(a) above. By complying with the provisions of this Housing Plan, Developer shall be deemed in full compliance with the Monitoring and Procedures Manual. Developer shall comply, as applicable, with the Housing Preferences and Lottery Procedures Manual, subject to modification in consultation with the Port, to address preferences and procedures related to TAY Units or educators or other preferences contemplated in Section 3.1(i).

#### **4. FINANCING OF INCLUSIONARY UNITS**

4.1 **Funding Generally.** The Inclusionary Units may be funded by a variety of private and tax-exempt funding sources, including, but not limited to, Vertical Developer equity, Jobs/Housing Equivalency Fees, low-income housing tax credits, tax-exempt housing bonds, and various other local, State and Federal sources of funding. Due to the nature of the Project, it is not possible to ascertain the exact funding sources for each Inclusionary Unit at the time of this Housing Plan. However, it is anticipated that several funding sources will be combined to fund the development of the Inclusionary Units. Additionally, it is anticipated that TAY Units will receive a local operating subsidy through the San Francisco Local Operating Subsidy Program (LOSP), and the Developer will work with HSH and the City's Budget Department to secure a LOSP commitment.

4.2 **Jobs/Housing Equivalency Fees.** The commercial development within the Project Site will generate Jobs/Housing Equivalency Fees to be paid into a housing fund held by the Port in accordance with the Financing Plan. In order to construct the Inclusionary Units required under this Housing Plan, all Jobs/Housing Equivalency Fees payable by Vertical Developers of commercial uses within the Project Site and paid into the affordable housing fund administered by the Port shall be used solely for predevelopment, development expenses and administrative costs associated with the acquisition and construction of Inclusionary Units within Residential Parcels in accordance with this Housing Plan, under the terms and conditions set forth in the Development Agreement.

#### **5. VERTICAL DEVELOPMENT PARKING AND TRANSIT PROGRAM**

5.1 **Separation.** For Residential Parcels, all Parking Spaces shall be "unbundled" (i.e., rented separately from a Unit within such Residential Parcel). It is anticipated that no Parking Spaces will be provided within a Residential Parcel. If Parking Spaces are provided within a Residential Parcel and offered to occupants of Residential Units, then such Parking Spaces shall be offered to occupants of Inclusionary Units on the terms and conditions set forth in the Monitoring and Procedures Manual. It is currently anticipated that all parking at the Project Site shall be within the Parking Garage, which will be operated by a Parking Garage operator. Occupants of Residential Units may choose to contract directly with the operator of the Parking Garage for parking at the Project site, but shall not be obligated to do so.

5.2 **Transit Program.** The Project will contain a comprehensive Transit Demand Management Plan which will manage travel through a variety of investments and programs applicable to the Inclusionary Units. The Project transit program may include, but shall not be limited to, providing residents of Market Rate Units and Inclusionary Units with pre-loaded Clipper Card, on-site bike sharing and bike parking, real-time transit information on screens within the Project, car-share memberships, improved pedestrian walking conditions and assistance with local public transit.

#### **6. NON-APPLICABILITY OF COSTA HAWKINS ACT**

The Parties understand and agree that the Costa-Hawkins Rental Housing Act (California Civil Code sections 1954.50 et seq.; the "Costa-Hawkins Act") does not and in no way shall limit

or otherwise affect the restriction of rental charges for the Inclusionary Units developed pursuant to the DDA and the Development Agreement (including this Housing Plan). The DDA falls within an express exception to the Costa-Hawkins Act because the DDA is a contract with a public entity in consideration for a direct financial contribution and other forms of assistance specified in Chapter 4.3 (commencing with section 65915) of Division 1 of Title 7 of the California Government Code. Accordingly, Developer, on behalf of itself and all of its successors and assigns, including all Vertical Developers, agrees not to challenge, and expressly waives, now and forever, any and all rights to challenge, Developer's obligations set forth in this Housing Plan related to Inclusionary Units, under the Costa-Hawkins Act, as the same may be amended or supplanted from time to time. Developer shall include the following language, in substantially the following form, in all Vertical DDAs:

"The DDA (including the Housing Plan) implements the California Infrastructure Financing District Law, Cal. Government Code §§ 53395 et seq. and City of San Francisco policies and includes regulatory concessions and significant public investment in the Project. The regulatory concessions and public investment include, without limitation, a direct financial contribution of net tax increment, the conveyance of real property without payment, and other forms of public assistance. These public contributions result in identifiable, financially sufficient and actual cost reductions for the benefit of Developer and Vertical Developers. In light of the Port's authority under Government Code Section 53395.3 and in consideration of the direct financial contribution and other forms of public assistance described above, the parties understand and agree that the Costa-Hawkins Act does not and shall not apply to the Inclusionary Units developed at the Project Site under the DDA."

The Parties understand and agree that the Authority would not be willing to enter into the DDA, without the agreement and waivers as set forth in this Section 6.

## **7. HOUSING PLAN IMPLEMENTATION AND ENFORCEMENT**

Under the terms and conditions of the DDA, this Housing Plan is administered, monitored and enforced by the Port, in consultation with MOHCD. The Port shall consult with MOHCD regarding implementation of the Housing Plan, including but not limited to providing copies of each Phase Submittal including a Residential Parcel, and any submittals for material amendment thereto, to MOHCD for review and comment prior to Phase Approval. In addition, the Port and MOHCD contemplate that MOHCD will provide ongoing technical assistance and advice to the Port regarding Housing Program implementation, including but not limited to compliance review regarding Section 415, the Monitoring and Procedures Manual, and the Housing Preferences and Lottery Procedures Manual.

## **8. MISCELLANEOUS**

8.1 No Third Party Beneficiary. Except to the extent set forth in the DDA, there are no express or implied third party beneficiaries to this Housing Plan.

8.2 Severability. If any provision of this Housing Plan, or its application to any Person or circumstance, is held invalid by any court, the invalidity or inapplicability of such provision shall not affect any other provision of this Housing Plan or the application of such provision to any other Person or circumstance, and the remaining portions of this Housing Plan shall continue in full force and effect. Without limiting the foregoing, in the event that any applicable law prevents or precludes compliance with any term of this Housing Plan, the Parties shall promptly modify this Housing Plan to the extent necessary to comply with such law in a manner that preserves, to the greatest extent possible, the benefits to each of the Parties. In connection with the foregoing, the Parties shall develop an alternative of substantially equal, but not greater, cost and benefit to Developer and any applicable Vertical Developer so as to realize from the Project substantially the same (i) overall benefit (from a cost perspective) to the public and (ii) overall benefit to Developer and any applicable Vertical Developer.

EXHIBIT A

DECLARATION OF RESTRICTIONS

Free Recording Requested Pursuant to  
Government Code Section 27383

Recording requested by and  
when recorded mail to:  
Port of San Francisco  
Pier 1  
San Francisco, California 94111  
Attn: \_\_\_\_\_  
APN#:  
Address:

-----Space Above This Line for Recorder's Use-----

DECLARATION OF RESTRICTIONS

[Property Address]

**THIS DECLARATION OF RESTRICTIONS** ("Declaration") is made as of \_\_\_\_\_, \_\_\_\_\_, by **[LESSEE'S NAME IN BOLD, CAPITAL LETTERS.]**, a [\_\_\_\_\_] limited liability company] ("Lessee"), in favor of the **CITY AND COUNTY OF SAN FRANCISCO**, acting by and through the San Francisco Port Commission (the "Port").

RECITALS

A. The Port entered into that certain Disposition and Development Agreement (the "DDA") with Seawall Lot 337 Associates, LLC, a Delaware limited liability company ("Developer") on \_\_\_\_\_, 2017 governing the development of an approximately 16-acre parcel located in San Francisco south of Mission Creek/China Basin Channel, bordered by Third Street on the west, Mission Rock Street on the south, and Terry Francois Boulevard on the east (the "Mission Rock Project"). As part of the DDA, the Port and the Developer agreed to implement a housing plan that sets forth the obligations with respect to the delivery of affordable housing at the Mission Rock Project (the "Housing Plan"). The Port desires to impose certain restrictions described in the Housing Plan upon the development of the leasehold interest in the real property described in **Exhibit A** attached hereto and incorporated herein by reference (the "Property") with respect to the market-rate and inclusionary low-income housing therein (the "Residential Project"). Lessee and the Port entered into that certain Parcel Lease and Vertical DDA on \_\_\_\_\_, 201\_ governing the development of the Residential Project, including the development of inclusionary low-income housing, as either may be amended from time to time (the "Vertical Agreements"). The Vertical Agreements are incorporated by reference in this Declaration as though fully set forth in this Declaration. Definitions and rules of interpretation set forth in the Vertical Agreements apply to this Declaration.

B. Pursuant to the Vertical Agreements, Lessee has agreed to comply with certain affordability and other use and occupancy restrictions (collectively, the “Regulatory Obligations”), commencing on the date on which a certificate of occupancy is issued for the Residential Project, and continuing through the date that is the expiration of the Parcel Lease applicable to the Residential Project (the “Compliance Term”).

### AGREEMENT

Now, therefore, in consideration of the Port's entering into the Vertical Agreements with Lessee, Lessee agrees as follows:

1. Lessee must comply with the Regulatory Obligations through the expiration of the Compliance Term. Specifically, Lessee agrees as follows, subject to additional terms as set forth in the Agreement:

[Revise to reflect specific requirements and income categories.] [Replace “Unit” if “Beds” are used in Regulatory agreement.]

(a) [Include if applicable: With the exception of one Unit reserved for the manager of the Residential Project,] Inclusionary Units in the Residential Project will at all times be rented only to tenants who qualify as Qualified Tenants at initial occupancy, specifically:

Unit Size	No. of Inclusionary Units	Maximum Income Level
		% of Median Income
		% of Median Income
		% of Median Income
		% of Median Income
		% of Median Income
		% of Median Income
		% of Median Income

[Include if there is a reason to restrict to a target population] In addition:

- (i) \_\_\_\_\_ Units must be rented at all times to [TAY tenants].
- (ii) \_\_\_\_\_ Units must be rented at all times to tenants who are [educators].

(b) The total amount for rent and utilities (with the maximum allowance for utilities determined by the San Francisco Housing Authority) charged to a Qualified Tenant may not exceed:

(i) thirty percent (30%) of the applicable maximum income level, adjusted for household size; or

(ii) the tenant paid portion of the contract rent as determined by the San Francisco Housing Authority for Qualified Tenants holding Section 8 vouchers or certificates.

2. During the Compliance Term the Port may rely on the Deed of Trust and/or this Declaration, in the Port's discretion, to enforce any of the Port's rights under the Port Documents..

3. This Declaration and the Regulatory Obligations constitute covenants running with the land, including the leasehold interest and bind successors and assigns of Lessee and any owner of the Property. In the event that Lessee fails to comply with the Regulatory Obligations to the Port's satisfaction, in its sole discretion, within thirty (30) days of Lessee's receipt of notice from the Port to so comply, the Port at its option may exercise any rights available at equity or in law, including, without limitation, institute an action for specific performance. Lessee shall pay the Port's costs in connection with the Port's enforcement of the terms of this Declaration, including, without limitation, the Port's attorneys' fees and costs.

[Delete Section 4 if HUD is not providing financing. Revise as appropriate for HUD financing.]

4. The Port acknowledges that this Declaration and the other Port Documents are subject and subordinate to the HUD Documents until the later to terminate of: (a) the term of the HUD Documents; or (b) any period during which HUD holds title to [the leasehold estate in] the Property. During any applicable period:

(a) The HUD Documents may be amended, extended, renewed, assigned, or superseded without the Port's consent.

(b) The Port will not declare a default or foreclose without HUD's prior written consent.

(c) The Residential Project will be constructed and operated in conformance with the provisions of HUD's Section 202 Program and all applicable regulations and administrative requirements. In the event of any conflict between this Declaration and the provisions of any HUD regulations, related administrative requirements or capital advance documents (including the HUD Documents), the latter shall control.

(d) HUD approval of a transfer of the Residential Project as defined in Section 4 of the Capital Advance Program Use Agreement shall be deemed to constitute approval of the Port to the transfer.

(e) This Declaration may not be amended or assigned without HUD's prior written approval.

(f) Enforcement of the provisions of this Declaration shall not result in any claim against the Residential Project, the capital advance proceeds, any reserve or deposit required by HUD in connection with the capital advance, or the rents or other income from the Residential Project other than residual receipts as defined and authorized for release by HUD.

(g) In the event that any Port restrictions on occupancy, use and rents at any time exceed HUD's restrictions on occupancy or rents or otherwise affect the financial viability of the Residential Project (i.e., impair Lessee's ability to sustain a level of income sufficient to meet all financial obligations of the Residential Project, including HUD required escrows and operating expenses) HUD reserves the right to remove or void the Port restrictions for as long as HUD deems necessary. The Port recognizes HUD's authority to take appropriate action unilaterally to remove or void the Port restrictions.

Lessee has executed this Declaration as of the date first written above.

**"LESSEE"**

\_\_\_\_\_,  
a \_\_\_\_\_

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

[Delete 2<sup>nd</sup> signature if not required.]

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

[ALL SIGNATURES MUST BE NOTARIZED.]



**EXHIBIT A**

(Legal Description of the Property)

A LEASEHOLD INTEREST IN THE FOLLOWING LAND SITUATED IN THE CITY OF  
SAN FRANCISCO, COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA,  
DESCRIBED AS FOLLOWS:

Street Address:

EXHIBIT B

HOUSING DATA TABLE

[Attached]

**Exhibit B**  
**HOUSING DATA TABLE**

[illegible][illegible][illegible]



EXHIBIT D

Rent

## EXHIBIT D

### ARTICLE 3

#### RENT

#### 3. Rent.

##### 3.1 Prepaid Rent.

The Parties acknowledge that this Lease is a **Fully Pre-paid Lease**, as that term is defined in the Financing Plan attached as Exhibit C1 to the DDA. On the Commencement Date, the **Prepaid Rent**, as set forth in the Basic Lease Information, will be applied by Credit Bid in accordance with Article 3 of the Financing Plan attached to the DDA ("**Credit Bid**").

##### 3.2 Tenant's Covenant to Pay Rent During Hold Over Period.

During any Hold Over Period, Tenant will pay Rent for the Premises to Port at the times and in the manner provided in this Article 3.

(a) Definitions.

(i) "**Adjusted Gross Income**" means Gross Income less Adjustments.

(ii) "**Adjustments**" means the following items (without duplication):

(1) all Impositions paid by Tenant and allocated on a straight-line basis during the Lease Year in which the applicable Imposition was paid;

(2) all charges and bills for utilities, including, without limitation, charges for water, gas, oil, sanitary and storm sewer, and electricity paid by Tenant; and

(3) insurance premiums for insuring the Improvements in compliance with **Section 20** of this Lease and allocated on a straight-line basis during the Lease Year in which the applicable insurance premium was paid.

(iii) "**Gross Income**" means for each Lease Year or portion thereof, 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 (other than as set forth below with respect to tenant improvements), license fees, parking charges, advertising revenues, event or promotional fees, charges and permit fees.

Without limiting the foregoing, “**Gross Income**” also includes any and all payments made to Tenant from the Business Interruption or delayed opening insurance proceeds. “**Gross Income**” does not include any of the following: (i) proceeds from any sale, transfer, hypothecation or condemnation of all or any part of Tenant's interest in the Lease, (ii) any Refinancing Proceeds or any other capital proceeds, (iii) insurance proceeds arising from a Casualty at the Premises (provided that if such insurance proceeds exceed the actual cost incurred by Tenant to repair and restore the Premises, then the difference will be included in the calculation of Gross Income); (iv) payments from any Subtenant to Tenant to reimburse Tenant for actual costs paid by Tenant to an operator of a parking garage or surface parking lot within Mission Rock for the number of parking spaces paid by such Subtenant; or (v) payments from any Subtenant to reimburse Tenant for Tenant’s actual out-of-pocket costs related to materials, labor, and non-Affiliated general contractor fees for tenant improvement work performed by Tenant on behalf of Subtenant.

(b) Reporting of Gross Income.

(i) Commencing on the 72nd anniversary of the Effective Date, Tenant will deliver to Port a complete statement setting forth in reasonable detail its Adjusted Gross Income for each calendar quarter, including an itemized list of all Adjustments from Gross Income that Tenant claims and which are expressly permitted under this Lease substantially in the form of *Exhibit Z*, by the twentieth (20th) day of the immediately following calendar quarter. In addition, Tenant will furnish to Port, within sixty (60) days after the expiration of the 72nd Lease Year and each Lease Year thereafter, a complete statement, showing the computation of Gross Income, Adjusted Gross Income, including an itemized list of all Adjustments from Gross Income that Tenant claims and which are expressly permitted under this Lease substantially in the form of *Exhibit AA*.

(ii) Tenant will substantiate actual Adjustments with proof of expenditure, which may include: (i) copies of canceled checks, (ii) bills, contracts and invoices marked "Paid", and (iii) and such other proofs of expenditure as may be reasonably approved by Port.

(iii) If Tenant fails to deliver any rent statement required hereunder within the time period set forth in this Section 3.2(b) (irrespective of whether any 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 of the Premises) as may be necessary to determine the amount of 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 Rent due and payable for the period in question, including any Late Charge and interest at the Default Rate.

### 3.3 Intentionally Omitted.

### 3.4 Port Participation in Sale Proceeds.

(a) Distribution of, and Port's Participation in, Net Sale Proceeds before Early Transfer Date. Tenant will pay upon a Transfer occurring any time prior to the Early Transfer Date:

(i) One Hundred Percent (100%) of Net Sale Proceeds from such Transfer, less the following deductions in this Section 3.4(a), will be deposited into the DRP Fund.

(1) Tenant's Purchase Price;

(2) Port's Attorneys' Fees and Costs associated with Port's review of the Qualifying Early Sale;

(3) Costs of Sale; and

(4) If the work product that is the subject of the Certified Entitlement Cost is purchased by the Transferee and useful in the construction or entitlement of the Vertical Project, Certified Entitlement Costs related to such purchased work product, if any.

(ii) In addition to payment of Port's share of Net Sale Proceeds in accordance with Section 3.4(a)(i) of this Exhibit, Tenant will pay Port a sum equal to Seventy-Five Thousand Dollars (\$75,000) for each 12-month period following the Commencement Date until the effective date of the Sale. By way of example only, if the Sale occurs on the last day of the twenty-fourth (24<sup>th</sup>) month after the Commencement Date, then Tenant will pay Port One Hundred Fifty Thousand Dollars (\$150,000). If Sale occurs at any time after the first twelve-month period, then the Seventy-Five Thousand Dollar amount will be pro-rated for such shorter period.

(b) Distribution of, and Port's Participation in, Net Sale Proceeds and Reassessment Events after Early Transfer Date.

(i) **Sale.** Tenant will pay Port one and one-half percent (1.5%) of the Net Sale Proceeds from each Sale occurring on or after the Early Transfer Date.

(ii) **Reassessment Event.** For purposes of calculating Net Sale Proceeds on a Reassessment Event, Tenant's Sale Proceeds from such Reassessment Event will be deemed to be an amount equal to (1) the total ownership interests in Tenant after the Reassessment Event held by the Person causing the Reassessment Event (expressed as a percentage of total ownership interests in Tenant), multiplied by (2) the value assigned to the Leasehold Estate, as evidenced by (A) the estimated fair market value of the Leasehold Estate provided to the Assessor-Recorder's in connection with the Reassessment Event, or (B) if no such estimate is provided to the Assessor-Recorder's, the appraised value of the Leasehold Estate established in an Appraisal Report reasonably approved by Port and Tenant.



(c) Manner of Payment. The estimated closing statement will be updated as of the date of closing of the Sale to show the actual (i) Sale Proceeds from such Sale, and (ii) line item description of the deductions and exclusions from Sale Proceeds to arrive at Port's share of Net Sale Proceeds. If escrow is opened for a Sale, then Port's share of the proceeds from such Sale must be distributed through escrow. If no escrow is opened for a Sale, Port's share of proceeds from such Sale must be paid upon the closing of any such Sale.

This provision constitutes notice to Tenant that Port is to be paid in full its share of Net Sale Proceeds through the close of escrow or the closing of the applicable Sale. If Port is not paid full by such closing date, the amount due Port will be subject to a Late Charge and will accrue interest at the Default Rate from and after the closing until paid in full to Port. Port may reference in any estoppel certificate or other representation requested from Port that payment to Port of Port's share of proceeds from a Sale is a material obligation under the Lease, due and owing upon the closing of any Triggering Event, provided, however, failure to reference such obligation will in no way negate Tenant's obligation to pay, and Port's right to receive, Port's share of Net Sale Proceeds.

Within forty-five (45) days after any Sale, transferor Tenant will submit to Port a statement prepared in accordance with sound accounting principles consistently applied, and certified by transferor Tenant's chief executive officer or chief financial officer (or equivalent position), as current, complete and correct, confirming the actual amount of proceeds received; line item description of the deductions and exclusions from proceeds to arrive at Port's share of Net Sale Proceeds. At Port's option, any overpayments may be either refunded to transferor Tenant or applied to any other amount then due and unpaid under the Lease. Tenant will accompany the statement of Net Sale Proceeds with the amount of any underpayments. The statements delivered to Port under this Section are subject to the audit provisions of Section 3.7 of this Exhibit for determination of the accuracy of Tenant's reporting of Port's share of Net Sale Proceeds.

(d) Survival. The provisions of this Section 3.4 will survive the earlier termination or expiration of this Lease for Sales occurring prior to such termination or expiration. Additionally, any release by Port of Tenant's obligations under this Lease in connection with any Sale is conditioned on Port's receipt of Port's share of Sale Proceeds.

(e) Additional Definitions. The following definitions apply for purposes of this Section 3.4:

"Cash Consideration" means (i) cash, or (ii) cash equivalents.

"Certified Entitlement Costs" means Entitlement Costs, as certified in accordance with *Attachment 1* to this *Exhibit D*.

"Certified Total Development Costs" means the Total Development Costs, as certified in accordance with *Attachment 1 to this Exhibit D*.

"CofO Issuance Date" means the date Port, in its regulatory capacity, issues a certificate of occupancy for the Initial Improvements.

"Costs of Sale" means only the following costs incurred by Tenant in connection with a Transfer: (i) brokerage commissions paid to licensed real estate brokers (provided, however, that in the case of brokerage commissions paid to Affiliate brokers, such commissions must be

commercially reasonable), (ii) finder's fees (provided that in the case of finder's fees to Affiliates, such finder's fees must be commercially reasonable), (iii) reasonable and customary closing fees and costs including recording fees and transfer taxes, title insurance premiums and survey fees, (iv) reasonable advertising and marketing costs, and (v) reasonable Attorneys' Fees and Costs. "Costs of Sale" excludes adjustments to reflect prorations of rents, taxes or other items of income or expense customarily prorated in connection with sales of real property.

"**Early Transfer Date**" means the date that Port issues a site permit and first building permit addendum to allow commencement of construction of the Initial Improvements.

"**Entitlement Costs**" means Tenant's reasonable out-of-pocket costs actually incurred from and after the effective date of the Vertical DDA until the effective date of the Sale and attributable to the following only: designing the Initial Improvements; costs related to all land use approvals and entitlements, including preparation and processing of design review applications under the SUD and the Design Control, subdivision maps specific to the Premises that do not impact the initial Final Map recorded for the first Phase, and costs of compliance with all conditions of approval and CEQA mitigation measures legally required by the City, Port or any other Regulatory Authority as a condition to obtaining the entitlements; architectural, engineering, consultants, community outreach, attorney and other professional fees reasonably necessary to obtain the entitlements; financing costs for loans obtained to finance the Entitlement Costs; and Impositions paid (and not reimbursed by the transferee or adjusted at the closing of the Sale) prior to the effective date of the Sale.

"**Hard Costs**" means reasonable out-of-pocket costs actually incurred by Tenant attributable solely to the cost of labor, materials and construction of the Initial Improvements. "Hard Costs" do not include the cost of any improvements for any specific or speculative Subtenant or any costs incurred after the issuance of a Certificate of Completion in accordance with Article 13 of the Vertical DDA.

"**Initial Tenant**" means Mission Rock Parcel F Owner, L.L.C.

"**Net Sales Proceeds**" means Sale Proceeds less:

- (i) Costs of Sale; and
- (ii) Port's Attorneys' Fees and Costs associated with Port's review of the Sale or Reassessment Event; and
- (iii) if the transferor Tenant (x) constructed the Initial Improvements, Tenant's Purchase Price (but only if such amount is not included in Certified Total Development Costs) plus the Certified Total Development Costs, or (y) if transferor Tenant did not construct the Initial Improvements, Tenant's Purchase Price; and
- (iv) the total amount of any Net Refinancing Proceeds from any Qualifying Refinancing by the transferor Tenant where Port received its share in such proceeds in accordance with Section 3.5(a) below or any Net Sale Proceeds actually received by Port from any Reassessment Event prior to the last sale in accordance with Section 3.4(b)(ii) of this Exhibit.

"**Non-Cash Consideration**" means consideration received by Tenant in connection with a Sale that is not Cash Consideration.

"**Reassessment Event**" means a change in ownership of real property as described in Cal. Revenue and Taxation Code, Chapter 2 (Change in Ownership and Purchase), Section 64, as that law is in effect as of August 15, 2018 and attached hereto as **Exhibit BB**.

"**Sale**" means either a Transfer (other than an Excluded Transfer) or Reassessment Event.

"**Sale Proceeds**" means all consideration received by or for the account of Tenant in connection with a Sale, including Cash Consideration, the principal amount of any loan made by

Tenant to a purchaser as part of the purchase price, or any other Non-Cash Consideration representing a portion of the purchase price. "Sale Proceeds" do not include a commitment by an owner (whether direct or indirect) of Tenant to fund its share of future capital calls to construct the Initial Improvements or Capital Items.

"Soft Costs" means reasonable out-of-pocket costs actually incurred by the Tenant that actually constructs the Initial Improvements and attributable solely to architectural, engineering, consultant, attorney, and other professional fees, regulatory fees, CEQA mitigation measures, community benefits, Impact Fees (as defined in the DDA), Port Costs and Other City Costs (as defined in the Vertical DDA), builder's risk insurance, performance and payment bonds, safety and security measures, and thirty party costs to prepare Certified Total Development Costs, in each case in connection with the Initial Improvements described in the Scope of Development. "Soft Costs" do not include costs associated with the design or construction any specific or speculative Subtenant improvements or any costs incurred after the issuance of a Certificate of Completion in accordance with Article 13 of the Vertical DDA.

"Tenant's Purchase Price" means (i) in the case of the Initial Tenant, the "Acquisition Price" under the Vertical DDA and (ii) in the case of each subsequent tenant following the Initial Tenant, the Sale Proceeds paid by such Tenant to the immediately prior tenant for the Leasehold Estate.

"Total Development Costs" means Soft Costs and Hard Costs, excluding costs incurred by Tenant (if any) that are reimbursed by Master Developer or Phase 1 Horizontal Developer, as applicable, in connection with the construction of an engineered vapor mitigation system if required by the Environmental Covenants.

### **3.5 Port Participation in Refinancing Proceeds.**

(a) Port's Participation. In connection with any Qualifying Refinancing, Tenant will pay to Port an amount equal to one and ½ percent (1.5%) of Net Refinancing Proceeds.

(b) Reporting of Refinancing Proceeds. No less than fifteen (15) days prior to the close of escrow for each Qualifying Refinancing, Tenant will deliver to Port, an estimated closing statement that includes the best estimate of the following items:

- (i) Gross proceeds from the Qualifying Refinancing;
- (ii) The estimated Net Refinancing Proceeds including a separate line item for each of the costs permitted to be deducted from the gross proceeds from the Refinancing, as applicable to arrive at Net Refinancing Proceeds; and
- (iii) The estimated Net Refinancing Proceeds allocated to Port and Tenant.

(c) Manner of Payment. The estimated closing statement will be updated as of the date for close of escrow under any Qualifying Refinancing to show the actual (i) gross Refinancing Proceeds, (ii) Net Refinancing Proceeds and Port's share thereof, as applicable, and (iii) with respect to any Qualifying Refinancing, line item description of the deductions and exclusions from Refinancing Proceeds to arrive at Net Refinancing Proceeds. Tenant must pay Port from the close of escrow of any Qualifying Refinancing, Port's share of the Net Refinancing Proceeds. Port may reference in any estoppel certificate or other representation requested from Port by a Mortgage lender, that payment to Port of Port's share of Net Refinancing Proceeds is a material obligation under the Lease, due and owing at close of escrow of any Qualifying

Refinancing hereunder, provided, however, failure to reference such obligation will in no way negate Tenant's obligation to pay, and Port's right to receive, Port's share of Net Refinancing Proceeds. This provision constitutes notice to Tenant that Port is to be paid in full its share of Net Refinancing Proceeds through the close of escrow of any Qualifying Refinancing. If Port is not paid full by such closing date, the amount due Port will be subject to a Late Charge and will accrue interest at the Default Rate from and after the closing until paid in full to Port. Within forty-five days (45) after any Qualifying Refinancing, Tenant will submit to Port a statement, prepared in accordance with sound accounting principles consistently applied, and certified by Tenant's chief executive officer or chief financial officer (or equivalent position) as current, complete and correct, confirming the actual amount of Refinancing Proceeds, disbursed, permitted deductions made from such proceeds, and the amount of Net Refinancing Proceeds due to Port and actually paid to Port. At Port's option, any overpayments will be either refunded to Tenant, applied to any other amount then due and unpaid, or credited against Rent due. Tenant will accompany the statement of Net Refinancing Proceeds with the amount of any underpayments. The statements delivered to Port under this Section 3.5(d) will be subject to the audit provisions of Section 3.7 of this Exhibit for determination of the accuracy of Tenant's reporting of Net Refinancing Proceeds.

(d) Survival. The provisions of this Section 3.5 will survive the earlier termination or expiration of this Lease for any Qualifying Refinancing occurring prior to such termination or expiration.

(e) Additional Definitions. The following additional definitions will apply for purposes of this Section.

A "Capital Items" means replacements, repairs, and/or improvements to the Premises, the foundation and structural integrity of the Buildings, and all Material Systems serving the Improvements within the Premises that would be deemed capital assets under general accounting principles consistently applied.

B "Net Refinancing Proceeds" means all gross principal amounts of any Refinancing occurring after the Effective Date hereof (plus, in the event of secondary financing, the original principal balance of any existing financing that is not repaid as a part of such secondary financing), after subtracting the following:

(1) amounts needed to pay the lenders' actual costs of such Refinancing paid by Tenant including application fees, closing costs, points and other customary lenders' fees such as lenders' Attorneys' Fees and Costs and title insurance costs paid at close of escrow for such Refinancing;

(2) amounts needed to pay Port's Attorneys' Fees and Costs associated with Port's review of the Refinancing;

(3) amounts needed to pay Tenant's Attorneys' Fees and Costs associated with the Refinancing;

(4) any portion of the Refinancing Proceeds that will be used for Capital Items approved in accordance with Sections 10.2(d) and 12.1 of this Lease; and

(5) brokerage commissions paid to licensed real estate brokers to arrange the Refinancing (provided, however, if commissions are paid to Affiliate brokers, such commissions must be commercially reasonable).

C “**Qualifying Refinancing**” means any Refinancing that results in positive Net Refinancing Proceeds that is not in connection with (1) a Sale; or (2) the first permanent financing following Completion of the Initial Improvements that is secured by Tenant’s leasehold interest in this Lease.

D “**Refinancing**” means any secured debt financing or refinancing incurred by Tenant and secured by any Mortgage, which may include secured financing from an Affiliate of Tenant and any refinancing or replacement of existing debt secured by a Mortgage (including any permanent take-out financing for financing the construction of the Initial Improvements (as defined in Article 47 of the Parcel Lease)); provided, however, the term "Refinancing" shall exclude any construction loan incurred by Tenant for the purpose of financing the construction of the Initial Improvements.

E “**Refinancing Proceeds**” means all sums actually disbursed by a lender in connection with a Refinancing.

**3.6 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 or in connection with any Sale or Refinancing. 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, including proceeds and costs incurred from any Sale and Refinancing. 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.

**3.7 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 matters identified in Section 3.4(b) of this Exhibit) 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, Adjusted Gross Income, Sale Proceeds, Refinancing Proceeds and Port’s share of the foregoing, for a period of five (5) years after the applicable rent statement in connection with Rent during the Hold Over Period (or closing statement with respect to a Sale or Refinancing) 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 Sale Proceeds, Net Sale Proceeds, Gross Income during any Hold Over Period, Adjusted Gross Income during any Hold Over Period, Refinancing Proceeds, or Net Refinancing Proceeds 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. If Tenant understates its Adjusted Gross Income during any Hold Over Period, Net Refinancing Proceeds or Net Sale Proceeds, or Port's share of the foregoing proceeds 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.

**3.8 Manner of Payment.** Tenant will pay all 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. Rent and Port's share of Sale Proceeds and Refinancing Proceeds are 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.

**3.9 Interest on Delinquent Rent.** Rent not paid when due will bear interest from the date due until paid 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.

**3.10 Late Charge.** Tenant acknowledges and agrees that late payment by Tenant to Port of Rent 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 a rent statement required hereunder to Port within five (5) days following the date it is due, five percent (5%) of Rent due during a Hold Over Period for the subject period of such 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.

**3.11 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, except as expressly set forth in **Section 28.2** of this Lease.

**3.12 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.

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

## ATTACHMENT 1 TO EXHIBIT D

### PROCEDURES TO CERTIFY ENTITLEMENT COSTS AND TOTAL DEVELOPMENT COSTS

#### 1. PORT REPRESENTATIVE.

If Tenant fails to deliver either the Certified Entitlement Cost Statement or the Certified Total Development Cost Statement, as applicable, within the time periods set forth herein, and such failure continues for thirty (30) days after the date Port delivers to Tenant written notice of such failure, Port has the right, among its other remedies under this Lease, to have a Port Representative examine Tenant's books and records as may be necessary to determine all the information required in the Certified Entitlement Cost Statement or Certified Total Development Cost Statement, as applicable. The determination made by Port Representative will be binding upon Tenant, absent manifest error, and Tenant must promptly pay to Port the total cost of the examination.

#### 2. CERTIFIED COST STATEMENT.

(a) ***Certified Entitlement Cost Statement.*** Within thirty (30) days prior to a Transfer occurring before the Early Transfer Date or sixty (60) days following the Early Transfer Date for the Tenant that constructs the Initial Improvements, as applicable, Tenant will furnish Port with an itemized statement setting forth in detail the Entitlement Cost incurred by Tenant to the Building Permit Date or thirty (30) days prior to a Qualifying Early Sale, as applicable, certified as true, accurate and complete by an independent certified public accountant (the "**Certified Entitlement Cost Statement**").

(b) ***Certified Total Development Cost Statement.*** Within the earlier of one hundred twenty (120) days following the issuance of a Certificate of Completion or thirty (30) days prior to a Sale after the Early Transfer Date, the Tenant that constructed the Initial Improvements will furnish Port with an itemized statement setting forth in detail the Total Development Cost incurred by such Tenant to the CofO Issuance Date, certified as true, accurate and complete by an independent certified public accountant (the "**Certified Total Development Cost Statement**").

(b) ***Port Review.*** Port will notify the Tenant within sixty (60) days following Port's receipt of the Certified Entitlement Cost Statement or the Certified Total Development Cost Statement, as applicable, of Port's agreement or disagreement with such statement. If Port disagrees with any such statement, the Parties will meet to resolve the disagreement. If the Parties are unable to resolve their disagreement, either may Party exercise its rights under Section 3 (Audit Rights) of this Attachment 1 to Exhibit D.

#### 3. AUDIT RIGHTS.

If Port disagrees with either the Certified Entitlement Cost Statement or the Certified Total Development Cost Statement, Port may request that such records be audited by an independent certified public accounting firm mutually acceptable to Port and Tenant, or if the Parties are unable to agree, either Party may apply to the Superior Court of the State of California in and for the County of San Francisco for appointment of an auditor meeting the foregoing qualifications. If the court denies or otherwise refuses to act upon such application, either Party may apply to the American Arbitration Association, or any similar provider of professional commercial arbitration services, for appointment in accordance with the rules and procedures of such organization of an independent auditor. Such audit will be binding on the Parties, except in the case of fraud, corruption or undue influence. Port will pay the entire cost of the audit unless the audit discovers that Tenant has overstated the Entitlement Cost or the Total Development Cost, as applicable, by more than three percent (3%) of the lower amount, in which case Tenant will pay the entire cost of the audit.



**4. BOOKS AND RECORDS RELATED TO TOTAL DEVELOPMENT COSTS.**

Tenant must keep accurate books and records of the Entitlement Costs and Total Development Costs incurred to date, funds expended by Tenant, outstanding Tenant capital, Tenant capital return accrued, and debt or other third-party proceeds received by or on behalf of Initial Tenant in connection with the development of the Initial Improvements, all in accordance with accounting principles generally accepted in the construction industry. Port, including its Agents, has the right to inspect Tenant's books and records regarding the development of the Initial Improvements, the costs incurred in connection therewith, and all other Entitlement Costs and Total Development Costs, including funds expended by Tenant, return accrued on such funds, and debt or other third party proceeds received by or on behalf of Tenant in connection with the development of the Initial Improvements in a location within San Francisco during regular business hours and upon reasonable advance notice.

EXHIBIT E

Project Approvals

## **EXHIBIT E**

### **PROJECT APPROVALS**

1. **Final Environmental Impact Report** (Planning Dept. Case No. 2013.0208ENV)
  - Certify FEIR and adopt CEQA Findings: Planning Commission Motion No. 20017 and Motion No. 20018, October 5, 2017
  - Adopt CEQA Findings and MMRP: Port Resolution No. 18-03, January 30, 2018
  - Affirm Planning Commission's certification of FEIR and adopt CEQA Findings and MMRP: Board of Supervisors Resolution No. 36-18, February 13, 2018
2. **Planning Code and Zoning Map amendments**
  - Recommend: Planning Commission Resolution No. 20019, October 5, 2017
  - Consent: Port Resolution No. 18-04, January 30, 2018
  - Approve: Board of Supervisors Ordinance No. 31-18, February 27, 2018
3. **Development Agreement and amendments and waivers of specified provisions of the Administrative and Subdivision Codes**
  - Recommend: Planning Commission Resolution No. 20020, October 5, 2017
  - Consent: Port Resolution No. 18-06, January 30, 2018
  - Consent: SFPUC Resolution No. 18-0014, January 23, 2018
  - Consent: SFMTA Resolution No. 180206-025, February 6, 2018,
  - Approve: Board of Supervisors Ordinance No. 33-18, February 27, 2018
4. **Mission Rock Design Controls**
  - Approve: Planning Commission Motion No. 20021, October 5, 2017
  - Approve: Port Resolution No. 18-04, January 30, 2018
5. **Waterfront Land Use Plan / Waterfront Design and Access Element amendments**
  - Adopt public trust findings and approve: Port Resolution No. 18-03 (Public Trust Findings) January 30, 2018, and Resolution No. 18-05 (Waterfront Land Use Plan), January 30, 2018
6. **Infrastructure Financing District Project Area I and Sub-Project Areas**
  - Adopt public trust findings, approve, and recommend: Port Resolution No. 18-08 January 30, 2018
  - Approve: Board of Supervisors Ordinance Nos. 34-18, February 27, 2018
7. **Memorandum of Understanding re Collection and Allocation of Taxes**
  - Approve and recommend: Port Resolution No. 18-09, January 30, 2018
  - Approve: Board of Supervisors Resolution No. 45-18, February 13, 2018
8. **Special Tax District No. 2020-1 (Mission Rock Facilities and Services)**
  - Resolution of formation: Board of Supervisors Resolution No. 160-20, April 24, 2020

9. **Final Map 9443**

- Approve and recommend: Public Works Order No. 203194, May 22, 2020
- Approve: Board of Supervisors Motion No. M20-60, June 2, 2020

**EXHIBIT F**

**Permitted Title Exceptions**

## 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 that arise by reason of:

**THE FOLLOWING MATTERS AFFECT PARCELS ONE AND TWO:**

1. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2020-2021.

(Affects Parcels One and Two)

2. Intentionally deleted

3. All or a part of the Land herein described does not appear to be assessed on the Tax Roll for the year(s) 2019-2020. Said Land is subject to the possible assessment and collection of property taxes for the current year.

(Affects Parcels One and Two)

4. The Land 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.

(Affects Parcels One and Two)

None now due and payable as of the date of the policy.

5. 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.

(Affects Parcels One and Two)

None now due and payable as of the date of the policy.

6. Intentionally deleted

**SCHEDULE B  
(Continued)**

7. 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 1333 of the Statutes of 1968, (the Burton Act) as amended by Chapters 1296 and 1400, Statutes of 1969, Chapter 670, Statutes of 1970, Chapter 1253, Statutes of 1971, Chapter 660, Statutes of 2007 and Chapter 529, Statutes of 2016 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 and that certain Agreement Relating to Transfer of the Port of San Francisco from the State of California to the City and County of San Francisco, executed by and between the City and County of San Francisco and the Director of Finance of the State of California and the San Francisco Port Authority, recorded January 30, 1969, Book B308, Page 686, Series No. R404013, of Official Records as modified by Chapters 1296 and 1400, Statutes of 1969, Chapter 670, Statutes of 1970, Chapter 1253, Statutes of 1971, Chapter 660, Statutes of 2007 and Chapter 529, Statutes of 2016 and as may be further modified.

(Affects Parcels One and Two)

8. Matters contained in that certain document

Entitled: Amended Covenant to Restrict Use of Property Environmental Restrictions  
Executed by: The City and County of San Francisco, a Charter City and County, in Trust and  
The Department of Toxic Substances Control  
Recording Date: September 24, 2019  
Recording No: 2019-K835128-00, Official Records

Reference is hereby made to said document for full particulars.

(Affects Parcel One and Lots C, D, F and G of Book 1 of Final Maps, at Page(s) 28-38, inclusive of Parcel Two.)

9. Intentionally deleted

10. Intentionally deleted

11. Matters contained in that certain document

Entitled: Development Agreement  
Dated: August 15, 2018  
Executed by: The City and County of San Francisco and Seawall Lot 337 Associates, LLC, a  
Delaware limited liability company  
Recording Date: August 17, 2018  
Recording No: 2018-K656939-00, Official Records

Reference is hereby made to said document for full particulars.

**Assignment and Assumption Agreement**

Assignor: Seawall Lot 337 Associates, LLC, a Delaware limited liability company and  
Mission Rock Horizontal Sub (Phase 1), L.L.C., a Delaware limited liability  
company  
Assignee: Mission Rock Parcel F Owner, L.L.C., a Delaware limited liability company

## SCHEDULE B (Continued)

Recorded: \_\_\_\_\_, 2020, as Instrument No. 2020 \_\_\_\_\_, Official Records

(Affects Parcels One and Two)

12. Intentionally deleted

13. Covenants, conditions and restrictions set forth in that certain Permit No. 2017-004-00 dated June 29, 2018 granted by the San Francisco Bay Conservation and Development Commission, recorded August 17, 2018, Recording No. 2018-K656942-00, of Official Records, but omitting any covenant or restriction, if any, based upon race, color, religion, sex, handicap, familial status or national origin as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law.

A First Amendment to BCDC Permit, recorded June 18, 2020, as Instrument No. 2020-K942228-00, Official Records.

A Second Amendment to BCDC Permit recorded June 18, 2020, as Instrument No. 2020-K942229-00, Official Records

(Affects Parcels One and Two)

14. Ordinance 209-19: Street and Public Service Easement Vacation Order – Mission Rock Project, upon the terms and conditions contained therein.

Recorded: May 15, 2020, as Instrument No. 2020-K931482-00, Official Records

Said instrument provides for the reservation of various temporary rights and easements in favor of the City and County of San Francisco and Pacific Gas and Electric Company.

(Affects Parcel One and Two)

15. The herein described property lies within the boundaries of a Mello-Roos Community Facilities District (CFD) as follows:

CFD No: 2020-1  
For: Mission Rock Facilities and Services  
Disclosed by: Notice of Special Tax Lien  
Recorded: May 22, 2020, as Instrument No. 2020-K933385-00, Official Records

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 of San Francisco County of San Francisco. The tax may not be prepaid.

(Affects Parcel One and Two)

16. Recitals as shown on that certain map/plat entitled "Final Map 9443"

Recording Date: June 12, 2020, as Instrument No. 2020-K940602-00, Official Records  
Recording No.: Book 1 of Final Maps, Pages 28-38, inclusive



**SCHEDULE B  
(Continued)**

## 17. Matters contained in that certain document

Entitled: Public Improvement Agreement  
Dated: June 12, 2020  
Executed by: The City and County of San Francisco and Seawall Lot 337 Associates, LLC, a Delaware limited liability company  
Recording Date: June 12, 2020, as Instrument No. 2020-K940619-00, Official Records

Reference is hereby made to said document for full particulars.

(Affects Parcels One and Lots A, B, C, D, E, F, G, H, I, J, K and L of Book 1 of Final Maps, at Page(s) 28-38, inclusive of Parcel Two.)

## 18. The matters set forth in the document shown below which, among other things, contains or provides for: certain easements; liens and the subordination thereof; provisions relating to partition; restrictions on severability of component parts; and covenants, conditions and restrictions but omitting any covenants or restrictions, if any, including, but not limited to those based upon race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, veteran or military status, genetic information, medical condition, citizenship, primary language, and immigration status, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law.

Entitled: Mission Rock Master Declaration of Restrictions  
Recorded: June 25, 2020, as Instrument No. 2020-K944344-00, Official Records

Said covenants, conditions and restrictions provide that a violation thereof shall not defeat the lien of a first mortgage or first deed of trust made in good faith and for value.

Liens and charges as set forth in the above mentioned declaration,

Payable to: Mission Rock Owners Association, a California nonprofit corporation

## 19. Any rights of the tenants listed below, as tenants only with no options to purchase or rights of first refusal.

a) "None"

## 20. Any rights, interests, or claims which may exist or arise by reason of the following matters disclosed by survey,

Job No.: S-9229.4  
Dated: August 11, 2020  
Prepared by: Martin M. Ron Associates  
Matters shown:

No Matters to reflect

## 21. Intentionally deleted

## 22. Intentionally deleted

## SCHEDULE B (Continued)

23. Intentionally deleted

24. Intentionally deleted

25. Notice of Special Restrictions

Recording Date: , 2020  
Recording No: 2020- , Official Records

26 Memorandum of Vertical Disposition and Development Agreement, upon the terms, covenants, conditions and provisions set forth therein

Dated: , 2020  
Executed by: The City and County of San Francisco, a municipal corporation and Mission Rock Parcel F Owner, L.L.C., a Delaware limited liability company  
Recorded: , 2020, as Instrument No. 2020- , Official Records

Reference is hereby made to said document for full particulars.

(Affects Parcel One)

27. Matters contained in that certain document

Entitled: Agreement to Comply with CFD Matters  
Executed by: The City and County of San Francisco and Mission Rock Parcel F Owner, L.L.C., a Delaware limited liability company  
Recording Date: , 2020  
Recording No: 2020- , Official Records

Reference is hereby made to said document for full particulars

(Affects Parcel One)

### THE FOLLOWING MATTERS AFFECT ONLY PARCEL TWO:

28. Matters contained in that certain document

Entitled: City and County of San Francisco Department of Public Works Street Encroachment Agreement  
Dated: April 13, 2000  
Executed by: City and County of San Francisco and China Basin Ballpark Company, LLC  
Recording Date: May 15, 2000  
Recording No: 2000-G773008-00, Official Records

Reference is hereby made to said document for full particulars.

(Affects: Lot H, I and J of Book 1 of Final Maps, at Page(s) 28-38, inclusive of Parcel Two)

## SCHEDULE B (Continued)

29. Conditions and restrictions as set forth in a document recorded by the City and County of San Francisco, Department of Public Works.

Type of Permit: San Francisco Bay Conservation and Development Commission Permit No. M201404200  
 Recording Date: August 4, 2015  
 Recording No.: 2015-K105732-00, Official Records

Reference is made to said document for full particulars.

(Affects: Lot K of Book 1 of Final Maps, at Page(s) 28-38, inclusive of Parcel Two)

30. Matters contained in that certain document

Entitled: Disposition and Development Agreement  
 Dated: August 15, 2018  
 Executed by  
 And between: City and County of San Francisco, acting by and through the San Francisco Port Commission and Seawall Lot 337 Associates, LLC, a Delaware limited liability company  
 Recording Date: August 17, 2018  
 Recording No.: 2018-K656938-00, Official Records

Reference is hereby made to said document for full particulars.

Assignment and Assumption Agreement (Mission Rock Project, Phase 1)

Dated: December 18, 2019  
 Executed by: Seawall Lot 337 Associates, LLC, a Delaware limited liability company and Mission Rock Horizontal Sub (Phase 1), L.L.C., a Delaware limited liability company  
 Recording Date: December 19, 2019  
 Recording No.: 2019-K879368-00, Official Records

Reference is hereby made to said document for full particulars.

A First Amendment to Disposition and Development Agreement

Recorded: June 26, 2020, as Instrument No. 2020-K944593-00 Official Records

(Affects Lots A, B, C, D, E, F, G, H, I, J, K and L of Book 1 of Final Maps, at Page(s) 28-38, inclusive of Parcel Two.)

**SCHEDULE B  
(Continued)**

31. An unrecorded lease with certain terms, covenants, conditions and provisions set forth therein as disclosed by the document

Entitled: Memorandum of Lease  
Lessor: The City and County of San Francisco, operating by and through the San Francisco Port Commission  
Lessee: Seawall Lot 337 Associates, LLC, a Delaware limited liability company  
Recording Date: August 17, 2018  
Recording No: 2018-K656941-00, Official Records

Matters contained in that certain document

Entitled: First Amendment to Memorandum of Master Lease  
Dated: January 31, 2020  
Executed by: The City and County of San Francisco, a municipal corporation operating by and through the San Francisco Port Commission and Seawall Lot 337 Associates, LLC, a Delaware limited liability company  
Recording Date: January 31, 2020  
Recording No: 2020-K898106-00, Official Records

Reference is hereby made to said document for full particulars.

The present ownership of the leasehold created by said lease and other matters affecting the interest of the lessee are not shown herein.

(Affects Lots A, B, C, D, E, F, G, H, I, J, K and L of Book 1 of Final Maps, at Page(s) 28-38, inclusive of Parcel Two.)

32. Any rights of the tenants, as tenants only with no options to purchase or rights of first refusal.
33. Any rights, interests, or claims which may exist or arise by reason of the following matters disclosed by survey,

Job No.: S-9229.4  
Dated: August 11, 2020  
Prepared by: Martin M. Ron Associates  
Matters shown:

No matters to reflect

34. Offer of Improvements upon the terms and conditions contained therein.

Recording Date: June 12, 2020, as Instrument No. 2020-K940595-00, Official Records

(Affects Lots A, B, C, D, E, F, G, H, I, J, K and L of Book 1 of Final Maps, at Page(s) 28-38, inclusive of Parcel Two.)

35. Rights and Easements for Commerce, Navigation and Fishery.

(Affects Parcel Two)

**SCHEDULE B  
(Continued)**

36. Matters contained in that certain document

Entitled: Covenant to Restrict Use of Property – Environmental Restrictions  
Dated: July 24, 2002  
Executed by: City and County of San Francisco  
Recorded: July 25, 2002, as Instrument No. 2002-H209674-00, Official Records

Reference is hereby made to said document for full particulars

Affects: Parcel Two

**END OF SCHEDULE B**

**This is a pro forma policy** furnished to or on behalf of the party to be insured. It neither reflects the present status of title, nor is it intended to be a commitment to insured. The inclusion of endorsements as a part of the pro forma policy in no way evidences the willingness of the company to provide any affirmative coverage shown therein. There are requirements which must be met before a final policy can be issued in the same form as the pro forma policy. A commitment to insure setting forth these requirements should be obtained from the Company.

**Additional Matters** may be added or other amendments may be made to this pro forma policy by reason of any defects, liens or encumbrances that appear for the first time in the Public Records or come to the attention of the Company and are created or attached between the issuance of this pro forma policy and the issuance of a policy of title insurance. The Company shall have no liability because of such addition or amendment.

EXHIBIT G

Executed Notice of Special Tax

**NOTICE OF SPECIAL TAX**

**CITY AND COUNTY OF SAN FRANCISCO  
SPECIAL TAX DISTRICT NO. 2020-1  
(MISSION ROCK FACILITIES AND SERVICES)**

**TO: THE PROSPECTIVE TENANT OF THE REAL PROPERTY IDENTIFIED AS  
FOLLOWS (THE “PROPERTY”):**

**Lot 4 shown on the Final Map No. 9443 approved by the Board of  
Supervisors of the City and County of San Francisco on June 2, 2020**

THIS IS A NOTIFICATION TO YOU PRIOR TO YOUR ENTERING INTO A CONTRACT TO LEASE THIS PROPERTY. THE LANDLORD IS REQUIRED TO GIVE YOU THIS NOTICE AND TO OBTAIN A COPY SIGNED BY YOU TO INDICATE THAT YOU HAVE RECEIVED AND READ A COPY OF THIS NOTICE.

Each Assessor’s Parcel (a “**Parcel**”) of this Property (in existence now or as further subdivided in the future) is subject to a development special tax (the “**Development Special Tax**”), an office special tax (the “**Office Special Tax**”), a shoreline special tax (the “**Shoreline Special Tax**”), and a contingent services special tax (the “**Contingent Services Special Tax**”) and, with the Development Special Tax, Office Special Tax, and Shoreline Special Tax, collectively, the “**Special Taxes**”) that are in addition to the regular property taxes and any other charges, fees, special taxes, and benefit assessments on the Property. The Special Taxes are imposed on each Parcel of the Property because it is a new development, and is not necessarily imposed generally upon property outside of this new development. If you fail to pay the Special Taxes levied on the leasehold interest in a Parcel of the Property when due each year, the delinquent leasehold interest in the Parcel may be foreclosed upon and sold. The Special Taxes are used to provide facilities and services that are likely to particularly benefit the Property. YOU SHOULD TAKE THE SPECIAL TAXES AND THE BENEFITS FROM THE FACILITIES AND SERVICES FOR WHICH THEY PAY INTO ACCOUNT IN DECIDING WHETHER TO LEASE THIS PROPERTY.

The Property you are leasing is located within the boundaries of Tax Zone 1 of the City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services) (“**Mission Rock STD**”). The Special Taxes are levied pursuant to a Rate and Method of Apportionment of Special Taxes (the “**Rate and Method**”) for the Mission Rock STD. A copy of the Rate and Method applicable to this Property is attached as Exhibit “C” to the Notice of Special Tax Lien attached hereto as Exhibit 1 (the “**Notice of Special Tax Lien**”). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Rate and Method.

### **Classification of Property**

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor's Parcel numbers for all Taxable Parcels. The Administrator shall also determine: (i) whether each Taxable Parcel is Developed Property or Undeveloped Property; (ii) the Planning Parcel and Tax Zone within which each Taxable Parcel is located; (iii) for Developed Property, the Market-Rate Residential Square Footage and Office Square Footage within each building; (iv) the Taxpayer for each Leasehold Interest in a Taxable Parcel; and (v) the Development Special Tax Requirement, Office Special Tax Requirement, Shoreline Special Tax Requirement, and, if applicable, Services Special Tax Requirement for the Fiscal Year.

The Property will become Developed Property for purposes of the levy of the Special Taxes as set forth in the definition of Developed Property in the Rate and Method, which means "in any Fiscal Year, all Taxable Parcels for which the 24-month anniversary of the Parcel Lease Execution Date has occurred in a preceding Fiscal Year, regardless of whether a Permit has been issued. For any Taxable Parcel on which a structure is built and occupied without execution of a Parcel Lease, such Taxable Parcel shall be categorized as Developed Property in the Fiscal Year in which a Certificate of Occupancy was issued on or prior to June 30 of the preceding Fiscal Year."

When a Parcel becomes Developed Property, the Administrator and Review Authority shall reference the Permit for each building on the Parcel to determine the Market-Rate Residential Square Footage and/or Office Square Footage within the building(s). If the Market-Rate Residential Square Footage and/or Office Square Footage is not identified on the Permit, the square footage assumptions used in the appraisal prepared when the Vertical DDA and/or Parcel Lease for such Parcel was executed shall be used to determine Market-Rate Residential Square Footage and/or Office Square Footage within the building. If, after review of the Permit and appraisal, there is still no clear indication of the Market-Rate Residential Square Footage and/or Office Square Footage for a building, the Review Authority shall review the Development Approval Documents and make a determination as to the amount of Market-Rate Residential Square Footage and/or Office Square Footage in the building.

When a Parcel becomes Developed Property, the Administrator and Review Authority shall also identify and document the Initial Exempt Square Footage for the building or buildings on or expected on the Parcel. The Administrator shall keep a record of the Initial Exempt Square Footage broken down by Exempt Use. After the First Bond Sale, as square footage within a building is designated for Exempt Uses, the Administrator shall compare the actual square footage used for each Exempt Use to the Initial Exempt Square Footage by Exempt Use. If, at any point in time, there is determined to be Excess Exempt Square Footage within a building, the Administrator and Review Authority shall use this comparison to determine which square footage should be designated Excess Exempt Square Footage. In addition, the Administrator shall determine whether the Excess Exempt Square Footage resulted in a reduction in Market-Rate Residential Square Footage or Office Square Footage expected in the building and, based on this determination, identify the applicable Maximum Special Taxes for the Excess Exempt Square Footage pursuant to the tables in Section C of the Rate and Method.



The Administrator shall also: (i) coordinate with the Deputy Director to confirm Parcel Increment; (ii) coordinate with the Treasurer-Tax Collector's Office to determine if there have been any Special Tax delinquencies or repayment of Special Tax delinquencies in prior Fiscal Years; (iii) review the Development Approval Documents and communicate with the Developer and Vertical Developers regarding proposed Land Use Changes; and (iv) upon each annexation, Land Use Change, and notification of Parcel Lease Execution Dates, update Attachment 3 to the Rate and Method to reflect the then-current Expected Land Uses, Expected Maximum Development Special Tax Revenues, Expected Maximum Office Special Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues.

The Developer, Port, or Vertical Developer shall notify the Administrator each time a Parcel Lease is executed in order for the Administrator to keep track of Parcel Lease Execution Dates.

In addition, the Port will: (i) provide the Administrator with copies of all leases that establish a Leasehold Interest, (ii) notify the Administrator of renewals of leases that establish a Leasehold Interest, and (iii) identify the buildings, Parcels, and Square Footage subject to such leases that establish a Leasehold Interest. Any time a lease on property within the Mission Rock STD is terminated, the Port will immediately notify the Administrator of such termination.

Prior to the First Bond Sale, the Administrator, Port, Developer, and any Vertical Developers shall coordinate to review the Expected Land Uses and determine if changes should be made to reflect more current estimates for land uses on each Planning Parcel. Based on this review, the Administrator shall update Attachment 3 to the Rate and Method with the then-current Expected Land Uses and Expected Maximum Development Special Tax Revenues, Expected Maximum Office Special Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues, which will be used to size the sale of Bonds unless and until there are additional updates of Attachment 3 to the Rate and Method.

### **Maximum Special Taxes**

In calculating Maximum Special Taxes pursuant to Section C of the Rate and Method, in any Fiscal Year in which the boundaries of the Planning Parcels are not identical to the boundaries of the then-current Assessor's Parcels, the Administrator shall review the Expected Land Uses for each Planning Parcel and assign the Maximum Special Taxes to the then-current Assessor's Parcels. The Maximum Special Tax Revenues after such allocation shall not be less than the Maximum Special Tax Revenues prior to the allocation.

***Developed Property:*** The Maximum Development Special Tax, the Maximum Office Special Tax, the Maximum Shoreline Special Tax, and the Maximum Contingent Services Special Tax are defined in the Rate and Method as follows:

**"Maximum Development Special Tax"** means the greatest amount of Development Special Tax that can be levied on a Leasehold Interest in a Taxable Parcel in any Fiscal Year determined in accordance with Sections C, D, and E of the Rate and Method. When a Taxable Parcel in Tax Zone 1 or Tax Zone 2 becomes Developed Property, the Administrator shall use the Base Development Special Taxes for the applicable Tax Zone shown in Table 1 of the Rate

and Method and apply the steps set forth in Section C.2a of the Rate and Method to determine the Maximum Development Special Tax for Leasehold Interests in a Taxable Parcel. ***The Base Development Special Tax for each Tax Zone as shown in Table 1 of the Rate and Method shall be escalated beginning July 1, 2020, and each July 1 thereafter, by 2% of the amount in effect in the prior Fiscal Year.***

“Maximum Office Special Tax” means the greatest amount of Office Special Tax that can be levied on a Leasehold Interest in a Taxable Parcel in any Fiscal Year determined in accordance with Sections C, D, and E of the Rate and Method. When a Taxable Parcel in Tax Zone 1 or Tax Zone 2 becomes Developed Property, the Administrator shall use the Base Office Special Taxes for the applicable Tax Zone shown in Table 2 of the Rate and Method and apply the steps set forth in Section C.2b of the Rate and Method to determine the Maximum Office Special Tax for Leasehold Interests in a Taxable Parcel. ***The Base Office Special Tax for each Tax Zone as shown in Table 2 of the Rate and Method shall be escalated beginning July 1, 2020, and each July 1 thereafter, by 2% of the amount in effect in the prior Fiscal Year.***

“Maximum Shoreline Special Tax” means the greatest amount of Shoreline Special Tax that can be levied on a Leasehold Interest in a Taxable Parcel in any Fiscal Year determined in accordance with Sections C, D, and E of the Rate and Method. When a Taxable Parcel in Tax Zone 1 or Tax Zone 2 becomes Developed Property, the Administrator shall use the Base Shoreline Special Taxes for the applicable Tax Zone shown in Table 3 of the Rate and Method and apply the steps set forth in Section C.2c of the Rate and Method to determine the Maximum Shoreline Special Tax for Leasehold Interests in a Taxable Parcel. ***The Base Shoreline Special Tax for each Tax Zone as shown in Table 3 of the Rate and Method shall be escalated beginning July 1, 2020, and each July 1 thereafter, by 2% of the amount in effect in the prior Fiscal Year.***

“Maximum Contingent Services Special Tax” means, after the Trigger Event, the greatest amount of Contingent Services Special Tax that can be levied on a Leasehold Interest in a Taxable Parcel in any Fiscal Year determined in accordance with Sections C, D, and E of the Rate and Method. In the first Fiscal Year after the Fiscal Year in which the Trigger Event occurs, and in each Fiscal Year thereafter, Section C.2d of the Rate and Method shall be applied to determine the Contingent Services Special Tax for each Taxable Parcel in the Mission Rock STD. When a Taxable Parcel in Tax Zone 1 or Tax Zone 2 becomes Developed Property, the Administrator shall use the Base Contingent Services Special Taxes for the applicable Tax Zone shown in Table 4 of the Rate and Method and apply the steps set forth in Section C.2d of the Rate and Method to determine the Maximum Contingent Services Special Tax for Leasehold Interests in a Taxable Parcel. ***The Base Contingent Services Special Tax for each Tax Zone as shown in Table 4 of the Rate and Method shall be escalated beginning July 1, 2020, and each July 1 thereafter, by the Escalator.***

#### ***Undeveloped Property:***

Development Special Tax, Office Special Tax, and Shoreline Special Tax. The Maximum Development Special Tax, Maximum Office Special Tax, and Maximum Shoreline Special Tax for Leasehold Interests in Undeveloped Property in all Tax Zones shall be the Expected Maximum Development Special Tax Revenues, Expected Maximum Office Special

Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues shown in Attachment 3 of the Rate and Method, as it may be amended as set forth in the Rate and Method. Each of these Special Taxes shall be escalated beginning July 1, 2020, and each July 1 thereafter, by 2% of the amount in effect in the prior Fiscal Year.

Contingent Services Special Tax. No Contingent Services Special Tax shall be levied on Parcels of Undeveloped Property in any Tax Zone within the Mission Rock STD.

### **Adjustments to the Maximum Special Taxes**

Section D of the Rate and Method describes the circumstances in which the Maximum Special Taxes may be adjusted, including as a result of (i) annual escalation of the Base Development Special Tax for each Tax Zone, the Base Office Special Tax for each Tax Zone; the Base Shoreline Special Tax for each Tax Zone; the Expected Maximum Development Special Tax Revenues, the Expected Maximum Office Special Tax Revenues, and the Expected Maximum Shoreline Special Tax Revenues in Attachment 3 to the Rate and Method; and the Maximum Development Special Tax, the Maximum Office Special Tax, and the Maximum Shoreline Special Tax assigned to the Leasehold Interests in each Taxable Parcel, (ii) annual escalation of the Base Contingent Services Special Tax for each Tax Zone and the Maximum Contingent Services Special Tax assigned to the Leasehold Interests in each Taxable Parcel, (iii) rezoning or other Land Use Changes, (iv) changes in Expected Land Uses, and (v) changes in the boundaries of the Planning Parcels.

In addition, the Base Development Special Tax may be reduced prior to the First Bond Sale as described in Section D.5.

### **Offset of Parcel Increment**

For a discussion of the offset of the Parcel Increment against the Development Special Tax for Assessed Parcels, see Section F.1 of the Rate and Method.

### **Term of the Special Taxes**

Special Taxes shall be collected in the same manner and at the same time as ordinary ad valorem property taxes on the regular tax roll, provided, however, that the City may directly bill Special Taxes, may collect Special Taxes at a different time or in a different manner, and may collect delinquent Special Taxes through foreclosure or other available methods as authorized by the CFD Law. The Board of Supervisors has ordered any Special Taxes to be levied on Leasehold Interests to be levied on the secured roll. The Special Tax bill for any Taxable Parcel subject to a Leasehold Interest will be sent to the same party that receives the possessory interest tax bill associated with the Leasehold Interest unless it is sent directly to the Taxpayer.

In calculating the Development Special Tax Requirement, Office Special Tax Requirement, or Shoreline Special Tax Requirement, under no circumstances may the Development Special Tax, Office Special Tax, or Shoreline Special Tax that is levied on a Leasehold Interest in a Taxable Parcel in a Fiscal Year be increased by more than ten percent (10%) of the Maximum Development Special Tax, Maximum Office Special Tax, or Maximum Shoreline Special Tax for that Parcel (or such lesser amount required by the CFD Law) as a

consequence of delinquency or default in payment of Special Taxes levied on Leasehold Interests in another Parcel(s) in the Mission Rock STD (the “**Delinquency Levy**”).

The Delinquency Levy, if any, is determined when calculating the Development Special Tax Requirement. Accordingly, when determining the levy of Development Special Taxes on Leasehold Interests in Assessed Parcels pursuant to Step 1 of Section F.1 of the Rate and Method, the Delinquency Levy, if any, has already been applied and, therefore, the Administrator shall not levy any additional Delinquency Levy on an Assessed Parcel that has its Development Special Tax levy reduced or eliminated by Parcel Increment.

The Development Special Tax shall be levied and collected on Leasehold Interests in each Taxable Parcel until the earlier of: (i) the Fiscal Year in which the Port determines that all Authorized Expenditures that will be funded by the Mission Rock STD have been funded and all Development Special Tax Bonds have been fully repaid; (ii) the Fiscal Year after the Fiscal Year in which Tax Increment is no longer collected within the Sub-Project Area within which the Taxable Parcel is located and all Development Special Tax Bonds have been fully repaid, as determined by the Administrator with direction from the Deputy Director; and (iii) Fiscal Year 2093-94.

The Office Special Tax shall be levied on and collected from Leasehold Interests in each Taxable Parcel for 120 Fiscal Years.

The Shoreline Special Tax shall be levied on and collected from Leasehold Interests in each Taxable Parcel for 120 Fiscal Years.

Beginning in the first Fiscal Year after the Fiscal Year in which the Trigger Event occurs, the Contingent Services Special Tax shall be levied and collected in perpetuity.

### **Prepayment**

The Special Taxes may not be prepaid.

### **Authorized Facilities and Services**

The authorized facilities that are being paid for by the Development Special Tax, the Office Special Tax, and the Shoreline Special Tax, and by the money received from the sale of bonds that are being repaid by these Special Taxes, are described in Exhibit “B” to the Notice of Special Tax Lien attached hereto as Exhibit 1.

*These facilities may not yet have all been constructed or acquired and it is possible that some may never be constructed or acquired.*

The authorized public services that may be paid for by the Contingent Services Special Tax, if levied, are described in Exhibit “B” to the Notice of Special Tax Lien attached hereto as Exhibit 1.

**Further Information**

YOU MAY OBTAIN A COPY OF THE RESOLUTION OF FORMATION THAT AUTHORIZED CREATION OF MISSION ROCK STD, AND THAT SPECIFIES MORE PRECISELY HOW THE SPECIAL TAXES ARE APPORTIONED TO EACH PARCEL OF THE PROPERTY AND HOW THE PROCEEDS OF THE SPECIAL TAXES WILL BE USED, FROM THE SPECIAL TAX CONSULTANT, GOODWIN CONSULTING GROUP, INC., 333 UNIVERSITY AVE # 160, SACRAMENTO, CA 95825, TELEPHONE: (916) 561-0890. THERE MAY BE A CHARGE FOR THESE DOCUMENTS NOT TO EXCEED THE REASONABLE COST OF PROVIDING THE DOCUMENTS.

**Acknowledgment**

I (WE) ACKNOWLEDGE THAT I (WE) HAVE READ THIS NOTICE AND RECEIVED A COPY OF THIS NOTICE PRIOR TO ENTERING INTO A CONTRACT TO LEASE OR DEPOSIT RECEIPT WITH RESPECT TO THE ABOVE-REFERENCED PROPERTY. I (WE) UNDERSTAND THAT I (WE) MAY TERMINATE THE VERTICAL DDA OR DEPOSIT RECEIPT WITHIN THREE DAYS AFTER RECEIVING THIS NOTICE IN PERSON OR WITHIN FIVE DAYS AFTER IT WAS DEPOSITED IN THE MAIL BY GIVING WRITTEN NOTICE OF THAT TERMINATION TO THE OWNER, SUBDIVIDER, OR AGENT LEASING THE PROPERTY.

DATE: 8/6/20

**MISSION ROCK PARCEL F OWNER, L.L.C.,**  
a Delaware limited liability company


By:   
Name: Carl D. Shannon  
Its: Authorized Signatory

EXHIBIT 1  
NOTICE OF SPECIAL TAX LIEN

[see attached]

Recording Requested by

Angela Calvillo  
Clerk of the Board of Supervisors  
City and County of San Francisco  
1 Dr Carlton B Goodlett Place  
San Francisco, CA 94102

When Recorded Mail to

Angela Calvillo  
Clerk of the Board of Supervisors  
City and County of San Francisco  
1 Dr Carlton B Goodlett Place  
San Francisco, CA 94102

Assessor Parcel Numbers (APN) 8719A-002

Address 1051 Third Street and No Site Address



San Francisco Assessor-Recorder  
Carmen Chu, Assessor-Recorder  
**DOC- 2020-K933385-00**

Acct 28-SFCC Board of Supervisors

Friday, MAY 22, 2020 08:44:59

Ttl Pd \$0.00

Rept # 0006192255

VT1/VV/1-72

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**NOTICE OF SPECIAL TAX LIEN**

(Please fill in Document Title(s) above this line)

This document is exempt from the \$75 Building Homes and Jobs Act Fee (per Government Code §27388 1(a)(2)(D)) as the document is a real estate instrument, paper, or notice executed or recorded by the state or any county, municipality, or other political subdivision of the state

**This page added to provide adequate space for recording information  
(additional recording fee applies)**

## **NOTICE OF SPECIAL TAX LIEN**

### **CITY AND COUNTY OF SAN FRANCISCO Special Tax District No. 2020-1 (Mission Rock Facilities and Services)**

Pursuant to the requirements of Section 3114.5 of the California Streets and Highways Code of California and Section 53328.3 of the California Government Code, the undersigned Clerk of the Board of Supervisors of the City and County of San Francisco, State of California, hereby gives notice that a lien to secure payment of a special tax is hereby imposed by the Board of Supervisors of the City and County of San Francisco, State of California. The special tax secured by this lien is authorized to be levied for the purpose of (1) financing directly the acquisition and construction of all or a portion of the facilities described in Exhibit B attached hereto (the "Authorized Facilities"), (2) financing the services described in Exhibit B attached hereto (the "Authorized Services"), (3) paying principal and interest on bonds (and other debt as defined in the Mello-Roos Community Facilities Act of 1982 cited below), the proceeds of which are being used to finance the acquisition and construction of all or a portion of the Authorized Facilities, and (4) paying the cost of administering the Special Tax District (defined below).

#### **TAXES LEVIED BY THE SPECIAL TAX DISTRICT MAY BE USED TO PAY FOR CLEANUP OF HAZARDOUS SUBSTANCES**

The special tax is authorized to be levied within "City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services)" (the "Special Tax District") which has now been officially formed under the San Francisco Special Tax Financing Law (Admin. Code ch. 43, art. X), which incorporates the Mello-Roos Community Facilities Act of 1982 (Cal. Gov't Code Section 53311 et seq.), and the lien of the special tax is a continuing lien that shall secure each annual levy of the special tax and that shall continue in force and effect until the special tax obligation is prepaid, permanently satisfied, and canceled in accordance with law or until the special tax ceases to be levied and a notice of cessation of special tax is recorded in accordance with Section 53330.5 of the Government Code.

The rate, method of apportionment, and manner of collection of the authorized special tax is as set forth in Exhibit C attached hereto and hereby made a part hereof. Conditions under which the obligation to pay the special tax may be prepaid and permanently satisfied and the lien of the special tax canceled are as follows: None.

Notice is further given that upon the recording of this notice in the office of the Assessor-Recorder the obligation to pay the special tax levy shall become a lien upon all nonexempt real property within the Special Tax District in accordance with Section 3115.5 of the Streets and Highways Code of California. The nonexempt real property consists of leasehold or possessory interests in land owned by the City and County of San Francisco or the San Francisco Port Commission.

The nonexempt leasehold or possessory interests will be in the parcels listed in Exhibit A attached hereto and hereby made a part hereof. Exhibit A lists the name(s) of the owner(s) and the assessor's tax parcel numbers of such parcels.

Reference is made to the boundary map of the Special Tax District recorded in the Assessor-Recorder's Office for the City and County of San Francisco, State of California on March 31, 2020 at 11:03 a.m. as Document No. 2020-K920032-00 in Book 001 Pages 173-174 of the

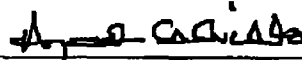


Book of Maps of Assessment and Special Tax Districts, which map is now the final boundary map of the Special Tax District

For further information concerning the current and estimated future tax liability of owners or purchasers of the leasehold or possessory interests in real property subject to this special tax lien, interested persons should contact the Director of the Office of Public Finance, City and County of San Francisco, 1 Dr Carlton B Goodlett Place, San Francisco, California 94102, Telephone (415) 554-5956.

Dated As of May 21, 2020

By



Angela Calvillo  
Clerk of the Board of Supervisors,  
City and County of San Francisco

**EXHIBIT A**

**NOTICE OF SPECIAL TAX LIEN**

**CITY AND COUNTY OF SAN FRANCISCO  
Special Tax District No. 2020-1  
(Mission Rock Facilities and Services)**

**ASSESSOR'S PARCEL NUMBERS AND OWNERS OF LAND  
WITHIN SPECIAL TAX DISTRICT**

<b>Assessor's Tax Parcel Number</b>	<b>Landowner</b>
8719A-002	CITY AND COUNTY OF SAN FRANCISCO, ACTING BY AND THROUGH THE SAN FRANCISCO PORT COMMISSION

**Note** Upon the recording of this notice in the office of the Assessor-Recorder the obligation to pay the special tax levy shall become a lien upon all nonexempt real property within the Special Tax District in accordance with Section 3115.5 of the Streets and Highways Code of California. The nonexempt real property consists of leasehold or possessory interests in the listed parcels that are owned by the City and County of San Francisco or the San Francisco Port Commission.

## **EXHIBIT B**

### **NOTICE OF SPECIAL TAX LIEN**

#### **CITY AND COUNTY OF SAN FRANCISCO Special Tax District No. 2020-1 (Mission Rock Facilities and Services)**

### **DESCRIPTION OF AUTHORIZED FACILITIES AND SERVICES**

City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services) (as originally configured and as expanded through annexation of property in the future, the "STD"), is authorized to finance the Facilities, Services and Incidental Costs described in this Exhibit A. Capitalized terms used in this Exhibit A but not defined herein have the meanings given them in the Appendix to Transaction Documents for the Mission Rock 28-Acre Site Project, attached as an appendix to the Disposition and Development Agreement ("DDA"), dated as of August 15, 2018, by and between the Port and the Developer, including all exhibits and attachments, as may be amended from time to time. When used in this Exhibit B, "including" has the meaning given to it in the DDA.

### **AUTHORIZED FACILITIES**

The STD is authorized to finance the purchase, construction, reconstruction, expansion, improvement, or rehabilitation of all or any portion of the facilities authorized to be financed by the San Francisco Special Tax Financing Law (Admin. Code ch. 43, art. X) and the Mello-Roos Community Facilities Act of 1982 (Cal. Gov't Code Section 53311 et seq.), including

- 1 Land Acquisition – includes, but is not limited to, acquisition of land for public improvements or for other requirements under the DDA
- 2 Demolition and Abatement – includes, but is not limited to, Site Preparation costs, including abatement of hazardous materials, removal of below-grade, at-grade, and above-grade facilities, and recycling or disposal of waste, including demolition and abatement within future vertical sites that is necessary for Horizontal Improvements
- 3 Auxiliary Water Supply System - includes, but is not limited to, main pipe, laterals, valves, fire hydrants, cathodic protection, tie-ins, and any other components required for onsite and offsite high pressure water supply network intended for fire suppression
- 4 Low Pressure Water - includes, but is not limited to, main pipe, laterals, water meters, water meter boxes, back flow preventers, gate valves, air valves, blow-offs, fire hydrants, cathodic protection, tie-ins, and any other components required for onsite and offsite low pressure water supply network intended for domestic use
- 5 Non-Potable Water System (Blackwater Treatment Facility) - includes, but is not limited to, water recycling production equipment such as buffer and treatment tanks, reverse osmosis and ultraviolet treatment equipment, and plant auxiliary equipment such as pumps, valves, and electrical equipment, distribution facilities such as main pipes, laterals, and valves, customer interface equipment such as water meters, back flow preventers,

and valves, along with financing costs and any other components required for non-potable water supply system (whether publicly or privately owned) intended to provide treated wastewater for use in, among other things, irrigation of parks, landscaping, and non-potable uses within buildings, and any other components or administrative costs required for non-potable water system

- 6 District Energy System - includes, but is not limited to, whether publicly or privately-owned, district energy production equipment such as boilers, chillers, heat pumps, cooling towers, bay water interface equipment and piping, and plant auxiliary equipment such as pumps, valves, and electrical equipment, distribution facilities such as main pipes, laterals, and valves, customer interface equipment such as energy meters and energy transfer stations, along with financing costs and any other components or administrative costs required for district energy system intended to provide heating and cooling or domestic hot water within buildings
- 7 Sanitary Sewer, Storm Drain, and Stormwater Management- includes, but is not limited to, retrofit of existing combined sewer facilities, new gravity main pipe, force main pipe and associated valves, laterals, manholes, catch basins, traps, air vents, pump stations, outfalls, lift stations, connections to existing systems, stormwater treatment best management practices (BMPs) such as detention vaults, and any other components required for a network intended to convey storm water and sanitary sewage, including components, such as ejector pumps, associated with vertical buildings to meet design criteria for the Horizontal Improvements
- 8 Joint Trench & Dry Utilities – includes, but is not limited to, installation of primary and secondary conduits, overhead poles, pull boxes, vaults, subsurface enclosures, gas main, and anodes for dry utilities including electrical, gas, telephone, cable, internet, and information systems, as well as any payment obligations related to providing such services
- 9 Earthwork and Retaining Walls – includes, but is not limited to, Site Preparation activities including importation of clean fill materials, clearing and grubbing, slope stabilization, ground improvement, installation of geogrid, surcharging, wick drains, excavation, rock fragmentation, grading, lightweight cellular concrete, geofoam, placement of fill, compaction, retaining walls, subdrainage, erosion control, temporary fencing, and post-construction stabilization such as hydroseeding. Also, includes, but is not limited to, excavation of future vertical development sites if the excavated soils is used on site for purposes of raising Horizontal Improvements
- 10 Roadways – includes, but is not limited to, Public ROWs, roads and paseos in Public Space, road subgrade preparation, aggregate base, concrete roadway base, asphalt wearing surface, concrete curb, concrete gutter, medians, colored asphalt and concrete, pavers, speed bumps, sawcutting, grinding, conform paving, resurfacing, any other components required for onsite and offsite roadways, transit stops, bus facilities, permanent pavement marking and striping, traffic control signage, traffic light signals, offsite traffic improvements, and any other components or appurtenant features as required in the approved Improvement Plan details and specifications through the permitting process
- 11 Streetscape – includes, but is not limited to, subgrade preparation, aggregate base, sidewalks, pavers, ADA curb ramps, detectable tiles, streetlights, light pole foundations,

signage, emergency services infrastructure, landscaping (including trees and Silva cells and/or structural soil), irrigation, street furniture, waste receptacles, bike racks, shared bike parking facilities (whether publicly or privately owned), newspaper stands, any other components or appurtenant features as required in the approved Improvement Plan details and specifications through the permitting process, and wayfinding and interpretative signage and facilities

- 12 Parks and Public Space – includes, but is not limited to, fine grading, storm drainage and treatment, sanitary sewer, low pressure water, park lighting, community wifi, distributed antenna systems, security infrastructure, low-voltage electrical, various hardscaping, irrigation, landscaping, various concrete structures, site furnishings, public art, wayfinding, interpretive and other park signage, viewing platforms, water access facilities (including boat launch), retrofit of shoreline structures and slopes (including demolition, excavation, installation of revetment, structural repair, construction and occupancy costs of park structures, and any other components, e.g., Shoreline Improvements), and any other associated work in publicly accessible spaces such as parks, open spaces, plazas, and mid-block passages, including publicly-accessible parks, plazas, mid-block passages and open space that is located on private property, but identified as public open space in the DDA, Design Controls documents, or Subdivision Map
- 13 Water-based Transportation Improvements – includes, but not limited to, modes of water-based transportation and all infrastructure, design, and permitting costs related to providing water-based transportation facilities at the Project
- 14 Historic Rehabilitation Required for Horizontal Improvements – includes, but is not limited to, eligible cost for relocation, structural retrofit, repair, and rehabilitation of historic Pier 48
- 15 Hazardous Soil Removal – includes, but is not limited to, removal and disposal of contaminated soil which cannot be reused on site in accordance with the Mission Rock Development Soil Management Plan, dated October 18, 2019, Dust Control Plan, dated November 1, 2019, Asbestos Dust Mitigation Plan, dated November 15, 2019, and other related documents, and associated with public improvements
- 16 Shoreline Adaptation Studies - includes, but is not limited to, analysis and planning to characterize the preferred Shoreline Protection Project and alternatives, including pre-entitlement planning and design work, environmental review, negotiation, and Regulatory Approvals related to the Shoreline Protection Facilities
- 17 Shoreline Protection Facilities includes, but is not limited to, waterfront improvements at the San Francisco Bay shoreline to provide stability, to protect the area from perils associated with seismic events and climate change, including sea level rise and floods, and other public improvements approved by the Port Commission and the Board of Supervisors
- 18 Deferred Infrastructure
- 19 Entitlement costs, including Entitlement Costs and costs to obtain approvals necessary to proceed with development incurred after the Reference Date, such as the cost to comply with the California Environmental Quality Act, negotiate transaction documents, permitting of Horizontal Improvements, subdivision mapping, conduct community outreach, and prepare development design and land use requirements, but not expenses related to any

campaign or ballot measure or any other expenses prohibited by law Entitlement costs may include interim costs as approved from time to time by the Board of Supervisors

- 20 Associated Public Benefits – including, but not limited to, costs required to provide Associated Public Benefits related to transportation, childcare, public open space, sustainability, community meeting space and programs, and other public-benefitting improvements and expenditures
- 21 Miscellaneous Horizontal Development Costs - any other Horizontal Development Costs associated with implementing the DDA, including any additional costs that the Parties agree shall be incurred by the Developer for the Project, including workforce liaisons, studies and consultants required to comply with the DDA, such as auditors, inspectors, attorneys and appraisers, replacement and rework costs, including repairs to correct incidental damage that occurs throughout the course of construction and restoration of roadway pavement in areas where there are trenches excavated after the initial roadway is paved, and maintenance prior to acceptance by the City and/or Port
- 22 Any other costs authorized to be financed by the STD under the DDA
- 23 Interim improvements required for the use of the Project Site including temporary bike lanes, landscape, hardscape, accessibility infrastructure, grading, furniture and other improvements required for the interim use of the remaining Project Site
- 24 Soft Costs required to support the construction of the Horizontal Improvements and implementation of the DDA, including developer management costs, third party professional services, construction management Fees, and asset management costs
- 25 Developer Mitigation Measures, including the formation of the Transportation Management Association and dust, vibration, asbestos and settlement monitoring
- 26 Insurance, Bonding and Warranty costs as required by the City in connection with the authorized improvements
- 27 Miscellaneous Costs, such as costs associated with implementing the DDA, including any additional costs that the Parties have agreed shall be incurred by the Developer for the Project, such as master planning for each phase, audits, appraisals, workforce development costs (such as a liaison), cash payments and community outreach initiatives

Any facility authorized to be financed by the STD may be financed through the construction and acquisition of the facility or through the payment of fees for such facility

The facilities authorized to be financed may be located within or outside the boundaries of the STD

The facilities to be financed shall include all Hard Costs and Soft Costs associated with the facilities, including the costs of the acquisition of land and rights-of-way, the costs of design, engineering and planning, the costs of any environmental or traffic studies, surveys or other reports, costs related to landscaping and irrigation, soils and other environmental testing and observation, permits, plan check, and inspection fees, insurance, legal and related overhead costs, bonding, trailer rental, utility bills, site security, coordination and supervision and any other

costs or appurtenances related to any of the foregoing as further defined in one or more acquisition agreements with the developer of the property in the STD

The facilities to be financed shall also include all incidental expenses, defined as follows

- 1 The cost of planning and designing facilities to be financed by the STD, including the cost of environmental evaluations of those facilities
- 2 The costs associated with the creation of the STD, issuance of bonds, determination of the amount of taxes, collection of taxes, payment of taxes, or costs otherwise incurred in order to carry out the authorized purposes of the STD
- 3 Any other expenses incidental to the construction, completion, and inspection of the authorized work, including costs for temporary facilities with a useful life of at least 3 years that are required to construct an authorized facility.
- 4 Special taxes levied on a property in the STD and paid by the Developer on behalf of a local agency or other landowner prior to the development of the property

The facilities to be financed also includes the interim cost of the facilities, which shall mean the Developer Return or Port Return, as applicable, and any interest payable on any promissory note payable to the STD

The STD may also apply bond proceeds and special taxes to repay the Port Commission for advances made to pay for authorized costs, under any promissory note or otherwise

Special taxes may be collected and set-aside in designated funds and collected over several years (i.e., reserves), and used to fund facilities authorized to be financed by the STD

#### **AUTHORIZED SERVICES**

Special taxes collected in the STD may finance, in whole or in part, the services authorized to be financed by the San Francisco Special Tax Financing Law (Admin Code ch 43, art X) and the Mello-Roos Community Facilities Act of 1982 (Cal Gov't Code Section 53311 et seq ), in the STD and, to the extent permitted by the DDA, outside the STD, including

- Maintenance, capital repair, replacement and operation (including public events) of Public Spaces, including facilities for public enjoyment, such as public parks, public recreational facilities, public access, open space, public paseos and other public amenities, some of which may be rooftop facilities or located on privately leased property but identified as public open space in the DDA or Design Controls or Subdivision Map
- Maintenance, capital repair, replacement and operation of Public Right-of-Ways (ROWs), including public streets, sidewalks, shared public ways, mid-block passages, bicycle lanes, and other paths of travel, associated landscaping and furnishings, maintenance, trenching, backfilling, and monitoring of Lightweight Cellular Concrete infrastructure, retaining walls within the ROWs and related amenities in the STD, some of which may be located on privately leased property but identified as public open space in the DDA or Design Controls
- Maintenance, capital repair, replacement and operation of Shoreline Improvements in and adjacent to the STD that were completed per the DDA, such as shoreline restoration, including installation of stone columns, pilings, secant walls, and other structures to stabilize the seawall or shoreline, removal of bay fill, creation of waterfront public access to or environmental remediation of the San Francisco waterfront

- Maintenance, capital repair, replacement and operation of landscaping and irrigation systems and other equipment, material, and supplies directly related to maintaining and replacing landscaped areas and water features in Public Spaces and Public ROWs
- Maintenance, capital repair, replacement and operation as needed of Public Spaces, including street cleaning and paving
- Maintenance, capital repair, replacement and operation of lighting, rest rooms, trash receptacles, park benches, planting containers, picnic tables, bollards, bicycle racks and corrals and other furniture and fixtures and signage in Public Spaces and Public ROWs
- Maintenance, capital repair, replacement and operation of utilities in Public Spaces and Public ROWs
- General liability insurance for any Public ROWs or structures in Public ROWs that Public Works does not submit to the Board of Supervisors for City acceptance for City General Fund liability purposes and other commercially reasonable insurance coverages
- Port, City, or third party personnel, administrative, and overhead costs related to maintenance or to contracting for and managing third-party maintenance, including rent for storage space needed to support the maintenance activities
- Any other costs authorized to be financed by the STD under the DDA

Special taxes may be collected and set-aside in designated funds and collected over several years (i.e., reserves), and used to fund services authorized to be financed by the STD. The term "operation" includes providing security and hosting special events.

### **INCIDENTAL COSTS**

Special taxes collected in the STD will also fund, in whole or in part, the incidental costs associated with the facilities and services authorized to be financed. Incidental costs include, but are not limited to:

- 1 Administrative expenses and fees including costs incurred to form the STD, to annex territory to the STD, to annually administer the STD, to levy and collect special taxes for the STD, and any other costs incurred in standard administration of the STD by the City or their authorized consultants,
- 2 Any amounts needed to cure actual or estimated delinquencies in special taxes for the current or previous fiscal years,
- 3 Bond related expenses, including underwriters discount, reserve fund, capitalized interest, bond, disclosure, and underwriter counsel fees and all other incidental expenses, and
- 4 Reimbursement of costs related to the formation of the STD advanced by the City and any landowner(s) in the STD, or any party related to any of the foregoing, as well as reimbursement of any costs advanced by the City or any landowner(s) in the STD or any party related to any of the foregoing, for facilities, fees or other purposes or costs of the STD



### **COMPLIANCE WITH CFD GOALS**

The City hereby waives the requirements of the CFD Goals to the extent inconsistent with this Exhibit A

**EXHIBIT C**

**NOTICE OF SPECIAL TAX LIEN**

**CITY AND COUNTY OF SAN FRANCISCO  
Special Tax District No. 2020-1  
(Mission Rock Facilities and Services)**

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX**

Special Taxes applicable to the Leasehold Interest in each Taxable Parcel in the City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services) shall be levied and collected according to the tax liability determined by the Administrator through the application of the appropriate amount or rate for Leasehold Interests in Taxable Parcels, as described below. The Leasehold Interest in all Taxable Parcels in the STD shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to the STD

Special Taxes shall be levied only on Leasehold Interests in Taxable Parcels. In the event a Leasehold Interest in a Taxable Parcel is terminated, the Special Taxes shall be levied on any successor Leasehold Interest in the Taxable Parcel. If a Leasehold Interest terminates while a Special Tax that was previously levied remains unpaid, the owner of the successor Leasehold Interest will take the interest subject to the obligation to pay the unpaid Special Tax along with any applicable penalties and interest.

The City will covenant in each Indenture that, as long as any Bonds are outstanding, it will not terminate, and it will inhibit the Port from terminating, any Leasehold Interest in a Taxable Parcel unless the Port enters into a new lease the term of which ends on or after the final maturity date of the Bonds and that covers substantially the same real property and improvements as the terminated lease. It will not be a violation of this

covenant if the City or the Port initiates judicial foreclosure of any such lease pursuant to the CFD Law.

## **A. DEFINITIONS**

The terms hereinafter set forth have the following meanings

**"Administrative Expenses"** means any or all of the following the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of the City carrying out duties with respect to the STD and the Bonds, including, but not limited to, levying and collecting the Special Taxes, the fees and expenses of legal counsel, charges levied by the City, including the Controller's Office, the Treasurer and Tax Collector's Office, the City Attorney, and the Port, costs related to property owner inquiries regarding the Special Taxes, costs associated with appeals or requests for interpretation associated with the Special Taxes and this RMA, costs associated with annexation of property into the STD, amounts needed to pay rebate to the federal government with respect to the Bonds, costs associated with complying with any continuing disclosure requirements for the City and any other major property owner (whether or not deemed to be an obligated person), costs associated with foreclosure and collection of delinquent Special Taxes, and all other costs and expenses of the City in any way related to the establishment or administration of the STD

**"Administrator"** means the Director of the Office of Public Finance or his/her designee who shall be responsible for administering the Special Taxes according to this RMA

**"Affordable Housing Project"** means a residential or primarily residential project, as determined by the Review Authority, within which 100% of the residential units are Affordable Units

**"Affordable Square Footage"** means both (i) the entire square footage of an Affordable Housing Project, and (ii) the aggregate net rentable square footage that is or is expected to be associated with Affordable Units within a building on a Parcel of Developed Property. The Review Authority shall make the final determination as to the amount of Affordable Square Footage within a building in the STD.

**"Affordable Unit"** means a Residential Unit for which a deed restriction has been recorded that (i) limits the rental rates on the unit or (ii) in any other way is intended to restrict the current or future value of the unit, as determined by the Review Authority

**"Appendix"** means the Appendix to the DDA.

**"Assessed Parcel"** means, in any Fiscal Year, any Taxable Parcel that meets all five of the following conditions: (i) there is a building on the Taxable Parcel for which a Certificate of Occupancy has been issued, (ii) based on all information available to the Administrator, the Baseline Assessed Value has been determined for the Taxable Parcel, (iii) ad valorem taxes have been levied on the Taxable Parcel based on the Baseline Assessed Value of the building, (iv) by the end of the prior Fiscal Year, at least one year of ad valorem taxes based upon the Baseline Assessed Value of the building have been paid, and (v) the Taxable Parcel does not have outstanding delinquencies in the payment of ad valorem property taxes or Special Taxes at the latest point at which the Administrator is able to receive delinquency information from the County prior to submitting the Development Special Tax levy in any Fiscal Year. Once a Taxable

Parcel has been categorized as an Assessed Parcel, such Taxable Parcel shall be considered an Assessed Parcel in all future Fiscal Years in which there are no outstanding delinquencies for the Parcel, regardless of increases or decreases in assessed value

**"Assessor's Parcel" or "Parcel"** means a lot or parcel shown on an Assessor's Parcel Map with an assigned Assessor's Parcel number.

**"Assessor's Parcel Map"** means an official map of the County Assessor designating Parcels by Assessor's Parcel number

**"Association"** means a homeowners or property owners association, including any master or sub-association, that provides services to, and collects dues, fees, or charges from, property within the STD

**"Association Square Footage"** means square footage within a building that is (i) on property in the STD that is leased to an Association, not including any such property that is located directly under a residential structure, and (ii) used for purposes of the Association and not leased or otherwise used for purposes that are not part of the operation of the Association.

**"Authorized Expenditures"** means, separately with respect to the Development Special Tax, Office Special Tax, Shoreline Special Tax, and Contingent Services Special Tax, those costs, facilities or public services authorized to be funded by the applicable Special Tax as set forth in the Financing Plan and the documents adopted by the Board at STD Formation, as may be amended from time to time

**"Base Contingent Services Special Tax"** means, for any Square Footage Category, the per-square-foot Contingent Services Special Tax for square footage within such Square Footage Category, as identified in Table 4 in Section C below, that can be levied on a Leasehold Interest in a Taxable Parcel.

**"Base Development Special Tax"** means, for any Square Footage Category, the per-square-foot Development Special Tax for Square Footage within such Square Footage Category, as identified in Table 1 in Section C below, that can be levied on a Leasehold Interest in a Taxable Parcel

**"Base Office Special Tax"** means, for Office Square Footage and Excess Exempt Square Footage, the per-square-foot Office Special Tax identified in Table 2 in Section C below, that can be levied on a Leasehold Interest in a Taxable Parcel

**"Base Shoreline Special Tax"** means, for any Square Footage Category, the per-square-foot Shoreline Special Tax for Square Footage within such Square Footage Category, as identified in Table 3 in Section C below, that can be levied on a Leasehold Interest in a Taxable Parcel

**"Base Special Tax"** means, collectively, the Base Development Special Tax, the Base Office Special Tax, the Base Shoreline Special Tax, and the Base Contingent Services Special Tax

**"Baseline Assessed Value"** means, after a Certificate of Occupancy has been issued for a Taxable Parcel, the assessed value that the Port and Vertical Developer mutually agree is the final, unappealable value for the Taxable Parcel

**"Board"** means the Board of Supervisors of the City, acting as the legislative body of STD No. 2020-1.

**"Bond Sale"** means, for the Development Special Tax, issuance of Development Special Tax Bonds, for the Office Special Tax, issuance of Office Special Tax Bonds, and, for the Shoreline Special Tax, issuance of Shoreline Special Tax Bonds

**"Bonds"** means bonds or other debt (as defined in the CFD Law), whether in one or more series, that are issued or assumed by or for the STD to finance Authorized Expenditures including any Development Special Tax Bonds, Office Special Tax Bonds, and Shoreline Special Tax Bonds. The term "Bonds" includes any promissory note executed by or on behalf of STD No. 2020-1 for the benefit of the Port.

**"Capitalized Interest"** means funds in any capitalized interest account available to pay debt service on Bonds.

**"Certificate of Occupancy"** means the first certificate, including any temporary certificate of occupancy, issued by the Port to confirm that a building or a portion of a building has met all of the building codes and can be occupied for residential or non-residential use. For purposes of this RMA, "Certificate of Occupancy" shall not include any certificate of occupancy that was issued prior to January 1, 2019 for a building within the STD, however, any subsequent certificates of occupancy that are issued for new construction, or expansion of a building shall be deemed a Certificate of Occupancy and the Special Taxes shall apply to the associated square footage. For Pier 48, only a certificate of occupancy issued in association with the permanent reuse of the building (as determined by the Port) shall qualify as a "Certificate of Occupancy" for purposes of this RMA.

**"CFD Law"** means the San Francisco Special Tax Financing Law (Admin Code ch. 43, art. X), which incorporates the Mello-Roos Act

**"City"** means the City and County of San Francisco, California.

**"Contingent Services Special Tax"** means a special tax levied in any Fiscal Year after the Trigger Event on a Leasehold Interest in a Taxable Parcel to pay the Services Special Tax Requirement

**"County"** means the City and County of San Francisco, California

**"DDA"** means the Disposition and Development Agreement between the Port and the Developer, including all exhibits and attachments, as may be amended from time to time

**"Deputy Director"** means the Deputy Director of Finance and Administration for the Port or other such official that acts as the chief financial officer for the Port

**"Developed Property"** means, in any Fiscal Year, all Taxable Parcels for which the 24-month anniversary of the Parcel Lease Execution Date has occurred in a preceding Fiscal Year, regardless of whether a Permit has been issued For any Taxable Parcel on which a structure is built and occupied without execution of a Parcel Lease, such Taxable Parcel shall be categorized as Developed Property in the Fiscal Year in which a Certificate of Occupancy was issued on or prior to June 30 of the preceding Fiscal Year.



**"Developer"** means Seawall Lot 337 Associates, LLC, or any successor or assign that takes over as tenant under the Master Lease.

**"Development Approval Documents"** means, collectively, the DDA, any Vertical DDA, any Final Maps, Review Authority approvals, or other such approved or recorded document or plan that identifies the type of structures, acreage, and Market-Rate Residential Square Footage and Office Square Footage approved for development on Taxable Parcels

**"Development Special Tax"** means a special tax levied in any Fiscal Year on a Leasehold Interest in a Taxable Parcel to pay the Development Special Tax Requirement.

**"Development Special Tax Bonds"** means any Bonds secured solely by Development Special Taxes

**"Development Special Tax Requirement"** means the amount necessary in any Fiscal Year to, (i) pay principal and interest on Development Special Tax Bonds that are due in the calendar year that begins in such Fiscal Year; (ii) pay periodic costs on Development Special Tax Bonds, including but not limited to, credit enhancement, liquidity support and rebate payments, (iii) replenish reserve funds created for Development Special Tax Bonds under the Indenture to the extent such replenishment has not been included in the computation of the Development Special Tax Requirement in a previous Fiscal Year, (iv) cure any delinquencies in the payment of principal or interest on Development Special Tax Bonds which have occurred in the prior Fiscal Year, (v) in any Fiscal Year in which there is a Development Special Tax levied on one or more Parcels pursuant to Step 1d in Section F below, pay the fee imposed by the

City for levying such Development Special Tax on the County tax roll, (vi) pay other obligations described in the Financing Plan, and (vii) pay directly for Authorized Expenditures, so long as such levy under this clause (vii) does not increase the Development Special Tax levied on Undeveloped Property. The amount calculated to pay items (i) through (vii) above may be reduced in any Fiscal Year by (a) interest earnings on or surplus balances in funds and accounts for the Development Special Tax Bonds to the extent that such earnings or balances are available to apply against such costs pursuant to the Indenture, (b) in the sole and absolute discretion of the Port, proceeds received by the STD from the collection of penalties associated with delinquent Development Special Taxes, and (c) any other revenues available to pay such costs, as determined by the Administrator, the City, and the Port.

**"Escalator"** means the lesser of the following (i) the annual increase, if any, in the Consumer Price Index (CPI) for All Urban Consumers in the San Francisco-Oakland-Hayward region (base years 1982-1984=100) published by the Bureau of Labor Statistics of the United States Department of Labor, or, if such index is no longer published, a similar escalator that is determined by the Port and City to be appropriate, and (ii) five percent (5%)

**"Estimated Base Development Tax Revenues"** means, at any point in time, the amount calculated by the Administrator by multiplying the Base Development Special Tax by square footage within each Square Footage Category proposed for development and, if applicable, already in completed buildings on a Taxable Parcel

**"Estimated Base Office Special Tax Revenues"** means, at any point in time, the amount calculated by the Administrator by multiplying the Base Office Special Tax by

square footage within each Square Footage Category proposed for development and, if applicable, already in completed buildings on a Taxable Parcel

**"Estimated Base Shoreline Special Tax Revenues"** means, at any point in time, the amount calculated by the Administrator by multiplying the Base Shoreline Special Tax by square footage within each Square Footage Category proposed for development and, if applicable, already in completed buildings on a Taxable Parcel

**"Excess Exempt Square Footage"** means, after the First Bond Sale, any square footage in a building on a Parcel of Developed Property that is determined by the Review Authority to exceed the amount of Exempt Square Footage for such building  
Excess Exempt Square Foot means a single square-foot unit of Excess Exempt Square Footage

**"Exempt Square Footage"** means, prior to the First Bond Sale, any square footage in or expected in a building on a Parcel of Developed Property that is determined by the Review Authority to be used or reserved for an Exempt Use After the First Bond Sale, "Exempt Square Footage" for any building on a Parcel of Developed Property shall be the sum of following, as determined by the Review Authority

1. The Initial Exempt Square Footage for the building, and
2. Square footage in or expected in the building that (i) exceeds the Initial Exempt Square Footage, and (ii) if exempted from Special Taxes, would not reduce coverage on outstanding Bonds below the Required Coverage

**"Exempt Use"** means any of the following uses

- 1) Affordable Square Footage
- 2) Association Square Footage
- 3) Child Care – child care uses that qualify for exemption from the Special Taxes, as determined by the Review Authority after review and consideration of the criteria and requirements set forth in the Parcel Lease and DDA
- 4) Parking – areas reserved for automobile, motorcycle, or bicycle parking
- 5) Retail – commercial establishments that sell general merchandise, hard goods, food and beverage, personal services, and other items directly to consumers, including but not limited to restaurants, bars, entertainment venues, health clubs, laundromats, dry cleaners, repair shops, storage facilities, and parcel delivery shops. In addition (i) all street-level retail bank branches, real estate brokerages, and other such ground-level uses that are open to the public, and (ii) any area designated, pursuant to Section 102 of the Planning Code or successor sections, for "Planning, Distribution, and Repair" (PDR) services, which includes but will not be limited to the following uses: industrial or agricultural use, ambulance services, animal hospital, automotive service station, automotive repair, automotive wash, arts activities, business services, cat boarding, catering service, commercial storage, kennel, motor vehicle tow service, livery stable, parcel delivery service, public utilities yard, storage yard, trade office, trade shop, wholesale sales, or wholesale storage
- 6) Utilities – areas reserved for facilities associated with the treatment of water or sewer, or the transmission or provision of gas and electricity, or the heating and cooling of buildings.
- 7) Amenity Square Footage – areas reserved for sitewide amenities, such as a welcome center, leasing office, sitewide management, or sitewide security.

**"Expected Land Uses"** means the total Market-Rate Residential Square Footage and Office Square Footage expected on each Planning Parcel in the STD. The Expected

Land Uses at STD Formation are identified in Attachment 3 and may be revised pursuant to Sections B, C, D, and E below

**"Expected Maximum Development Special Tax Revenues"** means the aggregate Development Special Tax that can be levied based on application of the Base Development Special Tax to the Expected Land Uses. The Expected Maximum Development Special Tax Revenues for each Planning Parcel at STD Formation are shown in Attachment 3 and may be revised pursuant to Sections B, C, D, and E below

**"Expected Maximum Office Special Tax Revenues"** means the aggregate Office Special Tax that can be levied based on application of the Base Office Special Tax to the Expected Land Uses. The Expected Maximum Office Special Tax Revenues for each Planning Parcel at STD Formation are shown in Attachment 3 and may be revised pursuant to Sections B, C, D, and E below

**"Expected Maximum Shoreline Special Tax Revenues"** means the aggregate Shoreline Special Tax that can be levied based on application of the Base Shoreline Special Tax to the Expected Land Uses. The Expected Maximum Shoreline Special Tax Revenues for each Planning Parcel at STD Formation are shown in Attachment 3 and may be revised pursuant to Sections B, C, D, and E below.

**"Final Map"** means a final map, or portion thereof, recorded by the County pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq ) that creates individual lots on which Permits for new construction or historic rehabilitation may be issued without further subdivision

**"Financing Plan"** means the Financing Plan attached as Exhibit C1 and incorporated into the DDA, as such plan may be amended or supplemented from time to time in accordance with the terms of the DDA

**"First Bond Sale"** means, (i) for the Development Special Tax, a Bond Sale of the first series of Development Special Tax Bonds, (ii) for the Office Special Tax, a Bond Sale of the first series of Office Special Tax Bonds, and (iii) for the Shoreline Special Tax, a Bond Sale of the first series of Shoreline Special Tax Bonds

**"Fiscal Year"** means the period starting July 1 and ending on the following June 30

**"Future Annexation Area"** means that geographic area that, at STD Formation, was considered potential annexation area for the STD and which was, therefore, identified as "future annexation area" on the recorded STD boundary map. Such designation does not mean that any or all of the Future Annexation Area will annex into the STD, but should owners of property designated as Future Annexation Area choose to annex, the annexation may be processed pursuant to the annexation procedures in the CFD Law for territory included in a future annexation area, as well as the procedures established by the Board and any other applicable provisions of the CFD Law.

**"Indenture"** means any indenture, fiscal agent agreement, resolution, or other instrument pursuant to which Bonds are issued, as modified, amended, or supplemented from time to time, and any instrument replacing or supplementing the same

**"Initial Exempt Square Footage"** means, for any building on a Parcel of Developed Property, the square footage in or expected in the building that, at the time the Parcel

became Developed Property, was determined by the Review Authority to be reserved for an Exempt Use

**"Land Use Change"** means a change to the Expected Land Uses after STD Formation

**"Leasehold Interest"** means a Master Lease, ground lease, or any other lease arrangement of a Parcel or Parcels against which Special Taxes may be levied in any current or future Fiscal Year. The Review Authority shall make the final determination as to whether a Parcel or building in the STD is subject to a Leasehold Interest for purposes of this RMA

**"Management Agreement"** means the agreement between the Port and the Association (or related entity) for maintenance, operations, and event planning of the entire public realm (parks, streets, other ROWs) within the Project Site

**"Market-Rate Residential Square Footage"** means, in any building on a Taxable Parcel, the net rentable square footage that is or is expected to be used for one or more of the following uses (i) Market-Rate Units, (ii) any type of group or student housing that provides lodging for a week or more and may or may not have individual cooking facilities, including but not limited to boarding houses, dormitories, housing operated by medical institutions, and single room occupancy units, or (iii) a residential care facility, that is not staffed by licensed medical professionals. As set forth in Section B below, the Review Authority shall make the determination as to the amount of Market-Rate Residential Square Footage on a Taxable Parcel in the STD. Market-Rate Residential Square Foot means a single square-foot unit of Market-Rate Residential Square Footage.

**"Market-Rate Unit"** means a Residential Unit that is not an Affordable Unit.

**"Master Lease"** means a lease for all or part of the Project Site that allows the Developer to take possession of the Master Lease Premises and construct horizontal improvements approved under the DDA and to conduct other uses as provided in the DDA.

**"Master Lease Premises"** means, at any point in time, the area subject to the Master Lease

**"Maximum Contingent Services Special Tax"** means, after the Trigger Event, the greatest amount of Contingent Services Special Tax that can be levied on a Leasehold Interest in a Taxable Parcel in any Fiscal Year determined in accordance with Sections C, D, and E below.

**"Maximum Contingent Services Special Tax Revenues"** means, at any point in time after the Trigger Event, the aggregate Maximum Contingent Services Special Tax that can be levied on all Leasehold Interests in all Taxable Parcels

**"Maximum Development Special Tax"** means the greatest amount of Development Special Tax that can be levied on a Leasehold Interest in a Taxable Parcel in any Fiscal Year determined in accordance with Sections C, D, and E below.

**"Maximum Development Special Tax Revenues"** means, at any point in time, the aggregate Maximum Development Special Tax that can be levied on all Leasehold Interests in all Taxable Parcels



**"Maximum Office Special Tax"** means the greatest amount of Office Special Tax that can be levied on a Leasehold Interest in a Taxable Parcel in any Fiscal Year determined in accordance with Sections C, D, and E below.

**"Maximum Office Special Tax Revenues"** means, at any point in time, the aggregate Maximum Office Special Tax that can be levied on all Leasehold Interests in all Taxable Parcels

**"Maximum Shoreline Special Tax"** means the greatest amount of Shoreline Special Tax that can be levied on a Leasehold Interest in a Taxable Parcel in any Fiscal Year determined in accordance with Sections C, D, and E below

**"Maximum Shoreline Special Tax Revenues"** means, at any point in time, the aggregate Maximum Shoreline Special Tax that can be levied on all Leasehold Interests in all Taxable Parcels

**"Maximum Special Tax"** means, for any Leasehold Interest in a Taxable Parcel in any Fiscal Year, the sum of the Maximum Development Special Tax, Maximum Office Special Tax, Maximum Shoreline Special Tax, and Maximum Contingent Services Special Tax

**"Maximum Special Tax Revenues"** means, collectively, the Maximum Development Special Tax Revenues, Maximum Office Special Tax Revenues, Maximum Shoreline Special Tax Revenues, and Maximum Contingent Services Special Tax Revenues

**"Mello-Roos Act"** means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2 5, (commencing with Section 53311), Part 1, Division 2 of Title 5 of the Government Code of the State of California

**"Office Special Tax"** means a special tax levied in any Fiscal Year on Office Square Footage within a Leasehold Interest in a Taxable Parcel to pay the Office Special Tax Requirement

**"Office Special Tax Bonds"** means any Bonds secured solely by Office Special Taxes.

**"Office Special Tax Requirement"** means the amount necessary in any Fiscal Year to (i) pay principal and interest on Office Special Tax Bonds that are due in the calendar year that begins in such Fiscal Year, (ii) pay periodic costs on Office Special Tax Bonds, including but not limited to, credit enhancement, liquidity support and rebate payments, (iii) replenish reserve funds created for Office Special Tax Bonds under the Indenture to the extent such replenishment has not been included in the computation of the Office Special Tax Requirement in a previous Fiscal Year, (iv) cure any delinquencies in the payment of principal or interest on Office Special Tax Bonds which have occurred in the prior Fiscal Year, (v) pay Administrative Expenses, (vi) pay other obligations described in the Financing Plan, and (vii) pay directly for Authorized Expenditures, so long as such levy under this clause (vii) does not increase the Office Special Tax levied on Undeveloped Property. The amount calculated to pay items (i) through (vii) above may be reduced in any Fiscal Year by (a) interest earnings on or surplus balances in funds and accounts for the Office Special Tax Bonds to the extent that such earnings or balances are available to apply against such costs pursuant to the Indenture, (b) in the sole and absolute discretion of the Port, proceeds received by the STD from the collection of penalties associated with delinquent Office Special Taxes, and (c) any

other revenues available to pay such costs, as determined by the Administrator, the City, and the Port

**"Office Square Footage"** means, within any building on a Taxable Parcel (i) the planning gross square footage for which a Prop. M allocation has been secured, (ii) square footage that is or is expected to be part of a hotel operation, including square footage of hotel rooms, restaurants, meeting and convention facilities, gift shops, spas, offices, and other related uses, and (iii) any other square footage in the building that does not meet the definition of Market-Rate Residential Square Footage, Exempt Square Footage, or Excess Exempt Square Footage. The Review Authority shall make the final determination as to the amount of Office Square Footage within a building in the STD. Office Square Foot means a single square-foot unit of Office Square Footage.

**"Parcel Increment"** means, in any Fiscal Year, the amount of Tax Increment and funds from any tax increment reserve fund maintained by the City that the Deputy Director has determined, pursuant to the Financing Plan, is available to reduce the amount of Development Special Tax levied against Assessed Parcels.

**"Parcel Lease"** means a contract in the form set forth as an exhibit to the DDA by which the Port will convey a leasehold interest in a Taxable Parcel to a Vertical Developer.

**"Parcel Lease Execution Date"** means the effective date of a Parcel Lease that was fully executed by the Port and a Vertical Developer.

**"Permit"** means (i) for Pier 48, a permit issued by the Port that allows for rehabilitation of the existing historic structures, and (ii) for all property in the STD (other than Pier 48 if it is annexed to the STD), the first permit, whether a site permit or building permit,

issued by the Port that, immediately upon issuance or ultimately after addenda to the permit, allows for vertical construction of a building or buildings

**"Pier 48"** is defined in the Appendix

**"Planning Code"** means the Planning Code of the City and County of San Francisco, as it may be amended from time to time

**"Planning Parcel"** means a geographic area within the STD that, for planning and entitlement purposes, has been designated as a separate Parcel with an alpha, numeric, or alpha-numeric identifier to be used for reference until an Assessor's Parcel is created and an Assessor's Parcel number is assigned. The Planning Parcels at STD Formation are identified in Attachment 1 hereto

**"Port"** means the Port of San Francisco

**"Project Area I"** means the area within the City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco) that covers the Project Site and was formed by Ordinance No. 34-18

**"Project Site"** is defined in the Appendix

**"Prop. M"** means Proposition M, the citizen-sponsored initiative passed by San Francisco voters in November 1986 that created an annual limit on the square footage of certain office development in the City, and any subsequent proposition that limits office square footage within the STD.

**"Proportionately"** means, for Developed Property, that the ratio of the actual Contingent Services Special Tax levied in any Fiscal Year to the Maximum Contingent Services Special Tax authorized to be levied in that Fiscal Year is equal for all Parcels of Developed Property. For Undeveloped Property, "Proportionately" means that the ratio of the actual Development Special Tax, Office Special Tax, and Shoreline Special Tax levied to the Maximum Development Special Tax, Office Special Tax, and Shoreline Special Tax, respectively, is equal for all Parcels of Undeveloped Property.

**"Public Property"** means any property within the boundaries of the STD that is owned by or leased to the federal government, State of California, City, or public agency other than the Port. Parcels of Public Property, and/or Leasehold Interests in Public Property, that do not fall within the definition of Exempt Square Footage shall be taxed as Developed Property or Undeveloped Property, as determined by the Administrator pursuant to the definitions set forth in this RMA.

**"Remainder Special Taxes"** means, as calculated between September 1st and December 31st of any Fiscal Year, any Development Special Tax, Office Special Tax, and Shoreline Special Tax revenues that were collected in the prior Fiscal Year and were not needed to (i) pay debt service on the applicable Development Special Tax Bonds, Shoreline Special Tax Bonds, or Office Special Tax Bonds that was due in the calendar year that begins in the Fiscal Year in which the Remainder Special Taxes were levied, (ii) pay periodic costs on the applicable Development Special Tax Bonds, Shoreline Special Tax Bonds, or Office Special Tax Bonds, including but not limited to, credit enhancement, liquidity support and rebate payments (iii) replenish reserve funds created for the applicable Development Special Tax Bonds, Shoreline Special Tax Bonds, or Office Special Tax Bonds under the applicable Indenture, (iv) cure any delinquencies in the payment of principal or interest on applicable Development Special

Tax Bonds, Shoreline Special Tax Bonds, or Office Special Tax Bonds which have occurred in the prior Fiscal Year, or (v) pay Administrative Expenses that have been incurred, or are expected to be incurred, by the City or Port prior to the receipt of Development Special Tax, Shoreline Special Tax or Office Special Tax proceeds

**"Required Coverage"** means (i) for Development Special Tax Bonds, the amount by which the Maximum Development Special Tax Revenues must exceed the Development Special Tax Bond debt service and priority Administrative Expenses (if any), as set forth in the applicable Indenture, Certificate of Special Tax Consultant, or other STD Formation Proceedings or Bond document that sets forth the minimum required debt service coverage, (ii) for Shoreline Special Tax Bonds, the amount by which the Maximum Shoreline Special Tax Revenues must exceed the Shoreline Special Tax Bond debt service and priority Administrative Expenses (if any), as set forth in the applicable Indenture, Certificate of Special Tax Consultant, or other STD Formation Proceedings or Bond document that sets forth the minimum required debt service coverage, and (iii) for Office Special Tax Bonds, the amount by which the Maximum Office Special Tax Revenues must exceed the Office Special Tax Bond debt service and priority Administrative Expenses (if any), as set forth in the applicable Indenture, Certificate of Special Tax Consultant, or other STD Formation Proceedings or Bond document that sets forth the minimum required debt service coverage

**"Residential Unit"** means an individual residential housing unit in a residential or mixed-use building

**"Review Authority"** means the Deputy Director of Real Estate & Development for the Port or an alternate designee from the Port or the City who is responsible for approvals and entitlements of a development project.

**"RMA"** means this Rate and Method of Apportionment of Special Taxes.

**"Services Special Tax Requirement"** means the amount necessary in any Fiscal Year to (i) pay the costs of operations and maintenance or other public services that are included as Authorized Expenditures, (ii) cure delinquencies in the payment of Contingent Services Special Taxes in the prior Fiscal Year, and (iii) pay Administrative Expenses.

**"Shoreline Special Tax"** means a special tax levied in any Fiscal Year to pay the Shoreline Special Tax Requirement

**"Shoreline Special Tax Bonds"** means any Bonds secured solely by Shoreline Special Taxes that have been levied and are available after dividing the Shoreline Special Taxes as set forth in Financing Plan Section 4 7, and factoring in debt service coverage and related Indenture requirements, as determined by the Administrator

**"Shoreline Special Tax Requirement"** means the amount necessary in any Fiscal Year to pay (i) pay principal and interest on Shoreline Special Tax Bonds that are due in the calendar year that begins in such Fiscal Year, (ii) pay periodic costs on Shoreline Special Tax Bonds, including but not limited to, credit enhancement, liquidity support and rebate payments, (iii) replenish reserve funds created for Shoreline Special Tax Bonds under the Indenture to the extent such replenishment has not been included in the computation of the Shoreline Special Tax Requirement in a previous Fiscal Year, (iv) cure any delinquencies in the payment of principal or interest on Shoreline Special Tax Bonds which have occurred in the prior Fiscal Year, (v) pay Administrative Expenses, (vi) pay directly for the costs of shoreline improvements so long as such levy

under this clause (vi) does not increase the Shoreline Special Tax levied on Undeveloped Property, and (vii) pay other obligations described in the Financing Plan. The amount calculated to pay items (i) through (vii) above may be reduced in any Fiscal Year by (a) interest earnings on or surplus balances in funds and accounts for the Shoreline Special Tax Bonds to the extent that such earnings or balances are available to apply against such costs pursuant to the Indenture, (b) in the sole and absolute discretion of the Port, proceeds received by the STD from the collection of penalties associated with delinquent Shoreline Special Taxes, and (c) any other revenues available to pay such costs, as determined by the Administrator, the City, and the Port.

**"Special Taxes"** means the Development Special Tax, Shoreline Special Tax, Office Special Tax, and Contingent Services Special Tax.

**"Square Footage Category"** means, individually, Market-Rate Residential Square Footage, Office Square Footage, and Excess Exempt Square Footage.

**"STD"** or **"STD No. 2020-1"** means the City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services).

**"STD Formation"** means the date on which the Board approved documents to form the STD.

**"STD Formation Proceedings"** means the proceedings to form the STD, including all resolutions, reports, and notices.

**"Sub-Project Areas"** means all sub-project areas designated within Project Area I.



**"Tax-Exempt Port Parcels"** means Port-owned Parcels that are or are intended to be used as streets, walkways, alleys, rights of way, parks, open space, or other similar uses. The final determination as to whether a Parcel is a Tax-Exempt Port Parcel shall be made by the Review Authority

**"Tax Increment"** means the tax increment generated from all Sub-Project Areas.

**"Taxable Parcel"** means any Parcel within the STD that is not a Tax-Exempt Port Parcel or a Parcel for which the Special Tax has been prepaid pursuant to Sections 53317.3 or 53317.5 of the Mello-Roos Act.

**"Taxpayer"** means the lessee of a Taxable Parcel within the STD

**"Tax Zone"** means a separate and distinct geographic area in the STD within which one or more Special Taxes are applied at a rate or in a manner that is different than in other areas within the STD. The two Tax Zones at STD Formation are identified in Attachment 2 hereto. Parcels that annex into the CFD may annex into Tax Zone 1, Tax Zone 2, or establish a new Tax Zone upon annexation. The Port will determine the applicable Tax Zone for Parcels that annex into the STD

**"Trigger Event"** means the earlier of (i) any amendment to the Management Agreement that expressly authorizes the levy of Contingent Services Special Taxes, (ii) the expiration or earlier termination of the Management Agreement, or (iii) any Taxable Parcel becoming Developed Property prior to a Management Agreement being executed by both the Port and the Association (or related entity)

**"Undeveloped Property"** means, in any Fiscal Year, all Taxable Parcels that are not Developed Property

**"Vertical Developer"** means a developer that has entered into a Parcel Lease for construction of vertical improvements on a Taxable Parcel or rehabilitation of Pier 48

## **B. DATA FOR STD ADMINISTRATION**

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor's Parcel numbers for all Taxable Parcels. The Administrator shall also determine (i) whether each Taxable Parcel is Developed Property or Undeveloped Property, (ii) the Planning Parcel and Tax Zone within which each Taxable Parcel is located, (iii) for Developed Property, the Market-Rate Residential Square Footage and Office Square Footage within each building, (iv) the Taxpayer for each Leasehold Interest in a Taxable Parcel, and (v) the Development Special Tax Requirement, Office Special Tax Requirement, Shoreline Special Tax Requirement, and, if applicable, Services Special Tax Requirement for the Fiscal Year

When a Parcel becomes Developed Property, the Administrator and Review Authority shall reference the Permit for each building on the Parcel to determine the Market-Rate Residential Square Footage and/or Office Square Footage within the building(s). If the Market-Rate Residential Square Footage and/or Office Square Footage is not identified on the Permit, the square footage assumptions used in the appraisal prepared when the Vertical DDA and/or Parcel Lease for such Parcel was executed shall be used to determine Market-Rate Residential Square Footage and/or Office Square Footage within the building. If, after review of the Permit and appraisal, there is still no clear indication of the Market-Rate Residential Square Footage and/or Office Square Footage for a building, the Review Authority shall review the

Development Approval Documents and make a determination as to the amount of Market-Rate Residential Square Footage and/or Office Square Footage in the building

When a Parcel becomes Developed Property, the Administrator and Review Authority shall also identify and document the Initial Exempt Square Footage for the building or buildings on or expected on the Parcel. The Administrator shall keep a record of the Initial Exempt Square Footage broken down by Exempt Use. After the First Bond Sale, as square footage within a building is designated for Exempt Uses, the Administrator shall compare the actual square footage used for each Exempt Use to the Initial Exempt Square Footage by Exempt Use. If, at any point in time, there is determined to be Excess Exempt Square Footage within a building, the Administrator and Review Authority shall use this comparison to determine which square footage should be designated Excess Exempt Square Footage. In addition, the Administrator shall determine whether the Excess Exempt Square Footage resulted in a reduction in Market-Rate Residential Square Footage or Office Square Footage expected in the building and, based on this determination, identify the applicable Maximum Special Taxes for the Excess Exempt Square Footage pursuant to the tables in Section C below.

The Administrator shall also (i) coordinate with the Deputy Director to confirm Parcel Increment, (ii) coordinate with the Treasurer-Tax Collector's Office to determine if there have been any Special Tax delinquencies or repayment of Special Tax delinquencies in prior Fiscal Years, (iii) review the Development Approval Documents and communicate with the Developer and Vertical Developers regarding proposed Land Use Changes, and (iv) upon each annexation, Land Use Change, and notification of Parcel Lease Execution Dates, update Attachment 3 to reflect the then-current Expected Land Uses, Expected Maximum Development Special Tax Revenues,

Expected Maximum Office Special Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues The Developer, Port, or Vertical Developer shall notify the Administrator each time a Parcel Lease is executed in order for the Administrator to keep track of Parcel Lease Execution Dates In addition, the Port will (i) provide the Administrator with copies of all leases that establish a Leasehold Interest, (ii) notify the Administrator of renewals of leases that establish a Leasehold Interest, and (iii) identify the buildings, Parcels, and Square Footage subject to such leases that establish a Leasehold Interest Any time a lease on property within the STD is terminated, the Port will immediately notify the Administrator of such termination

Prior to the First Bond Sale, the Administrator, Port, Developer, and any Vertical Developers shall coordinate to review the Expected Land Uses and determine if changes should be made to reflect more current estimates for land uses on each Planning Parcel Based on this review, the Administrator shall update Attachment 3 with the then-current Expected Land Uses and Expected Maximum Development Special Tax Revenues, Expected Maximum Office Special Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues, which will be used to size the sale of Bonds unless and until there are additional updates of Attachment 3.

In any Fiscal Year, if it is determined that (i) a parcel map or condominium plan was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created Parcels into the then current tax roll), (ii) because of the date the map or plan was recorded, the Assessor does not yet recognize the newly-created Parcels, and (iii) one or more of the newly-created Parcels meets the definition of Developed Property, the Administrator shall calculate the Special Taxes for the property affected by recordation of the map or plan by determining the Special Taxes that applies separately to each newly-created Parcel, then applying the sum of

the individual Special Taxes to the Parcel that was subdivided by recordation of the parcel map or condominium plan

### **C. MAXIMUM SPECIAL TAXES**

In calculating Maximum Special Taxes pursuant to this Section C, in any Fiscal Year in which the boundaries of the Planning Parcels are not identical to the boundaries of the then-current Assessor's Parcels, the Administrator shall review the Expected Land Uses for each Planning Parcel and assign the Maximum Special Taxes to the then-current Assessor's Parcels. The Maximum Special Tax Revenues after such allocation shall not be less than the Maximum Special Tax Revenues prior to the allocation

#### **1. Undeveloped Property**

##### **1a. Development Special Tax, Office Special Tax, Shoreline Special Tax**

The Maximum Development Special Tax, Maximum Office Special Tax, and Maximum Shoreline Special Tax for Leasehold Interests in Undeveloped Property in all Tax Zones shall be the Expected Maximum Development Special Tax Revenues, Expected Maximum Office Special Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues shown in Attachment 3 of this RMA, as it may be amended as set forth herein

##### **1b. Contingent Services Special Tax**

No Contingent Services Special Tax shall be levied on Parcels of Undeveloped Property in any Tax Zone within the STD

## **2. Developed Property**

### **2a. Development Special Tax**

When a Taxable Parcel in Tax Zone 1 or Tax Zone 2 becomes Developed Property, the Administrator shall use the Base Development Special Taxes shown in Table 1 below and apply the steps set forth in this Section 2a to determine the Maximum Development Special Tax for Leasehold Interests in the Taxable Parcel. For property that annexes into the CFD, different maximum rates and different Square Footage Categories may be established by creating a separate Tax Zone for such annexed property. Alternatively, property may be annexed into Tax Zones that were established prior to the annexation, and such property shall be subject to the Maximum Special Taxes applicable to that Tax Zone

<b>Table 1</b> <b>Base Development Special Tax</b>		
<b>Square Footage Category</b>	<b>Base Development Special Tax Tax Zone 1 (FY 2019-20) *</b>	<b>Base Development Special Tax Tax Zone 2 (FY 2019-20) *</b>
Market-Rate Residential Square Footage	\$8.58 per Market-Rate Residential Square Foot	\$8.58 per Market-Rate Residential Square Foot
Office Square Footage	\$6.50 per Office Square Foot	\$6.50 per Office Square Foot
Excess Exempt Square Footage	\$8.58 per Excess Exempt Square Foot if Market-Rate Residential Square Footage was reduced or \$6.50 per Excess Exempt Square Foot if Office Square Footage was reduced	\$8.58 per Excess Exempt Square Foot if Market-Rate Residential Square Footage was reduced or \$6.50 per Excess Exempt Square Foot if Office Square Footage was reduced

**\*\*The Base Development Special Tax shown above for each Tax Zone shall be escalated as set forth in Section D.1.**

**Step 1** Identify the Market-Rate Residential Square Footage, Office Square Footage, and/or Excess Exempt Square Footage in the building(s) on the Taxable Parcel pursuant to Section B above.

**Step 2** Multiply the applicable Base Development Special Tax from Table 1 by the actual and/or expected Market-Rate Residential Square Footage and Office Square Footage included in Leasehold Interests in the Taxable Parcel Prior to the First Bond Sale, the Maximum Development Special Tax for Leasehold Interests in the

Taxable Parcel shall be the sum of the amounts calculated for Market-Rate Residential Square Footage and Office Square Footage, and Step 3 below shall not apply

After the First Bond Sale, the Administrator shall apply Step 3 to determine the Maximum Development Special Tax for Leasehold Interests in the Taxable Parcel.

**Step 3** Compare the Estimated Base Development Special Tax Revenues from Step 2 to the Expected Maximum Development Special Tax Revenues, and, apply one of the following, as applicable

If the Estimated Base Development Special Tax Revenues are (i) greater than or equal to the Expected Maximum Development Special Tax Revenues or (ii) less than the Expected Maximum Development Special Tax Revenues, but the Maximum Development Special Tax Revenues, assuming the same land uses that went into the calculation of the Estimated Base Development Special Tax Revenues, are still sufficient to provide Required Coverage, then the Maximum Development Special Tax for Leasehold Interests in the Taxable Parcel shall be determined by multiplying the applicable Base Development Special Taxes by the actual and/or expected Market-Rate Residential Square Footage and Office Square Footage within each building on the Taxable Parcel. The Administrator shall update Attachment 3 to reflect the change in the Expected Maximum Development Special Tax Revenues.

If the Estimated Base Development Special Tax Revenues are less than the Expected Maximum Development Special Tax Revenues, and the Maximum Development Special Tax Revenues, assuming the same land uses that went into the calculation of the Estimated Base Development Special Tax Revenues, are insufficient to provide Required Coverage, then the Administrator and Review Authority shall coordinate with



the Developer and Vertical Developer, and the Review Authority shall determine which of the following shall occur

(i) the Base Development Special Taxes that were applied to Market-Rate Residential Square Footage and/or Office Square Footage in Step 2 shall be increased proportionately until the amount that can be levied on Leasehold Interests in the Taxable Parcel, combined with the Expected Maximum Development Special Tax Revenues from all other Taxable Parcels in the STD, is sufficient to maintain Required Coverage, or

(ii) if Estimated Base Development Special Tax Revenues are less than the Expected Maximum Development Special Tax Revenues due to Excess Exempt Square Footage, then the Base Development Special Tax for Excess Exempt Square Footage shall be levied against all Excess Exempt Square Footage included in Leasehold Interests in the Taxable Parcel.

If, pursuant to (i) above, the Base Development Special Taxes are proportionately increased to maintain Required Coverage, the Administrator shall use the adjusted per-square-foot rates to calculate the Maximum Development Special Tax for each building on the Taxable Parcel. The Administrator shall revise Attachment 3 to reflect any changes to the Expected Land Uses (including the addition of Excess Exempt Square Footage) and the Expected Maximum Development Special Tax Revenues

If, in any Fiscal Year, the Maximum Development Special Tax is determined for Leasehold Interests in any Parcel of Developed Property for which a Permit had not yet been issued, and if, when a Permit is issued for a building(s) on the Parcel, the Market-Rate Residential Square Footage and/or Office Square Footage of such building(s) is

different than that used to determine the Maximum Development Special Tax, then the Administrator shall once again apply Steps 1 through 3 in this Section C 2a to recalculate the Maximum Development Special Tax for Leasehold Interests in the Parcel based on the Market-Rate Residential Square Footage and/or Office Square Footage that was determined when the Permit was issued

The Administrator shall do a final check of the Market-Rate Residential Square Footage and Office Square Footage within each building when a Certificate of Occupancy is issued. Once again, if the Market-Rate Residential Square Footage and/or Office Square Footage is different than the Market-Rate Residential Square Footage and/or Office Square Footage that was used to determine the Maximum Development Special Tax after the Permit was issued, then the Administrator shall apply Steps 1 through 3 in this Section C 2a to recalculate the Maximum Development Special Tax for Leasehold Interests in the Parcel.

## **2b. Office Special Tax**

When a Taxable Parcel in Tax Zone 1 or Tax Zone 2 becomes Developed Property, the Administrator shall use the Base Office Special Taxes shown in Table 2 below and apply the steps set forth in this Section 2b to determine the Maximum Office Special Tax for Leasehold Interests in the Taxable Parcel. For property that annexes into the CFD, different maximum rates and different Square Footage Categories may be established by creating a separate Tax Zone for such annexed property. Alternatively, property may be annexed into Tax Zones that were established prior to the annexation, and such property shall be subject to the Maximum Special Taxes applicable to that Tax Zone.

<p style="text-align: center;"><b>Table 2</b> <b>Base Office Special Tax</b></p>		
<b>Square Footage Category</b>	<b>Base Office Special Tax Tax Zone 1 (FY 2019-20) *</b>	<b>Base Office Special Tax Tax Zone 2 (FY 2019-20) *</b>
Office Square Footage	\$1 92 per Office Square Foot	\$1 61 per Office Square Foot
Excess Exempt Square Footage	\$1 92 per Excess Exempt Square Foot	\$1 61 per Excess Exempt Square Foot

**\* The Base Office Special Tax shown above for each Tax Zone shall be escalated as set forth in Section D.1.**

**Step 1** Identify the Office Square Footage and Excess Exempt Square Footage in the building(s) on the Taxable Parcel pursuant to Section B above.

**Step 2** Multiply the applicable Base Office Special Tax from Table 2 by the actual and/or expected Office Square Footage included in Leasehold Interests in the Taxable Parcel which, prior to the First Bond Sale, shall be the Maximum Office Special Tax for Leasehold Interests in the Taxable Parcel, Step 3 below shall not apply

After the First Bond Sale, the Administrator shall apply Step 3 to determine the Maximum Office Special Tax for Leasehold Interests in the Taxable Parcel

**Step 3.** Compare the Estimated Base Office Special Tax Revenues from Step 2 to the Expected Maximum Office Special Tax Revenues, and, apply one of the following, as applicable

- *If the Estimated Base Office Special Tax Revenues are (i) greater than or equal to the Expected Maximum Office Special Tax Revenues or (ii) less than the Expected Maximum Office Special Tax Revenues, but the Maximum Office Special Tax Revenues, assuming the same Office Square Footage that went into the calculation of the Estimated Base Office Special Tax Revenues, are still sufficient to provide Required Coverage, then the Maximum Office Special Tax for Leasehold Interests in the Taxable Parcel shall be determined by multiplying the applicable Base Office Special Taxes by the actual and/or expected Office Square Footage within each building on the Taxable Parcel. The Administrator shall update Attachment 3 to reflect the change in the Expected Maximum Office Special Tax Revenues*
  
- *If the Estimated Base Office Special Tax Revenues are less than the Expected Maximum Office Special Tax Revenues, and the Maximum Office Special Tax Revenues, assuming the same Office Square Footage that went into the calculation of the Estimated Base Office Special Tax Revenues, are insufficient to provide Required Coverage, then the Administrator and Review Authority shall coordinate with the Developer and Vertical Developer, and the Review Authority shall determine which of the following shall occur*

  - (i) the Base Office Special Taxes that were applied to Office Square Footage in Step 2 shall be increased proportionately until the amount that can be levied on Leasehold Interests in the Taxable Parcel, combined with the Expected Maximum Office Special Tax Revenues from all other Taxable Parcels in the STD, is sufficient to maintain Required Coverage, or

(ii) If Estimated Base Office Special Tax Revenues are less than the Expected Maximum Office Special Tax Revenues due to Excess Exempt Square Footage, then the Base Office Special Tax for Excess Exempt Square Footage shall be levied against all Excess Exempt Square Footage included in Leasehold Interests in the Taxable Parcel

If, pursuant to (i) above, the Base Office Special Taxes are proportionately increased to maintain Required Coverage, the Administrator shall use the adjusted per-square-foot rates to calculate the Maximum Office Special Tax for each building on the Taxable Parcel. The Administrator shall revise Attachment 3 to reflect any changes to the Expected Land Uses (including the addition of Excess Exempt Square Footage) and the Expected Maximum Office Special Tax Revenues

If, in any Fiscal Year, the Maximum Office Special Tax is determined for Leasehold Interests in any Parcel of Developed Property for which a Permit had not yet been issued, and if, when a Permit is issued for a building(s) on the Parcel, the Office Square Footage of such building(s) is different than that used to determine the Maximum Office Special Tax, then the Administrator shall once again apply Steps 1 through 3 in this Section C.2b to recalculate the Maximum Office Special Tax for Leasehold Interests in the Parcel based on the Office Square Footage that was determined when the Permit was issued

The Administrator shall do a final check of the Office Square Footage within each building when a Certificate of Occupancy is issued. Once again, if the Office Square Footage is different than the Office Square Footage that was used to determine the Maximum Office Special Tax after the Permit was issued, then the Administrator shall

apply Steps 1 through 3 in this Section C.2b to recalculate the Maximum Office Special Tax for Leasehold Interests in the Parcel

**2c. Shoreline Special Tax**

When a Taxable Parcel in Tax Zone 1 or Tax Zone 2 becomes Developed Property, the Administrator shall use the Base Shoreline Special Taxes shown in Table 3 below and apply the steps set forth in this Section 2c to determine the Maximum Shoreline Special Tax for Leasehold Interests in the Taxable Parcel. For property that annexes into the CFD, different maximum rates and different Square Footage Categories may be established by creating a separate Tax Zone for such annexed property. Alternatively, property may be annexed into Tax Zones that were established prior to the annexation, and such property shall be subject to the Maximum Special Taxes applicable to that Tax Zone

<b>Table 3</b> <b>Base Shoreline Special Tax</b>		
<b>Square Footage Category</b>	<b>Base Shoreline Special Tax Tax Zone 1 (FY 2019-20) *</b>	<b>Base Shoreline Special Tax Tax Zone 2 (FY 2019-20) *</b>
Office Square Footage	\$1 82 per Office Square Foot	\$1.82 per Office Square Foot
Excess Exempt Square Footage	\$1 82 per Excess Exempt Square Foot if Market-Rate Residential Square Footage was reduced or \$1 82 per Excess Exempt Square Foot if Office Square Footage was reduced	\$1 82 per Excess Exempt Square Foot if Market-Rate Residential Square Footage was reduced or \$1.82 per Excess Exempt Square Foot if Office Square Footage was reduced

\* The Base Shoreline Special Tax shown above for each Tax Zone shall be escalated as set forth in Section D.1.

**Step 1** Identify the Market-Rate Residential Square Footage, Office Square Footage, and/or Excess Exempt Square Footage in the building(s) on the Taxable Parcel pursuant to Section B above

**Step 2** Multiply the applicable Base Shoreline Special Tax from Table 3 by the actual and/or expected Market-Rate Residential Square Footage and Office Square Footage included in Leasehold Interests in the Taxable Parcel Prior to the First Bond Sale, the Maximum Shoreline Special Tax for Leasehold Interests in the Taxable Parcel shall be the sum of the amounts calculated for Market-Rate Residential Square Footage and Office Square Footage, and Step 3 below shall not apply.

After the First Bond Sale, the Administrator shall apply Step 3 to determine the Maximum Shoreline Special Tax for Leasehold Interests in the Taxable Parcel.

**Step 3** Compare the Estimated Base Shoreline Special Tax Revenues from Step 2 to the Expected Maximum Shoreline Special Tax Revenues, and, apply one of the following, as applicable:

If the Estimated Base Shoreline Special Tax Revenues are (i) greater than or equal to the Expected Maximum Shoreline Special Tax Revenues or (ii) less than the Expected Maximum Shoreline Special Tax Revenues, but the Maximum Shoreline Special Tax Revenues, assuming the same land uses that went into the calculation of the Estimated Base Shoreline Special Tax Revenues, are still sufficient to provide Required Coverage, then the Maximum Shoreline Special Tax for Leasehold Interests in the Taxable Parcel shall be determined by multiplying the applicable Base Shoreline Special Taxes by the actual and/or expected Market-Rate Residential Square Footage and Office Square Footage within each building on the Taxable Parcel. The Administrator shall update Attachment 3 to reflect the change in the Expected Maximum Shoreline Special Tax Revenues.

If the Estimated Base Shoreline Special Tax Revenues are less than the Expected Maximum Shoreline Special Tax Revenues, and the Maximum Shoreline Special Tax Revenues, assuming the same land uses that went into the calculation of the Estimated Base Shoreline Special Tax Revenues, are insufficient to provide Required Coverage, then the Administrator and Review Authority shall coordinate with the Developer and Vertical Developer, and the Review Authority shall determine which of the following shall occur:



(i) the Base Shoreline Special Taxes that were applied to Market-Rate Residential Square Footage and/or Office Square Footage in Step 2 shall be increased proportionately until the amount that can be levied on Leasehold Interests in the Taxable Parcel, combined with the Expected Maximum Shoreline Special Tax Revenues from all other Taxable Parcels in the STD, is sufficient to maintain Required Coverage, or

(ii) if Estimated Base Shoreline Special Tax Revenues are less than the Expected Maximum Shoreline Special Tax Revenues due to Excess Exempt Square Footage, then the Base Shoreline Special Tax for Excess Exempt Square Footage shall be levied against all Excess Exempt Square Footage included in Leasehold Interests in the Taxable Parcel

If, pursuant to (i) above, the Base Shoreline Special Taxes are proportionately increased to maintain Required Coverage, the Administrator shall use the adjusted per-square-foot rates to calculate the Maximum Shoreline Special Tax for each building on the Taxable Parcel. The Administrator shall revise Attachment 3 to reflect any changes to the Expected Land Uses (including the addition of Excess Exempt Square Footage) and the Expected Maximum Shoreline Special Tax Revenues.

If, in any Fiscal Year, the Maximum Shoreline Special Tax is determined for Leasehold Interests in any Parcel of Developed Property for which a Permit had not yet been issued, and if, when a Permit is issued for a building(s) on the Parcel, the Market-Rate Residential Square Footage and/or Office Square Footage of such building(s) is different than that used to determine the Maximum Shoreline Special Tax, then the Administrator shall once again apply Steps 1 through 3 in this Section C 2c to

recalculate the Maximum Shoreline Special Tax for Leasehold Interests in the Parcel based on the Market-Rate Residential Square Footage and/or Office Square Footage that was determined when the Permit was issued.

The Administrator shall do a final check of the Market-Rate Residential Square Footage and Office Square Footage within each building when a Certificate of Occupancy is issued. Once again, if the Market-Rate Residential Square Footage and/or Office Square Footage is different than the Market-Rate Residential Square Footage and/or Office Square Footage that was used to determine the Maximum Shoreline Special Tax after the Permit was issued, then the Administrator shall apply Steps 1 through 3 in this Section C 2c to recalculate the Maximum Shoreline Special Tax for Leasehold Interests in the Parcel

**2d. Contingent Services Special Tax**

In the first Fiscal Year after the Fiscal Year in which the Trigger Event occurs, and in each Fiscal Year thereafter, this Section C 2d shall be applied to determine the Contingent Services Special Tax for each Taxable Parcel in the STD

When a Taxable Parcel in Tax Zone 1 or Tax Zone 2 becomes Developed Property, the Administrator shall use the Base Contingent Services Special Taxes shown in Table 4 below and apply the steps set forth in this Section 2d to determine the Maximum Contingent Services Special Tax for Leasehold Interests in the Taxable Parcel For property that annexes into the CFD, different maximum rates may be established by creating a separate Tax Zone for such annexed property Alternatively, property may be annexed into Tax Zones that were established prior to the annexation, and such property shall be subject to the Maximum Special Taxes applicable to that Tax Zone.

<b>Table 4</b> <b>Base Contingent Services Special Tax</b>		
<b>Square Footage Category</b>	<b>Base Contingent Services Special Tax Tax Zone 1 (FY 2019-20) *</b>	<b>Base Contingent Services Special Tax Tax Zone 2 (FY 2019-20) *</b>
Market-Rate Residential Square Footage	\$1.40 per Market-Rate Residential Square Foot	\$1.40 per Market-Rate Residential Square Foot
Office Square Footage	\$1.40 per Office Square Foot	\$1.40 per Office Square Foot
Excess Exempt Square Footage	\$1.40 per Excess Exempt Square Foot	\$1.40 per Excess Exempt Square Foot

**\* The Base Contingent Services Special Tax for each Tax Zone shown above shall be escalated as set forth in Section D.2.**

**Step 1** Identify the Market-Rate Residential Square Footage, Office Square Footage, and/or Excess Exempt Square Footage in the building(s) on the Taxable Parcel pursuant to Section B above.

**Step 2** Multiply the applicable Base Contingent Services Special Tax from Table 4 by the actual and/or expected Market-Rate Residential Square Footage, Office Square Footage, and Excess Exempt Square Footage included in Leasehold Interests in the Taxable Parcel. The Maximum Contingent Services Special Tax for Leasehold Interests in the Taxable Parcel shall be the sum of the amounts calculated for Market-Rate Residential Square Footage, Office Square Footage, and Excess Exempt Square Footage.

If additional structures are anticipated to be built on the Taxable Parcel as shown in the Development Approval Documents, the Administrator shall, regardless of the definitions set forth herein, categorize each building for which a Permit has been issued as Developed Property, and any remaining buildings for which Permits have not yet been issued shall not be subject to a Contingent Services Special Tax until a Permit is issued for such remaining buildings. To determine the Contingent Services Special Tax for any such Taxable Parcel, the Administrator shall take the sum of the Contingent Services Special Taxes determined for each building

**D. CHANGES TO THE MAXIMUM SPECIAL TAXES**

**1 Annual Escalation of Development Special Tax, Office Special Tax, and Shoreline Special Tax**

Beginning July 1, 2020 and each July 1 thereafter, each of the following amounts shall be increased by 2% of the amount in effect in the prior Fiscal Year the Base Development Special Tax for each Tax Zone, the Base Office Special Tax for each Tax Zone, the Base Shoreline Special Tax for each Tax Zone, the Expected Maximum Development Special Tax Revenues, the Expected Maximum Office Special Tax Revenues, and the Expected Maximum Shoreline Special Tax Revenues in Attachment 3, and the Maximum Development Special Tax, the Maximum Office Special Tax, and the Maximum Shoreline Special Tax assigned to the Leasehold Interests in each Taxable Parcel

**2. Annual Escalation of Contingent Services Special Tax**

Beginning July 1, 2020 and each July 1 thereafter, the Base Contingent Services Special Tax for each Tax Zone and the Maximum Contingent Services Special Tax assigned to the Leasehold Interests in each Taxable Parcel shall be adjusted by the Escalator

**3. Changes in Square Footage Category on a Parcel of Developed Property**

If any Parcel that had been taxed as Developed Property in a prior Fiscal Year is rezoned or otherwise has a Land Use Change, as determined by the Review Authority, the Administrator shall, separately for each of the Special Taxes, multiply the applicable Base Special Tax by the new square footage within each Square Footage Category, if the First Bond Sale has not yet occurred, this amount shall be the Maximum Special Tax for Leasehold Interests in the Parcel. If the First Bond Sale has taken place, the Administrator shall apply the remainder of this Section D.3

If the Maximum Special Tax that would apply to Leasehold Interests in the Parcel after the Land Use Change is greater than the Maximum Special Tax that applied to Leasehold Interests in the Parcel prior to the Land Use Change, the Administrator shall increase the Maximum Special Tax for the Parcel to the amount calculated for each new Square Footage Category. If the Maximum Special Tax after the Land Use Change is less than the Maximum Special Tax that applied prior to the Land Use Change, there will be no change to the Maximum Special Tax for Leasehold Interests in the Parcel. Under no circumstances shall the Maximum Special Tax on Leasehold Interests in any Parcel of Developed Property be reduced, regardless of changes in Square Footage Category or square footage on the Parcel, including reductions in square footage that may occur due to demolition, fire, water damage, or acts of God

#### **4. Changes to Planning Parcels and Expected Land Uses**

If, at any time prior to the First Bond Sale, the Developer or a Vertical Developer makes changes to the boundaries of the Planning Parcels or the Expected Land Uses within one or more Planning Parcels, as determined by the Review Authority, the Administrator shall update the Expected Land Uses and Expected Maximum Development Special Tax Revenues, Expected Maximum Office Special Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues, which will be reflected on an updated Attachment 3. In addition, the Administrator will request updated Attachments 1 and 2 from the Developer. Updated attachments shall be maintained by the Administrator for purposes of applying this RMA, and such updates shall not require recordation of an amended RMA.

If, after the First Bond Sale, the Developer or a Vertical Developer proposes to make changes to the boundaries of the Planning Parcels or the Expected Land Uses within one or more Planning Parcels, the Administrator shall meet with the Port, Developer, and any affected Vertical Developers to review the proposed changes and evaluate the impact on the Expected Maximum Development Special Tax Revenues, Expected Maximum Office Special Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues. If the Administrator determines that such changes will not reduce Required Coverage on Bonds that have been or will be issued, the Port will decide whether to allow the proposed changes and corresponding redistribution of the Expected Maximum Development Special Tax Revenues, Expected Maximum Office Special Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues. If such changes are permitted, the Administrator will update Attachment 3 and request updated Attachments 1 and 2 from the Developer. Updated attachments shall be maintained by the Administrator for purposes of applying this RMA, and such updates

shall not require recordation of an amended RMA. If the Administrator determines that the proposed changes will reduce Required Coverage on Bonds that have been issued, the Port will not permit the changes.

#### **5 Reduction in Maximum Development Special Taxes Prior to First Bond Sale**

Prior to the First Bond Sale, if the City, Port and Developer determine that assumptions that were factored into estimates of Tax Increment at STD Formation have changed, and the estimated Tax Increment is expected to be lower than the original estimates, the Port and Developer may agree to a proportional or disproportional reduction in the Base Development Special Tax as set forth in Section 4 5(e) of the Financing Plan. If the parties agree to such a reduction, the Port will direct the Administrator to use the reduced Base Development Special Tax for purposes of levying the taxes pursuant to this RMA, and an amended Notice of Special Tax Lien reflecting the reduction will be recorded against all Taxable Parcels within the STD. The reduction shall be made without a vote of the qualified STD electors.

#### **E. ANNEXATIONS**

If, in any Fiscal Year, a property owner within the Future Annexation Area wants to annex property into the STD, the Administrator shall apply the following steps as part of the annexation proceedings:

**Step 1** Working with Port staff, the Administrator shall determine the Expected Land Uses for the area to be annexed and the Tax Zone into which the property will be placed.

**Step 2** The Administrator shall prepare or have prepared updated Attachments 1, 2, and 3 to reflect the annexed property and identify the revised Expected Land Uses, Expected Maximum Development Special Tax Revenues, Expected Maximum Office Special Tax Revenues, and Expected Maximum Shoreline Special Tax Revenues. After the annexation is complete, the application of this RMA shall be based on the adjusted Expected Land Uses and Maximum Development Special Tax Revenues, Maximum Office Special Tax Revenues, and Maximum Shoreline Special Tax Revenues, as applicable, including the newly annexed property.

**Step 3** The Administrator shall ensure that a Notice of Special Tax Lien is recorded against all Parcels that are annexed to the STD.

## **F. METHOD OF LEVY OF THE SPECIAL TAXES**

### **1. Development Special Tax**

Each Fiscal Year, the Administrator shall determine the Development Special Tax Requirement for the Fiscal Year, and the Development Special Tax shall be levied according to the steps outlined below.

**Step 1.** The Administrator shall determine the Development Special Tax to be levied on Leasehold Interests in each Taxable Parcel of Developed Property, as follows:



**Step 1a.** Calculate the Maximum Development Special Tax for each Leasehold Interest in each Parcel of Developed Property

**Step 1b** In consultation with the City, determine which Parcels of Developed Property are Assessed Parcels.

**Step 1c.** For all Parcels of Developed Property that are not Assessed Parcels, levy the Maximum Development Special Tax on Leasehold Interests in such Parcels. Any Remainder Special Taxes collected shall be applied pursuant to the Financing Plan

**Step 1d** For all Assessed Parcels

**Step 1dA.** Determine the amount of the Parcel Increment.

**Step 1dB** If the total amount of Parcel Increment available is equal to or greater than the total aggregate Maximum Development Special Taxes for all Assessed Parcels, then the levy on each Assessed Parcel shall be zero (\$0)

**Step 1dC** If the total amount of Parcel Increment available is less than the aggregate Maximum Development Special Taxes for all Assessed Parcels, the Administrator shall apply the appropriate sub-step below

**Substep 1dC(i).** If, after coordination with the City and Port, the Administrator is provided with a breakdown of Parcel Increment on a Parcel-by-Parcel basis in time for submission of the Special Tax levy, the Administrator shall determine the net tax levy on Leasehold Interests in each Assessed Parcel (the "Net Assessed Parcel Tax Levy") by

taking the following steps in the following order of priority (i) subtract from the Maximum Development Special Tax for each Assessed Parcel the amount of Parcel Increment generated from the applicable Assessed Parcel, and (ii) for each Assessed Parcel whose tax levy was not reduced to \$0 pursuant to item (i) in this paragraph, apply any remaining Parcel Increment that was not applied pursuant to item (i) in this paragraph to each such Assessed Parcel on a pro rata basis (based on the Assessed Parcel's net remaining tax levy as a percentage of the aggregate net remaining tax levy for all Assessed Parcels for which Parcel Increment was insufficient to pay the full amount of the Assessed Parcel's Maximum Development Special Tax) The Administrator shall levy on Leasehold Interests in each Assessed Parcel the Net Assessed Parcel Tax Levy for such Assessed Parcel. Any Remainder Special Taxes collected shall be applied pursuant to the Financing Plan

*Substep 1dC(ii)* If, after coordination with the City and Port, the Administrator determines that a breakdown of Parcel Increment on a Parcel-by-Parcel basis cannot be provided in time for submission of the Special Tax levy, the Administrator shall determine the net tax levy on the Leasehold Interest in each Assessed Parcel (the "Net Assessed Parcel Tax Levy") by subtracting from the Maximum Development Special Tax for each Assessed Parcel a pro rata share of the Parcel Increment, with such pro rata share determined based on each Assessed Parcel's Maximum Development Special Tax as a percentage of the aggregate Maximum Development Special Tax for all Assessed Parcels in the STD The Administrator shall levy on the Leasehold Interest in each Assessed Parcel the Net Assessed Parcel Tax Levy for such Assessed Parcel. Any Remainder Special Taxes collected shall be applied pursuant to the Financing Plan

The Review Authority shall make the final determination regarding available Parcel Increment, the Maximum Development Special Tax that applies to a Parcel based on the Leasehold Interests in the Parcel, and the application of Parcel Increment pursuant to Substeps 1dC(i) and 1dC(ii) above

**Step 2** After the First Bond Sale, if additional revenue is needed after Step 1 in order to meet the Development Special Tax Requirement after Capitalized Interest has been applied to reduce the Development Special Tax Requirement, the Development Special Tax shall be levied Proportionately on Leasehold Interests in each Taxable Parcel of Undeveloped Property, in an amount up to 100% of the Maximum Development Special Tax for Leasehold Interests in each Taxable Parcel of Undeveloped Property for such Fiscal Year

## **2. Office Special Tax**

Each Fiscal Year, the Administrator shall determine the Office Special Tax Requirement for the Fiscal Year, and the Office Special Tax shall be levied according to the steps outlined below

**Step 1.** Levy the Maximum Office Special Tax on Leasehold Interests in each Taxable Parcel of Developed Property Any Remainder Special Taxes collected shall be applied pursuant to the Financing Plan

**Step 2** After the First Bond Sale, if additional revenue is needed after Step 1 in order to meet the Office Special Tax Requirement after Capitalized Interest has been applied to reduce the Office Special Tax Requirement, the Office Special Tax shall be levied Proportionately on Leasehold Interests in each Taxable Parcel of

Undeveloped Property, in an amount up to 100% of the Maximum Office Special Tax for Leasehold Interests in each Taxable Parcel of Undeveloped Property for such Fiscal Year

### **3. Shoreline Special Tax**

Each Fiscal Year, the Administrator shall determine the Shoreline Special Tax Requirement for the Fiscal Year, and the Shoreline Special Tax shall be levied according to the steps outlined below

*Step 1* Levy the Maximum Shoreline Special Tax on Leasehold Interests in each Taxable Parcel of Developed Property Any Remainder Special Taxes collected shall be applied pursuant to the Financing Plan.

*Step 2* After the First Bond Sale, if additional revenue is needed after Step 1 in order to meet the Shoreline Special Tax Requirement after Capitalized Interest has been applied to reduce the Shoreline Special Tax Requirement, the Shoreline Special Tax shall be levied Proportionately on Leasehold Interests in each Taxable Parcel of Undeveloped Property, in an amount up to 100% of the Maximum Shoreline Special Tax for Leasehold Interests in each Taxable Parcel of Undeveloped Property for such Fiscal Year

### **4. Contingent Services Special Tax**

Each Fiscal Year after the Fiscal Year in which the Trigger Event occurs, the Administrator shall coordinate with the City and the Port to determine the Services Special Tax Requirement for the Fiscal Year The Contingent Services Special Tax

shall then be levied Proportionately on Leasehold Interests in each Taxable Parcel of Developed Property, in an amount up to 100% of the Maximum Contingent Services Special Tax for Leasehold Interests in each Parcel of Developed Property for such Fiscal Year until the amount levied is equal to the Services Special Tax Requirement. The Contingent Services Special Tax may not be levied on Undeveloped Property.

#### **G. COLLECTION OF SPECIAL TAXES**

Special Taxes shall be collected in the same manner and at the same time as ordinary ad valorem property taxes on the regular tax roll, provided, however, that the City may directly bill Special Taxes, may collect Special Taxes at a different time or in a different manner, and may collect delinquent Special Taxes through foreclosure or other available methods as authorized by the CFD Law. The Board of Supervisors has ordered any Special Taxes to be levied on Leasehold Interests to be levied on the secured roll. The Special Tax bill for any Taxable Parcel subject to a Leasehold Interest will be sent to the same party that receives the possessory interest tax bill associated with the Leasehold Interest unless it is sent directly to the Taxpayer.

In calculating the Development Special Tax Requirement, Office Special Tax Requirement, or Shoreline Special Tax Requirement, under no circumstances may the Development Special Tax, Office Special Tax, or Shoreline Special Tax that is levied on a Leasehold Interest in a Taxable Parcel in a Fiscal Year be increased by more than ten percent (10%) of the respective Maximum Development Special Tax, Maximum Office Special Tax, or Maximum Shoreline Special Tax for that Parcel (or such lesser amount required by the CFD Law) as a consequence of delinquency or default in payment of Special Taxes levied on Leasehold Interests in another Parcel(s) in the STD (the "Delinquency Levy").

The Delinquency Levy, if any, is determined when calculating the Development Special Tax Requirement. Accordingly, when determining the levy of Development Special Taxes on Leasehold Interests in Assessed Parcels pursuant to Step 1 of Section F.1, the Delinquency Levy, if any, has already been applied and, therefore, the Administrator shall not levy any additional Delinquency Levy on an Assessed Parcel that has its Development Special Tax levy reduced or eliminated by Parcel Increment.

The Development Special Tax shall be levied and collected on Leasehold Interests in each Taxable Parcel until the earlier of (i) the Fiscal Year in which the Port determines that all Authorized Expenditures that will be funded by the STD have been funded and all Development Special Tax Bonds have been fully repaid, (ii) the Fiscal Year after the Fiscal Year in which Tax Increment is no longer collected within the Sub-Project Area within which the Taxable Parcel is located and all Development Special Tax Bonds have been fully repaid, as determined by the Administrator with direction from the Deputy Director, and (iii) Fiscal Year 2093-94.

The Office Special Tax and the Shoreline Special Tax shall be levied on and collected from Leasehold Interests in each Taxable Parcel for 120 Fiscal Years.

Beginning in the first Fiscal Year after the Fiscal Year in which the Trigger Event occurs, the Contingent Services Special Tax shall be levied and collected in perpetuity.

#### **H. EXEMPTIONS**

Notwithstanding any other provision of this RMA, no Special Taxes will be levied on fee simple interests in the STD, including Tax-Exempt Port Parcels.

## **I. INTERPRETATION OF SPECIAL TAX FORMULA**

The City may interpret, clarify, and revise this RMA to correct any inconsistency, vagueness, or ambiguity, by resolution or ordinance, as long as such interpretation, clarification, or revision does not materially affect the levy and collection of the Special Taxes and any security for any Bonds

## **J. SPECIAL TAX APPEALS**

Any Taxpayer who wishes to challenge the accuracy of computation of the Special Taxes in any Fiscal Year may file an application with the Administrator. The Administrator, in consultation with the City Attorney, shall promptly review the Taxpayer's application. If the Administrator concludes that the computation of the Special Taxes was not correct, the Administrator shall correct the Special Tax levy and, if applicable in any case, a refund shall be granted. If the Administrator concludes that the computation of the Special Taxes was correct, then such determination shall be final and conclusive, and the Taxpayer shall have no appeal to the Board from the decision of the Administrator.

The filing of an application or an appeal shall not relieve the Taxpayer of the obligation to pay the Special Taxes when due

Nothing in this Section J shall be interpreted to allow a Taxpayer to bring a claim that would otherwise be barred by applicable statutes of limitation set forth in the CFD Law or elsewhere in applicable law

**ATTACHMENT 1**  
**CITY AND COUNTY OF SAN FRANCISCO**  
**SPECIAL TAX DISTRICT NO. 2020-1**  
**(MISSION ROCK FACILITIES AND SERVICES)**

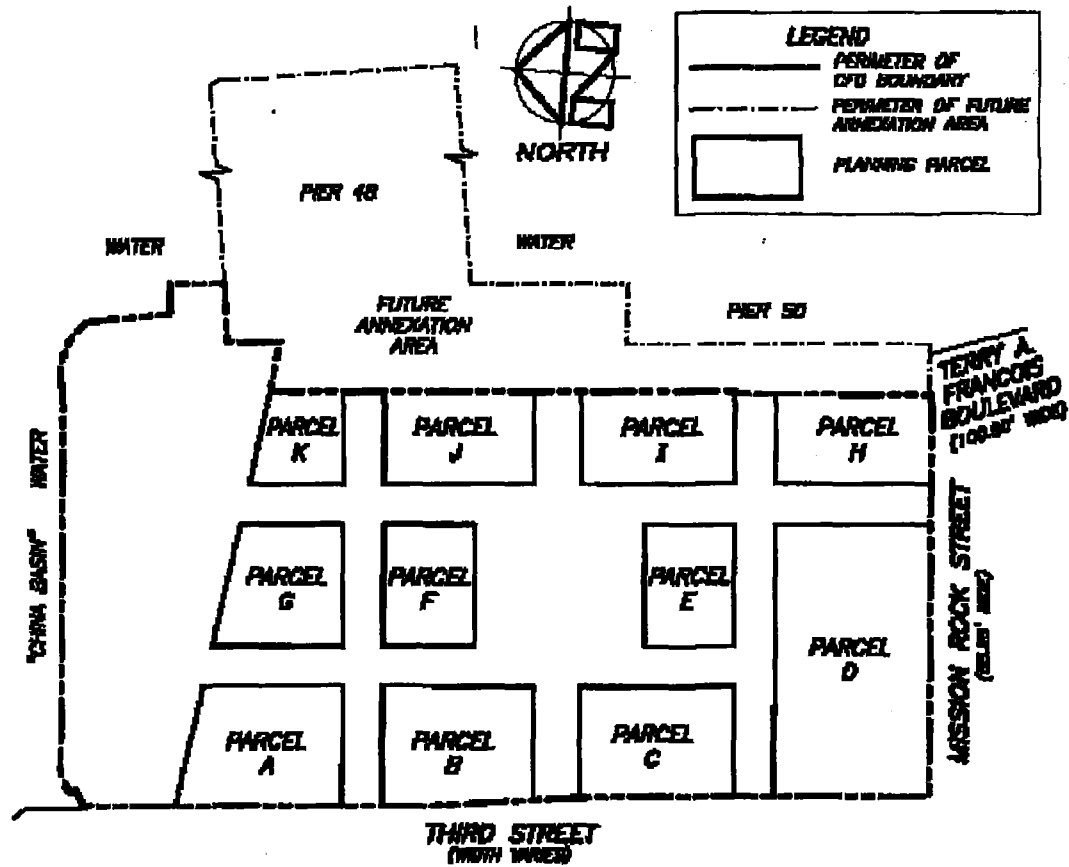
**IDENTIFICATION OF PLANNING PARCELS**

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**ATTACHMENT 1**  
**City and County of San Francisco**  
**Special Tax District No. 2020-1**  
**(Mission Rock Facilities and Services)**

**IDENTIFICATION OF PLANNING PARCELS**



**MARTIN M. RON ASSOCIATES, INC.**  
Land Surveyors  
250 HARRISON STREET, SUITE 200  
San Francisco, California 94107  
C-00000000-0000-0000-0000-000000000000  
**JANUARY 31, 2020**

**ATTACHMENT 2**

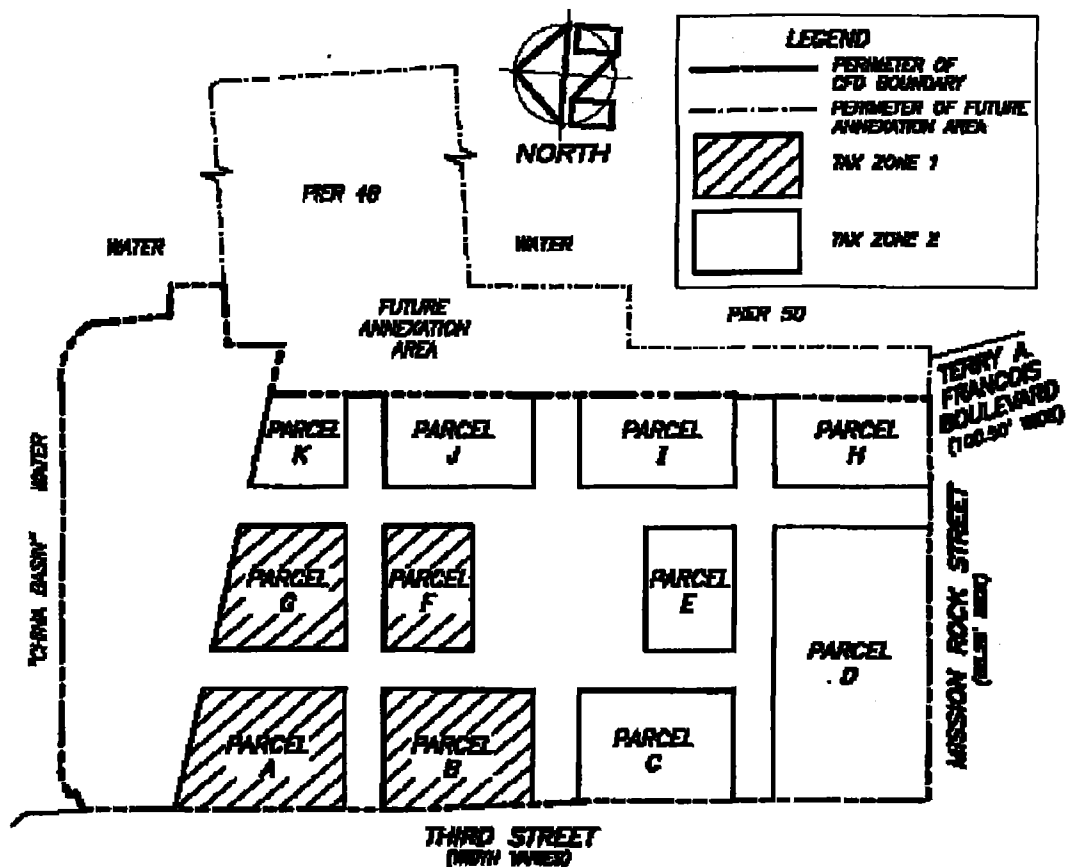
**CITY AND COUNTY OF SAN FRANCISCO  
SPECIAL TAX DISTRICT NO. 2020-1  
(MISSION ROCK FACILITIES AND SERVICES)**

**IDENTIFICATION OF TAX ZONES**

## ATTACHMENT 2

City and County of San Francisco  
Special Tax District No. 2020-1  
(Mission Rock Facilities and Services)

### IDENTIFICATION OF TAX ZONES



MARTIN M. RON ASSOCIATES, INC.  
Land Surveyors  
859 HARRISON STREET, SUITE 200  
San Francisco, California 94107  
S-98981, EXHIBIT-CFD 2NDY.dwg  
JANUARY 31, 2020

**ATTACHMENT 3**  
**City and County of San Francisco**  
**Special Tax District No. 2020-1**  
**(Mission Rock Facilities and Services)**

**Expected Land Uses, Expected Maximum Development Special Tax Revenues,  
Expected Maximum Office Special Tax Revenues, and  
Expected Maximum Shoreline Special Tax Revenues**

Planning Parcel	Expected Land Uses	Expected Square Footage	Expected Maximum Development Special Tax Revenues (FY 2019-20)*	Expected Maximum Office Special Tax Revenues (FY 2019-20)*	Expected Maximum Shoreline Special Tax Revenues (FY 2019-20)*
<b>Tax Zone 1</b>					
Parcel A	Market Rate Residential Square Footage	146,000	\$1,252,680	\$0	\$0
	Office Square Footage	48,447	\$314,906	\$93,018	\$88,174
Parcel B	Market Rate Residential Square Footage	0	\$0	\$0	\$0
	Office Square Footage	255,008	\$1,657,552	\$489,615	\$464,115
Parcel G	Market Rate Residential Square Footage	0	\$0	\$0	\$0
	Office Square Footage	283,323	\$1,841,600	\$543,980	\$515,648
Parcel F	Market Rate Residential	113,000	\$969,540	\$0	\$0

Planning Parcel	Expected Land Uses	Expected Square Footage	Expected Maximum Development Special Tax Revenues (FY 2019-20)*	Expected Maximum Office Special Tax Revenues (FY 2019-20)*	Expected Maximum Shoreline Special Tax Revenues (FY 2019-20)*
	Square Footage				
	Office Square Footage	0	\$0	\$0	\$0
<b>Tax Zone 2</b>					
Parcel C	Market Rate Residential Square Footage	0	\$0	\$0	\$0
	Office Square Footage	355,000	\$2,307,500	\$571,550	\$646,100
Parcel D	Market Rate Residential Square Footage	76,800	\$658,944	\$0	\$0
	Office Square Footage	0	\$0	\$0	\$0
Parcel E	Market Rate Residential Square Footage	0	\$0	\$0	\$0
	Office Square Footage	141,000	\$916,500	\$227,010	\$256,620
Parcel H	Market Rate Residential Square Footage	96,000	\$823,680	\$0	\$0
	Office Square Footage	49,999	\$324,994	\$80,498	\$90,998

Planning Parcel	Expected Land Uses	Expected Square Footage	Expected Maximum Development Special Tax Revenues (FY 2019-20)*	Expected Maximum Office Special Tax Revenues (FY 2019-20)*	Expected Maximum Shoreline Special Tax Revenues (FY 2019-20)*
Parcel I	Market Rate Residential Square Footage	0	\$0	\$0	\$0
	Office Square Footage	152,000	\$988,000	\$244,720	\$276,640
Parcel J	Market Rate Residential Square Footage	0	\$0	\$0	\$0
	Office Square Footage	152,000	\$988,000	\$244,720	\$276,640
Parcel K	Market Rate Residential Square Footage	62,400	\$535,392	\$0	\$0
	Office Square Footage	49,999	\$324,994	\$80,498	\$90,998
<b>TOTAL EXPECTED REVENUES (FY2019-20)</b>			<b>\$13,904,280</b>	<b>\$2,575,611</b>	<b>\$2,705,932</b>

\*Beginning July, 2020 and each July 1 thereafter, the Base Development Special Tax, the Base Office Special Tax, and the Base Shoreline Special Tax shall be escalated as set forth in Section D.1.

**EXHIBIT H**

**CFD and Assessment Matters**

## Parcel Lease Exhibit H: CFD and Assessment Matters

All matters addressed in this Exhibit relate to the following actions (the “**CFD Actions**”), all of which the City undertook 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**”), approved by the Board of Supervisors pursuant to a resolution of formation (the “**Formation Resolution**”) to form the Special Tax District (as defined herein) to implement the Financing Plan in the DDA between the Master Developer and the Port (collectively, the “**CFD Provisions**”). Capitalized terms not otherwise defined hereinafter shall have the meaning set forth in the DDA (as such term is defined in the Parcel Lease). 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 CFD Actions included:

- (a) formation of a special tax district designated as “*City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services)*” (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 of special taxes for the Special Tax District (the “**Rate and Method**”), a copy of which is attached to the Formation Resolution, for the calculation and levy of (i) the Development Special Tax, the Shoreline Special Tax, and the Office Special Tax (as each term is defined in the Rate and Method and collectively referred to herein as the “**Facilities Special Taxes**”), and (ii) the Contingent Services Special Tax (as such term is defined in the Rate and Method and referred to herein as the “**Contingent Services Special Tax**” and together with the Facilities Special Taxes, 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 pursuant to California Government Code Section 53328.3;
- (e) authorization to issue bonds secured by one or more of the Facilities Special Taxes (“**Bonds**”);
- (f) authorization to use Bond proceeds and Facilities Special Taxes to finance the construction, completion, and acquisition of improvements described in the Formation Resolution (the “**CFD Improvements**”); and
- (g) following the Trigger Event (as defined in the Rate and Method), authorization to levy and use Contingent Services 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 Interest Subject to CFD Provisions. The Tenant acknowledges and agrees as follows.



(a) Its leasehold interest in the Premises will be 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 leasehold interest in the Premises were reduced or eliminated, coordination of CFD Improvements and Services 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 leasehold interest in the Premises;

iv. the authorization to issue, and the timing, amount, and structure of the issuance of, 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 Taxes 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 the Parcel Lease has on the date of execution of the Parcel 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 the Parcel Lease;
- ii. a review of documents that the person determined were reasonably necessary to obtain knowledge of the matters set forth in the Parcel 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 without 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:

(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 executed in connection with the issuance of municipal bonds relating to Related Property in projects in California.

6. Acknowledgment of the Special Tax Rates. The Rate and Method has been provided to the Tenant prior to the Effective Date of the Parcel Lease. The Tenant has read and, if deemed necessary, consulted with counsel, regarding the Rate and Method.

7. Issuance of Bonds. This Section will apply to the Special Tax District's issuance of each and every series 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 leasehold interest in 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 Premises;
- 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. customary 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. any 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. customary opinions of counsel for the Tenant requested by any of the Financing Participants, which may include any of the matters 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 with the consent of the Master Developer in accordance with the Financing Plan 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 leasehold interest in 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 leasehold interest in 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 the Parcel 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 customarily 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, (i) 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, and (ii) the assumption of any continuing disclosure agreement will be a condition precedent to the Effective Date of the Parcel 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 leasehold interest in 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. Intentionally Omitted.

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) Tenant may initiate a Reassessment to reduce a Baseline Assessed Value of the Premises, but may not initiate and waives any right to initiate, a Reassessment of the Subsequent 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:

- i. For each year during the period provided in clause (ii) below, 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.
- ii. 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 IFD Termination Date; and (B) when the Assessment Shortfall is reduced to zero.
- iii. Payment of the Assessment Shortfall will constitute a cure of any Event of Default with respect to any breach by "Tenant" of the covenant and waiver in Section 5.2(d)(i) (Tenant Waiver and Covenant) of the Parcel Lease.

#### 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 tenant of the entirety of the Premises and require each such tenant 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 tenants

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 the Parcel 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 hereto as Exhibit E and the Tenant shall execute and return to the Port a copy of the Notice of Special Tax within three business days after being provided a copy of the Notice of Special Tax.

(f) The covenants and provisions contained in this Exhibit remain in effect for the term of the Parcel Lease.

Attachment 1: Certain Representations of Tenant  
Exhibit G to Parcel Lease: Notice of Special Tax



**Attachment 1:**

**Certain Representations of Tenant**

None.

**EXHIBIT I**

**Assessor Information**

## PARCEL LEASE EXHIBIT I - ASSESSORS INFORMATION

### Overview of major events

- Pre-event information
- Assessable/actionable events for ASR
  - Initial land sale/transfer of title
  - Mapping
  - Tax certificates
  - Lien date new construction
  - Completed new construction
  - Final ownership changes/sales to users

### Pre-event information

- Project timeline of major events
- Points of contact for the project (City PM, developer, etc.)
- Physical boundaries and clear legal descriptions of what is being conveyed, built, sold, etc. in each phase of the project and at the time of map recordation
- Anticipated final land use for each phase of the project
- Current federal/state maps if available

*Advance notice and communication of updates at each step in the process*

### Event information

#### 1. Initial land sale / transfer of title

- a. Assessable: any recorded change in ownership or ground lease/changes to existing ground lease
- b. Information needed:
  - i. Deeds (transfer maps do not convey title for ASR purposes)
  - ii. Subdivision maps and how they correspond to recorded deeds
  - iii. Appraisal for transfers from government entities or non-arm's length transactions
- c. Timing: at the time of recording for a basis of calculating transfer tax

#### 2. Mapping

- a. Justification/Purpose: ASR needs this information to reserve new block and lot numbers for the project.
- b. Information needed:
  - i. Tentative maps that overlay future parcel changes and project phases (with current APNs and future reserved APNs)
  - ii. Federal/state maps if applicable
  - iii. Timeline of subdivision activity and how the current parcels will be divided/combined/adjusted in each phase of the subdivision
  - iv. Initial subdivision maps and what deeds they correspond to
- c. Timing:
  - i. Upon request to reserve APNs for new project

### 3. Tax certificates (Treasurer & Tax Collector's Office provides to ASR)

- a. Justification: ASR needs this information to (1) ensure that any outstanding changes in ownership have been recorded and any completed or anticipated new construction has been valued and (2) to generate a new assessed value for TTX to use for tax pre-payment purposes.
- b. Information needed:
  - i. Pre-final map
  - ii. TTX Form A and B (depending on how complicated the development is)
- c. Timing: whenever requested by the taxpayer, ASR has four weeks to review and determine new value

### 4. Lien date new construction

- a. Justification/Purpose: ASR needs this information to accurately assess the value of new construction in progress as of January 1<sup>st</sup> as required by the Revenue & Taxation Code.
- b. Information needed:
  - i. The date construction started and the estimated completion date. If construction was in progress on January 1<sup>st</sup>, the percentage of construction completed.
  - ii. A complete list of all the construction and/or demolition cost incurred as of this date, including direct and indirect costs and entrepreneurial profit. *(sample provided for reference)*
  - iii. Copies of any leases signed.
  - iv. A detailed description of all work to be completed or any changes to the work description.
  - v. A copy of the pro forma, feasibility study or appraisal used to support the building of this project.
  - vi. Copies of all application for building permits.
  - vii. Certified copy of the lender's disbursement of funds.
  - viii. Cost not funded by construction loan.
  - ix. Details on any current or anticipated efforts to sell the property, if applicable.
  - x. Any additional information, if not referenced above, that would influence the market value of the property.
  - xi. Name, mailing address, phone number and e-mail of person(s) to contact regarding additional questions and inspection of property.
- c. Timing:
  - i. By January 31<sup>st</sup> of each year the construction is in progress

### 5. Completed new construction

- a. Justification: ASR needs this information to accurately assess the value of completed new construction as of the date of completion as required by the Revenue & Taxation Code.
- b. Information needed:
  - i. All property types
    - 1. The date construction started and completion date.
    - 2. A detailed description of all work completed (attach referenced floor plans, etc.)
    - 3. Copies of all applications for building permits.
    - 4. A complete list of all construction costs (see form) including direct, indirect costs and anticipated or actual entrepreneurial profit.
    - 5. Detailed information on costs not funded by construction loans.
    - 6. A copy of the pro forma, feasibility study or appraisal used to support the building of this project.
    - 7. Details on any current or anticipated efforts to sell the property, if applicable.
    - 8. Copies of any leases signed or currently in negotiation. Please include asking rents for spaces not leased.
    - 9. A copy of the land lease or other document that indicates the value of the land, if applicable.
    - 10. Projected or actual income and expense statement and a schedule of asking rent, if applicable. For actual statements, please provide the source document.

11. Certified copy of the lender's disbursement of funds.
  12. Details on parking stall rents and any miscellaneous income.
  13. Any appraisal completed.
  14. Any additional information, if not referenced above, that would influence the market value of the property.
  15. Name, address, phone number and email of person to contact for questions/arrange for a site inspection.
- ii. Office
1. Rent roll showing net rentable areas by floor and area leased by each tenant; the type of lease (FSG, NNN or IG); the date and terms of each lease; the move in date; options to renew; escalation clauses; tax clauses; free rent or any lease concessions, landlord tenant improvement allowances.
  2. The gross and net rentable areas of the building.
  3. Projected or actual sales volume of the property.
  4. A copy of any existing operating agreements, if applicable.
  5. A copy of the feasibility study.
  6. A copy of the stacking plan, if applicable.
  7. XFactor or BOMA recalculation of square footage, if applicable.
  8. If the construction project includes a parking garage:
    - a. How will it be operated (i.e. leased to a second party for contract rent or net income to the owner)?
    - b. What is the anticipated number of spaces and vehicle capacity (with valet services if applicable)?
    - c. What will be the monthly fee for parking?
- iii. Retail
1. Rent roll showing net rentable areas by floor and area leased by each tenant; the type of lease (FSG, NNN or IG); the date and terms of each lease; the move in date; options to renew; escalation clauses; tax clauses; free rent or any lease concessions, landlord tenant improvement allowances.
  2. The gross and net rentable areas of the building.
  3. Details on parking stall rents and any miscellaneous income.
  4. Projected or actual sales volume of the property.
  5. A copy of the operating agreement signed with the mall owner, if applicable.
- iv. Apartments
1. Tenant Rent Roll for residential and commercial units that includes the unit number, unit type (number of beds/baths), number of rooms, market rate or BMR unit, occupancy, square footage, contract rental rate, date lease signed, market rental rate, other fees collected – parking, storage, pet. Overall parking spaces, any upgrades, floor and view premiums (if applicable). Please provide a rent roll as of the certificate of occupancy and/or when stabilized occupancy is achieved.
  2. A finish schedule.
  3. Total square footage of improvements allocated by use (residential, retail, common area, parking, etc.). Area (sq. ft.) of each floor including basement, mezzanine, penthouse, etc.
- v. Condos
1. The Parcel Split/Condo Conversion Questionnaire (*attached, Excel is strongly preferred.*)
  2. For any units retained by the developer (i.e. parking, storage, retail, etc.), please provide copies of any signed leases, details on any leases in negotiation or proposed, or a summary of asking rents. Include a tenant rent roll, projected or actual income and expense statements, and net rentable area of each retained unit.
  3. Condo map/plan (if applicable) – required for us to split a new condo project or condo conversion

vi. Hotel

1. A list of the number of hotel rooms, the average daily rates, and projected occupancy levels.
2. Percentage of guest segmentation.
3. A copy of the Management Agreement.
4. A copy of the Franchise Fee Agreement, specifically identifying the franchise fees and how they are determined.
5. Breakdown of real property and personal property.
6. Current or projected rent roll showing any net rentable areas of the building by floor and area leased by each retail tenant (if any); the type of lease (FSG, NNN, or IG); the date and terms of each lease, the move in date; options to renew, escalation clauses, tax clauses, free rent or any lease concessions, or landlord/tenant improvement allowances. If there are no leasable office or retail areas on the property, so state.

c. Timing: within 60 days upon completion of construction for each project phase

6. Final ownership changes/sales to users

a. Event: any recorded change in ownership or new lease/changes to existing lease

b. Information needed:

i. All property types

1. Information about the sale:
  - a. The purchase agreement and closing statement
  - b. Identify the broker or agent on the sale
  - c. Original list price
  - d. Days on market
2. Details and terms of financing the property.
3. Details on any anticipated deferred maintenance costs or capital expenditures anticipated by buyer at the time of the sale (i.e. renovations, major repairs, seismic retrofitting, and asbestos abatement) and a detailed schedule of when the work is to be completed.
4. If the purchase price was not considered market value for the property, an explanation of why.
5. Detailed anticipated income and expense operating statements of the new owner at time of purchase and/or acquisition and the prior two (2) years.
6. Copies of any leases or lease abstracts, amendments or renewals, including free rent and tenant improvement allowances agreed to.
7. Marketing materials and/or asking rents to lease vacant space as of the transfer date.
8. Any anticipated changes in use.

ii. Office

1. A copy of the Offering Memorandum distributed by selling agent.
2. Copies of any appraisal prepared for purchase financing.
3. The investor's pro-forma and market rent assumptions generated by Argus investment analysis or other format (Excel preferred).
4. A rent roll as of the change in ownership date showing; all tenants with corresponding suite numbers, suite sizes (sf), monthly or annual rent, date and terms of leases, scheduled rent escalations and any vacant rentable space (Excel format preferred).
5. Indicate if any lease expense agreements are other than full-service gross with a base year (FSG).
6. If vacancy is above 10%, provide historical vacancy or occupancy ratios (on an annual or bi-annual basis) over the previous three (3) years.
7. A detailed annual income and expense summary for the year of sale and the prior two (2) years. If historical income and operating statements were not provided by the seller, please substitute your operating budget as of the purchase date (Excel format preferred).

iii. Retail

1. Any cash flow analysis, pro forma worksheets or investment analysis in the acquisition of the property.
2. Any appraisal prepared for the acquisition or financing of the subject property.
3. Details on the financing involved for the purchase and/or acquisition of the subject property.
4. Current rent roll showing net rentable areas by floor and area leased by each tenant; the type of lease (FSG, NNN or IG); the date and terms of each lease; the move in date; options to renew; escalation clauses; tax clauses; free rent or any lease concessions, landlord tenant improvement allowances.
5. The gross and net rentable areas of the building.
6. At the time of transfer, indicate the amount of net rentable vacant space, identify its location within the building and indicate the asking rental rates.
7. The anticipated sales volume of the property.

iv. Apartments

1. Rent roll as of the change in ownership date, showing the list of all tenants with monthly rent and move-in date. For retail tenants, please provide copies of the lease(s), including any amendments or renewals (Excel format preferred).
2. The anticipated rental rates for any vacant units.
3. The anticipated operating income and expenses at the time of purchase/change in ownership. If available, provide the operating income and expenses statements for the two (2) years preceding change in ownership (Excel format preferred).
4. Details on any miscellaneous income (parking, laundry, storage, etc.)
5. A copy of any appraisal prepared for any purpose (financing, insurance, investment) within two (2) years of the event date.
6. A description of each unit; number of rooms, bedrooms, bathrooms, furnished or unfurnished.

v. Hotel

1. Any appraisal, pro forma or feasibility study made to assist in the acquisition of the subject property, or for any other purpose (i.e. insurance, investment, financing) prepared within two (2) years of the event date.
2. List of the number of hotel rooms, the average daily rates and occupancy levels as of the change in ownership date and for the previous two (2) years.
3. The guest segmentation, by percentage.
4. Detailed, historic income and expense statement for the two (2) years prior to the event date, and the budgeted or anticipated income and expense statement for the first year following the change in ownership date.
5. Copy of the Management Agreement.
6. Copy of the Franchise Agreement, specifically identifying the franchise fees and how they are determined.
7. Copy of the Smith Travel Report for the property, as of the same year as the change in ownership.
8. The current rent roll showing net rentable areas by floor and area leased by each retail tenant (if any); the type of lease (FSG, NNN or IG); the date and terms of each lease; the move in date; options to renew; escalation clauses; tax clauses; free rent or any lease concessions, landlord tenant improvement allowances. If there are no leasable areas of the property, so state.
9. Copy of the sale agreement with detailed itemizations of all real property and business personal property components included in the sale.

vi. Single Family Homes/Condos

1. No additional information needed, recorded deed is sufficient

c. Timing: within 60 days of a change to the fee owner of the property

## Attachments

1. In Progress and Completed New Construction Cost Report template
2. Parcel Split/Condo Conversion Questionnaire



**EXHIBIT J**

**Leasing Activity Report**

Parcel Lease Exhibit J

Form of Leasing Activity Report

**LEASING ACTIVITY REPORT**

Parcel: [ ]

Date: [ ]

This Leasing Activity Report is being delivered to Port pursuant to Section 9.3(a) of that certain Lease dated \_\_\_\_\_ by and between \_\_\_\_\_ ("Tenant") and the Port. Initially capitalized terms used herein are defined in the Lease.

Item	As of the Above-Listed Date
Total square footage available for Sublease at the Premises	
Total square footage of Subleased Space	
Number of Subtenants	
Average rental rate for Subleased Space (expressed as monthly rate of dollars per square foot of Subleased Space)	
Gross revenues from the Premises [Note: If gross revenues haven't been made available in other public forums, such as government filings, then Tenant is not required to disclose the same in this Leasing Activity Report and may write "N/A" in the column at right]	

The contents of this Leasing Activity Report were prepared by the undersigned, who, as an officer of the Tenant, certified that to the best of his/her knowledge this Leasing Activity Report is a true and correct copy. The undersigned has executed this Leasing Activity Report in his/her capacity as an officer of Tenant, and shall incur no personal liability in connection herewith.

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT K

Mitigation Monitoring and Reporting Program

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
NOTE: Each mitigation measure in this document applies to the proposed project and all variants, unless noted otherwise.				
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility (Public Agency)	Monitoring Schedule
MITIGATION MEASURES FOR THE SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
<del>Cultural Resources (Archeological Resources) Mitigation Measures</del>				
<p><b>M-CP-2: Archeological Testing.</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 sponsor shall retain the services of an archeological consultant from the rotational Qualified Archeological Consultants List (QACL) maintained by the Planning Department archeologist. The project sponsor shall contact the Planning 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 4 weeks. At the direction of the ERO, the suspension of construction can be extended beyond 4 weeks only if such a suspension is the only feasible means to reduce to a less-than-significant level of potential effects on a significant archeological resource, as defined in CEQA Guidelines, Sections 15064.5 (a) and (c).</p>	<p>Permittee for horizontal improvements, such as infrastructure, in public right-of-ways, and public spaces (hereinafter "infrastructure developer") or vertical developer(s) for work on vertical development parcels and related improvements (hereinafter "vertical developer(s)").<sup>1</sup> as applicable, to retain qualified professional archaeologist from the rotational pool of archaeological consultants maintained by the Planning</p>	<p>Prior to issuance of site permits.</p>	<p>Infrastructure developer or vertical developer, as applicable, to retain the qualified archeological consultant for the project who shall report to the ERO. Qualified archeological consultant will scope archeological testing program with ERO.</p>	<p>Considered complete when infrastructure developer or vertical developer(s), as applicable, retains a qualified professional archaeological consultant and archeological consultant has approved scope by the ERO and submits any required reports to ERO for the archeological testing program.</p>

<sup>1</sup> Where applicable, "vertical developer" includes the Pier 48 developer.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
NOTE: Each mitigation measure in this document applies to the proposed project and all variants, unless noted otherwise.				
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility (Public Agency)	Monitoring Schedule
<p><i>Consultation with Descendant Communities:</i> On discovery of an archaeological site<sup>2</sup> associated with descendant Native Americans, the overseas Chinese, or other potentially interested descendant group, an appropriate representative<sup>3</sup> of the descendant group and the ERO shall be contacted. The representative of the descendant group shall be given the opportunity to monitor archaeological field investigations of the site and offer recommendations to the ERO regarding appropriate archaeological treatment of the site, recovered data from the site, and, if applicable, interpretative treatment of the associated archaeological site. A copy of the final archaeological resources report shall be provided to the representative of the descendant group.</p>	Infrastructure developer or vertical developer(s) (as applicable) and archaeological consultant.	For the duration of soil-disturbing activities and data recovery of potentially significant archaeological sites.	Infrastructure developer or vertical developer(s) (as applicable) and/or archaeological consultant shall contact the ERO and descendant group representative upon discovery of an archaeological site associated with descendant Native Americans, Overseas Chinese, or interested descendant group. 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. Archaeological Consultant shall prepare a Final Archaeological Resources	Considered complete upon submittal of Final Archaeological Resources Report.

<sup>2</sup> The term "archaeological site" is intended here to include any archeological deposit, feature, burial, or evidence of burial.

<sup>3</sup> An "appropriate representative" of the descendant group is here defined to mean, in the case of Native Americans, any individual listed in the current Native American contact list for the City and County of San Francisco maintained by the NAHC or, in the case of overseas Chinese, the Chinese Historical Society of America. An appropriate representative of other descendant groups should be determined in consultation with the department archeologist.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
NOTE: Each mitigation measure in this document applies to the proposed project and all variants, unless noted otherwise.				
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility (Public Agency)	Monitoring Schedule
			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.	
<i>Archeological Testing Program.</i> 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 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 identify and evaluate whether any archeological resource encountered on the site constitutes a historical resource under CEQA.	Infrastructure developer or vertical developer(s) (as applicable) and archeological consultant in consultation with the ERO. Development of ATP for a defined geographic area and/or specified construction activities.	Prior to any excavation, site preparation or construction, and prior to testing, submit an ATP for a defined geographic area and/or specified construction activities to and obtain approval by the ERO. A single ATP or multiple ATPs may be produced to address project phasing.	Archeological consultant to undertake ATP in consultation with ERO.	Prior to any soil disturbing activities. Considered complete upon approval of the ATP by the ERO and finding by the ERO that the ATP is implemented.
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. No archeological data recovery shall be undertaken without the prior approval of the ERO or the Planning Department archeologist. 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 sponsor:	Infrastructure developer or vertical developer(s) (as applicable) and archeological consultant in consultation with the ERO.	Upon completion of the archeological testing program.	Archeological consultant to submit results of testing, and, in consultation with ERO, determine whether additional measures are warranted. If significant archeological resources are present and may be adversely affected, the infrastructure developer or vertical developer(s) (as applicable), at its discretion, may elect to redesign a project, or implement data	Considered complete after ERO review and approval of report(s) on ATP findings.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
NOTE: Each mitigation measure in this document applies to the proposed project and all variants, unless noted otherwise.				
MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility (Public Agency)	Monitoring Schedule
			recovery program, unless ERO determines the archaeological resource is of greater interpretive than research significance and that interpretive use is feasible.	
<p>A. The proposed project shall be redesigned so as to avoid any adverse effect on the significant archaeological resource, or</p> <p>B. A data recovery program shall be implemented, unless the ERO determines that the archaeological resource is of greater interpretive than research significance and that interpretive use of the resource is feasible.</p>	Written report on ATP findings: Infrastructure developer or vertical developer(s) (as applicable) and archaeological consultant in consultation with the ERO.	At the completion of each archaeological testing program.	Archaeological consultant shall submit report of the findings of the ATP to the ERO.	After completion of archaeological testing program.
<p><i>Archaeological Monitoring Program.</i> If the ERO, in consultation with the archaeological consultant, determines that an archaeological monitoring program shall be implemented, the archaeological monitoring program shall include the following provisions:</p> <ul style="list-style-type: none"> <li>The archaeological consultant, project sponsor, and ERO shall meet and consult on the scope of the archaeological monitoring program reasonably prior to any project-related soil-disturbing activities commencing. The ERO, in consultation with the archaeological consultant, shall determine what project activities shall be archaeologically monitored. In most cases, any soil-disturbing activities, such as demolition, foundation removal, excavation, grading, utility installation, foundation work, pile driving (foundation, shoring, etc.), site remediation, etc., shall require archaeological monitoring because of the risk these activities pose to potential archaeological resources and their depositional context;</li> <li>The archaeological consultant shall advise all project contractors to be on the alert for evidence of the presence of the expected resource(s), know how to identify evidence of the expected resource(s), and know the appropriate protocol in the event of apparent discovery of an archaeological</li> </ul>	Infrastructure developer or vertical developer(s) (as applicable) and archaeological consultant in consultation with the ERO.	The archaeological consultant, infrastructure developer or vertical developer(s) (as applicable), and ERO shall meet prior to the commencement of soil-disturbing activities for a defined geographic area and/or specified construction activities. The ERO in consultation with the archaeological	If required, archaeological consultant to prepare the AMP in consultation with the ERO. Infrastructure developer or vertical developer(s) (as applicable), project archaeological consultant, and infrastructure developer(s) or vertical developer(s) contractors shall implement the AMP, if required by the ERO.	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.

<b>MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT</b>				
<b>NOTE: Each mitigation measure in this document applies to the proposed project and all variants, unless noted otherwise.</b>				
<b>MEASURES ADOPTED AS CONDITIONS OF APPROVAL</b>	<b>Implementation Responsibility</b>	<b>Mitigation Schedule</b>	<b>Monitoring/Reporting Responsibility (Public Agency)</b>	<b>Monitoring Schedule</b>
<p>resource;</p> <ul style="list-style-type: none"> <li>The archeological monitor(s) shall be present on the project site according to the 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> <li>If an intact archeological deposit is encountered, all soil-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, the pile-driving activity shall be terminated 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.</li> <li>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.</li> </ul>		<p>consultant shall determine what archaeological monitoring is necessary. A single AMP or multiple AMPs may be produced to address project phasing.</p>		
<p><i>Archeological Data Recovery Program.</i> The archeological data recovery program shall be conducted in accordance with an archeological data recovery plan (ADRP). The archeological consultant, project sponsor, 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</p>	<p>Infrastructure developer or vertical developer(s) (as applicable) and archaeological consultant in consultation with the ERO.</p>	<p>Upon determination by the ERO that an ADRP is required. A single ADRP or multiple ADRPs may be produced to address project phasing.</p>	<p>If required, archaeological consultant to prepare an ADRP(s) in consultation with the ERO.</p>	<p>Considered complete upon review and approval of the ADRP(s) by the ERO.</p>



<b>MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT</b>				
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<p>address the applicable research questions. Data recovery, in general, should 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 any portions of the archeological resources if nondestructive methods are practical.</p> <p>The scope of the ADRP shall include the following elements:</p> <ul style="list-style-type: none"> <li>• Field Methods and Procedures. Descriptions of proposed field strategies, procedures, and operations.</li> <li>• Cataloging and Laboratory Analysis. Description of selected cataloging system and artifact analysis procedures.</li> <li>• Discard and Deaccession Policy. Description of and rationale for field and post-field discard and deaccession policies.</li> <li>• Interpretive Program. Consideration of an onsite/offsite public interpretive program during the course of the archeological data recovery program.</li> <li>• Security Measures. Recommended security measures to protect the archeological resource from vandalism, looting, and nonintentionally damaging activities. Final Report. Description of proposed report format and distribution of results.</li> <li>• Curation. 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><i>Final Archeological Resources Report.</i> The archeological consultant shall submit a Draft 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. A separate, brief, non-confidential summary of findings that can be made available to the public shall be submitted with each FARR.</p>	<p>Infrastructure developer or vertical developer(s) (as applicable) and archaeological consultant in consultation with the ERO.</p>	<p>For infrastructure developer-prior to acceptance of work. Prior to issuance of Certificate of Temporary or Final Occupancy, whichever occurs first.</p>	<p>If applicable, archaeological consultant to submit a Draft FARR to ERO.</p>	<p>Considered complete on submittal of FARR and approval by ERO.</p>

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Once approved by the ERO, copies of the FARR shall be distributed as follows: California Archeological Site Survey Northwest Information Center (NWIC) shall receive one copy, the ERO shall receive a copy of the transmittal of the FARR to the NWIC, and 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 public interest in or high interpretive value of the resource, the ERO may require a final report content, format, and distribution different from that presented above. --	Archaeological consultant at the direction of the ERO.	Upon approval of the FARR by the ERO.	Archaeological consultant to distribute FARR.	Considered complete when archaeological consultant provides written certification to the ERO that the required FARR distribution has been completed.
<b>M-CP-3: Treatment of Human Remains, Associated or Unassociated Funerary Objects.</b> The treatment of human remains and associated or unassociated funerary objects discovered during any soil-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 Native American Heritage Commission (NAHC), which shall appoint a Most Likely Descendant (MLD) (PRC Section 5097.98). The ERO will also be immediately notified. The archaeological consultant, project sponsor, ERO, and MLD shall have up to but not beyond 6 days after the discovery to make all reasonable efforts to develop an agreement for the treatment of human remains and associated or unassociated funerary objects with appropriate dignity (CEQA Guidelines, Section 15064.5(d)). The agreement should take into consideration the appropriate excavation, removal, recordation, analysis, custodianship, curation, and final disposition of the human remains and associated or unassociated funerary objects. Nothing in existing state regulations or in this mitigation measure compels the project sponsor and the ERO to accept recommendations of an MLD. The archaeological 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 archaeological consultant and the ERO.	Infrastructure developer or vertical developer(s) (as applicable) and archaeological consultant, in consultation with the San Francisco Coroner, NAHC, ERO, and MLD.	In the event human remains and/or funerary objects are encountered during soils disturbing activity.	Archaeological consultant or archaeological monitor or infrastructure developer or vertical developer(s) or contractor to contact San Francisco County Coroner and ERO Implement regulatory requirements, if applicable, regarding discovery of Native American human remains and associated and/or unassociated funerary objects. Contact archaeological consultant and ERO.	Considered complete on notification of the San Francisco County Coroner, ERO, and NAHC, if necessary, and completion of treatment agreement and/or analysis.

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<p><b>M-CP-4: Tribal Cultural Resources Interpretive Program.</b></p> <p>If the ERO determines that a significant archeological resource is present, and if in consultation with the affiliated Native American tribal representatives, the ERO determines that the resource constitutes a tribal cultural resource (TCR) and that the resource could be adversely affected by the proposed project, the proposed project shall be redesigned so as to avoid any adverse effect on the significant tribal cultural resource, if feasible.</p> <p>If the Environmental Review Officer (ERO) determines that preservation-in-place of the tribal cultural resource (TCR) pursuant to Mitigation Measure M-CP-2, Archeological Testing, is both feasible and effective, then the archeological consultant shall prepare an archeological resource preservation plan (ARPP). Implementation of the approved ARPP by the archeological consultant shall be required when feasible.</p> <p>If the Environmental Review Officer (ERO), if in consultation with the affiliated Native American tribal representatives and the Project Sponsor, determines that preservation-in-place of the tribal cultural resources is not a sufficient or feasible option, the project sponsor shall implement an interpretive program of the TCR in consultation with affiliated tribal representatives. An interpretive plan produced in consultation with the ERO and affiliated tribal representatives, at a minimum, and approved by the ERO would be required to guide the interpretive program. The plan shall identify, as appropriate, proposed locations for installations or displays, the proposed content and materials of those displays or installation, the producers or artists of the displays or installation, and a long-term maintenance program. The interpretive program may include artist installations, preferably by local Native American artists, oral histories with local Native Americans, artifacts displays and interpretation, and educational panels or other informational displays.</p>	<p>Infrastructure developer or vertical developer(s) (as applicable), archaeological consultant, and ERO, in consultation with the affiliated Native American tribal representatives.</p>	<p>If significant archeological resources are present during implementation of the project.</p>	<p>Infrastructure developer, vertical developer(s), or archaeological consultant shall implement the project redesign, completion of archeological resource preservation plan, or interpretive program of the TCR, if required.</p>	<p>Considered complete upon project redesign, completion of ARPP, or interpretive program of the TCR, if required.</p>
<b>Transportation and Circulation Mitigation Measures</b>				
<p><b>M-TR-3: Parking Garage and Intersection Queue Impacts.</b></p> <p>The easternmost driveway on Long Bridge Street (i.e., closest to Bridgeview Street) shall be restricted to right-in, right-out access during all times. Restricted access could be accomplished by placing signage (i.e., on Long Bridge Street to direct westbound traffic to the westernmost garage driveway, and within the parking garage for exiting traffic to indicate outbound right</p>	<p>Infrastructure developer, garage operator, or vertical developer(s) of garage.</p>	<p>Prior to issuance of certificate of occupancy of Block D2 parking garage. Note: Mitigation</p>	<p>SFMTA, in consultation with the Planning Department and the Port, to review and sign off on detailed plans regarding driveways to ensure design will</p>	<p>Considered complete upon approval of the final driveway plans by SFMTA.</p>

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turn movement only allowed) as well as delineators of a sufficient length in the middle of Long Bridge Street to block left-turn access to the driveway.		Measure M-TR-3 is not applicable to Variant 3 (Reconfigured Parking).	sufficiently restrict movements at driveway to right-in, right-out.	Planning Department, and the Port.
<p><b>M-TR-4.1: Provide Fair-Share Contribution to Improve 10 Townsend Line Capacity.</b></p> <p>Upon completion and occupancy of Phase 1 of the proposed project and upon completion and occupancy of each subsequent phase as defined in the Development Agreement the project sponsor shall obtain from SFMTA the current ridership on the 10 Townsend and conduct an assessment of the capacity utilization at the screenline's Maximum Load Point (MLP) for weekday AM and PM peak hour conditions.</p> <p>If the capacity utilization exceeds 85 percent, a fair share contribution payment shall be made to SFMTA by the project sponsor, calculated as further provided in a Transit Mitigation Agreement described below, and attached to or incorporated into the Development Agreement. Such payment shall be adjusted, as appropriate, to the extent, if any, that the proposed project reflects either the High Residential Assumption or High Commercial Assumption based upon all phases of the proposed project that have been completed up to such date. Accordingly, the fair share contributions by phase may differ by scenario because the number of transit riders varies due to different mixes of land use.</p> <p>If the capacity utilization based on SFMTA's ridership data is less than 85 percent, then the project sponsor's fair share payment for that phase shall be \$0 and the process will repeat at the next subsequent phase. Each subsequent fair share calculation shall take account of amounts paid for prior phases, to ensure that payments are not duplicative for the same transit rider impacts.</p> <p>The project sponsor shall enter into a Transit Mitigation Agreement with the SFMTA pursuant to which the project sponsor will make a fair share contribution to the cost of providing additional bus service or otherwise improving service on the 10 Townsend. The fair share contribution as documented in the Transportation Impact Study for the proposed project shall not exceed the following amounts, in total across all phases:</p> <p>a. \$991,230 for High Commercial Assumption</p>	Infrastructure developer and/or vertical developer(s), Transportation Coordinator, and SFMTA.	Prior to issuance of certificate of occupancy of Phase 1 of the proposed project, enter into Transit Mitigation Agreement. Upon issuance of a certificate of occupancy for each phase of development as defined in the Development Agreement, SFMTA to provide ridership data and assess capacity utilization and, if capacity utilization exceeds 85 percent, the infrastructure developer/vertical developer(s) would pay fair share contribution fees as specified in this measure, which would be used by	Infrastructure developer and/or vertical developer(s) and Transportation Coordinator to obtain current ridership on the 10 Townsend from SFMTA and conduct an assessment of the capacity utilization associated with the project, as described in the measure. If the capacity utilization of the 10 Townsend line at its maximum load point exceeds 85 percent as measured at the completion of any individual project phase, and the SFMTA has committed to implement M-TR-4.1, the infrastructure developer shall provide a fair share contribution subject to the limits stated in M-TR-4.1 to capital costs for SFMTA to implement one of the designated capacity enhancement measures.	Considered complete upon execution of Transit Mitigation Agreement and payment of fair share contribution as described in this M-TR-4.1 for any phase of development for which such contribution is determined to be necessary.

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<p>b. \$782,706 for High Residential Assumption</p> <p>SFMTA will determine whether adding buses) or other measures are more desirable to increase capacity along the route and will use the funds provided by the project sponsor to implement the most desirable measure(s), which may include but is not limited to the following measures:</p> <ol style="list-style-type: none"> <li>1. Convert to using higher-capacity vehicles on the 10 Townsend route. In this case, the project sponsor's fair share contribution may be utilized 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 be extended by removing one or more parking spaces at locations where appropriate space is available.</li> <li>2. Instead of adding more buses to a congested route, increase travel speeds along the route which would allow for buses to move faster thus increasing efficiency and reliability. In this case, the project sponsor's fair share contribution may 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 enough to increase capacity along the bus route. Such improvements could include transit only lanes, transit signal priority, and transit boarding improvements.</li> <li>3. Increase capacity along the corridor by adding a new Muni service route in this area. If this option is selected, the project sponsor's fair share contribution may fund the purchase of the new vehicles.</li> </ol>		SFMTA to increase capacity.		
<p><b>M-TR-4.2: Provide Fair-Share Contribution to Improve 30 Stockton Line Capacity Proposed Project.</b></p> <p>Upon completion and occupancy of Phase 1 of the proposed project and upon completion and occupancy of each subsequent phase as defined in the Development Agreement, the project sponsor shall obtain from SFMTA the current ridership on the 30 Stockton and conduct an assessment of the capacity utilization at the Maximum Load Point (MLP) on the route between the proposed project and Market Street for weekday PM peak hour conditions.</p> <p>If the capacity utilization exceeds 85 percent, a fair share contribution payment shall be made by the project sponsor, calculated as further provided in Transit Mitigation Agreement described below, and attached to or incorporated into the Development Agreement. Such payment shall be</p>	Infrastructure developer and/or vertical developer(s), or Transportation Coordinator, and SFMTA.	Prior to issuance of certificate of occupancy of Phase 1 of the proposed project, enter into Transit Mitigation Agreement. Upon issuance of a certificate of occupancy for each phase of development as	Infrastructure developer or Transportation Coordinator to obtain current ridership on the 30 Stockton from SFMTA and conduct an assessment of the capacity utilization associated with the project, as described in the measure.  If the capacity utilization of the 30 Stockton line at its maximum load point exceeds 85 percent as measured at	Considered complete upon execution and implementation of Transit Mitigation Agreements and payment of fair share contribution as described in this M-TR-4.2 for any phase for which

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<p>adjusted, as appropriate, to the extent, if any, that the proposed project reflects either the High Commercial Assumption or the High Residential Assumption, the latter of which does not require any fair share contribution. The fair share contributions differ by scenario because the number of transit riders varies due to different mixes of land use.</p> <p>If the capacity utilization based on SFMTA's ridership data is less than 85 percent, then the project sponsor's fair share payment for that phase shall be \$0 and the process will repeat at the next subsequent phase. Each subsequent fair share calculation shall take account of amounts paid for prior phases, to ensure that payments are not duplicative for the same transit rider impacts.</p> <p>The project applicant shall enter into a Transit Mitigation Agreement with the SFMTA pursuant to which the project applicant will make a fair share contribution to the cost of providing additional bus service or otherwise improving service on the 30 Stockton. The fair share contribution as documented in the Transportation Impact Study for the proposed project shall not exceed the following amounts, in total across all phases:</p> <p>a. \$417,691 for High Commercial Assumption</p> <p>b. \$0 for High Residential Assumption</p> <p>SFMTA will determine whether adding bus(es) or other measures are more desirable to increase capacity along the route and will use the funds provided by the project sponsor to implement the most desirable measure(s), which may include but is not limited to the following measures:</p> <ol style="list-style-type: none"> <li>1. Convert to using higher-capacity vehicles on the 30 Stockton route. In this case, the project sponsor's fair share contribution may be utilized 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 be extended by removing one or more parking spaces at locations where appropriate space is available.</li> <li>2. Instead of adding more buses to a congested route, increase travel speeds along the route which would allow for buses to move faster thus increasing efficiency and reliability. In this case, the project sponsor's fair share contribution may 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 enough to increase capacity along the</li> </ol>		<p>defined in the Development Agreement, SFMTA to provide ridership data and assess capacity utilization and, if capacity utilization exceeds 85 percent, the infrastructure developer/vertical developer(s) would pay fair share contribution fees as specified in this measure, which would be used by SFMTA to increase capacity.</p>	<p>the completion of any individual project phase, and the SFMTA has committed to implement M-TR-4.2, the infrastructure developer shall provide the fair share contribution subject to the limits stated in M-TR-4.2 to capital costs for SFMTA to implement one of the designated capacity enhancement measures.</p>	<p>such contribution is determined to be necessary.</p>

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bus route. Such improvements could include transit only lanes, transit signal priority, and transit boarding improvements. 3. Increase capacity along the corridor by adding a new Muni service route in this area. If this option is selected, the project sponsor's fair share contribution may fund the purchase of the new vehicles.				
<b>M-TR-6: Parking Garage and Intersection Queue Impacts on Transit Delay</b> A. The westernmost driveway on Mission Rock Street (i.e., closest to Third Street) shall be restricted to right-in, right-out access and closed during large AT&T Park events. Restricted access could be accomplished by placing signage as well as delineators of a sufficient length on the center line on Mission Rock Street, east of Third Street to block left-turn access to the driveway.	Infrastructure developer and/or garage operator SFMTA, Planning Department, Transportation Coordinator, onsite transportation staff, parking garage management staff, event staff.	Prior to certificate of occupancy for Block D garage.	SFMTA, in consultation with the Planning Department and the Port, to review and sign off on detailed plans regarding driveways to ensure design will sufficiently restrict movements at driveway to right-in, right-out.	Infrastructure developer's/garage operator's obligations deemed complete once construction of listed improvements are complete.
B. A "keep clear" zone shall be provided in front of the easternmost driveway on Mission Rock Street (i.e., closest to Bridgeview Street) to prevent westbound queues at the Third Street/Mission Rock traffic signal from blocking inbound access to the driveway. The Keep Clear pavement markings shall be placed in the westbound lane immediately in front of the easternmost driveway for the Block D2 parking garage.	Infrastructure developer and/or garage operator SFMTA, Planning Department, Transportation Coordinator, onsite transportation staff, parking garage management staff, event staff.	Prior to the opening of the Block D2 garage.	SFMTA, in consultation with the Planning Department and the Port, to review and sign off on detailed plan regarding the easternmost driveway keep clear zone.	Infrastructure developer's/garage operator's obligations deemed complete once construction of listed improvements are complete.
C. The southbound left-turn lane at the Third Street/Mission Rock Street intersection shall be restriped to extend the length of the left-turn lane to 350 feet. Advance traffic signal detection equipment shall be installed at the end of the newly striped left-turn pocket to detect when queues fill up the left-turn pocket and extend north to the end of the pocket near the Third Street/Channel Street intersection, allowing additional green time to be allocated to the southbound left-turn movement at the Third Street/Mission Rock Street traffic signal.	Infrastructure developer and/or garage operator SFMTA, Planning Department, Transportation Coordinator, onsite transportation staff, parking garage	Prior to certificate of occupancy for Block D garage; sequencing and selection of interventions outlined within Item C shall be at the direction of the	SFMTA, in consultation with the Planning Department and the Port, to review and sign off on detailed plans regarding extension of the left-turn pocket on Third Street/Mission Rock Street.	Infrastructure developer's/garage operator's obligations deemed complete once construction of listed improvements are complete.

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	management staff, event staff.	SFMTA. In the case that the SFMTA identifies any of these intervention as technically challenging, infeasible, or undesirable because of resultant operational issues, other interventions must be selected.		
D. Wayfinding signs including Static and Variable Message Signs will be installed to provide directions to the parking garages and to provide traffic alerts, messages, and alternate driving routes for drivers traveling to the Block D2 aboveground garage, to destinations in the vicinity, or through the area. Four High Visibility Static Signs will be installed, three on the approaches to the Third Street/Mission Rock Street intersections (for southbound, eastbound and northbound directions) and one for northbound drivers on Terry A. Francois Boulevard, south of Mission Rock Street. One permanent Variable Message Sign shall be installed for southbound drivers on Third Street, between King Street and Berry Street.	Infrastructure developer and/or garage operator SFMTA, Planning Department, Transportation Coordinator, onsite transportation staff, parking garage management staff, event staff.	Prior to certificate of occupancy for Block D garage.	SFMTA. In consultation with the Planning Department and the Port, to review and sign off on detailed plans regarding wayfinding signs including Static and Variable Message Signs.	Infrastructure developer's/ garage operator's obligations deemed complete once construction of listed improvements is complete.
E. The project sponsor shall enter into an Event Mitigation Agreement with the SFMTA that provides for Parking Control Officers (PCOs) to manage traffic within the project site adjacent to the proposed project's parking garages and on Exposition Street (between Third Street and the Shared Public Way) during all AT&T Park events and on-site events with 15,000 or more attendees.	Infrastructure developer and/or garage operator, SFMTA, Planning Department, Transportation Coordinator, onsite transportation staff, parking garage management staff.	Enter into Event Mitigation Agreement prior opening of the Block D2 parking garage. Prior to commencement of construction on the site, and on-going	Infrastructure developer and/or garage operator to enter in Event Management Agreement with SFMTA, who should provide for implementation of all of these items, as well as closure of the westernmost driveway during AT&T events per Item A.	Considered complete upon Infrastructure developer and SFMTA entering into Event Mitigation Agreement.



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	event staff.	through the life of project.		
F. The site's transportation coordinator shall be a member of the Mission Bay Bullpark Transportation Coordination Committee and provide notification prior to the start of any on-site event that would overlap with an event at AT&T Park or the Warriors arena.	Infrastructure developer and/or garage operator SFMTA, Planning Department, Transportation Coordinator, onsite transportation staff, parking garage management staff, event staff.	Enter into Event Mitigation Agreement prior opening of the Block D2 parking garage. With commencement of construction, and on-going through life of the project.	Infrastructure developer and/or garage operator to enter into Event Management Agreement with SFMTA, who should provide for implementation of all of these items, as well as closure of the westernmost driveway during AT&T events per Item A.	Upon infrastructure developer and SFMTA entering into Event Mitigation Agreement and ongoing during project operations.
G. Traffic destined for the proposed project's parking garages will be monitored by the owner/operator during all AT&T Park events and on-site events with 15,000 or more attendees, and periodically during weekday a.m. and p.m. peak hours, to ensure that garage access queues do not affect operations of the T Third transit line. Action will be taken by the Mission Rock Transportation Coordinator, onsite transportation staff, parking garage management staff, event staff, and/or PCOs assigned to event traffic management to implement real-time traffic management strategies (i.e., alternative traffic routing, temporal parking pricing, enhanced garage driveway controls, etc.) to reduce vehicle garage access queues so they do not affect operations of the T Third line.	Infrastructure developer and/or garage operator SFMTA, Planning Department, Transportation Coordinator, onsite transportation staff, parking garage management staff, event staff.	Enter into Event Mitigation Agreement prior opening of the Block D2 parking garage. With commencement of construction, and on-going through life of the project; the weekday (non-event) AM and PM peak-hour monitoring shall be conducted quarterly on a Tuesday, Wednesday, or Thursday of a	Infrastructure developer and/or garage operator to enter into Event Management Agreement with SFMTA, who should provide for implementation of all of these items, as well as closure of the westernmost driveway during AT&T events per Item A.	Upon infrastructure developer and SFMTA entering into Event Mitigation Agreement and ongoing during project operations.

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<p>II. If the SFMTA Director, or his or her designee, receives information that a recurring queue that could affect the operation of the T Third line is imminent or present, SFMTA shall notify the property owner in writing. Upon request, the owner/operator shall hire a qualified transportation consultant to evaluate the conditions at the site for no less than 7 days. The consultant shall prepare a monitoring report to be submitted to SFMTA for review. If SFMTA determines that a recurring queue does exist, the facility owner/operator shall have 45 days from the date of the written determination to abate the excessive recurring queue. Approaches to queue abatement could include but are not limited to: changing parking access and revenue collection system (PARCS) technology to process vehicles more rapidly; adjusting the layout of the garage's ground floor to accommodate more queuing vehicles within the garage; implementing peak-period surge pricing to encourage garage access and egress outside of times with recurrent excessive queues; installing additional variable message signage further upstream from the site to direct drivers to garage access routes away from affected intersections; and/or closing, limiting or controlling Mission Rock Street access from Third Street during times with excessive recurrent queuing and redirecting garage-bound traffic to Terry A. Francois Boulevard.</p>	<p>Infrastructure developer and/or garage operator vertical. SFMTA, Planning Department, Transportation Coordinator, onsite transportation staff, parking garage management staff, event staff.</p>	<p>non-holiday week.  As may be requested during operations, per written notification by SFMTA  With commencement of operation of the Block D2 garage and on-going through the life of the project. If analysis is requested, the analysis shall be conducted during a period that is representative of standard traffic patterns, e.g. on week that does not contain a holiday, is not during winter break, or off-season, etc. The analysis period chosen by the infrastructure developer/garage operator and consultants must be approved by the SFMTA.</p>	<p>SFMTA.</p>	<p>Ongoing during project operations after opening of Block D2 garage.</p>

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<p><b>M-TR-9: Install Traffic Signals and Related Intersection Improvements at Unsignalized Intersections on Fourth Street at Mission Rock Street and Long Bridge Street.</b></p> <p>Prior to issuance of approval of the third building site permit, but in no event later than the site permit for the Block D2 parking garage, the project sponsor shall provide funding to SFMTA, for a maximum amount of \$1 million for SFMTA to design and construct (1) a traffic signal at the intersection of Fourth Street/Long Bridge Street and (2) a traffic signal at the intersection of Fourth Street/Mission Rock Street. These improvements should be constructed by SFMTA prior to opening of the Block D2 parking garage.</p>	Infrastructure developer. SFMTA.	<p>Payment to SFMTA: Prior to issuance of approval of the third building site permit, but in no event later than the site permit for the Block D2 parking garage.</p> <p>Installation of traffic signals: Prior to opening of the Block D2 parking garage.</p>	SFMTA.	Infrastructure developer's obligations deemed complete once payment is made. SFMTA's obligations deemed complete once traffic signals are constructed.
<p><b>M-TR-10: Bicycle-Truck Interface at Pier 48.</b></p> <p>The project shall construct a highly visible crossing treatment across the driveway as well as bollards and detectable warning pavers that satisfy ADA requirements at the Pier 48 driveway's beginning and end locations along the Blue Greenway path to warn cyclists and pedestrians of the upcoming driveway crossing.</p>	Pier 48 developer.	Prior to occupancy of Pier 48.	Planning Department will monitor.	Considered complete when crossing treatment is constructed.
<p>The project shall provide a traffic control staff at the junction of the Blue Greenway and the driveway to the Pier 48 valley during deliveries to manage bicycle and truck traffic. A flagger shall be provided to manage bicycle and pedestrian travel along the Blue Greenway at the Pier 48 valley driveway whenever trucks back into Pier 48.</p>	Pier 48 developer.	During deliveries.	Pier 48 developer to document arrangement for traffic control staff to manage traffic during deliveries. Planning Department to review documentation.	Ongoing during deliveries.

<b>MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT</b>				
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<b>MEASURES ADOPTED AS CONDITIONS OF APPROVAL</b>	<b>Implementation Responsibility</b>	<b>Mitigation Schedule</b>	<b>Monitoring/Reporting Responsibility (Public Agency)</b>	<b>Monitoring Schedule</b>
<p><b>M-TR-11.1: Commercial Loading Supply – Monitor Loading Activity and Implement Additional Loading Management Strategies as Needed.</b></p> <p>After completion of the first phase of the proposed project and prior to approval of each subsequent phase, the project sponsor shall conduct a study of utilization of commercial loading spaces. The methodology for the study shall be reviewed and approved by the Planning Department prior to completion. 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 sponsor shall implement additional loading management strategies and/or provide additional or expanded off-street loading supply sufficient to meet the loading demand in subsequent phases of the project in either the garages or in off-street parking in individual buildings, consistent with the proposed project's design intent. Additional loading strategies could include (but are not limited to): expanding efforts to coordinate with parcel delivery companies to schedule deliveries to the site during hours outside the peak hour of loading, installing parcel lock boxes that allow parcel delivery personnel unsupervised access to enable off-hour deliveries, coordinating delivery services across buildings to enable the delivery of several buildings' packages to a single location, and/or encouraging deliveries to the retail and restaurant components of the projects to happen during early morning or late evening hours. The project sponsor may also address a shortfall by reserving parking spaces for smaller delivery vehicles such as autos or vans, which comprise approximately two-thirds of the vehicle types for freight delivery service, on the ground floor of the Block D2 garage during peak or appropriate business hours for small-vehicle deliveries and, in connection therewith, providing hand trucks, bicycles, or electric wheeled carts for distribution of packages to buildings throughout the site.</p> <p>If plans for individual buildings include a driveway to off-street loading or parking (maximum 10 off-street spaces) along a frontage that has a designated on-street loading zone, an equivalent amount or level of off-street loading space shall be provided to effectively replace the lost on-street loading area.</p>	<p>Infrastructure developer, vertical developer(s) or garage operators (as applicable).</p>	<p>Study completion: after completion of the first phase of the proposed project and prior to approval of each subsequent phase. If additional loading management strategies ongoing in subsequent phases are needed: after completion of each phase for which additional strategies are applicable.</p>	<p>Planning Department, in consultation with the SFMTA, will review and approve methodology of utilization study. Infrastructure developer, vertical developer(s), and garage operators (as applicable) will provide report to Planning Department on implementation of additional loading management strategies, if required.</p>	<p>Considered complete for each phase after Planning Department staff reviews and approves the study, in consultation with the SFMTA, and, if deemed necessary, the infrastructure developer, vertical developer(s), and garage operators (as applicable) incorporate provides a report of how it incorporated any additional management strategies for loading into each applicable phase.</p>

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<p><b>M-TR-11.2: Coordinate Deliveries and Tenant Moving Activities.</b> The project's transportation coordinator and in-building concierges shall coordinate with building tenants and delivery services to minimize deliveries and moving activities during peak periods, and endeavor to spread deliveries across the full day and moving activities to time periods after regular working hours, thereby reducing activity during the peak hour for loading. Although many deliveries cannot be limited to specific hours, the transportation coordinator and in-building concierges shall work with tenants to find opportunities to consolidate deliveries and reduce the need for peak-period deliveries, wherever possible.</p>	Project Transportation Coordinator and vertical developer(s).	Ongoing.	Planning Department will monitor.	On-going during project operations.
<p><b>M-C-TR-4: Provide Fair-Share Contribution to Improve 10 Townsend Line Capacity Proposed Project.</b> Upon completion and occupancy of Phase I and upon completion and occupancy of each subsequent phase of the proposed project as defined in the Disposition and Development Agreement, the project sponsor shall fund a transit capacity study to be reviewed and approved by the SFMTA. The project sponsor shall obtain from SFMTA the current ridership on the 10 Townsend and conduct an assessment of the capacity utilization at the screenline's Maximum Load Point (MLP) for weekday AM and PM peak hour conditions. If the capacity utilization exceeds 85 percent, a fair share payment shall be made to SFMTA by the project sponsor, calculated as further provided in a Transit Mitigation Agreement. Such payment shall be calculated in light of the project's progress towards one or the other of the development scenario (i.e. High Commercial or High Residential) as reflected by all phases of the project that have been completed up to such date. The fair share contributions by phase differ by scenario because the number of transit riders varies due to different mixes of land use. If the capacity utilization based on SFMTA's ridership data is less than 85 percent, then the project sponsor's fair share payment for that phase shall be \$0 and the process will repeat at the next subsequent phase. Each subsequent fair share calculation shall take account of amounts paid for prior phases, to ensure that payments are not duplicative for the same transit rider impacts.</p>	Infrastructure developer and/or vertical developer(s), Transportation Coordinator, and SFMTA.	Prior to issuance of certificate of occupancy of Phase I of the proposed project, enter into Transit Mitigation Agreement. Upon issuance of a certificate of occupancy for each phase of development as defined in the Development Agreement, SFMTA to provide ridership data and assess capacity utilization and, if capacity utilization exceeds 85 percent, the infrastructure developer/vertical developer(s) would pay fair share contribution fees as	Infrastructure developer and/or vertical developer(s) and Transportation Coordinator to obtain current ridership on the 10 Townsend from SFMTA and conduct an assessment of the capacity utilization associated with the project as described in the measure. If the capacity utilization of the 10 Townsend line at its maximum load point exceeds 85 percent as measured at the completion of any individual project phase, and the SFMTA has committed to implement M-C-TR-4, the infrastructure developers shall provide the fair share contribution subject to the limits stated in M-C-TR-3 to capital costs for SFMTA to implement one of the designated capacity enhancement measures.	Considered complete upon execution of Transit Mitigation Agreement for each phase of development, for which this measure is determined to be necessary.

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<p>The project sponsor shall enter into a Transit Mitigation Agreement with the SFMTA under which the agreement shall provide for the project sponsor to make a fair share contribution to the cost of providing additional bus service or improving service on the 10 Townsend by paying a fee. The fair share contribution as documented in the Transportation Impact Study from the proposed project shall not exceed the following amounts, in total across all phases:</p> <p>a. \$391,179 for High Commercial</p> <p>b. \$324,595 for High Residential</p> <p>SFMTA may determine that other measures to increase capacity along the route would be more desirable than adding buses and may use the funds provided by the project sponsor to implement these other measures, which include but are not limited to the following measures:</p> <ol style="list-style-type: none"> <li>1. Convert to using higher-capacity vehicles on the 10 Townsend route. In this case, the project sponsor's fair share contribution may be utilized 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 be extended by removing one or more parking spaces at locations where appropriate space is available.</li> <li>2. Instead of adding more buses to a congested route, it would be more desirable to increase travel speeds along the route which would allow for buses to move faster thus increasing efficiency and reliability. In this case, the project sponsor's fair share contribution may 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 enough to increase capacity along the bus route. Such improvements could include transit only lanes, transit signal priority, and transit boarding improvements.</li> <li>3. Another option to increase capacity along the corridor is to add a new Muni service route in this area. If this option is selected, the project sponsor's fair share contribution may fund the purchase of the new vehicles.</li> </ol>		specified in this measure, which would be used by SFMTA to increase capacity.		

Motion No. 20018  
October 5, 2017

CASE NO. 2013.0208E  
Seawall Lot 337 and Pier 48 Mixed-Use Project

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
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<b>Noise and Vibration Mitigation Measures</b>				
<p><b>M-NOI-1: Prepare and Implement a Construction Noise Control Plan to Reduce Construction Noise at Noise-Sensitive Land Uses.</b></p> <p>The project sponsor shall develop a noise control plan that requires the following:</p> <ul style="list-style-type: none"> <li>Construction contractors shall specify noise-reducing construction practices that will be employed to reduce construction noise from construction activities. The measures specified by the project sponsor shall be reviewed and approved by the City prior to the issuance of building permits. Measures that can be used to limit noise include, but are not limited to, those listed below. <ul style="list-style-type: none"> <li>Locate construction equipment as far as feasible from noise-sensitive uses.</li> <li>Require that all construction equipment powered by gasoline or diesel engines have sound control devices that are at least as effective as those originally provided by the manufacturer and that all equipment be operated and maintained to minimize noise generation.</li> <li>Idling of inactive construction equipment for prolonged periods shall be prohibited (i.e., more than 5 minutes).</li> <li>Prohibit gasoline or diesel engines from having unmuffled exhaust systems.</li> <li>Use noise-reducing enclosures around noise-generating equipment that has the potential to disturb nearby land uses.</li> <li>Ensure that equipment and trucks used for project construction utilize the best available noise control techniques (e.g., improved mufflers, equipment redesign, intake silencers, ducts, engine enclosures, acoustically attenuating shields or shrouds) wherever feasible.</li> <li>Monitor the effectiveness of noise attenuation measures by taking noise measurements. A plan for noise monitoring shall be provided to the City for review prior to the commencement of each construction phase.</li> </ul> </li> </ul>	Infrastructure developer and/or vertical developer(s) (as applicable).	Prior to the issuance of building permits; implementation ongoing during construction.	Infrastructure developer or vertical developer(s) (as applicable) to submit the Construction Noise Control Plan to the Port's Building Permit Group. <sup>4</sup> A single Noise Control Plan or multiple Noise Control Plans may be produced to address project phasing.	Considered complete upon submittal of the Construction Noise Control Plan to the Port's Building Permit Group.

<sup>4</sup> The Port may designate another agency, such as the Planning Department, to carry out monitoring and reporting, and any reference to Port responsibilities includes such designated agencies.

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<ul style="list-style-type: none"> <li>Impact tools (e.g., jack hammers, pavement breakers, rock drills) used for project construction shall be "quiet" gasoline-powered compressors or electrically powered compressors, and electric rather than gasoline- or diesel-powered engines shall be used to avoid noise associated with compressed air exhaust from pneumatically powered tools. However, where the use of pneumatic tools is unavoidable, an exhaust muffler on the compressed air exhaust shall be used; this muffler can lower noise levels from the exhaust by up to about 10 dBA. External jackets on the tools themselves shall be used; which could achieve a reduction of 5 dBA. Quieter equipment shall be used when feasible, such as drills rather than impact equipment.</li> <li>Construction contractors shall be required to use "quiet" gasoline-powered compressors or electrically powered compressors and electric rather than gasoline- or diesel-powered forklifts for small lifting.</li> <li>Stationary noise sources, such as temporary generators, shall be located as far from nearby receptors as possible; they shall be muffled and enclosed within temporary enclosures and shielded by barriers, which could reduce construction noise by as much as 5 dB, or other measures, to the extent feasible.</li> </ul>				
<ul style="list-style-type: none"> <li>Prior to the issuance of the building permit, along with the submission of construction documents, the project sponsor shall submit to the Planning Department and Department of Building Inspection a list of measures for responding to and tracking complaints pertaining to construction noise. These measures shall include: <ul style="list-style-type: none"> <li>Identification of measures that will be implemented to control construction noise.</li> <li>A procedure and phone numbers for notifying the Department of Building Inspection, the Department of Public Health, or the Police Department of complaints (during regular construction hours and off hours).</li> <li>A sign posted onsite describing noise complaint procedures and a complaint hotline number that shall be answered at all times during construction.</li> <li>Designation of an onsite construction complaint and enforcement manager for the project.</li> </ul> </li> </ul>	Infrastructure developer and/or vertical developer(s) (as applicable).	Prior to the issuance of each building permit for duration of the project.	Infrastructure developer and/or vertical developer(s) (as applicable) to submit a list of measures for handling noise complaints to the Planning Department and Department of Building Inspection.	Considered complete upon review and approval of the complaint tracking measures by the Planning Department and Department of Building Inspection.



MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
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<ul style="list-style-type: none"> <li>A plan for notification of neighboring residents and nonresidential building managers within 300 feet of the project construction area at least 30 days in advance of extreme noise-generating activities (defined as activities that generate noise levels of 90 dBA or greater) about the estimated duration of the activity and the associated control measures that will be implemented to reduce noise levels.</li> </ul>				
<p><b>Mitigation Measure M-NOI-2.1: Noise Control Plan for Special Outdoor Amplified Sound.</b></p> <p>To reduce potential impacts related to noise generated by events in project outdoor use areas, the project sponsor 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 sponsor shall comply with noise controls and restrictions in applicable entertainment permit requirements for outdoor concerts, and shall comply with the Port of San Francisco's "Good Neighbor" standards, unless the Port Commission makes a specific finding that a particular condition is unnecessary or infeasible.</li> <li>Speaker systems shall be directed away from the nearest sensitive receptors to the degree feasible.</li> <li>In order to limit or prevent sleep disturbance, events with amplified sound shall, to the extent reasonable and appropriate given the nature and context of the event, end at 10:00 p.m.</li> </ul>	Infrastructure developer and/or park manager, the Port, parks management entity and/or parks programming entity.	Prior to the issuance of event permit.	Infrastructure developer and/or park manager, the Port, parks management entity and/or parks programming entity to submit the Noise Control Plan to the Port.	Considered complete upon submission and approval of the Noise Control Plan by the Port, although the Noise Control Plan may be adjusted as needed.
<p><b>Mitigation Measure M-NOI-2.2: Stationary Equipment Noise Controls.</b></p> <p>Noise attenuation measures shall be incorporated into all stationary equipment (including HVAC equipment and emergency generators) installed on all buildings that include such stationary equipment as necessary to meet noise limits specified in Section 2909 of the Police Code. Interior 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 residential uses, and restriction of generator testing to the daytime hours.</p>	Vertical developer(s).	Prior to the issuance of certificate of occupancy for each building located on the site.	The Port's Building Permit Group to review construction plans regarding noise attenuation measures for stationary equipment.	Considered complete after submittal and approval of plans including noise attenuation measures by the Port's Building Permit Group.

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<p><b>Mitigation Measure M-NOI-2.3: Design of Future Noise-Sensitive Uses.</b> Prior to issuance of a building permit for a residential building on Mission Rock Boulevard between Terry A. Francois Boulevard and Third Street, a noise study shall be conducted by a qualified acoustician to 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 the projected increase in traffic noise as a result of project traffic along Mission Rock Boulevard between Terry A. Francois Boulevard and Third Street and 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>	Vertical developer(s) and qualified acoustician.	Prior to the issuance of the building permit for vertical construction of any residential building on each parcel on Mission Rock Boulevard between Terry A. Francois Boulevard and Third Street.	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.
<p><b>Mitigation Measure M-NOI-2.4: Design of Future Noise-Generating Uses near Residential Uses.</b> Future land uses shall be designed to minimize the potential for sleep disturbance (defined as exceeding 45 dBA at residential interiors during the hours of 10 p.m. to 7 a.m.) at any future adjacent residential uses. Design approaches including, but not limited to, the following shall 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>• Design of Future Noise-Generating Uses. To reduce potential conflicts between sensitive receptors and new noise-generating land 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 (e.g., residences). If this is not feasible, these types of facilities shall be enclosed or equipped with appropriate noise shielding.</li> <li>• Design of Future Above-Ground Parking Structure on Block D2. For parking garage on Block D2, 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>	Garage developer (for Block D2 garage) and vertical developer(s) (for commercial/office buildings).	Prior to the issuance of a building permit for each commercial/office building, and prior to issuance of building permit for Block D2 parking garage.	The Port's Building Permit Group to review construction plans to confirm that future noise-generating land uses meet the requirements of this Measure M-NOI-2.4.	Considered complete after submittal and approval of construction plans by the Port's Building Permit Group.

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<p><b>M-NOI-3.1: Pile-Driving Control Measures – Annoyance.</b></p> <p>To reduce impacts associated with pile driving, a set of site-specific vibration attenuation measures shall be implemented under the supervision of a qualified acoustical consultant during the project construction period. These attenuation measures shall include as feasible, in consideration of technical and structural requirements and conditions, the following control strategy, as well as any other effective strategies to the extent necessary to achieve a PPV vibration level at neighboring properties of less than the strongly perceptible level of 0.10 in/sec.</p> <p>The project sponsor shall require the construction contractor to limit pile-driving activity so that the PPV vibration level at neighboring uses is less than 0.10 in/sec to the extent it is practical and necessary, and, to the extent it is practical, implement "quiet" pile-driving technology, such as predrilling piles, using sonic pile drivers, or using more than one pile driver to shorten the total duration of pile driving.</p>	Infrastructure developer and/or vertical developer(s) (as applicable), qualified acoustical consultant.	Prior to issuance of building permit for each proposed building.	Infrastructure developer or vertical developer(s) (as applicable) to submit the Construction Noise Control Plan (detailed in M-NOI-1) to the Port's Building Permit Group documenting site-specific vibration attenuation measures. A single Noise Control Plan or multiple Noise Control Plans may be produced to address project phasing.	Considered complete upon submittal and approval of the Construction Noise Control Plan (including vibration attenuation measures) to the Port's Building Permit Group.
<p><b>M-NOI-3.2: Pile-Driving Vibration Control Measures – Damage.</b></p> <p>To reduce the potential for damage to Pier 48, the following measures shall be implemented:</p> <ul style="list-style-type: none"> <li>The Port of San Francisco shall be notified in writing prior to construction activity that construction may occur within 100 feet of the Pier 48 buildings.</li> <li>The project sponsor shall retain a structural engineer, an architectural historian, and a licensed historical architect (hereafter referred to as the building evaluation team) to evaluate potentially affected buildings and determine their susceptibility to damage. The structural engineer shall evaluate the building structure. The architectural historian and licensed historical architect shall evaluate architectural elements. This building evaluation team shall then establish building-specific vibration thresholds that will (a) identify the level of vibration affected historic buildings will tolerate so as to preclude structural damage to the building of a nature that would result in material damage to any historic features of the buildings, and (b) identify the level of vibration at which cosmetic damage may begin to occur to buildings.</li> <li>The building evaluation team shall inventory and document existing cracks in paint, plaster, concrete, and other building elements.</li> </ul>	Infrastructure developer and/or vertical developer(s) (as applicable), building evaluation team.	Prior to construction activities adjacent to Pier 48.	Infrastructure developer or vertical developer(s) (as applicable) to submit proposed building-specific vibration thresholds with input from structural engineer, architectural historian, and historic architect; an inventory of the condition of Pier 48; a vibration monitoring plan; and results of the inspection following construction activities to the Port's Building Permit Group for review and approval.	Considered complete upon submittal and approval of documentation incorporating identified measures by the Port's Building Permit Group.

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<ul style="list-style-type: none"> <li>The building evaluation team shall develop a ground-borne vibration monitoring plan that will include monitoring vibration at the buildings of concern to determine if the established thresholds are exceeded.</li> <li>The project sponsor shall retain a qualified acoustical consultant or engineering firm to implement the vibration monitoring plan at Pier 48. As part of the monitoring plan, the consultant shall conduct regular periodic inspections for cosmetic damage to each building within 160 feet of planned ground-disturbing activity on the project site.</li> <li>Should vibration levels be observed in excess of the cosmetic damage threshold or cosmetic damage be observed below that level, the driving of piles within 100 feet of the Pier 48 structure (or within the impact distance determined by the study of building-specific vibration thresholds, per second bullet above, whichever distance is shorter) shall be halted until measures are implemented to prevent cosmetic damage to the extent feasible. These measures include use of alternative construction techniques, including, but not limited to, use of pre-drilled piles if soil conditions allow, use of smaller, lighter equipment, using vibratory hammers in place of impact hammers, and using pile cushioning or equipping the impact hammer with wooden cushion blocks to increase the period of time over which the energy from the driver is imparted to the pile. Should cosmetic damage to a building occur as a result of ground-disturbing activity on the site notwithstanding the use of alternative construction techniques, the building(s) shall be remediated to its pre-construction condition at the conclusion of ground-disturbing activity on the site.</li> <li>Should vibration levels be observed that reach the threshold designed to protect historic buildings from material damage to historic features, pile-driving within impact distances of the Pier 48 building, as determined by the building evaluation team, shall be halted and a structural bracing program or other appropriate protective measures for the potentially affected buildings shall be designed by the building evaluation team and implemented by the project sponsor. The structural bracing program or other protective measures shall be designed to prevent damage to the potentially affected buildings that could materially impair their historic resource status consistent with CEQA Guidelines Section 15064.5(b)(2).</li> </ul>				

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<p>In addition, the structural bracing program shall be consistent with the proposed rehabilitation of the Pier 48 buildings and meet the Secretary of the Interior's Standards for Rehabilitation.</p> <p>Following completion of construction, the project sponsor shall conduct a second inspection to inventory changes in existing cracks and new cracks or damage, if any, that occurred as a result of pile driving. If new damage is found, then the project sponsor shall promptly arrange to have the damage repaired in accordance with recommendations made by the building evaluation team.</p>				
<b>Air Quality Mitigation Measures</b>				
<p><b>Mitigation Measure M-AQ-1.1: Off-Road Construction Equipment Emissions Minimization.</b></p> <p>The project sponsor shall require all construction contractors to implement the following measures to reduce construction emissions.</p> <p><b>A. Engine Requirements</b></p> <ol style="list-style-type: none"> <li>1. All off-road equipment greater than 25 horsepower and operating for more than 20 total hours over the entire duration of construction activities shall have engines that meet or exceed either USEPA or ARB Tier 4 Interim off-road emissions standards. Tier 4 final equipment, which may be largely available in the Bay Area, may be used to comply with this requirement (since Tier 4 final engines must comply with a stricter standard than Tier 4 interim engines, Tier 4 final engines meet Tier 4 interim standards and thus comply with this requirement).</li> <li>2. Where access to alternative sources of power are available, portable diesel engines shall be prohibited.</li> <li>3. Diesel engines, whether for off-road or on-road equipment, shall not be left idling for more than 2 minutes at any location, except as provided in exceptions to the applicable state regulations regarding idling for off-road and on-road equipment (e.g., traffic conditions, safe operating conditions). The contractor shall post legible and visible signs in English, Spanish, and Chinese in designated queuing areas and at the construction site to remind operators of the 2-minute idling limit.</li> </ol>	<p>Infrastructure developer and/or vertical developer(s) (as applicable).</p>	<p>Prepare and Implement Construction Emissions Minimization Plan: Prior to issuance of grading, excavation, or demolition permits and ongoing during demolition and construction activities.</p> <p>Quarterly Monitoring Reports: Quarterly after start of construction activities.</p> <p>Final Construction Report: After completion of construction activities but prior to receiving a final certificate of occupancy.</p>	<p>Infrastructure developer and/or vertical developer(s) (as applicable) or contractor to submit a Construction Emissions Minimization Plan to Port staff for review and approval.</p> <p>Quarterly reports to be submitted to Port staff documenting compliance with the plan for review and approval.</p> <p>Final Construction Report to be submitted to Port staff for review and approval.</p>	<p>Considered complete upon Port review and approval of Construction Emissions Minimization Plan, ongoing review and approval of quarterly reports, and review and approval of final construction report.</p>

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<p>4. The contractor shall instruct construction workers and equipment operators regarding the maintenance and tuning of construction equipment and require that such workers and operators properly maintain and tune equipment in accordance with manufacturers' specifications.</p> <p>B. Waivers</p> <p>1. The Planning Department's Environmental Review Officer (ERO) or designee may waive the requirement for an alternative source of power from Subsection (A)(2) if an alternative source of power is limited or infeasible at the project site. If the ERO grants the waiver, the contractor must submit documentation that the equipment used for onsite power generation meets the requirements of Subsection (A)(1).</p> <p>2. The ERO may waive the equipment requirements of Subsection (A)(1) if use of a particular piece of off-road equipment with a Tier 4 interim-compliant engine is not feasible or reasonable, the equipment would not produce the desired emissions reductions because of the expected operating modes, installation of the equipment would create a safety hazard or impair visibility for the operator, or there is a compelling emergency that requires use of off-road equipment that is not Tier 4 interim-compliant. If seeking an exception, the project sponsor shall demonstrate to the ERO's satisfaction that the resulting construction emissions would not exceed the health risk thresholds of significance for cancer risk and PM2.5 concentrations with respect to sensitive receptors, as identified within the EIR under Impact AQ-4. If the ERO grants the waiver, the contractor must use the next-cleanest piece of available off-road equipment, according to the table below.</p> <p>3. Off-road Equipment Compliance Step-down Schedule</p> <table><tr><th>Compliance Alternative</th><th>Engine Emissions Standard</th><th>Emissions Control</th></tr><tr><td>1</td><td>Tier 3</td><td>ARB Level 2 VDECS</td></tr><tr><td>2</td><td>Tier 2</td><td>Alternative Fuel*</td></tr></table> <p>VDECS = Verified Diesel Emissions Control Strategies * Alternative fuels are not a VDECS.</p>	Compliance Alternative	Engine Emissions Standard	Emissions Control	1	Tier 3	ARB Level 2 VDECS	2	Tier 2	Alternative Fuel*				
Compliance Alternative	Engine Emissions Standard	Emissions Control											
1	Tier 3	ARB Level 2 VDECS											
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MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
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<p>4. How to use the table: If the ERO determines that the equipment requirements cannot be met, then the project sponsor must attempt to meet Compliance Alternative 1. If the ERO determines that the contractor cannot supply off-road equipment that meets Compliance Alternative 1, then the contractor must meet Compliance Alternative 2.</p> <p>C. Construction Emissions Minimization Plan</p> <p>Before starting onsite construction activities, the contractor shall submit a Construction Emissions Minimization Plan to the ERO for review and approval. The plan shall state, in reasonable detail, how the contractor shall meet the requirements of Section A.</p> <ol style="list-style-type: none"> <li>The plan shall include estimates of the construction timeline by phase, with a description of each piece of off-road equipment required for every construction phase. The description may include, as such information is available, but is 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 VDECS installed, the description may include technology type, serial number, make, model, manufacturer, ARB verification number level, and installation date and hour meter reading on installation date. For off-road equipment using alternative fuels, the description shall also specify the type of alternative fuel being used. Renewable diesel shall be considered an alternative fuel if it can be demonstrated to the Planning Department or the City's air quality specialists that it is compatible with tiered engines and that emissions of ROG and NOx from the transport of fuel to the project site will not offset its NOx reduction potential.</li> <li>The project sponsor shall ensure that all applicable requirements of the plan have been incorporated into the contract specifications. The plan shall include a certification statement, stating that the contractor agrees to comply fully with the plan.</li> <li>The contractor shall make the plan available to the public for review onsite during working hours. The contractor shall post at the construction site a legible and visible sign summarizing the plan. The sign shall also state that the public may ask to inspect the plan for the project at any time during working hours and explain how to request</li> </ol>				

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<p>to inspect the plan. The contractor shall post at least one copy of the sign in a visible location on each side of the construction site facing a public right of way.</p> <p>D. Monitoring</p> <p>After start of construction activities, the contractor shall submit quarterly reports to the ERO, documenting compliance with the plan. After completion of construction activities but prior to receiving a final certificate of occupancy, the project sponsor shall submit to the ERO a final report, summarizing construction activities, including the start and end dates, the duration of each construction phase, and the specific information required in the plan.</p>				
<p><b>Mitigation Measure M-AQ-1.2: On-Road Material Delivery and Haul Trucks Construction Emissions Minimization.</b></p> <p>The project sponsor shall require all construction contractors to implement the following measures to reduce construction haul truck emissions.</p> <p>A. Engine Requirements</p> <p>1. The project sponsor shall also ensure that all on-road heavy-duty diesel trucks with a gross vehicle weight rating of 19,500 pounds or greater used at the project site (such as haul trucks, water trucks, dump trucks, and concrete trucks) be model year 2010 or newer.</p> <p>B. Construction Emissions Minimization Plan</p> <p>As part of the <i>Construction Emissions Minimization Plan</i> identified above for Mitigation Measure M-AQ-1.1 Section C, the contractor shall state, in reasonable detail, how the contractor shall meet the requirements of Section A.</p> <p>1. The plan shall include estimates of the construction timeline by phase, with a description of how the on-road haul truck fleet required for every construction phase will comply with the engine requirements stated above. The plan shall also include expected fuel usage (or miles traveled) and hours of operation for the on-road haul truck fleet. For on-road trucks using alternative fuels, the description shall also specify the type of alternative fuel being used. Renewable diesel shall be considered as an alternative fuel if it can be demonstrated to the Planning Department or the City's air quality specialists that it is compatible with on-road truck engines and that emissions of ROG and NOx from transport of fuel to the project site will not offset its NOx reduction potential.</p>	Infrastructure developer and/or vertical developer(s) (as applicable).	Prepare and Implement Construction Emissions Minimization Plan including engine requirements: Prior to issuance of a grading, excavation, or demolition permits and ongoing during demolition and construction activities. Quarterly Monitoring Reports: Quarterly after start of construction activities. Final Construction Report: After completion of construction	Infrastructure developer and/or vertical developer(s) (as applicable) or contractor to submit a Construction Emissions Minimization Plan including engine requirements to Port staff for review and approval. Quarterly reports to be submitted to Port staff documenting compliance with the plan for review and approval. Final Construction Report to be submitted to Port staff for review and approval.	Considered complete upon Port review and approval of Construction Emissions Minimization Plan, ongoing review and approval of quarterly reports, and review and approval of final construction report.



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a. See Mitigation Measure M-AQ-1.1 Section C, Part 2. b. See Mitigation Measure M-AQ-1.1 Section C, Part 3. C. Monitoring See Mitigation Measure M-AQ-1.1 Section D.		activities but prior to receiving a final certificate of occupancy.		
<b>Mitigation Measure M-AQ-1.3: Low-VOC Architectural Coatings.</b> The project sponsor shall use low-VOC (i.e., ROG) coatings, beyond local requirements (i.e., Regulation 8, Rule 3: Architectural Coatings), for at least 90 percent of all residential and nonresidential interior and exterior paints. This includes all architectural coatings applied during both construction and reapplications throughout the project's operational lifetime. At least 90 percent of coatings applied must meet the "super-compliant" VOC standard of less than 10 grams of VOC per liter of paint. After start of construction activities, the contractor shall submit quarterly reports to the ERO documenting compliance with this measure by providing an inventory listing the VOC content of all coatings purchased and applied during construction activities. For the reapplication of coatings during the project's operational lifetime, the Declaration of Covenants, Conditions, and Restrictions shall also contain a stipulation that low-VOC coatings must be used and a list of potential coatings shall be provided. A list of "super-compliant" coatings can be found on the South Coast Air Quality Management District's website: <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> .	Vertical developer(s).	At the start of construction activities and quarterly during construction and the project's operational lifetime.	Vertical developer(s) to submit initial report and quarterly reports to the Port's Building Permit Group documenting compliance for review and approval.	Ongoing throughout construction and operation.
<b>Mitigation Measure M-AQ-1.4: Best Available Control Technology for In-Water Construction Equipment.</b> The project sponsor shall require all construction contractors to implement the following measures to reduce emissions from in-water equipment. <b>A. Engine Requirements</b> <ol style="list-style-type: none"> <li>The project sponsor shall ensure that the construction barge shall have engines that meet or exceed USEPA marine engine Tier 3 emissions standards.</li> <li>The project sponsor shall also ensure that the construction work boat engine shall be model year 2005 or newer or meet NOx and PM emissions standards for that model year.</li> </ol>	Pier 48 developer.	Prepare and Implement Construction Emissions Minimization Plan including barge and work boat engine requirements: Prior to issuance of a grading, excavation, or demolition permits	Pier 48 developer or contractor to submit a Construction Emissions Minimization Plan including barge and work boat engine requirements to Port staff for review and approval. Quarterly reports to be submitted to Port staff documenting compliance with the plan for review and approval.	Considered complete upon Port review and approval of Construction Emissions Minimization Plan, ongoing review and approval of quarterly reports, and review and

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<p><b>B. Construction Emissions Minimization Plan</b> As part of the <i>Construction Emissions Minimization Plan</i> identified above for Mitigation Measure M-AQ-1.1 Section C, the contractor shall state, in reasonable detail, how the contractor shall meet the requirements of Section A.</p> <p>1. The plan shall include estimates of the construction timeline by phase, with a description of how each in-water equipment piece (e.g. barge engines, work boats) required for every construction phase will comply with the engine requirements stated above. The plan shall also include expected fuel usage and hours of operation for in-water equipment. For in-water equipment using alternative fuels, the description shall also specify the type of alternative fuel being used. Renewable diesel shall be considered as an alternative fuel if it can be demonstrated to the Planning Department or the City's air quality specialists that it is compatible with tiered engines and that emissions of ROG and NOx from transport of fuel to the project site will not offset its NOx reduction potential.</p> <p>a. See Mitigation Measure M-AQ-1.1 Section C, Part 2. b. See Mitigation Measure M-AQ-1.1 Section C, Part 3.</p> <p><b>C. Monitoring</b> See Mitigation Measure M-AQ-1.1 Section D.</p>		<p>and ongoing during demolition and construction activities.</p> <p>Quarterly Monitoring Reports: Quarterly after start of construction activities.</p> <p>Final Construction Report: After completion of construction activities but prior to receiving a final certificate of occupancy.</p>	<p>Final Construction Report to be submitted to Port staff for review and approval.</p>	<p>approval of final construction report.</p>
<p><b>Mitigation Measure M-AQ-1.5: Emissions Offsets for Construction and Operational Ozone Precursor Emissions.</b> Prior to the estimated first year of exceedance, the project sponsor, with oversight of the Planning Department, shall elect to either:</p> <p>1. Directly implement a specific offset project or program to achieve emission reductions of up to 9.6 tons of ozone precursors to offset the combined emissions from construction and operations remaining above significance levels after implementation of identified mitigation measures. To qualify under this mitigation measure, the specific emissions reduction project must result in emissions reductions within the SFBAAB that are real, surplus, quantifiable, and enforceable and would not otherwise be achieved through compliance with existing regulatory requirements or any other legal requirement. Prior to implementation of the offset project, the project sponsor must obtain the</p>	Infrastructure developer.	<p>Implement a specific offset project or program:</p> <p>Prior to the estimated first year of exceedance and notify the Port within 6 months of completion of the offset project.</p> <p>Mitigation Fee: Installment for each development block to be paid</p>	<p>Implementation of specific offset project or program:</p> <p>Port approval of proposed offset program. Port verification of successful completion of offset program.</p> <p>Mitigation Fee: Infrastructure developer, BAAQMD, and Port to determine fee. BAAQMD and infrastructure developer to develop and implement MOU.</p>	<p>Implementation of specific offset project or program:</p> <p>Complete upon Port's verification of successful completion of offset program.</p> <p>Mitigation Fee: Complete for each block upon payment of fee</p>

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<p>Planning Department's approval of the proposed offset project by providing documentation of the estimated amount of emissions of ROG and NOx to be reduced (tons per year) within the SFBAAB from the emissions reduction project(s). The project sponsor shall notify the Planning Department within 6 months of completion of the offset project for Planning Department verification.</p> <p>2. Pay a mitigation offset fee to the BAAQMD Bay Area Clean Air Foundation (Foundation) in installments, as further described below, with each installment amount to be determined prior to the estimated first year of exceedance. This fee is intended to fund emissions reduction projects to achieve reductions totaling up to 10.5 tons of ozone precursors per year. the estimated maximum tonnage of operational and construction-related emissions offsets required to reduce emissions below significance levels after implementation of other identified mitigation measures. This total emissions offset amount was calculated by summing the maximum daily construction and operational emissions of ROG and NOx (pounds/day), multiplying by 260 work days per year for construction and 365 days per year for operation, and converting to tons. The amount represents the total estimated operational and construction-related ROG and NOx emissions offsets required.</p> <p>The fee shall be paid in up to 12 installments, each installment payable at the time of application for a site permit for each development block, representing the portion of the 10.5 tons of ozone precursors per year attributable to each building, as follows: (a) Blocks A, G, and K: 6.6% or 0.70 tons per each development block; (b) Pier 48: 18.6% or 1.95 tons; (c) Blocks B, C, and D: 9% or 0.95 tons per each development block; (d) Blocks E and F: 10.3% or 1.08 tons per each development block; and (e) Blocks H, I, and J: 4.6% or 0.49 tons per each development block. The mitigation offset fee, currently estimated at approximately \$18,262 per weighted ton, shall not exceed \$35,000 per weighted ton of ozone precursors plus an administrative fee of no more than 5 percent of the total offset to fund one or more emissions reduction projects within the SFBAAB. The not to exceed amount of \$35,000 will be adjusted to reflect annual California Consumer Price Index adjustments between 2017 and the estimated first year of exceedance. Documentation of payment shall be provided to the Planning Department.</p>		with site permit application for each block, if no specific project or program is identified. Enter into MOU with BAAQMD Foundation and pay offset fee in installments for each development block.		installment outlined in the MOU.

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<p>Unless directly implementing a specific offset project (or program) as described above, the project sponsor would enter into a Memorandum of Understanding (MOU) with the BAAQMD Foundation in connection with each installment payment described above. The MOU will include details regarding the funds to be paid, the administrative fee, and the timing of the emissions reductions project. Acceptance of this fee by the BAAQMD shall serve as acknowledgment and a commitment to (1) implement an emissions reduction project(s) within a time frame to be determined, based on the type of project(s) selected, after receipt of the mitigation fee to achieve the emissions reduction objectives specified above and (2) provide documentation to the Planning Department and the project sponsor describing the project(s) funded by the mitigation fee, including the amount of emissions of ROG and NOx reduced (tons per year) within the SFBAAB from the emissions reduction project(s). To qualify under this mitigation measure, the specific emissions reduction project must result in emission reductions within the SFBAAB that are real, surplus, quantifiable, and enforceable and would not otherwise be achieved through compliance with existing regulatory requirements or any other legal requirement.</p>				
<p><b>Mitigation Measure M-AQ-2.1: Best Available Control Technology for Operational Diesel Generators.</b></p> <p>The project sponsor shall ensure that the operational backup diesel generators comply with the following: (1) ARB Airborne Toxic Control Measure (ATCM) emissions standards for model year 2008 or newer engines; and (2) meet or exceed one of the following emission standards for particulate matter: (A) Tier 4 interim certified engine or (B) Tier 2 or Tier 3 certified engine that is equipped with an ARB Level 3 VDECS. A nonverified diesel emissions control strategy may be used if the filter has the same particulate matter reduction as the identical ARB-verified model and BAAQMD approves of its use. The project sponsor shall submit documentation of compliance with the BAAQMD NSR permitting process (Regulation 2, Rule 2, and Regulation 2, Rule 5) and the emissions standard requirement of this measure to the Planning Department for review and approval prior to issuance of a permit for a backup diesel generator from any City agency.</p>	Vertical developer(s).	Prior to issuance of permit for each backup diesel generator from BAAQMD.	Vertical developer(s) shall submit documentation of compliance to the Port for review and approval.	Considered complete upon review and approval of documentation by Port staff.

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<p><b>Mitigation Measure M-AQ-2.2: Reactive Organic Gases Emissions Reduction Measures.</b></p> <p>To reduce ROG emissions associated with the project, the project sponsor shall provide education for residential and commercial tenants to help reduce area source (e.g., architectural coatings, consumer products, and landscaping) emissions associated with residential and building operations. Prior to receipt of any building permit and every 5 years thereafter, the project sponsor shall work with the San Francisco Department of Environment to develop electronic correspondence, which will be distributed by email annually to tenants of the project that encourages the purchase of consumer products that are better for the environment and generate fewer VOC emissions. The correspondence shall encourage environmentally preferable purchasing and include contact information and links to SF APPROVED. While microbreweries do not typically implement emission control devices, to further reduce ROG (primarily ethanol) emissions associated with Pier 48 industrial operations, the project sponsor shall implement technologies to reduce ethanol emissions if available and practicable. Such measures could include wet scrubbers, ethanol recovery and capture (e.g., carbon absorption) or incineration. At the time when specific designs for the Pier 48 use are submitted to the City for approval, the project sponsor shall provide an analysis that quantifies the emissions, based on the specific design proposal, and evaluates ROG emission control technologies.</p>	Vertical developer(s).	Prior to issuance of any building permit and every 5 years thereafter.	Vertical developer(s) to work with the San Francisco Department of Environment to develop materials. San Francisco Department of the Environment to review and approve materials.	Considered complete after documentation provided to the Department of Environment of distribution of educational materials to residential and commercial tenants.
<p><b>Mitigation Measure M-AQ-2.3: Transportation Demand Management.</b></p> <p>The project sponsors shall prepare and implement a Transportation Demand Management (TDM) Plan. The TDM Plan shall have a goal of reducing estimated aggregate daily one-way vehicle trips by 20 percent compared to the aggregate daily one-way vehicle trips identified in the project's travel demand memo, prepared by Advant Consulting, dated June 30, 2015 ("Travel Demand Memo"), and attached as Appendix 4-4 to the Draft EIR. The project sponsors shall be responsible for monitoring implementation of the TDM Plan and proposing adjustments to the TDM Plan if its goal is not being achieved, in accordance with the following provisions.</p> <p>The TDM Plan may include, but is not limited to, the types of measures summarized below by way of example. TDM Plan measures shall generally be consistent with the City's adopted TDM Program Standards and the draft</p>	Transportation Coordinator and/or infrastructure developer to prepare the TDM Plan, which will be implemented by the Transportation Coordinator and will be binding on all development parcels.	Transportation Coordinator and/or Infrastructure developer to prepare TDM Plan and submit to Planning Department staff prior to approval of the project.	Transportation Coordinator to submit the TDM Plan to Planning Department staff for review and approval. Transportation Coordinator to submit monitoring report annually to Planning Department staff and implement TDM Plan Adjustments (if required).	The TDM Plan is considered complete upon approval by the Planning Department staff, in consultation with the SFMTA. Annual monitoring reports would be on-going during project buildout.

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<p>proposed TDM Plan prepared by Nelson Nygaard, dated September 2016, and attached as Appendix 4-5 to the Draft EIR. The TDM Plan describes the scope and applicability of candidate measures in detail, and may include, for example:</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 wayfinding signage, transportation information displays, and tailored transportation marketing services;</li> <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 describe each measure, including the degree of implementation (e.g., how long will it be in place, how many tenants or visitors it will benefit, on which locations within the site it will be placed, etc.) and the population that each measure is intended to serve (e.g., residential tenants, retail visitors, employees of tenants, visitors). The TDM Plan shall commit to monitoring vehicle trips to and from the project site to determine the TDM Plan's effectiveness, as required by TDM Plan Monitoring and Reporting outlined below.</p> <p>The TDM Plan shall have been approved by the Planning Department prior to site permit application for the first building and the TDM Plan shall be implemented as to each new building upon the issuance of the certificate of occupancy for that building.</p>				<p>or until five consecutive reporting periods show that the fully-built project has met its reduction goals, at which point reports would be submitted every three years.</p>

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<p>The TDM Plan shall remain a component of the proposed project to be implemented for the duration of the project.</p> <p><i>TDM Plan Monitoring and Reporting:</i> the Transportation Coordinator shall collect data, prepare monitoring reports and submit them to the Planning Department. To ensure the goal of reducing by 20 percent the aggregate daily one-way vehicle trips is reasonably achievable, the project sponsor shall monitor daily one-way vehicles trips for all buildings that have received a Certificate of Occupancy, and compare these vehicle trips to the aggregate daily one-way vehicle trips anticipated for the those buildings based on the trip generation rates contained within the proposed project Travel Demand Memo.</p> <ul style="list-style-type: none"> <li>• <b>Timing:</b> The Transportation Coordinator shall collect monitoring data and shall begin submitting monitoring reports to the Planning Department beginning 18 months after the completion and commencement of operation of the proposed garage on Block D. Thereafter, annual monitoring reports shall be submitted (referred to as "reporting periods") until five consecutive reporting periods show that the project has met the reduction goal, at which point monitoring data shall be submitted to the Planning Department once every 3 years. The project sponsor shall complete each trip count and survey (see below for description) 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 project sponsor shall modify the timing of monitoring reports such that a new monitoring report is submitted 12 months after adjustments are made to the TDM Plan in order to meet the reduction goal, as may be required under the "TDM Plan Adjustments" heading, below. In addition, the Planning Department may modify the timing of monitoring reports as needed to consolidate this requirement with other monitoring and/or reporting requirements for the project, such as annual reporting under the proposed project Development Agreement.</li> <li>• <b>Term:</b> The Project Sponsor shall monitor, submit monitoring reports, and make plan adjustments as provided below until the earlier of: (i) the expiration of the Development Agreement, or (ii) the reduction goal has been met for up to eight consecutive reporting periods as determined by the Planning Department. Notwithstanding the foregoing or any other provision of this mitigation measure, all obligations for monitoring,</li> </ul>				

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<p>reporting and for making adjustments to the TDM Plan shall terminate if the project sponsor has paid and/or made a commitment to pay the offset fee for any shortfall in the TDM Plan's meeting the reduction goal as provided below.</p> <ul style="list-style-type: none"> <li>• <b>Components:</b> The monitoring and reporting, including trip counts, surveys and travel demand information, shall include the following components or comparable alternative methodology and components, as approved, accepted or provided by Planning Department staff: <ul style="list-style-type: none"> <li>○ <b>Trip Count and Intercept Survey:</b> Provide a site-wide trip count and intercept survey of persons and vehicles arriving and leaving the project site, other than on AT&amp;T Park ballgame or other major event (e.g., concert or other event substantially occupying the capacity of AT&amp;T Park) days or hours, for no less than two days during 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 survey consultant, and the Planning Department shall approve the methodology prior to the Project Sponsors conducting the components of the trip count and intercept survey. The Planning Department anticipates it will have a standard trip count and intercept survey methodology developed and available to project sponsors at the time of data collection.</li> <li>○ <b>Travel Demand Information:</b> The above trip count and survey information shall be able to provide the 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>○ <b>Documentation of Plan Implementation:</b> The transportation coordinator shall work in conjunction with the Planning Department to develop a survey (online or paper) that can be reasonably completed by the transportation coordinator and/or Transportation</li> </ul> </li> </ul>				



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<p>Management Association (TMA) staff members to document implementation of TDM program elements and other basic information during the reporting period. The project sponsors shall include this survey in the monitoring report submitted to the Planning Department.</p> <ul style="list-style-type: none"> <li>Assistance and Confidentiality: The Planning Department will assist the transportation coordinator with questions regarding the components of the monitoring report and will assist the transportation coordinator in determining ways to protect the identity of individual survey responders.</li> </ul> <p><b>TDM Plan Adjustments.</b> The project sponsors shall adjust the TDM Plan according to the 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 the Planning Department and may require refinements to existing measures (e.g., changes to subsidies, increased bicycle parking), inclusion of new measures (e.g., a new technology or project operational changes not inconsistent with any agreements with the Port), or removal of existing measures (e.g., measures that are ineffective or induce vehicle trips).<sup>5</sup> If three consecutive reporting periods' monitoring results demonstrate that measures within the TDM Plan are not achieving the reduction goal, the project sponsors shall propose TDM Plan adjustments to be incorporated in the TDM Plan within 270 days following the last reporting period. The project sponsors shall implement the TDM Plan adjustments until the results of three consecutive reporting periods demonstrate that the reduction goal is being achieved.</p> <p>If after implementing TDM Plan adjustments as described above, and the project sponsors have not met the reduction goal for up to eight consecutive reporting periods as determined by the Planning Department, the project sponsors may, at any time thereafter, elect to address the shortfall in meeting the TDM Plan reduction target by, in addition to paying the emission offset fees set forth in Mitigation Measure M-AQ-1.5, also paying an additional</p>				

<sup>5</sup> No parking-related restrictive measures on the project site shall by design or effect, restrict parking on the project site for patrons of AT&T ballpark games or events.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
NOTE: Each mitigation measure in this document applies to the proposed project and all variants, unless noted otherwise.				
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offset fee in accordance with Mitigation Measure M-AQ-1.5, in the amount required to address, both the shortfall in reduction during the previously monitored years and the anticipated shortfall in the remaining expected years of project operations, the latter of which shall be based on the shortfall that occurred in the most recently monitored year. Calculations of emissions to be offset shall be based on the total amount of emissions anticipated to be reduced by achieving the 20 percent TDM goal adjusted for the actual percentage of aggregate daily one-way vehicle trip reduction achieved in the most recently monitored year.				
<b>Wind and Shadow Mitigation Measures</b>				
<b>M-WS-1: Assessment and Mitigation of Wind Hazards on a Building-by-Building Basis.</b> 1. Prior to or as part of the submittal package for the schematic design of a new building (Proposed Building), the Proposed Building developer shall submit to the Planning Department, for its review and approval, a scope of work and, following approval of the scope, a report from a Qualified Wind Consultant (QWC) that reviews the Proposed Building schematic design, absent landscaping. <sup>6</sup> "QWC" means a wind consultant retained by the Proposed Building(s) developer and approved by the Planning Department for preparation of the report. The EIR wind consultant for the proposed project and any other wind consultant on the City's then approved list or otherwise approved by the City will be considered a QWC. 2. The QWC report shall evaluate whether the Proposed Building(s) would create a Significant Wind Impact. "Significant Wind Impact" means a substantial increase on a site-wide basis in the number of hours per year that the 26 mph wind hazard criterion is exceeded or, if baseline wind conditions are greater than 26 mph, a substantial increase in the area subjected to winds greater than 26 mph. This analysis shall focus on the entire project area that was studied in wind tunnel tests conducted for the EIR and not just the area immediately surrounding the Proposed Building(s).	Vertical developer(s) and qualified wind consultant. Vertical developer(s) to implement architectural or landscaping features, or a combination of such features, that have been demonstrated in wind tunnel to reduce the Proposed Building's wind hazards to a level no greater than those of either	Prior to or as part of the submittal package for the schematic design of a new building.	Vertical developer(s) to submit to the Planning Department and the Port, for their review and approval, a scope of work and, following the approval of the scope of work by Planning Department and Port staff, a report from a qualified wind consultant that determines building-specific wind conditions.	Considered complete upon approval of wind report by the Planning Department and Port.

<sup>6</sup> The scope of work for this report shall use the same methodology and wind test point locations as the Wind Study prepared for this EIR.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
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<p>3. The QWC shall consider the Proposed Building(s) in the context of the "Current Project," which, at any given time during construction of the Project, shall be defined as the building masses used in the Original Model (Wind Study Configuration B),<sup>7</sup> except as updated to reflect schematic design submittals for any previously approved building that has not yet commenced construction, and construction permit designs for on-site buildings that are under construction or have completed construction. This model shall be referred to as the "Current Project" and shall be updated over time as architectural design for each proposed project block/building is completed.</p> <p>4. The Proposed Building shall be tested in the wind tunnel as proposed, including any architectural features that can be shown on plans to mitigate wind effects.<sup>8</sup> Testing may not include any existing or proposed onsite landscaping. A separate test shall be conducted with existing and proposed onsite landscaping included, if required per Section 5, below. The accompanying report shall compare the wind tunnel results analyzing the Proposed Building in the context of the Current Project to the following two baselines: (1) the EIR baseline conditions for the project site (Wind Study Configuration A), and (2) Existing Plus Project (i.e., with Mission Rock proposed project) conditions used in the EIR (Wind Study Configuration B).</p> <p>5. No further analysis shall be required if the QWC concludes, and the Planning Department concurs, that the Proposed Building's schematic design, absent proposed onsite landscaping, would not create a Significant Wind Impact. If the QWC concludes that the Proposed Building's schematic design, absent proposed onsite and existing offsite landscaping, would create a Significant Wind Impact, as defined above, then a second wind tunnel test shall be conducted, taking into account proposed onsite landscaping and existing offsite landscaping. The intent of landscaping is</p>	Wind Study Configuration A or Wind Study Configuration B.			

<sup>7</sup> All references to the Wind Study refer to the Mission Rock EIR Pedestrian Wind Study Wind Tunnel Tests Report prepared by RWDI, final report, January 25, 2017, which can be found in Appendix 7-I to this EIR.

<sup>8</sup> These could include features such as setbacks, wind baffles, randomized balconies, overhangs, canopies, awnings and the like, provided they are consistent with the project's Design Controls and shown on schematic architectural plans for the Proposed Building.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
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<p>to emulate the function and effect of a manmade wind screen. The following parameters have been determined to be the minimum requirements for landscaping features to be effective in controlling wind:<sup>9</sup></p> <ul style="list-style-type: none"> <li>It is the combined effect of a cluster or group of landscaping features that is most effective, rather than the maturity of one tree.</li> <li>Since a general rule is that vertical wind control features should be taller than the average height of a person, foliage from the ground up is most effective at a height of approximately 6 to 8 feet.</li> <li>Since winds can easily flow under tree crowns, underplantings (e.g., shrub plantings at the base of a tree) should be included where trunks are bare for the first 5 to 6 feet of a tree measured from the ground.</li> <li>Tree crowns with at least 60 percent cover (density of leafage) and even spread of branches are most effective.</li> </ul>				
<b>Biological Resources Mitigation Measures</b>				
<p><b>M-BI-3.1: Conduct Impact Hammer Pile Driving during Periods that Avoid Special-Status Fish Species' Spawning and Migration Seasons.</b> In-water pile installation using impact hammers shall occur within the work window of June 1 to November 30, which has been established for dredging in San Francisco Bay to reduce potential effects on special-status fish species.</p>	Pier 48 developer.	During the construction work window of June 1 to November 30.	Pier 48 developer to submit detailed construction schedule to Port staff for review and approval.	Considered complete upon approval of construction schedule by Port staff.
<p><b>M-BI-3.2: Pile-Driving Noise Reduction for the Protection of Fish.</b> Prior to the start of pile driving in the Bay, the project sponsor shall develop an underwater noise monitoring and attenuation plan and obtain approval from NMFS. The NMFS-approved plan or any modifications shall be provided to the City Planning Department for determination of consistency with the requirements in this measure. The plan shall provide details regarding the estimated underwater sound levels expected, sound attenuation methods, methods used to monitor and verify sound levels during pile-driving activities, and management practices</p>	Pier 48 developer.	Prior to the start of pile driving in the Bay.	Pier 48 developer to prepare an underwater noise monitoring and attenuation plan and obtain approval from NMFS. The NMFS-approved plan or any modifications to be provided to the Port staff for determination of consistency with the requirements in this	Considered complete upon review and approval of the sound attenuation and monitoring plan by NMFS and consistency determination by

<sup>9</sup> RWDI, Landscaping, December 8, 2016.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
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MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility (Public Agency)	Monitoring Schedule
<p>to be taken to reduce pile-driving sound in the marine environment to below NMFS thresholds for injury to fish. The plan shall incorporate, but not be limited to, the following BMPs:</p> <ul style="list-style-type: none"> <li>All steel pilings shall be installed with a vibratory pile driver to the deepest depth practicable. An impact pile driver may be used only where necessary, as determined by the contractor and/or project engineer, to complete installation of the steel pilings, in accordance with seismic safety or other engineering criteria.</li> <li>The smallest pile driver and minimum force shall be used to complete the work necessary to meet NMFS requirements, as determined by the contractor and/or project engineer.</li> <li>The hammer shall be cushioned using a 12-inch-thick wood block during all impact hammer pile-driving operations.</li> <li>To reduce impacts to levels below injury thresholds, based on hydroacoustic monitoring and the amount of impact pile driving occurring on a particular day, a bubble curtain, wood block cushion, air barrier, or similar technology shall be employed during impact pile-driving activities.</li> <li>A "soft start"<sup>10</sup> technique shall be employed upon initial pile-driving activities every day to allow fish an opportunity to vacate the area.</li> <li>During impact pile driving, the contractor shall limit the number of strikes per day to the minimum necessary to complete the work, as determined by the contractor and/or project engineer.</li> <li>No pile driving shall occur at night.</li> <li>During impact pile driving, a qualified fish biologist shall monitor the project site for fish that exhibit signs of distress. If fish are observed exhibiting signs of injury or distress, work shall be halted by the biologist, and the cumulative SEL up to that point shall be examined. If the cumulative SEL is close to the threshold or exceeds the threshold, then pile-driving activities will cease until the next day.</li> </ul>			measure.	Port staff.

<sup>10</sup> Soft starts require an initial set of three strikes from the impact hammer at 40 percent energy, followed by a 1-minute waiting period between subsequent three-strike sets. Soft starts for vibratory hammers will initiate noise at 15 seconds at reduced energy, followed by a 1-minute waiting period between subsequent starts. This process should continue for a period of no less than 20 minutes.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
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MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility (Public Agency)	Monitoring Schedule
<ul style="list-style-type: none"> <li>All pile-driving and pile-removal activity shall be monitored by a NMFS-approved biological monitor before and during all pile driving. The biological monitor shall maintain a monitoring log of daily pile-driving activities, any field sound measurements, fish sightings, and implementation of soft-start and shut-down requirements. A monitoring report shall be prepared for submission to NMFS and the City (submitted monthly and at the completion of all pile-driving/pile-removal activities).</li> </ul>				
<p><b>M-BI-3.3: Pile-Driving Noise Reduction for Protection of Marine Mammals.</b> Prior to the start of pile driving in the Bay, as part of the underwater noise monitoring and attenuation plan required by Mitigation Measure M-BI-3.2, the project sponsor shall provide details regarding the estimated underwater sound levels expected, not just from impact hammer pile driving that may affect fish but also from vibratory pile driving and removal because these sound levels may affect marine mammals. The plan shall also address sound attenuation methods, methods used to monitor and verify sound levels during pile-driving activities, and management practices to be taken to reduce pile-driving sound in the marine environment to below NMFS thresholds for injury to marine mammals. As part of implementation of the sound attenuation monitoring plan, the project sponsor shall take actions to reduce the effect of underwater noise transmission on marine mammals. These actions shall include, at a minimum:</p> <ul style="list-style-type: none"> <li>The establishment of initial safety zones, based on the estimated NMFS injury threshold contours for the different marine mammals (as shown in Table 4.L-8 and Table 4.L-9). The initial size of the safety zones may be modified, based on subsequent analysis of the anticipated noise levels and the actually proposed piles, equipment, and activity prior to construction but only with the approval of NMFS.</li> <li>Hydroacoustic monitoring, according to the NMFS-approved sound attenuation and monitoring plan, shall be completed during initial pile driving to verify projected isopleths for pile driving and removal. The plan shall require real-time hydroacoustic monitoring for a sufficient number of piles to determine and verify modeled noise isopleths. The safety zones established prior to construction may be modified, based on field measurements of noise levels from different pile-driving activities, if the field measurements indicate that different noise threshold contours than those estimated prior to construction are appropriate but only with approval of NMFS.</li> </ul>	Pier 48 developer.	Prior to the start of pile driving in the Bay.	Pier 48 developer to prepare an underwater noise monitoring and attenuation plan (including estimated underwater sound levels expected) and obtain approval from NMFS. The NMFS-approved plan or any modifications to be provided to Port staff for determination of consistency with the requirements in this measure.	Considered complete upon review and approval of the sound attenuation and monitoring plan by NMFS and consistency determination by Port staff.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
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MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility (Public Agency)	Monitoring Schedule
<ul style="list-style-type: none"> <li>Halting of work activities when a marine mammal enters a safety zone (specific to that species) and resumed only after the animal has not been observed within the safety zone for a minimum of 15 minutes.</li> <li>Use of a "soft start"<sup>11</sup> technique each day upon commencement of pile-driving activity, any time after ceasing pile-driving activity for more than 1 hour, and any time after shutdown due to marine mammal entry into a safety zone.</li> <li>Monitoring by an NMFS-approved biological monitor of all pile-driving and pile-removal activity before and during all pile driving/removal to inspect the work zone and adjacent Bay waters for marine mammals and implement the safety zone requirements described above. The biological monitor shall maintain a monitoring log of daily pile-driving/removal activities, any field sound measurements, marine mammal sightings, and implementation of soft-start, shut-down, and safety-zone requirements. A monitoring report shall be prepared for submission to the City and NMFS (submitted monthly and at the completion of all pile-driving/pile-removal activities).</li> </ul>				
<p><b>M-BI-5: Conduct Pre-Construction Surveys for Nesting Migratory Birds.</b></p> <p>To facilitate compliance with state and federal laws (California Fish and Game Code and the MBTA) and prevent impacts on nesting migratory birds, the project sponsor shall avoid vegetation/structure removal, ground-disturbing activities, and elevated noise levels near suitable nesting habitat during the nesting season (February 1 through August 31) or conduct pre-construction surveys, as described below. Alternatively, the project sponsor may remove vegetation or structures that may support nesting birds outside of the breeding season such that no breeding habitat would be present should construction start in the normal breeding season.</p>	Infrastructure or vertical developer(s) (as applicable), qualified wildlife biologist (if necessary).	Infrastructure or vertical developer(s) (as applicable) to avoid vegetation and/or structure removal, ground-disturbing activities, and elevated noise levels near suitable nesting habitat	Avoid Removal during Nesting Season: contractor to provide detailed construction schedule to Port to confirm affected activities fall outside nesting season or removal of trees and/or structures occurs outside breeding season. Nesting Surveys: If necessary, wildlife biologist to complete a memorandum	Avoid Removal during Nesting Season: complete upon review and approval of construction schedule by Port staff. Nesting Surveys: Considered complete upon review and

<sup>11</sup> Soft starts require an initial set of three strikes from the impact hammer at 40 percent energy, followed by a 1-minute waiting period between subsequent three-strike sets. Soft starts for vibratory hammers will initiate noise at 15 seconds at reduced energy, followed by a 1-minute waiting period between subsequent starts. This process should continue for a period of no less than 15 minutes.

<b>MITIGATION-MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT</b>				
<b>NOTE: Each mitigation measure in this document applies to the proposed project and all variants, unless noted otherwise.</b>				
<b>MEASURES ADOPTED AS CONDITIONS OF APPROVAL</b>	<b>Implementation Responsibility</b>	<b>Mitigation Schedule</b>	<b>Monitoring/Reporting Responsibility (Public Agency)</b>	<b>Monitoring Schedule</b>
<p>If it is not feasible to avoid the nesting season and suitable nesting areas remain on the project site, the project sponsor shall hire a qualified wildlife biologist with demonstrated nest-searching experience to conduct surveys for nesting birds, including raptors. The following list details the nesting bird survey requirements for this project.</p> <ul style="list-style-type: none"> <li>One nesting bird assessment is required at the beginning of each year, at the start of the nesting bird season (February), to determine if suitable nesting habitat remains or has been reinstated (e.g., the project site is revegetated).</li> <li>If suitable nesting habitat is present, one nesting survey shall be conducted between February and April, and one nesting survey shall be conducted between April and June.</li> <li>Additional nesting surveys are required when construction work stops at a portion of the site where suitable nesting habitat remains for more than 15 days or if construction is phased in such a way that no disturbance has occurred in a portion of the project site.</li> <li>If active nests are observed during construction when the wildlife biologist is not present, all work within 250 feet of the nest shall stop, and wildlife biologist shall be contacted immediately. All personnel shall move at least 250 feet away from the nest. To the extent feasible, after consulting with the wildlife biologist, construction equipment shall be shut down or moved 250 feet away from the nest.</li> </ul> <p>Nesting bird surveys shall be performed no earlier than 7 days prior to the commencement of ground-disturbing activities and vegetation removal (including clearing, grubbing, and staging). The area surveyed shall include all construction areas as well as areas within 250 feet outside the boundaries of the areas to be cleared or as otherwise determined by the biologist.</p> <p>If the wildlife biologist finds any active nests (e.g., a nest with eggs, chicks, or young) during the survey, the biologist shall establish no-disturbance species-specific buffer zones for each nest, marked with high-visibility fencing, flagging, or pin flags. No construction activities shall be allowed within the buffer zones. The size of the buffer shall be based on the species' sensitivity to disturbance and planned work activities in the vicinity; typical buffer sizes are 250 feet for raptors and 50 feet for other birds. The buffer shall remain in effect until the chicks have fledged from the nest or the nest is no longer active, which will be verified by the biologist.</p>		<p>during the nesting season (February 1 through August 31), conduct pre-construction surveys (February through June), or remove vegetation and/or structures outside breeding season.</p>	<p>determining the survey effort and results and submit the memorandum to the infrastructure developer or vertical developer (s) (as applicable) and Port staff within 7 days of survey completion. Port staff to review and approve report.</p>	<p>approval of nesting surveys by Port staff.</p>



MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
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<p>If inactive nests are identified, the project sponsor or its contractor shall remove those nests from the structure/vegetation and install nest exclusion measures on structures (i.e., fine mesh netting, panels, or metal projectors) outside of the nesting season, if deemed necessary and suitable by the qualified wildlife biologist. All exclusionary devices shall be monitored and maintained throughout the breeding season to ensure that they are successful in preventing the birds from accessing the cavities or nest sites.</p> <p>After each survey and/or after nest-deterrence activities are completed, the wildlife biologist shall complete a memorandum detailing the survey effort and results and submit the memorandum to the project sponsor within 7 days of survey completion.</p>				
<b>Geology and Soils Mitigation Measures</b>				
<p><b>M-GE-5: Accidental discovery of paleontological resource.</b></p> <p>Given the potential for paleontological resources to be present at the project site at excavation depths within the Colma Formation, the following measures shall be undertaken to avoid any significant adverse effect from the proposed project on paleontological resources. Before the start of any drilling or pile-driving activities, the project sponsor shall retain a qualified paleontologist, as defined by the SVP, who is experienced in teaching nonspecialists. The qualified paleontologist shall train all construction personnel who are involved with earthmoving activities, including the site superintendent, regarding the possibility of encountering fossils, the appearance and types of fossils that are likely to be seen during construction, and proper notification procedures should fossils be encountered. Procedures to be conveyed to workers include halting construction within 50 feet of any potential fossil find and notifying a qualified paleontologist, who shall evaluate the significance.</p> <p>If paleontological resources are discovered during earthmoving activities, the construction crew shall immediately cease work near the find and notify the project sponsor and the San Francisco Planning Department.</p> <p>Construction work in the affected areas shall remain stopped or be diverted to allow recovery of fossil remains in a timely manner. The project sponsor shall retain a qualified paleontologist to evaluate the resource and prepare a recovery plan in accordance with SVP guidelines. The recovery plan may include a field survey, construction monitoring, sampling and data recovery</p>	Infrastructure developer and/or vertical developer(s) (as applicable), and qualified paleontologist.	Before the start of any drilling or pile-driving activities.	Infrastructure developer or vertical developer(s) (as applicable) to retain qualified paleontologist and notify Port staff. Port staff to approve selection of paleontologist. If necessary, paleontologist to prepare and submit a recovery plan for Port review and approval.	Considered complete once training is complete, once construction is complete, or once the Planning Department approves the recovery plan and the infrastructure developer or vertical developer(s) and qualified paleontologist implements the plan.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
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procedures, museum storage coordination for any specimen recovered, and a report of findings. Recommendations in the recovery plan that are determined by the San Francisco Planning Department to be necessary and feasible shall be implemented before construction activities can resume at the site where the paleontological resources were discovered. The San Francisco Planning Department shall be responsible for ensuring that the monitor's recommendations regarding treatment and reporting are implemented.				
IMPROVEMENT MEASURES FOR THE SEAWALL LOT 337 AND PIER 48 MIXED-USED PROJECT				
<p><b>I-TR-1: Construction Management Plan.</b></p> <p><b>Traffic Control Plan for Construction</b> – To reduce potential conflicts between construction activities and pedestrians, bicyclists, transit and autos during construction activities, the project sponsor 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 sponsor and their construction contractor(s) should 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. This includes coordinating project construction activities with nearby City construction projects, such as the Third Street Rehabilitation Project. For any work within the public right-of-way, the contractor would be required to comply with the San Francisco's Regulations for Working in San Francisco Streets, which establishes rules and permit requirements so that construction activities can be conducted safely and with the least possible interference with pedestrians, bicyclists, transit, and vehicular traffic. Additionally, restrict truck movements and deliveries to the maximum feasible extent during peak hours (generally 7:00 to 9:00 a.m. and 4:00 to 6:00 p.m., or other times, as determined by SFMTA and the 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 sponsor 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</p>	Infrastructure developer and/or developer(s) (as applicable) (s).	Construction Management Plan For Construction: Prior to the issuance of a grading, excavation, or building permit. Project Construction Updates: ongoing throughout construction activities.	Infrastructure developer and/or vertical developer(s) (as applicable) and construction contractor(s) to submit Traffic Control Plan for Construction to the Port and SFMTA for review and approval. Project construction update materials would be provided in the annual mitigation and monitoring plan.	Ongoing during project construction.

<b>MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT</b>				
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<p>impacts. The project sponsor, 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><u>Reduce Single-Occupant Vehicle Mode Share for Construction Workers</u> – To minimize parking demand and vehicle trips associated with construction workers, the project sponsor should require the construction contractor to include in the Traffic Control Plan for Construction methods to encourage walking, bicycling, carpooling, and transit access to the project construction sites 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 sponsor 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>I-TR-7: Garage Access – Pedestrian Design Features.</b> During the final design process for the parking facilities and the pedestrian realm of adjacent streets, improvements should be designed for the safe interface of vehicles and pedestrians at parking facility driveways. This design shall include adequate sight distance, signing, striping, warning devices, and lighting.</p>	Garage developer.	During the final design process for the parking facilities and the pedestrian realm of adjacent streets.	Garage developer to design parking facilities and pedestrian realm for the safe interface of vehicles and pedestrians. SFMTA, in consultation with the Planning Department to review and approve plans.	Considered complete once SFMTA and Planning Department signs off on final plans.
<p><b>I-TR-10: Garage Access – Bicycle-Vehicle Design Features.</b> During the final design process for Long Bridge Street, adequate sight distance should be provided through a combination of signing, striping, and lighting improvements, which should be designed for the safe interface of vehicles and cyclists at the two Block D2 parking facility driveways.</p>	Garage developer.	During final design process for Long Bridge Street.	Garage developer to design Long Bridge Street with adequate sight distance. SFMTA to review and approve plans.	Considered complete once SFMTA signs off on final plans.

MITIGATION MONITORING AND REPORTING PROGRAM FOR SEAWALL LOT 337 AND PIER 48 MIXED-USE PROJECT				
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I-TR-12: Strategies to Enhance Transportation Conditions During Large Events. The project's Transportation Coordinator should participate as a member of the Mission Bay Ballpark Transportation Coordination Committee and provide at least 1-month notification prior to the start of any large event that would overlap with an event at AT&T Park.	Project Transportation Coordinator.	Ongoing.	Transportation Coordinator to provide at least 1-month notification to Port Planning Department, and SFMTA prior to the start of any large event that would overlap with an event at AT&T Park.	On-going during project operations.

EXHIBIT L

Form of Facilities Condition Report

**Parcel Lease Exhibit L  
Form of Facilities Condition Report**

**FACILITIES CONDITION REPORT**

**Parcel [ ]**

**Date: [ ]**

This Facilities Condition Report is being delivered to Port pursuant to Section 10.2 of that certain Lease dated \_\_\_\_\_ by and between \_\_\_\_\_ ("Tenant") and the Port with respect to the property commonly known as \_\_\_\_\_ (the "Property"). The purpose of this Facilities Condition Report is to document the condition of the Property and to assist Tenant in developing cost estimates needed for capital planning, deferred maintenance and life-cycle replacement costs.

This Facilities Condition Report was prepared by \_\_\_\_\_ following a visual inspection of the Property and review of written notices of Building Code violations, if any, received by the Property owner (a "Code Violation Notice").

<b><u>Building System or Component</u></b>	<b><u>Narrative Summary of Condition</u></b>	<b><u>Immediate Repair Recommended to Address any Code Violation Notice</u></b> (If none, write "None")	<b><u>Short Term Repair and Renewal Recommendations<sup>1</sup></u></b> (If none, write "None")	<b><u>Long Term Repair and Renewal Recommendations<sup>2</sup></u></b> (If none, write "None")	<b><u>Estimated Cost of Recommended Repair</u></b>	<b><u>Estimated Remaining Useful Life</u></b>
1. Building Site (Topography, drainage, retaining walls, paving, curbing, lighting)						

<sup>1</sup> Short term repairs will include any repair recommended to occur prior to the next regularly scheduled Facilities Condition Report.  
<sup>2</sup> Long term repairs will include any repair recommended to occur following the next regularly scheduled Facilities Condition Report.

<b><u>Building System or Component</u></b>	<b><u>Narrative Summary of Condition</u></b>	<b><u>Immediate Repair Recommended to Address any Code Violation Notice</u> (If none, write "None")</b>	<b><u>Short Term Repair and Renewal Recommendations<sup>1</sup></u> (If none, write "None")</b>	<b><u>Long Term Repair and Renewal Recommendations<sup>2</sup></u> (If none, write "None")</b>	<b><u>Estimated Cost of Recommended Repair</u></b>	<b><u>Estimated Remaining Useful Life</u></b>
2. Building Envelope (Windows and Walls)						
3. Structural (Foundation and Framing)						
4. Interior Elements (Stairways, hallways, common areas)						
5. Roofing Systems						
6. Major Mechanical Systems (Heating, Ventilation, and Air Conditioning)						
7. Major Plumbing Systems						
8. Major Electrical Systems						
9. Vertical						

<u>Building System or Component</u>	<u>Narrative Summary of Condition</u>	<u>Immediate Repair Recommended to Address any Code Violation Notice</u> (If none, write "None")	<u>Short Term Repair and Renewal Recommendations<sup>1</sup></u> (If none, write "None")	<u>Long Term Repair and Renewal Recommendations<sup>2</sup></u> (If none, write "None")	<u>Estimated Cost of Recommended Repair</u>	<u>Estimated Remaining Useful Life</u>
Transportation (Elevators and escalators)						
10. [If Tenant elects to include in the Facilities Condition Report: Site-specific testing, such as infrared thermography for energy loss, air leakage, roofing and building envelope moisture intrusion]						



**EXHIBIT M**

**Workforce Development Plan**

**EXHIBIT M**  
**WORKFORCE DEVELOPMENT PLAN**

For purposes of this *Exhibit M*, references to Exhibit B6-A in the attached Workforce Development Plan will mean this *Exhibit M* to this Lease.

## **Parcel Lease Exhibit M**

### **Workforce Development Plan**

The development plan for Mission Rock under the Transaction Documents provides for the development of a new mixed-use neighborhood composed of commercial/office, retail, garage, market rate and affordable residential uses and major new and expanded parks. This Workforce Development Plan sets forth the activities Port, Developer and Vertical Developer shall undertake, and require their Contractors, Consultants, Subcontractors, Subconsultants, Commercial Tenants, Lessees, Service Providers and Professional Service Providers, as applicable, to undertake, to support workforce development in the pre-construction, construction and end use phases of the Project, as set forth in this Exhibit B6-A.<sup>1</sup>

The Port and Developer shall enter into the DDA which will provide for the development of the 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 Project. Developer will enter into contracts with Contractors and Consultants to construct all Horizontal Improvements allowed under the Master Lease.

Developer will submit Phase Submittals to the Port pursuant to the Transaction Documents. Following each Phase Approval, the Port will authorize the Chief Harbor Engineer to issue Port permits necessary for Developer to begin to construct Horizontal Improvements in accordance with the DDA and the Master Lease. Upon exercise of an Option in accordance with the DDA, the Port will convey each Development Parcel through Parcel Leases to a Vertical Developer. A Vertical Developer will enter into contracts with Contractors and Consultants to construct the Vertical Improvements, including residential and commercial improvements, in accordance with the Parcel Lease and Vertical DDA. 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.

The foregoing summary is provided for convenience and for informational purposes only. In case of any conflict, the provisions of the DDA and each Vertical DDA shall control.

#### **A. First Source Operations and Pre-Construction Hiring Agreement.**

1. Developer shall, with respect to Horizontal Improvements, and the Port shall require that each Vertical Developer shall, with respect to each Vertical Improvement, comply with the operational requirements of the First Source Hiring Program pursuant to San Francisco Administrative Code Chapter 83 ("**Chapter 83**") and upon entering into: (a) leases or any other occupancy contracts for commercial space at Vertical Improvements that are subject to Chapter 83 with a tenant ("**Lessee**"), provided, however, that no Lessee occupying less than 5,000 square

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<sup>1</sup> Any capitalized term used in this Exhibit B6-A, including its Attachments, that is not defined herein, or in such Attachments, or in the referenced Administrative Code Sections, shall have the meaning given to such term in the DDA.

feet in floor area within the Project Site shall have an obligation to enter into a First Source Hiring Agreement or comply with the requirements of Chapter 83; or (b) janitorial, security, landscape, operations and maintenance contracts, will include in each such lease or contract a requirement that such third party enter into a First Source Hiring Agreement in the form attached hereto as Attachment A, and provide a signed copy thereof to the Office of Economic and Workforce Development within 10 business days of execution. The Port shall cause (i) Developer to comply with the above requirements by including such requirements as a material term in the Master Lease applicable to such Contract and (ii) each Vertical Developer to comply with the above requirements by including such requirements as a material term in the Vertical DDA applicable to such Contract.

2. Further, Developer shall, with respect to Horizontal Improvements, and the Port shall require that each Vertical Developer shall, with respect to each Vertical Improvement, voluntarily include within its good faith efforts to comply with Chapter 83 a requirement to include pre-construction work within the Project's First Source Hiring Program and upon entering into professional services contracts for architectural and engineering services, provided, however, that no professional services firm performing work through a contract valued at less than \$500,000 or a contract for services relating to the construction of any tenant improvements within a leased premises comprised of less than 15,000 square feet in floor area shall have an obligation to enter into a First Source Hiring Agreement, include in each such contract a requirement that such third party enter into a First Source Hiring Agreement in the form attached hereto as Attachment A, and provide a signed copy thereof to the Office of Economic and Workforce Development within 10 business days of execution. The Port shall cause (i) Developer to comply with the above requirements by including such requirements as a material term in the Master Lease applicable to such Contract and (ii) each Vertical Developer to comply with the above requirements by including such requirements as a material term in the Vertical DDA applicable to such Contract.

3. Residential units within the Project shall not be subject to any obligations under this Section A and the tenants of such residential units shall have no obligation to enter into a First Source Hiring Agreement.

4. The Office of Economic and Workforce Development ("OEWD") is the sole administrator of the First Source Hiring Program per San Francisco Administrative Code Chapter 83. OEWD's Business Services team will manage the First Source Hiring Agreement and will be the point of contact for Lessees and Service Providers. OEWD's Business Team will provide Referrals for the permanent Entry Level Positions located within the Project where required under Chapter 83.

5. Incorporation into contract provisions.

i. Developer or Vertical Developer shall include in its Contracts provisions that require Lessees and Service Providers to enter into a First Source Hiring Agreement and follow the good faith efforts within such agreements towards the hiring goals of Chapter 83. Developer or Vertical Developer shall also include in such 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.

ii. Developer or Vertical Developer shall include in its Professional Service Contracts provisions that require Professional Service Providers to enter into a First Source Hiring Agreement and follow the good faith efforts within such agreement towards the hiring goals of Chapter 83. Developer or Vertical Developer shall also include in such Professional Service Contracts provisions that require Professional 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.

6. Pre-start conference and access.

i. Developer or Vertical Developer shall meet with OEWD prior to initial occupancy of Vertical Improvements at the Project Site for a pre-start conference to assess the operation goals of the First Source Hiring Program, including commercial tenant operations, janitorial, security, landscape, operations and maintenance services and provide projections for Entry Level Position employment opportunities within such fields with respect to the Horizontal Improvements or Vertical Improvements. Developer or Vertical Developer shall also provide OEWD access to meet Lessees and Service Providers at the Project Site and encourage the same to meet with OEWD regarding their respective First Source Hiring Obligations.

ii. With respect to each Horizontal Improvement, Developer shall meet with OEWD upon submission of a Phase Submittal, and, with respect to each Vertical Improvement, Vertical Developer shall meet with OEWD upon entering into a Vertical DDA at the Project Site for a pre-start conference to assess the pre-construction goals of the First Source Hiring Program, including architectural and engineering services and provide projections for Entry Level Position employment opportunities within such fields with respect to such Horizontal Improvement or Vertical Improvement. Developer or Vertical Developer shall also provide OEWD access to meet Professional Service Providers at the Project Site and encourage the same to meet with OEWD regarding their respective First Source Hiring Obligations.

7. Compliance with the operational goals of Chapter 83 shall be determined on an individual Contract or Professional Service Contract basis. Lessees and Service Providers shall demonstrate good faith efforts towards the hiring goals of Chapter 83. Professional Service Providers shall demonstrate good faith efforts towards the hiring goals of their First Source Hiring Agreement.

8. For the purposes of a First Source Hiring Agreement, (i) Contract shall mean: (a) any commercial lease or other commercial occupancy agreement with respect to a Vertical Improvements; and (b) any contract for janitorial, security, landscape, or operations and maintenance services performed at a Horizontal Improvement or Vertical Improvement; (ii) Professional Service Contract shall mean any contract for architectural or engineering services performed with respect to a Horizontal Improvement or Vertical Improvement, (iii) Service Provider shall mean any person(s), firm, partnership, corporation, government agency, nonprofit or combination thereof, who owns or operates a commercial business that enters into a Contract to perform janitorial, security, landscape, and operations and maintenance services with respect a Horizontal Improvement or Vertical Improvement, and (iv) Professional Service Provider shall mean any person(s), firm, partnership, corporation, government agency, nonprofit or combination thereof, who owns or operates a commercial business that enters into a Contract to

perform architectural or engineering services with respect a Horizontal Improvement or Vertical Improvement.

9. OEWD shall notify any Lessees, Service Providers or Professional Service Providers in writing, with a copy to Developer or Vertical Developer, as applicable, and to the Port, of any alleged breach on the part of that entity of its obligations under the First Source Hiring Agreement, as applicable, and provide such entity a reasonable opportunity to cure its alleged breach before seeking an assessment of liquidated damages pursuant to Section 83.12 of the Administrative Code. OEWD sole remedy against a Lessees, Service Providers and Professional Service Providers shall be as set forth in Chapter 83, including the enforcement process. Upon OEWD's request, Port, Developer or Vertical Developer, as applicable, shall reasonably cooperate with OEWD in any such enforcement action against any Lessees, Service Providers or Professional Service Providers, provided in no event shall Port, Developer or Vertical Developer, as applicable, be liable for any breach by a Lessees, Service Providers or Professional Service Providers.

10. If Port, Developer or Vertical Developer, as applicable, fulfills its obligations as set forth in this Section A, it shall not be held responsible for the failure of Lessee, Service Provider or Professional Service Provider or any other person or party to comply with the requirements of Chapter 83, their applicable First Source Hiring Agreement or this Section A. If Developer or Vertical Developer, as applicable, fails to fulfill its obligations under this Section A, the applicable provisions of Chapter 83 shall apply as to Developer or Vertical Developer, as applicable, though the Port and Developer shall have the right to invoke the dispute resolution process set forth in Article 10 of the DDA.

11. This Section A is an approved "First Source Hiring Agreement" as referenced in Sections 83.9 and 83.11 of the Administrative Code.

**B. Local Hiring Agreement.**

1. Developer, with respect to each Horizontal Improvement, shall, and the Port shall require that each Vertical Developer, with respect to each Vertical Improvement, shall (i) include in each Contract for construction work a provision requiring each Contractor to enter into a Local Hiring Agreement in the form attached hereto as Attachment B before beginning any construction work, and (ii) provide a signed copy thereof to the Office of Economic and Workforce Development ("OEWD") and CityBuild within 10 business days of execution, provided, however, that no person or entity entering into leases or other occupancy contracts for commercial space at a Vertical Improvement within the Project site ("**Commercial Tenant**") which occupies less than 15,000 square feet in floor area within such Vertical Improvement shall have an obligation to enter into a Local Hiring Agreement or be subject to the Local Hiring Program pursuant to Chapter 82, as defined below.<sup>2</sup> All future tenant improvements performed subsequent to any initial tenant improvements within such Vertical Improvement shall be subject to the local hiring requirement within Attachment B on a good faith basis only. The Port shall cause (i) Developer to comply with the above requirements by including such requirements as a

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<sup>2</sup> Any capitalized term used in this Section B that is defined in Attachment B will have the definition given to such term in such Attachment.

material term in the Master Lease applicable to such Contract and (ii) each Vertical Developer to comply with the above requirements by including such requirements as a material term in the Vertical DDA applicable to such Contract.

2. CityBuild shall represent OEWD and will provide referrals of Targeted Workers for positions on the construction work for Improvements subject to a Local Hiring Agreement in accordance with San Francisco Administrative Code Chapter 82 ("**Chapter 82**").

3. Incorporation into contract provisions. Developer and Vertical Developer, as applicable, shall include in their respective contracts provisions that require prospective Contractors and Subcontractors to comply with the requirements set forth in the Local Hiring Agreement Attachment B.

4. Tenant improvements performed within any residential units within the Project shall not be subject to any obligations under this Section B and the tenants of such residential units shall have no obligation to enter into a Local Hiring Agreement.

5. Compliance with the construction requirements of Chapter 82 for Horizontal Improvements shall be determined on a Phase by Phase basis. Compliance will be measured by dividing the number of Construction Work Hours performed by Local Residents or Apprentices, as applicable, by the total number of Construction Work Hours performed on Horizontal Improvements within a Phase. If Developer exceeds its obligations set forth in its applicable Local Hiring Agreement with respect to an individual Horizontal Improvement, Developer may, at its option, allocate such excess towards the compliance of another Horizontal Improvement within the Project Site, subject to the requirements of Attachment B. Notwithstanding anything to the contrary, Developer may, at its election, require that compliance be determined on a Project-wide basis by giving notice to OEWD and the Port of such election during the submission of the penultimate Phase Submittal.

6. Compliance with the construction requirements of Chapter 82 for Vertical Improvements shall be determined on an individual Vertical Improvement basis. Compliance will be measured by dividing the number of Construction Work Hours performed by Local Residents or Apprentices, as applicable, by the total number of Construction Work Hours performed on the Vertical Improvement. If a Vertical Developer exceeds its obligations set forth in its applicable Local Hiring Agreement with respect to an individual Vertical Improvement, the Vertical Developer of such Vertical Improvement may, at its option, allocate such excess towards the compliance of another Vertical Improvement within the Project Site, subject to the requirements of Attachment B. Notwithstanding anything to the contrary, Developer may, at its election, require that compliance be determined on a Phase-wide basis by giving notice to OEWD and the Port of such election during the submission of a Phase Submittal.

7. OEWD shall notify Contractor, Subcontractor and Commercial Tenant, as applicable, in writing, with a copy to the Port and Developer or Vertical Developer, as applicable, of any alleged breach on the part of that entity of its obligations under Chapter 82 or its Local Hiring Agreement, as applicable, and provide such entity an opportunity to cure its obligations before seeking an assessment of liquidated damages pursuant to Section 82.8 of the Administrative Code. OEWD's sole remedies against a Contractor, Subcontractor or Commercial

Tenant shall be as set forth in Chapter 82, including the enforcement process. Upon OEWD's request, Port, Developer or Vertical Developer, as applicable, shall reasonably cooperate with OEWD in any such enforcement action against any Contractor, Subcontractor or Commercial Tenant, provided that in no event shall Port, Developer or Vertical Developer, as applicable, be liable for any breach by a Contractor, Subcontractor or Commercial Tenant.

8. If Port, Developer or Vertical Developer, as applicable, fulfills its obligations as set forth in this Section B, it shall not be held responsible for the failure of a Contractor, Subcontractor, Commercial Tenant or any other person or party to comply with the requirements of Chapter 82 or this Section B. If Developer or Vertical Developer, as applicable, fails to fulfill its obligations under this Section B, the applicable provisions of Chapter 82 shall apply, though the Port and Developer, as applicable, shall have the right to invoke the process set forth in Article 10 of the DDA.

9. This Section B complies with the requirements of Chapter 82, including Sections 82.5 and 82.7 and the requirements of Chapter 83 related to construction work.

**C. Workforce Job Readiness and Training Funds.**

Vertical Developers, on behalf of the Project, shall contribute to OEWD \$1,000,000 (One Million Dollars) to support workforce job readiness and training ("Workforce Job Readiness and Training Funds") for allocation to OEWD's CityBuild and First Source Hiring programs and qualified local community based organizations. Such funds shall be paid to OEWD, and used as provided below, over the course of the Project on a Development Parcel by Development Parcel basis in eleven equal installments. Each equal installment shall be paid by a Vertical Developer at issuance of site permit for the development of Vertical Improvements upon a Development Parcel, except for the development of the parking garage parcel, pursuant to a Vertical DDA.

Priority for OEWD's use and allocation of Workforce Job Readiness and Training Funds shall be to organizations that have backgrounds in workforce readiness and training, an established program with a demonstrated history of performing workforce readiness and training and an existing track record of working in economically disadvantaged communities within San Francisco, including, but not limited to the Bayview/Hunters Point, Chinatown, Mission, South of Market, Tenderloin, Visitacion Valley and Western Addition neighborhoods.

1. **Community Based Organizations:** \$500,000 (Five Hundred Thousand Dollars) of the Workforce Job Readiness and Training Funds shall be dedicated to funding community-based organizations that provide services which seek to: reduce barriers to employment for individuals within at-risk populations (the "**Barrier Removal Funds**"); and/or provide job readiness and training ("**Job Readiness Training Funds**") (together, the "**CBO Funds**"). OEWD shall allocate the CBO Funds to qualified local community based organizations based on a competitive process, and distribute the CBO Funds during the construction and operation of the Project until exhausted. The funds will be primarily targeted to support Bayview/Hunters Point, Chinatown, Mission, South of Market, Tenderloin, Visitacion Valley and Western Addition neighborhood residents and residents of surrounding areas. OEWD shall prioritize allocating funds to organizations that have a background in workforce readiness and training, an established program with a demonstrated history of performing workforce readiness and training and an



existing track record of working in economically disadvantaged communities. OEWD shall use good faith efforts to promptly initiate and complete the competitive process and begin distribution of the Barrier Removal Funds within one hundred and eighty (180) days after OEWD's initial receipt of such funds, but in a manner that ensures the resulting programs and services will correspond directly to preparing participants for the jobs created by the project.

i. CBO Funds. OEWD shall allocate a portion of the CBO Funds to support the delivery of services to assist individuals within at-risk populations, including low-income youth and adults with histories of incarceration, homelessness, substance abuse or other factors that may create barriers to employment, with reducing barriers to employment and/or providing job readiness and training. The CBO Funds shall fund programs that provide case management, supportive services (i.e. union dues, tools, uniform/boots), life skills training, basic education, barrier removal (including assistance with attaining a GED or driver's license, if applicable), wrap-around social services, job training, job placement or retention services with a goal of allowing participants to become CityBuild or First Source Hire-ready.

2. **OEWD: \$500,000 (Five Hundred Thousand Dollars) of the Workforce Job Readiness and Training Funds** shall be dedicated to OEWD's programs that train economically disadvantaged adults, workers and local residents in the fields of construction, end use operations and hospitality (the "**OEWD Funds**"). OEWD shall identify and partner with local community-based organizations to promote the programs and identify and recruit program participants. OEWD shall allocate the funds throughout the construction and operation of the Project until exhausted. The resources shall be primarily targeted to support and prepare individuals in the Bayview/Hunters Point, Chinatown, Mission, South of Market, Tenderloin, Visitacion Valley and Western Addition and surrounding areas for construction and operation jobs at the Project. OEWD shall partner with organizations that have a background in workforce readiness and training, an established program with a demonstrated history of performing workforce readiness and training and an existing track record of working in economically disadvantaged communities. OEWD shall use good faith efforts to promptly begin distribution of the OEWD Funds within one hundred eighty (180) days after OEWD's initial receipt of such funds, but in a manner that ensures the resulting programs and services will correspond directly to preparing participants for the jobs created by the project.

i. Operations Training Resources. OEWD, in its discretion, shall dedicate a portion of the OEWD Funds to support programs that provide end use operations job training programs for economically disadvantaged adults, including individuals designated as a targeted population by the San Francisco Workforce Development Board, as an individual who is, or is at risk of, relying upon, or returning to, public assistance, including unemployment benefits, formerly incarcerated, homeless, veterans, out-of-school youth, pregnant or parenting teens, youth in the juvenile justice or foster care systems, people with disabilities, limited English populations, dislocated workers, or residents of public housing (the "**Operations Training Resources Funds**"). OEWD shall allocate Operations Training Resources Funds to programs performing vocational training in the retail, food service, janitorial, landscaping, facilities/open space operations and maintenance employment sectors. The intended use of the Operations Training Resources Funds is to provide additional training tailored towards future employment opportunities at the Project. The programs may also include working with potential

employers regarding any necessary accommodations or additional training, and ongoing support following job placement.

ii. Construction Training Resources. OEWD, in its discretion, shall dedicate a portion of the OEWD Funds to support programs that train disadvantaged workers and local residents in the field of construction work (the “**Construction Training Resources**”). OEWD shall allocate the Construction Training Resources Funds to programs such as 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.

iii. Pile Driving Training Program. OEWD, in its discretion, shall dedicate a portion of the OEWD Funds to support the development and implementation of a pile driving training program for disadvantaged workers and local residents, including individuals that have formerly been incarcerated or are experiencing homelessness (the “**Pile Driver Training Funds**”). The Pile Driving Training Funds shall be managed and implemented by OEWD in conjunction with local unions and community-based organizations. The programs may also include working with potential employers regarding any necessary accommodations or training, and ongoing support following job placement. The Pile Driving Training Program will address the shortage of skilled pile drivers in San Francisco and will augment the pipeline of skilled workers by providing specific training in a high-demand trade. By providing training in a high-demand trade, the program will help to ensure that more local residents are equipped with the education and skills necessary to be successful in the construction industry, thereby supporting local economic empowerment and upward mobility.

3. Accounting. Developer shall 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 Exhibit B<sup>6</sup>-A. The Workforce 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.

4. In the event individuals trained by the programs supported by the Workforce Job Readiness and Training Funds are hired to perform work at the Project, Developer may receive credit toward First Source and Local Hire obligations under San Francisco Administrative Code Chapters 82 and 83, as mutually determined with OEWD.

5. Board Authorization. Any interest earned on the Workforce Job Readiness and Training Funds shall remain in designated accounts for use by OEWD for workforce readiness and training consistent with this Exhibit B6-A and shall not be transferred to the City’s general fund.

# City and County of San Francisco First Source Hiring Program



*London N. Breed, Mayor*

Office of Economic and  
Workforce  
Development  
Workforce  
Development Division

## Attachment A: First Source Hiring Agreement

### For Operations and Preconstruction Services

This First Source Hiring Agreement (this "FSHA Agreement"), is made as of \_\_\_\_\_, by and between [(the "Lessee"/ "Service Provider"/ "Professional Service Provider")], and the Office of Economic and Workforce Development, ("OEWD"), collectively the "Parties":

### RECITALS

[Use for Lessee - WHEREAS, [Lessee has plans to occupy a portion of the Vertical Improvement at [Address] (the "Premises") which requires a First Source Hiring Agreement with OEWD 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; and

WHEREAS, as a material part of the consideration given by Lessee under such contract, Lessee has agreed to execute this FSHA Agreement and participate in the First Source Hiring Program managed by OEWD as established by the City and County of San Francisco pursuant to Chapter 83 of the San Francisco Administrative Code ("Chapter 83"), as modified herein;]

[Use for Service Providers contracts - WHEREAS, [Service Provider has plans to provide [ ] services to the [Horizontal Improvement/ Vertical Improvement] at [Address] (the "Premises") which requires a First Source Hiring Agreement with OEWD 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 janitorial, security, landscape, or operations and maintenance contracts that provide services to the Premises; and

WHEREAS, as a material part of the consideration given by Service Provider under such contract, Service Provider has agreed to execute this FSHA Agreement and participate in the First Source Hiring Program managed by OEWD as established by the City and County of San Francisco pursuant to Chapter 83 of the San Francisco Administrative Code ("Chapter 83");]

**[Use for Professional Service Providers contracts -** WHEREAS, [Professional Service Provider has plans to provide [ ] services to the [Horizontal Improvement/ Vertical Improvement] at [Address] (the “Premises”) which requires a First Source Hiring Agreement with OEWD 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 architectural or engineering contracts that provide services to the Premises; and

WHEREAS, as a material part of the consideration given by Professional Service Providers under such contract, Professional Service Providers has agreed to execute this FSHA Agreement and participate in the First Source Hiring Program managed by OEWD as established by the City and County of San Francisco pursuant to Chapter 83 of the San Francisco Administrative Code (“Chapter 83”);]

**[Use for [Developer/Vertical Developer] operations of Vertical Improvement -** WHEREAS, Lessee has plans to operate the building at [Address] (the “Premises”) which required a First Source Hiring Agreement between Lessee and FSHA because the Premises is subject to a property contract between Lessee and the City acting through the San Francisco Port Commission; and

WHEREAS, as a material part of the consideration given by Lessee under the property contract, Lessee has agreed to execute this FSHA Agreement and participate in the Workforce System managed by 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 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. “Contract” shall mean: (a) any commercial lease or other commercial occupancy agreement with respect to the Vertical Improvement; and (b) any contract for janitorial, security, landscape, or operations and maintenance services performed at the Horizontal Improvement or Vertical Improvement.
- c. “DA” means that certain Development Agreement between Developer and the City and County of San Francisco, acting by and through the San Francisco Port Commission with respect to the Project Site.

- d. "DDA" means that certain Disposition and Development Agreement between Developer and the City and County of San Francisco, acting by and through the San Francisco Port Commission with respect to the Project Site.
- e. "Developer" has the meaning set forth in the DDA, including any successor during the term of this FSHA Agreement.
- f. "Horizontal Improvement" has the meaning set forth in the DDA.
- g. "Lessee" includes every commercial tenant, subtenant, or any other entity occupying a Vertical 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, provided, however, that in no event shall the meaning of Lessee include a commercial tenant, subtenant, or any other entity occupying less than 5,000 square feet in floor area within the Vertical Improvement.
- h. "OEWD Resume Database" shall mean the web portal administered by OEWD that connects Lessees, Service Providers and Professional Service Providers with qualified job seekers. The web portal is a free recruiting service to all Lessees, Service Providers and Professional Service Providers and is to be used by the Lessees, Service Providers and Professional Service Providers as part of their FSHA Agreement.
- i. "Professional Service Contract" shall mean any contract for architectural or engineering services performed with respect to a Horizontal Improvement or Vertical Improvement, except for contracts for architectural or engineering services related to the construction of any tenant improvements within a leased premises comprised of less than 15,000 square feet in floor area within a Vertical Improvement.
- j. "Professional Service Provider" shall mean any person(s), firm, partnership, corporation, government agency, nonprofit or combination thereof, who owns or operates a commercial business that enters into a Contract to perform architectural or engineering services with respect the Horizontal Improvement or Vertical Improvement, provided, however, that no professional services firm performing work through a contract valued at less than \$500,000 shall have an obligation to enter into this First Source Hiring Agreement.
- k. "Project Site" shall mean the area consisting of an approximately 16-acre parcel located south of Mission Creek/China Basin Channel, bordered by Third Street on the west, Mission Rock Street on the south, and Terry Francois Boulevard on the east, as reconfigured in accordance with AB 2797.
- l. "Service Provider" shall mean any person(s), firm, partnership, corporation, government agency, nonprofit or combination thereof, who owns or operates a commercial business that enters into a Contract to perform janitorial, security,

landscape, or operations and maintenance with respect the Horizontal Improvement or Vertical Improvement.

- m. “Referral” shall mean a qualified job seeker identified by OEWD as having the appropriate training, background and skill sets for a [Lessee/ Service Provider] specified Entry Level Position.
- n. “Vertical Developer” shall mean [*insert name of applicable Vertical Developer*], including any successor during the term of a FSHA Operations Agreement.
- o. “Vertical Improvement” has the meaning set forth in the DDA.

## 2. LESSEE AND SERVICE PROVIDER OEWD WORKFORCE PARTICIPATION

- a. Lessee or Service Provider, as applicable, shall contact OEWD’s Business Services team to provide headcount projections for Entry Level Positions and register with the OEWD Resume Database upon execution of its Contract.
- b. Lessee or Service Provider, as applicable, shall notify OEWD’s Business Team of every available Entry Level Position by posting job openings for Entry Level Positions on the OEWD Resume Database. Lessee or Service Provider, as applicable, shall provide OEWD a period of time to recruit and refer qualified candidates prior to advertising such position to the general public, starting on the date that the Lessee or Service Provider, as applicable, posts the job opening on the OEWD Resume Database, and ending on the earlier of: (i) 10 business days; or (ii) the date upon which such Lessee or Provider has received OEWD’s list of Referrals and has considered such Referrals for the available Entry Level Position in good faith, subject to Section 5 below. OEWD shall develop a pipeline of potential candidates and shall develop a staffing and implementation plan that is generally designed to allow OEWD to provide Lessee or Service Provider, as applicable, with its list of Referrals within 3 business days after such Lessee or Service Provider has posted a job opening. In the event the OEWD Resume Database is inaccessible, Lessee or Service Provider, as applicable, shall contact OEWD directly regarding their FSHA obligations by emailing Business.Services@sfgov.org, or other email address as may be mutually agreed upon by Professional Service Provider’s single point of contact and OEWD, and submitting Attachment A-1.
- c. Lessee or Service Provider, as applicable, shall consider and screen all Referrals that meet the minimum qualifications of a Lessee’s or Service Provider’s, as applicable, job opening and shall use the OEWD Resume Database to provide feedback regarding Referrals that were screened, interviewed and hired. Hiring decisions shall be entirely at the discretion of Lessee or Service Provider, as applicable.

### 3. LESSEE AND SERVICE PROVIDER GOOD FAITH EFFORT TO COMPLY WITH ITS OBLIGATIONS HEREUNDER

Lessee or Service Provider, as applicable, will make good faith efforts to comply with its obligations under this FSHA Agreement. Determination of good faith efforts shall be based on all of the following:

- a. Lessee or Service Provider, as applicable, shall execute this FSHA Agreement and Attachment A-1 upon entering into Contracts. Lessee or Service Provider will also accurately complete and submit Attachment A-1 annually to reflect employment conditions.
- b. Lessee or Service Provider, as applicable, shall register with the OEWD Resume Database. Lessee or Service Provider, as applicable, using a resume database not associated with OEWD will not be considered towards the requirements of the FSHA Agreement.
- c. Lessee or Service Provider, as applicable, shall provide OEWD a period of time to recruit and refer qualified candidates prior to advertising such position to the general public, starting on the date that the Lessee or Service Provider, as applicable, posts the job opening on the OEWD Resume Database, and ending on the earlier of: (i) 10 business days; or (ii) the date upon which such Lessee or Provider has received OEWD's list of Referrals and has considered such Referrals for the available Entry Level Position in good faith, subject to Section 5 below. Lessee or Service Provider, as applicable, 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. Lessee or Service Provider, as applicable, shall use the OEWD Resume Database to provide feedback regarding Referrals that were screened, interviewed and hired.

### 4. PROFESSIONAL SERVICES - ARCHITECTURAL AND ENGINEERING SERVICE PROVIDERS

- a. This section incorporates additional requirements for Professional Service Providers performing architectural or engineering services. Professional Service Providers obligations relate only to preconstruction work and shall terminate upon the completion of the Professional Service Provider's Professional Service Contract.
- b. Participation.
  - i. Professional Service Provider shall contact OEWD's Business Services team to provide headcount projections for Entry Level Positions and register with the OEWD Resume Database upon execution of its Professional Services Contract.
  - ii. Professional Service Provider shall notify OEWD's Business Team of every available Entry Level Position by posting job openings for Entry Level Positions on the OEWD Resume Database. Professional Service Provider shall provide OEWD a period of time

to recruit and refer qualified candidates prior to advertising such position to the general public, starting on the date that the Lessee or Service Provider, as applicable, posts the job opening on the OEWD Resume Database, and ending on the earlier of: (i) 10 business days; or (ii) the date upon which such Lessee or Provider has received OEWD's list of Referrals and has considered such Referrals for the available Entry Level Position in good faith, subject to Section 5 below. In the event the OEWD Resume Database is inaccessible, Professional Service Provider shall contact OEWD directly regarding their FSHA obligations and submit Attachment A-1.

iii. Professional Service Provider shall consider and screen all Referrals that meet the minimum qualifications of a Professional Service Provider's, as applicable, job opening and shall use the OEWD Resume Database to provide feedback regarding Referrals that were screened, interviewed and hired. Hiring decisions shall be entirely at the discretion of Professional Service Provider.

iv. Within 30 days of executing a Professional Services Contract, Professional Service Provider will email OEWD and schedule to meet with staff from the First Source Hiring Program. At the meeting, the Professional Service Provider will provide information on new and available Entry Level Positions, anticipated job opening projections, start dates and rate of pay.

c. Good Faith Compliance.

Compliance with the requirements of subsections i through iv below shall demonstrate Professional Service Provider's good faith compliance with its obligations under this FSHA Agreement.

i. Over the life of the Contract, Professional Service Provider shall make good faith efforts to hire Referrals from the First Source Hiring Program to fulfill new and available Entry Level Positions. Professional Service Provider may decline to hire a Referral if the Contractor considers the Referral in good faith and deems the Referral is not qualified. The final decision to hire a Referral shall be made by the Professional Service Provider.

ii. Professional Service Provider, as applicable, shall execute this FSHA Agreement and Attachment A-1 upon entering into Professional Service Contracts. Professional Service Provider will also accurately complete and submit Attachment A-1 annually to reflect employment conditions.

iii. Professional Service Provider shall register with the OEWD Resume Database. Professional Service Provider using a resume database not associated with OEWD will not be considered towards the requirements of the FSHA Agreement.

iv. Professional Service Provider shall notify OEWD's Business Services Team of all available Entry Level Positions by posting job openings for Entry Level Positions on the OEWD Resume Database. Professional Service Provider shall provide OEWD a period of time to recruit and refer qualified candidates prior to advertising such position to the general public, starting on the date that the Lessee or Service Provider, as applicable, posts the job opening on the OEWD Resume Database, and ending on the earlier of: (i) 10 business days; or (ii) the date upon which such Lessee or Provider has received OEWD's list of Referrals and



has considered such Referrals for the available Entry Level Position in good faith, subject to Section 5 below. OEWD shall develop a pipeline of potential candidates and shall develop a staffing and implementation plan that is generally designed to allow OEWD to provide Lessee or Service Provider, as applicable, with its list of Referrals within 3 business days after such Lessee or Service Provider has posted a job opening. Professional Service Provider 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. Professional Service Provider shall use the OEWD Resume Database to provide feedback regarding Referrals that were screened, interviewed and hired. In the event the OEWD Resume Database is inaccessible, Professional Service Provider shall contact OEWD directly regarding their FSHA obligations by emailing Business.Services@sfgov.org, or other email address as may be mutually agreed upon by Professional Service Provider's single point of contact and OEWD, and submitting Attachment A-1.

- d. OEWD Requirements. OEWD's Referrals to such Professional Service Provider s shall be economically disadvantaged workers identified by OEWD that either: (a) graduated from OEWD's Entry Level Professional Services Training Program; or (b) have the appropriate training, employment background and skill set for any new and available Entry Level Position specified by the Professional Service Provider.

## 5. COMPLIANCE AND ENFORCEMENT

- a. Compliance with the operational goals of Chapter 83 shall be determined on an individual Contract basis and compliance with the voluntary professional service goals within this FSHA Agreement shall be determined on an individual Professional Service Contract basis.
- b. Lessee's, Service Provider's or Professional Service Provider's failure to meet the criteria set forth in Section 3 or 4 above, as applicable, does not impute "bad faith", but shall trigger a review of the Referral process and compliance with this FSHA Agreement. Failure and noncompliance with this FSHA Agreement may result in penalties as defined in Chapter 83, provided, however, that Lessee, Service Provider or Professional Service Provider shall be provided notice and a reasonable opportunity to cure such noncompliance prior to the assessment of any penalties. Lessee or Service Provider, as applicable, agrees to review SF Chapter 83, and execution of the FSHA Agreement denotes that Lessee or Service Provider agrees to its terms and conditions. OEWD agrees and acknowledges that Professional Service Provider's obligations hereunder are opted into voluntarily and such obligations are not based on the requirements of Chapter 83.
- c. Notwithstanding anything to the contrary herein, nothing in this FSHA Agreement precludes Lessees, Service Providers or Professional Service Providers 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 Agreement to make good faith efforts to fill such vacancies permanently with Referrals remains in effect. For these

purposes, “essential functions” means those functions necessary to remain open for business. If Lessee, Service Provider or Professional Service Provider has an immediate need to fill an Entry Level Position that perform essential functions, Lessee, Service Provider or Professional Service Provider 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.

- d. Nothing in this FSHA Agreement shall be interpreted to prohibit the continuation of existing collective bargaining agreements or existing employment policies, including, but not limited to, advertising job openings to existing employees. In the event of a conflict between this FSHA Agreement and an existing collective bargaining agreement, the terms of the existing agreement shall supersede this FSHA Agreement.

#### 6. FSHA AGREEMENT DURATION

- a. Lessees and Service Providers: This FSHA Agreement shall be in full force and effect up to 10 years from the date of the temporary certificate of occupancy of the Vertical Improvement or the earlier termination of Lessee’s Contract with regard to Lessee and 10 years from the date of substantial completion of the Horizontal Improvement or the earlier termination of Service Provider’s Contract with regard to Services Provider. Upon termination of this FSHA Agreement, the Project will be subject to Existing City Laws, as defined in the DA, including the applicable requirements of Chapter 83.
- b. Professional Service Providers: This FSHA Agreement shall be in full force and effect up to the completion of a Professional Service Contract or the earlier termination of such Professional Service Contract.

#### 7. NOTICE

All notices to be given under this FSHA Agreement shall be in writing and sent via mail or email as follows:

If to OEWD:

ATTN:

If to Lessee:

ATTN:

If to Service Provider:

ATTN:

If to Professional Service Provider:

ATTN:

If to Port

ATTN:

If to Developer:

ATTN:

If to Vertical Developer:

ATTN:

8. ENTIRE AGREEMENT

This FSHA 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 Agreement shall be held invalid or unenforceable, the remainder of this FSHA Agreement shall not be affected. If this FSHA 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 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 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.

IN WITNESS WHEREOF, the following have executed this FSHA Agreement as of the date set forth above.

Date: \_\_\_\_\_ Signature: \_\_\_\_\_  
Name of Authorized Signer: \_\_\_\_\_  
Company: \_\_\_\_\_  
Address: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

## Attachment A-1 Employer Services Form

The First Source Hiring Program is administered by the Office of Economic and Workforce Development (*OEWD*) and provides recruiting services at no cost to the employer. To find out how we can support your hiring needs, please visit our website at [www.oewd.org/workforce](http://www.oewd.org/workforce).

**Instructions:** Please complete this form and email to [Business.Services@sfgov.org](mailto:Business.Services@sfgov.org)

### **Step 1: Employer Info**

Employer Name: \_\_\_\_\_

Contact Name: \_\_\_\_\_ Phone: \_\_\_\_\_

Job Title: \_\_\_\_\_ Email: \_\_\_\_\_

### **Step 2: Check all that apply to your business**

- |  |   |   |
|--|---|---|
| <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"/> Operations & Maintenance | <input type="checkbox"/> Janitorial                                   |
| <input type="checkbox"/> Landscape           | <input type="checkbox"/> Technology               | <input type="checkbox"/> I don't see my industry<br>(Please Describe) |

### **Step 3: Tell me about your Entry Level Positions**

Job Title	Number of Job Openings	Projected Start Date

**Done! Thank you for taking the time to complete the form.**

**Please email to [Business.Services@sfgov.org](mailto:Business.Services@sfgov.org) and  
a representative will follow up on how we can best support your hiring needs.**

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  
Email : [Business.Services@sfgov.org](mailto:Business.Services@sfgov.org) Website: [www.oewd.org/workforce](http://www.oewd.org/workforce)

## **Attachment B: Local Hiring Agreement**

This Local Hiring Agreement ("Local Hiring Agreement") is made as of , by and between , the San Francisco Office of Economic and Workforce Development, (the "OEWD"), 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 **[Horizontal Improvements, including [specify improvements]]** OR **[Vertical Improvements, including [specify improvements]]** ("Construction Work") at , Lots in Assessor's Block , San Francisco California ("Site"), and a copy of this Local Hiring 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 Local Hiring Agreement and comply with the local hiring requirements established by the City and County of San Francisco, pursuant to Chapter 82 of the San Francisco Administrative Code ("Chapter 82"), as further modified herein;

WHEREAS, the provisions of the San Francisco Local Hiring Policy for Construction (the "Policy") as set forth in Chapter 82, as modified herein, are hereby incorporated as a material term of the Contract. Where used in this Attachment B, "Policy" shall include the modifications herein.

WHEREAS, Contractor agrees that (i) Contractor shall comply with all applicable requirements of the Policy; (ii) the provisions of this Local Hiring Agreement 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 Policy.

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:

#### **1.1 SUMMARY**

- A. This Local Hiring Agreement incorporates applicable requirements consistent with the Policy as set forth in Chapter 82. The provisions of the Policy are hereby incorporated as a material term of the DDA. Contractor agrees that (i) Contractor shall comply with all applicable requirements of the Policy; (ii) the provisions of 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 Policy.
- B. OEWD is responsible for administering the Policy and will be administering the applicable requirements for the Contract. For more information on the Policy and its implementation, please visit the OEWD website at:  
[www.workforcedevelopmentsf.org](http://www.workforcedevelopmentsf.org).

- C. Capitalized terms not defined herein shall have the meanings ascribed to them in the DDA.

## 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: (i) in the case of Horizontal Improvements, the construction of all Horizontal Improvements required or permitted to be made to the Project Site during a Phase and to be carried out by Developer under the DDA; or (ii) in the case of Vertical Improvements, the construction of a Vertical Improvement to be carried out by a Vertical Developer on a Development Parcel pursuant to an applicable Vertical DDA and Parcel Lease and all tenant improvements therein, except for the construction of any tenant improvements within a leased premises comprised of less than 15,000 square feet in floor area.
- D. “Construction Work Hours” means the total onsite work hours worked on a construction contract for a Construction Work by all apprentices and journey-level workers, whether those workers are employed by the Contractor or any Subcontractor.
- E. “Contractor” means a prime contractor, general contractor, or construction manager contracted by Developer or a Vertical Developer who performs Construction Work on the Project.
- F. “DDA” means that certain Disposition and Development Agreement between Developer and the City and County of San Francisco, acting by and through the San Francisco Port Commission.
- G. “Disadvantaged Worker” means a local resident, who (i) resides in a census tract within the City with a rate of unemployment in excess of 150% of the City unemployment rate; or (ii) at the time of commencing work on a covered project has a household income of less than 80% of the AMI, or (iii) faces or has overcome at least one of the following barriers to employment: being homeless; being a custodial single parent; receiving public assistance; lacking a GED or high school diploma; participating in a vocational English as a second language program; or having a criminal record or other involvement with the criminal justice system.
- H. “Developer” has the meaning set forth in the DDA, including any successor during the term of this Local Hiring Agreement.

- I. “Development Parcel” has the meaning set forth in the DDA.
- J. “Excess Credit Hours” shall mean the number of Construction Work Hours performed within a trade by Local Residents or Apprentices, as applicable, on a Construction Work that exceed the obligations set forth in Section 1.3.
- K. “Horizontal Improvement” has the meaning set forth in the DDA.
- L. “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.
- M. “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 a portion of the Project.
- N. “Non-Covered Construction Work” means any construction work not covered by the San Francisco Local Hiring Policy and the construction of any tenant improvements within a leased premises comprised of less than 15,000 square feet in floor area.
- O. “Parcel Lease” has the meaning set forth in the DDA.
- P. “Phase” has the meaning set forth in the DDA.
- Q. “Project Site” has the meaning set forth in the DDA.
- R. “Specialized Trades” means a list of trades designated as “Specialized Trades” published by OEWD for which the local hiring requirements of the Policy will not apply.
- S. “Targeted Worker” means any Local Resident or Disadvantaged Worker.
- T. “Vertical DDA” has the meaning set forth in the DDA.
- U. “Vertical Developer” has the meaning set forth in the DDA.
- V. “Vertical Improvement” has the meaning set forth in the DDA.

### 1.3 LOCAL HIRING PARTICIPATION

- A. The Contractor will work with OEWD’s CityBuild Program to achieve the following employment participation levels for all Construction Work:
  - 1. Total Construction Work Hours By Trade. For all contracts for Construction Work, the mandatory participation level in terms of Construction Work Hours within each trade to be performed by Local Residents is 30%, with a goal, which is not mandatory under this



agreement, of no less than 15% of Construction Work Hours within each trade to be performed by Disadvantaged Workers.

2. Apprentices. For all Construction Work, at least 30% of the Construction Work Hours performed by apprentices within each trade is required to be performed by local residents. OEWD has a goal of 50%, which is not mandatory under this agreement, and OEWD will work with contractors to look for feasible opportunities by trade to achieve the 50% goal. Where the candidate pool at a given time includes both apprentices referred by CityBuild and other apprentices, Contractors, shall undertake reasonable efforts to interview the apprentices referred by CityBuild first. This Local Hiring Agreement also establishes a goal, which is not mandatory under this agreement, of no less than 15% of Construction Work Hours performed by apprentices within each trade to be performed by Disadvantaged Workers.
3. Out-of-State Workers. For all Construction Works, Construction Work Hours performed by residents of states other than California will not be considered in calculation of the number of Construction Work Hours to which the local hiring requirements apply. Contractors and Subcontractors shall report to OEWD the number of Construction Work Hours performed by residents of states other than California.

- B. Pre-construction or other Local Hire Meeting. Prior to commencement of construction on Construction Works, Contractor and its Subcontractors whom have been engaged by contract and, identified in the forms required under Section 1.6 below as contributing toward the mandatory local hiring requirement, shall attend a preconstruction or other Local Hire meeting convened by OEWD staff. Representatives from Contractor and the Subcontractor(s) who attend such pre-construction or other Local Hire meeting will have hiring authority. OEWD shall approve applicable Construction Work-specific Specialized Trade exemptions, in addition to the list of trades designated by OEWD as Specialized Trades in accordance with the Section 82.5 of the Policy, during such meeting. Contractor and its Subcontractors who are engaged after the commencement of construction shall attend a future preconstruction meeting or meetings as mutually agreed by Contractor and OEWD staff.
- C. The Policy does not limit Contractor's or its Subcontractors' ability to assess qualifications of prospective workers, and to make final hiring and retention decisions. In no event shall hiring preferences required hereunder prevent Contractor's or its Subcontractors' ability to comply with applicable labor agreements or union dispatch procedures. No provision of the Policy 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.
- D. Tenant Improvements. All future tenant improvements performed within a Construction Work subsequent to any initial tenant improvements within such

Construction Work ("Subsequent Tenant Improvements") shall not be subject to the mandatory participation levels set forth in subsection A above. With respect to Subsequent Tenant Improvements, Contractor or Subcontractor, as applicable, are required only to make good faith efforts to hire Local Residents and Disadvantaged Workers to perform construction work for Subsequent Tenant Improvements. Good faith efforts shall include Contractor's or Subcontractor's, as applicable, attendance at a pre-construction or other Local Hire meeting, requesting to connect with potential workers through CityBuild, considering Targeted Workers provided by CityBuild and submitting Local Hiring Forms 1 and 2.

1.4 COMPLIANCE WITH PARTICIPATION OBLIGATIONS CITYBUILD  
WORKFORCE DEVELOPMENT PROGRAM: EMPLOYMENT NETWORKING  
SERVICES

- A. OEWD administers the CityBuild Program. CityBuild shall be the primary resource for Contractor and Subcontractors to use to meet Contractor's local hiring requirements under the Policy. CityBuild has two main goals:
  - 1. Assist with local hiring requirements under the Policy 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 Contractor's or its Subcontractors' preferred or preexisting hiring or staffing procedures or labor agreements for a Construction Work do not enable Contractor to satisfy the local hiring requirements of the Policy, 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 the Policy. Neither Contractor nor its Subcontractors are required to make an independent determination of whether any worker is "disadvantaged" as defined in the Policy.
- C. **Basis of Compliance:**

1. With regard to Horizontal Improvements, OEWD shall determine compliance with this Agreement for each trade on a Phase by Phase basis. OEWD shall measure compliance by dividing the number of Construction Work Hours performed by Local Residents or Apprentices, as applicable, within a trade by the total number of Construction Work Hours performed within the same trade on the Horizontal Improvements within a Phase. In lieu of a Phase by Phase basis, Developer may determine that it can best achieve compliance with this Local Hire Agreement on a Project-wide basis, and may elect to comply on a Project-wide basis by delivering notice to OEWD and the Port of such election during the submission of the penultimate Phase Submittal. After such election, compliance shall be established upon the completion of the Project. In each case, once compliance is established, any Excess Credit Hours shall be confirmed by OEWD and shall be available for Developer, provided developer remains a Giants Affiliate, as defined in the DDA, to use to offset shortfalls in the same trade elsewhere on the Project Site, provided, however that Excess Credits may only be transferred to Horizontal Improvements that complied with the procedures set forth in Sections 1.3B, 1.4B and 1.6 and at completion are still short of attaining the participation levels set forth in Section 1.3A.
2. With regard to Vertical Improvements, OEWD shall determine compliance with this Agreement for each trade on an individual Vertical Improvement basis. OEWD shall measure compliance by dividing the number of Construction Work Hours performed by Local Residents or Apprentices, as applicable, within a trade by the total number of Construction Work Hours performed within the same on the Vertical Improvement. In lieu of an individual Vertical Improvement basis, Developer may determine that it can best achieve compliance with this Local Hire Agreement on a Phase by Phase basis, and may elect to comply on a Phase by Phase basis by delivering notice to OEWD and the Port of such election during the submission of a Phase Submittal. After such election, compliance shall be established upon the completion of the Phase, as applicable. In each case, once compliance is established, any Excess Credit Hours shall be confirmed by OEWD and shall be available to the Vertical Developer of the Vertical Improvement that generated such Excess Credit Hours, to transfer to another Vertical Developer, provided that such Vertical Developer is a Giants Affiliate, as defined in the DDA, to offset shortfalls in the same trade on a Vertical Improvements elsewhere on the Project Site, provided, however that Excess Credits may only be transferred to Vertical Improvements that complied with the procedures set forth in Sections 1.3B, 1.4B and 1.6 and at completion are still short of attaining the participation levels set forth in Section 1.3A.

## 1.5 WAIVER FROM LOCAL HIRING REQUIREMENTS

- A. Contractor or the Subcontractor may request waivers as follows: (1) Requests for waivers based on Specialized Trades or other non-availability of workers (subsection 1); and (2) other requests for waivers, which may be considered as conditional waivers by OEWD in its discretion, or based on credit for Non-Covered Construction Work or other construction work specified in subsection 3, and/or participation in the programs described in subsections 4 and 5 below or alternative programs identified by OEWD (subsection 2).

1. Specialized Trades and Other Non-Availability Waivers. Specialized Trades are exempt from local hiring requirements and established in accordance with Section 1.3(B). OEWD shall grant waivers based on a Specialized Trades exemption, provided that (a) the Specialized Trade appears on OEWD's approved list or has been approved as a Construction Work-specific Specialized Trade exemption, and (b) notwithstanding the exemption, Contractor and its Subcontractors have reported to OEWD for its records any Construction Work Hours utilized in each designated Specialized Trade and in each OEWD-approved Construction Work-specific Specialized Trade. As of the date of this Agreement, Specialized Trades include any marine diving, underwater, or marine-related pile-driving work, helicopter pilot, crane operators and oilers, boat, barge, dredge, and/or floating equipment operators, deck engineers, oilers, tunnel/underground work performed by operating engineers and laborers, lineman/cable splicer, stainless steel welders, ironworker connectors and millwrights.

In addition to Specialized Trades, Contractor or Subcontractor may from time to time seek a waiver based on non-availability of workers in one or more other trades ("Non-availability Waiver"). OEWD may apply any Excess Credit Hours (on a 1:1 basis of Excess Credit Hours to shortfall hours) to address any shortfalls identified with respect to a completed Construction Work that would otherwise be entitled to request a Non-availability Waiver under this subsection. At OEWD's discretion, Excess Credit Hours may be allocated anywhere within the Project Site, and to either the same or a different trade. Once Excess Credit Hours are allocated by OEWD such Excess Credit Hours shall no longer be available to Developer elsewhere on the Project Site. OEWD shall grant a Non-Availability Waiver pursuant to this subsection regardless of whether Excess Credit Hours are available to address any shortfall in a trade's Construction Work Hours with respect to a Construction Work, provided that Contractor or Subcontractor has submitted evidence of compliance with the procedures set forth in Sections 1.3B, 1.4B and 1.6.

2. Other Non-Compliance and Corrective Action Plan. In the event Contractor or Subcontractor fails to meet the requirements of Section 1.3 on a basis other than as set forth in subsection 1, OEWD may, in its discretion, negotiate a Corrective Action Plan with the Contractor or Subcontractor. The Corrective Action Plan may include a conditional

waiver that allows the Contractor or Subcontractor to avoid financial penalties. In determining whether to approve the waiver, OEWD may establish alternative means to achieve the participation levels set forth in Section 1.3, including, but not limited to, credit accumulated pursuant to subsection 3 or participation in the programs specified in subsections 4 and 5.

3. Credit for Hiring on Non-Covered Construction Work. Contractor and its Subcontractors may accumulate credit hours for hiring Targeted Workers on Non-Covered Construction Work or on other construction work for which for which the Contractor has exceeded project goals in the nine-county San Francisco Bay Area and apply those credit hours to contracts for Construction Work to meet the mandatory local hiring requirement. For hours performed by Targeted Workers on Non-Covered Construction Work, the hours shall be credited toward the local hiring requirement for the Contract provided that:
  - a. the Targeted Workers are paid the prevailing wages or union scale for work on the Non-Covered Construction Work; 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 Construction Work. 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.
4. Sponsoring Apprentices. Contractor or a Subcontractor may agree to sponsor new apprentices in trades in which noncompliance is likely and retain those apprentices for the period of Contractor's or a Subcontractor's work on the Construction Work, provided that OEWD verifies 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.
5. 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 the Policy by Contractor or Subcontractor 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, such as Helmets to

Hardhats, to hire and retain Targeted Workers. Such exception from assessments of penalties is subject to review and approval by OEWD.

## 1.6 LOCAL HIRING FORMS

- A. The Contractor shall provide CityBuild with information about the Contractor's employment needs under the Contract for each Construction Work by utilizing the City's online Project Reporting System ("PRS"). Contractor shall submit the following forms, as applicable, to OEWD:
1. Form 1: Local Hiring Workforce Projection. This Form 1 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 Construction Works 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 Construction Work using OEWD Form 2. Form 2 shall be initially submitted prior to the start of construction and updated quarterly by the Contractor until all subcontracting is completed. Upon commencement of work, Contractor and its Subcontractors may submit Job Notifications to CityBuild to connect with local trades workers.
  3. Form 3: Intentionally Omitted.
  4. Form 4: Waivers. To be completed by Contractor in the event that Contractor or a Subcontractor believes the local hiring requirements cannot be met. Refer to Articles 1.4 and 1.5 for more information regarding such waivers.

## 1.7 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 Local Hiring Agreement. All Subcontractors performing construction work on the Construction Work shall be responsible for complying with the recordkeeping and reporting requirements set forth in this Local Hiring Agreement.
- B. 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 the 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 the Construction Work.
1. Such records shall include the name, address and social security number of each worker who worked on the Construction Work, 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 Construction Work (e.g., core workforce, name call, union hiring hall, CityBuild referral source, or recruitment or hiring method).

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.
- C. Reporting. Contractor shall submit certified payrolls to the City electronically using the Project Reporting System. OEWD will monitor compliance with the Policy electronically.
- D. Monitoring. From time to time and in its sole discretion, OEWD may monitor and investigate compliance of Contractor and Subcontractors working on a Construction Work with requirements of this Local Hiring Agreement and the Policy. Contractor shall allow representatives of OEWD, in the performance of its duties, to engage in random inspections of a Construction Work. Contractor and all Subcontractors shall also allow representatives of OEWD to have access to employees of Contractor and Subcontractors and the records required to be maintained under this Local Hiring Agreement.
- E. Noncompliance and Penalties. Failure of Contractor and/or its Subcontractors to comply with the requirements of this Local Hiring Agreement and the obligations set forth in the Local Hiring Plan may subject Contractor to the consequences of noncompliance, including but not limited to the assessment of penalties if a waiver is not granted. The assessment of penalties for noncompliance shall not preclude the City from exercising any other rights or remedies to which it is entitled.
- a. **Penalties Amount.** Any Contractor or Subcontractor who fails to satisfy Local Hiring Requirements of this agreement applicable to Construction Work Hours performed by Local Residents and who does not receive a waiver shall forfeit to the City, and, in the case of any Subcontractor so failing, the Contractor 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 Construction Work 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 under this agreement.

- b. **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, OEWD shall provide Contractor or Subcontractor, as applicable, notice of such failure and provide such entity a reasonable opportunity to cure its failure. If such entity does not cure such failure, OEWD 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 Construction Work 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 agreement.
- c. **Recourse Procedure.** If the Contractor or Subcontractor disagrees with the assessment of penalties, then the following procedure applies:
  - i. 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.
  - ii. 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.
  - iii. 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.



- iv. 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.
- v. 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 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 Local Hiring Agreement and a Collective Bargaining Agreement, the terms of the Collective Bargaining Agreement shall supersede this Local Hiring Agreement.

## 1.9 DURATION OF THIS AGREEMENT

This Local Hiring Agreement shall be in full force and effect throughout the term of the Contract. Upon expiration of the Contract, or its earlier termination, this Local Hiring Agreement shall terminate and it shall be of no further force and effect on the parties hereto.

## 1.10 NOTICE

All notices to be given under this Local Hiring 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 OEWD: OEWD  
1 South Van Ness 5th Fl. San Francisco, CA 94103  
Attn: Ken Nim, Compliance Manager,  
ken.nim@sfgov.org

If to CityBuild: CityBuild Compliance Manager  
OEWD, 1 South Van Ness 5th Fl.  
San Francisco, CA 94103  
Attn: Ken Nim, Compliance Manager,  
ken.nim@sfgov.org

If to Port:

Attn:

If to Developer:

Attn:

If to Vertical Developer:

Attn:

If to Contractor:

Attn:

If to Subcontractor:

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.

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 OEWD 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.

#### 1.11 ENTIRE AGREEMENT

This Local Hiring Agreement and the Transaction Documents contain the entire agreement between the parties to this Local Hiring 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. This Local Hiring 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 Contractor, their obligations shall be joint and several.

#### 1.12 SEVERABILITY

If any term or provision of this Local Hiring Agreement shall, to any extent, be held invalid or unenforceable, the remainder of this Local Hiring Agreement shall not be affected.

#### 1.13 COUNTERPARTS

This Local Hiring 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.

#### 1.14 HEADINGS

Section titles and captions contained in this Local Hiring Agreement are inserted as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Local Hiring Agreement or the intent of any of its provisions

#### 1.15 GOVERNING LAW

This Local Hiring Agreement shall be governed and construed by the laws of the State of California, and interpreted consistent with the requirements of Chapter 82.

IN WITNESS WHEREOF, the following have executed this Local Hiring 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



LOCAL HIRING PROGRAM  
OEWD FORM 1  
CONSTRUCTION CONTRACTS

**FORM 1: LOCAL HIRING WORKFORCE PROJECTION**

**Contractor:** \_\_\_\_\_ **Project Name:** \_\_\_\_\_

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	Contractor X	Journey	800	250	31%
		Apprentice	200	100	50%
<i>Example:</i> Laborer	Contractor Y	Journey	500	100	20%
		Apprentice	0	0	0
<i>Example:</i>	<b>TOTAL LABORER</b>	Journey	1300	350	27%
		Apprentice	200	100	50%
<i>Example:</i>	<b>TOTAL</b>		<b>1500</b>	<b>450</b>	<b>30%</b>
		Journey			
		Apprentice			
		Journey			
		Apprentice			
		Journey			
		Apprentice			

**DISCLAIMER:** If the Total Work Hours for a Trade Craft are less than 5% of the Total Construction Work Hours, the Trade Craft is exempt from the Mandatory Requirement. Subsequently, if the Trade Craft exceeds 5% of the Total Construction 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: \_\_\_\_\_

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 Construction 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 Construction 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:	



**SAN FRANCISCO**  
Office of Economic and Workforce Development

CITY AND COUNTY OF SAN FRANCISCO  
OFFICE OF ECONOMIC AND WORKFORCE DEVELOPMENT  
CITYBUILD PROGRAM



**LOCAL HIRING PROGRAM**  
**OEWD FORM 4**  
**CONSTRUCTION CONTRACTS**

**FORM 4: WAIVERS**

**Contractor:** \_\_\_\_\_ **Project Name:** \_\_\_\_\_

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.

**TRADE WAIVER INFORMATION:** 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 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 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:**

Construction Trade	Est. # of Sponsor Positions	Union (Yes / No)	If Yes, Local #	Est. Start Date	Est Duration of Working Days	Est Total Work Hours Performed
		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:**

Labor Trade, Position, or Title	Est. # of Off-site Hires	Est Total Work Hours Performed	Offsite Project Name	Project Address
Journey				
Apprentice				

OEWD APPROVAL:	<input type="checkbox"/> Yes	<input type="checkbox"/> No	OEWD Signature:
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**DDA EXHIBIT B6-B**

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**LOCAL BUSINESS ENTERPRISE UTILIZATION PROGRAM**

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## **DDA Exhibit B6 - B**

### **Local Business Enterprise (LBE) Utilization Program.**

The development plan for Mission Rock under the Transaction Documents provides for the development of a new mixed-use neighborhood composed of commercial/office, retail, garage, market rate and affordable residential uses and major new and expanded parks. This Workforce Development Plan sets forth the activities Developer and Vertical Developer shall undertake, and require their Contractors, Consultants, Subcontractors, Subconsultants, and Commercial Tenants, as applicable, to undertake, to support local business enterprises in both the construction and operations phases of the Project, as set forth in this Exhibit B6-B.<sup>1</sup>

The Port and Developer shall enter into the DDA which will provide for the development of the 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 Project. Developer will enter into contracts with Contractors and Consultants to construct all Horizontal Improvements allowed under the Master Lease.

Developer will submit Phase Submittals to the Port pursuant to the Transaction Documents. Following each Phase Approval, the Port will authorize the Chief Harbor Engineer to issue Port permits necessary for Developer to begin to construct Horizontal Improvements in accordance with the DDA and the Master Lease. Upon exercise of an Option in accordance with the DDA, the Port will convey each Development Parcel through Parcel Leases to a Vertical Developer. A Vertical Developer will enter into contracts with Contractors and Consultants to construct the Vertical Improvements, including residential and commercial improvements, in accordance with the Parcel Lease and Vertical DDA. 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.

The foregoing summary is provided for convenience and for informational purposes only. In case of any conflict, the provisions of the DDA and each Vertical DDA shall control.

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<sup>1</sup> Any capitalized term used in this Exhibit B6-B, including its Attachments, that is not defined herein, or in such Attachments, or in the referenced Administrative Code Sections, shall have the meaning given to such term in the DDA.

### **LBE Utilization Plan.**

Developer, with respect to Horizontal Improvements, shall, and the Vertical Developer, with respect to each Vertical Improvement, shall comply and require their respective Contractors and Consultants to comply with the Local Business Enterprise Utilization Plan (the "LBE Utilization Plan") set forth in Attachment A hereto. The Port shall cause (i) Developer, pursuant to the DDA and Master Lease, to comply with the Plan by including such requirements as a material term in the DDA and Master Lease applicable to all phases of Horizontal Improvements and (ii) each Vertical Developer to comply with the Plan by including such requirements as a material term in the VDDA and Parcel Lease applicable to each Vertical Improvement. The Port and Developer will seek to, whenever practicable, engage contracting teams to reflect the diversity of the City and include participation of both businesses and residents from the City's most disadvantaged communities including, but not limited to the Bayview/Hunters Point, Chinatown, Mission, South of Market, Tenderloin, Visitacion Valley and Western Addition neighborhoods.

Compliance with the construction requirements of the LBE Utilization Plan for Horizontal Improvements shall be determined on a Phase by Phase basis. Compliance will be measured by dividing the cost of all Contracts for a Phase of Horizontal Improvement awarded to LBE Prime Contractors, Subcontractors, Prime Consultants or Subconsultants divided by the total cost of all Contracts awarded to Prime Contractors, Subcontractors, Prime Consultants or Subconsultants for such Phase of Horizontal Improvement. If Developer exceeds the goals set forth in the LBE Utilization Plan with respect to an individual Horizontal Improvement, Developer may, at its option, allocate such excess, subject to terms outlined below, towards the compliance of another Horizontal Improvement within the Project Site, subject to the requirements of Attachment A. Notwithstanding anything to the contrary, Developer may, at its election, require that compliance be determined on a Project-wide basis by giving notice to CMD and the Port of such election during the submission of the penultimate Phase Submittal.

Compliance with the construction requirements of the LBE Utilization Plan for Vertical Improvements shall be determined on an individual Vertical Improvement basis. Compliance will be measured by dividing the cost of all Contracts for a Vertical Improvement awarded to LBE Prime Contractors, Subcontractors, Prime Consultants or Subconsultants divided by the total cost of all Contracts awarded to Prime Contractors, Subcontractors, Prime Consultants or Subconsultants for such Vertical Improvement. If a Vertical Improvement exceeds goals set forth in the LBE Utilization Plan, the Vertical Developer of such Construction Work may, at its option, allocate such excess towards the compliance of another Vertical Improvement within the Project Site or transfer such excess to another Vertical Developer within the Project Site, subject to the requirements of Attachment A. Notwithstanding anything to the contrary, Developer may, at its election, require that compliance be determined on a Phase-wide basis by giving notice to CMD and the Port of such election, pursuant to Attachment A, during the submission of a Phase Submittal.

The Developer, Vertical Developer(s) and CMD seek to reduce barriers to LBE participation, cost, and time. As such, the Developer and Vertical Developer(s) shall work in

good faith with CMD to design and implement for each Horizontal and Vertical Improvement insurance programs which provides to LBE participating subcontractors access to the required coverage through either the owner, Owner-Controlled Insurance Policy (OCIP), general contractor, Contractor-Controlled Insurance Policy (CCIP), or such other insurance program as may become reasonably commercially available.

CMD shall notify Contractors, Consultants, Subcontractors and Subconsultants, as applicable, in writing, with a copy to the Port and Developer or Vertical Developer, as applicable, of any alleged breach on the part of that entity of its obligations under San Francisco Administrative Code Chapter 14B ("Chapter 14B") or its LBE Utilization Plan, as applicable, and provide such entity an opportunity to cure its failure before seeking an assessment of liquidated damages. CMD's sole remedies against a Contractor, Consultant, Subcontractor and Subconsultant shall be as set forth in the applicable LBE Utilization Plan, including the enforcement process. Upon CMD's request, Port, Developer or Vertical Developer, as applicable, shall reasonably cooperate with CMD in any such enforcement action against any Contractors, Consultants, Subcontractors and Subconsultants, provided that in no event shall Port, Developer or Vertical Developer, as applicable, be liable for any breach by a Contractor, Consultant, Subcontractor or Subconsultant.

If the Port, Developer or Vertical Developer, as applicable, fulfills its obligations as set forth in this Exhibit B2, it shall not be held responsible for the failure of a Contractor, Consultant, Subcontractor and Subconsultant or any other person or party to comply with the requirements of San Francisco Administrative Code Chapter 14B ("Chapter 14B") or this Exhibit B2. If Developer or Vertical Developer, as applicable, fails to fulfill its obligations under this Exhibit B6-B, the applicable provisions of Chapter 82 shall apply, though the Port and Developer, as applicable, shall have the right to invoke the process set forth in Article 10 of the DDA.

This Exhibit B6-B complies with the requirements of Chapter 14B, including Sections 14B.20.

## Attachment A

### **Local Business Enterprise Utilization Plan**

1. **Purpose and Scope.** This Local Business Enterprise Utilization Plan (this "LBE Utilization Plan") governs the Local Business Enterprise obligations of the Workforce Improvement or the Construction Work pursuant to San Francisco Administrative Code Section 14B.20 and satisfies the obligations of Developer, Vertical Developer and their Contractors and Consultants for a LBE Utilization Plan as set forth herein. In the event of any conflict between San Francisco Administrative Code Chapter 14B ("Chapter 14B") and this attachment, this LBE Utilization Plan shall govern.
2. **Roles of Parties.** In connection with the design and construction phases of each Construction Work (as defined below) and the operations of each Workforce Improvement, 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 Vertical shall participate in a local business enterprise program, and the City's Contract Monitoring Division ("CMD") 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 Developer, Vertical Developer, Contractor or professional services firm retained to work on a Construction Work or Workforce Improvement, as the case may be (each, a "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 Developer or Vertical Developer or a Contractor or professional services firm. When Developer or Vertical Developer or a Contractor or professional services firm requires and seeks products from an LBE supplier or distributor, no more than sixty percent of the cost of the product shall be credited towards LBE participation goals. If the listed supplier or distributor does not regularly stock or is a specially manufactured item(s), the required product, no more than five percent of the cost of the product shall be credited towards LBE participation goals.
  - c. "Consultant" shall mean a person or company that has entered into a professional services contract for monetary consideration with Developer or Vertical Developer to provide advice or services to Developer directly related to the architectural or landscape design, physical planning, and/or civil, structural or

~~environmental-engineering-of-a-Construction-Work-or-Workforce-Improvement.~~

- d. "Construction Work" shall mean: (i) in the case of Horizontal Improvements, construction of all Horizontal Improvements required or permitted to be made to the Project Site during a Phase and to be carried out by Developer under the DDA subject to Chapter 14B; or (ii) in the case of Vertical Improvements, a Vertical Improvement and all tenant improvements therein, except for the construction of any tenant improvements within a leased premises comprised of less than 15,000 square feet in floor area, to be constructed by a Vertical Developer, on a Development Parcel pursuant to an applicable Vertical DDA and Parcel Lease.
- e. "Contract(s)" shall mean an agreement, whether a direct contract or subcontract, for Consultant or Contractor services for all or a portion of a Construction Work or Workforce Improvement.
- f. "Contractor" shall mean a person or entity that enters into a direct Contract with Developer or Vertical Developer to build or construct all or a portion of a Construction Work or operate a Workforce Improvement.
- g. "DDA" means the Disposition and Development Agreement between Developer and the City and County of San Francisco, acting by and through the San Francisco Port Commission.
- h. "Developer" has the meaning set forth in the DDA, including any successor during the term of this LBE Utilization Plan.
- i. "Development Parcel" has the meaning set forth in the DDA.
- j. "Excess Credit" shall mean the total cost of all Contracts for a Construction Work awarded to LBE Prime Contractors, Subcontractors, Prime Consultants or Subconsultants that are Small and Micro-LBEs that exceeds the goals set forth in Section 4.
- k. "Horizontal Improvement" has the meaning set forth in the DDA.
- l. "Good Faith Efforts" shall mean procedural steps taken by Developer, Vertical Developer, Contractor or Consultant with respect to the attainment of the LBE participation goals, as set forth in Section 6 below.
- m. "Local Business Enterprise" or "LBE" means a business that is certified as an LBE under Chapter 14B.3.
- n. "LBE Liaison" shall mean Developer's and Vertical Developer'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.

- o. "Parcel Lease" has the meaning set forth in the DDA.
- p. "Phase" has the meaning set forth in the DDA.
- q. "Port" has the meaning set forth in the DDA.
- r. "Project" has the meaning set forth in the DDA.
- s. "Project Site" has the meaning set forth in the DDA.
- t. "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 a Construction Work or Workforce Improvement.
- u. "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 a Construction Work or Workforce Improvement.
- v. "Vertical DDA" has the meaning set forth in the DDA.
- w. "Vertical Developer" has the meaning set forth in the DDA.
- x. "Workforce Improvement" shall mean all completed Vertical Improvements, but excluding within: (a) any commercial premises occupying less than 15,000 square feet in floor area, and (b) any residential units therein, subject to Chapter 14B.

4. **LBE Participation Goal.** Developer and Vertical Developer agree to participate in this LBE Utilization Plan and CMD agrees to work with Developer and Vertical Developer in this effort, as set forth in this LBE Utilization Plan. As long as this LBE Utilization Plan remains in full force and effect, Developer, with respect to the construction of Horizontal Improvements, and Vertical Developer, with respect to the construction of Vertical Improvements, shall make good faith efforts as defined below to achieve an overall LBE participation goal of 20% of the total cost of all Contracts for a Construction Work awarded to LBE Prime Contractors, Subcontractors, Prime Consultants or Subconsultants that are Small and Micro-LBEs, as set forth in Administrative Code Section 14B.8(A) and a participation goal of 10% during the pre-construction phase of the Project.

5. **Developer/Vertical Developer Obligations.** Developer, with respect to the construction of Horizontal Improvements, and Vertical Developer, with respect to the construction of Vertical Improvements, shall comply with the requirements of this Attachment A as follows: Upon entering into a Contract with a Contractor or Consultant, Developer or Vertical Developer, as applicable, will include each such Contract a provision requiring the Contractor or Consultant to comply with the terms of this Attachment A, and setting forth the applicable percentage goal for such Contract, and provide a signed copy thereof to CMD and the Port within 10 business days of execution. Such Contract shall specify the notice information for the

Contractor or Consultant to receive notice pursuant to Section 16. Developer and each Vertical Developer shall identify a "LBE Liaison" as its main point of contact for outreach/compliance concerns and shall be available to meet with CMD staff on a regular basis or as necessary regarding the implementation of this Attachment A. If Developer, with respect to Horizontal Improvements, or a Vertical Developer, with respect to construction of the Vertical Improvements, fulfills its obligations as set forth in this Section 5 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 Developer or Vertical Developer, as applicable, 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 A.

6. Good Faith Efforts. City acknowledges and agrees that Developer, Vertical Developer, 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 in Section 5, it will nonetheless be deemed to satisfy the good faith effort obligation of this Section 6 and thereby satisfy the requirements and obligations of this Attachment A if the Contractor, Consultants and their Subcontractors and Subconsultants, as applicable, perform the good faith efforts set forth in this Section 6 as follows:

- a. Advance Notice. Notify CMD and the Port in writing of all upcoming solicitations of proposals for work under a Contract at 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, Developer, Vertical Developer, Contractor, Consultant, Subcontractor or Subconsultant will 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. Developer, Vertical Developer, Contractor, Consultant, Subcontractor or Subconsultant will advertise for at least 30 days prior to the opening of bids or proposals, 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 Developer or Vertical Developer or their respective Prime Contractor or Consultant, as applicable. As practicable, convene pre-bid or pre-solicitation meetings no less than 15 days prior to the opening of bids and proposals to all for LBEs to ask questions about the selection process and technical specifications/requirements. Developer or Vertical Developer may request CMD's permission to award a contract without advertising if the work consists of specialty services or otherwise does not provide



opportunities for LBE participation.

- 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.** Developer or Vertical Developer or their respective 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.** Developer or Vertical Developer or their respective 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) shall be or work with a LBE Consultant with experience in and responsibility for making recommendations on how to maximize engagement of local small businesses from disadvantaged communities including, but not limited to the Bayview/Hunters Point, Chinatown, Mission, South of Market, Tenderloin, Visitacion Valley and Western Addition neighborhoods, and 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.** Developer or Vertical Developer shall include in its 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 overall LBE participation goal and any LBE percentage that may be required under such Contract.
- 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. **Insurance and Bonding.** Recognizing that lines of credit, insurance and bonding are problems common to local businesses, 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. Contractor, Subcontractor, Consultant and Subconsultant will work with the Developer, Vertical Developer and CMD in good faith to design and implement for each Horizontal and Vertical Improvement insurance programs which provides to LBE participating subcontractors access to the required coverage through either the owner, Owner-Controlled Insurance Policy (OCIP), general contractor, Contractor-Controlled Insurance Policy (CCIP), or such other insurance program as may become reasonably commercially available.
- l. **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 9 below to identify a strategy to meet the LBE goal;
- m. **Quarterly Reports.** During design and construction, the LBE Liaison(s) shall prepare a quarterly report of LBE participation goal attainment and submit to CMD as required by Section 9 herein; and
- n. **Meet and Confer.** Attend the meet and confer process described in Section 9.

7. **Good Faith Outreach.** Good faith efforts shall be deemed satisfied solely by compliance with Section 6. 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 6.b, and following CMD's notice under Section 8.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.

8. **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 6.b, CMD will work with Developer or its prime 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 Developer or Vertical Developer or their Contractors, Subcontractors, Consultants and Subconsultants in meeting LBE participation goals and/or satisfying good faith efforts requirements.

9. Meet and Confer Process. Commencing with the first Contract that is executed for a Construction Work, and every six (6) months thereafter, or more frequently if requested by either CMD, Developer or a Contractor or Consultant each Contractor and 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 A. When deficiencies are noted, meet and confer with CMD to ascertain and execute plans to increase LBE participation.

10. Prohibition on Discrimination. Developer and Vertical Developer 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 6 and 9 above.

11. Collective Bargaining Agreements. Nothing in this Attachment A 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 A and a Collective Bargaining Agreement, the terms of the Collective Bargaining Agreement shall supersede this Attachment A.

12. 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 6. Developer and Vertical Developer 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 prime 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.

13. **Basis of Compliance:**

- a. With regard to Horizontal Improvements, CMD shall determine compliance with this Agreement on a Phase-wide basis and measure compliance by dividing the cost of all Contracts for a Construction Work awarded to LBE Prime Contractors, Subcontractors, Prime Consultants or Subconsultants divided by the total cost of all Contracts awarded to Prime Contractors, Subcontractors, Prime Consultants or Subconsultants for such Construction Work. Notwithstanding anything to the contrary, Developer may, at its election, require that compliance be determined on a Project-wide basis by giving notice to CMD and the Port of such election not later than the submission of the penultimate Phase Submittal. After such election, compliance shall be measured upon the completion of the Project. In each case, once compliance is established, any Excess Credit shall be confirmed by CMD and shall be available for Developer, provided Developer remains a Giants Affiliate, as defined in the DDA, to offset shortfalls elsewhere on the Project Site, provided, however that Excess Credits may only be transferred to Horizontal Improvements that complied with the procedures set forth in Section 6 and at completion are short of attaining the participation levels set forth in Section 4.
- b. With regard to Vertical Improvements, CMD shall determine compliance with this Agreement on an individual Vertical Improvement basis and measure compliance by dividing the cost of all Contracts for a Construction Work awarded to LBE Prime Contractors, Subcontractors, Prime Consultants or Subconsultants divided by the total cost of all Contracts awarded to Prime Contractors, Subcontractors, Prime Consultants or Subconsultants for such Vertical Improvement. Notwithstanding anything to the contrary, Developer may, at its election, require that compliance be determined on a Phase-wide basis, as Developer plans to develop each Vertical Improvement in such Phase, by giving notice to CMD and the Port of such election during the submission of a Phase Submittal. After such election, compliance shall be measured upon the completion of the Phase, as applicable. In each case, once compliance is established, any Excess Credits shall be confirmed by CMD and shall be available to the Vertical Developer of the Vertical Improvement that generated such Excess Credits to transfer to another Vertical Developer, provided that such Vertical Developer is a Giants Affiliate, as defined in the DDA, to offset shortfalls in the same trade on Vertical Improvements elsewhere on the Project Site, provided, however that Excess Credits may only be transferred to Vertical Improvements that complied with the procedures set forth in Section 6 and at completion are still short of attaining the participation levels set forth in Section 4.

14. Workforce Improvement Operations. Each Vertical Developer will use good faith efforts to hire LBEs for ongoing service contracts within Workforce Improvements 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.

15. Monitoring and Enforcement. CMD shall both monitor and enforce the standards and requirements, including the good faith efforts, of this Program. CMD Compliance Officers shall schedule meetings with the LBE Liaison(s) through the term of this Program to promote consistent communication and practice.

16. 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 Developer, Vertical Developer, Contractor, Subcontractor, Consultant or Subconsultant, then CMD shall provide written notice to Developer or Vertical Developer, as applicable, each affected prime Contractor or Consultant and, if applicable, also to its Subcontractor or Subconsultant. The prime 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 A. When deficiencies are noted CMD staff will work with the appropriate LBE Liaison(s) to remedy such deficiencies.

17. Remedies. Notwithstanding anything to the contrary in the DDA, the following process and remedies shall apply with respect to any alleged violation of this Attachment A:

Mediation and conciliation shall be the administrative procedure of first resort for any and all compliance disputes arising under this Attachment A. 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 Developer, 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 Developer, Contractor, Consultant, Subcontractor or Subconsultant to file a request for judicial relief.

If a Developer, Vertical Developer, Contractor, Consultant, Subcontractor or Subconsultant is found to be in willful breach of the obligations set forth in this Attachment A, assess against the noncompliant Developer, Vertical Developer, 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 ~~Developer, Vertical Developer, 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 A,  
the sole remedy for violation shall be specific performance.

18. Duration of this Agreement. This Attachment A shall terminate (i) at the expiration of the Development Agreement, as defined in the DDA, and; (ii) for any Construction Work that has commenced before the termination of the Development Agreement, but is not yet complete upon the termination of the Development Agreement, upon the completion of such Construction Work. Upon such termination, this Attachment A shall be of no further force and effect.

19. Notice. All notices to be given under this Attachment A 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 the Port:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

If to Developer:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

If to Vertical Developer:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

If to Contractor:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

If to Consultant:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

**EXHIBIT N**

**Development Agreement Section 5.8(f) (Electricity)**

## EXHIBIT N

### DEVELOPMENT AGREEMENT SECTION §5.8(F) (ELECTRICITY)

#### 5.8 Future City Approvals

##### (f) SFPUC Power.

(i) In accordance with Administrative Code chapter 99, the SFPUC has performed a feasibility study and has determined that it will be able to provide electric power to the Project. SFPUC agrees that applicable SFPUC service will be reasonably available to meet the Project's needs and Developer's schedule, and that the projected price for applicable SFPUC service and related Utility Infrastructure cost allocations are comparable to rates in San Francisco for comparable service. SFPUC will work with Developer to provide applicable SFPUC service for temporary construction and permanent use pursuant to SFPUC *Rules and Regulations for Electric Service*.

(ii) Developer understands and agrees that all applicable SFPUC service for the Project Site will be provided by SFPUC Power under the terms of an ESA to be completed between SFPUC Power and Developer. Among other things, the ESA, in addition to the ESA's standard terms and conditions, will address some or all of the following:

- (1) development schedules and milestones for applicable SFPUC service;
- (2) termination rights and costs;
- (3) offsite Utility Infrastructure requirements, development, costs, and any cost allocation;
- (4) onsite Utility Infrastructure requirements, development, costs, and cost allocations; and
- (5) Developer-provided space for SFPUC electric facilities.

(iii) The Parties agree to act in good faith to finalize the ESA within 180 days after the Reference Date. If the Parties' good faith efforts do not result in a final ESA within 180 days, the Parties will agree to a reasonable extension of time to complete the ESA. If the Parties' diligent good faith negotiations to enter into an ESA as set forth above are unsuccessful, Developer may elect to pursue alternative service arrangements.



**EXHIBIT O**

**Form of Assignment and Assumption Agreement**

RECORDING REQUESTED BY:  
AND WHEN RECORDED MAIL TO:

FOR RECORDER'S USE ONLY

APN: Lot [ ], Block [ ]

**PARCEL LEASE EXHIBIT O**  
**ASSIGNMENT AND ASSUMPTION AGREEMENT AND RELEASE**  
(Parcel Lease [and DA])

This ASSIGNMENT AND ASSUMPTION AGREEMENT (this "**Agreement**"), effective as of [ ], (the "**Effective Date**"), is entered into by and between [ ], a [ ] ("**Transferor**"), and [ ], a [ ] ("**Transferee**").

**RECITALS**

A. Seawall Lot 337 Associates, LLC, a Delaware limited liability company ("**Horizontal Developer**") and the City entered into that certain Development Agreement (the "**Development Agreement**") dated as of [ ], 2018 for reference purposes, with respect to certain real property owned by Assignor, as such property is more particularly described in the Development Agreement ("**Mission Rock**"). The Development Agreement was recorded in the Official Records on [ ], 2018 as Instrument No. [ ].

B. The Development Agreement was assigned by Horizontal Developer to Transferor by that certain Development Agreement Assignment and Assumption Agreement dated as of [ ], 20[xx] and recorded in the Official Records on [ ], 20[xx] as Instrument No. [ ]. [Note: add if applicable any intervening amendment and/or assignments]

C. Port and Transferor entered into that certain Lease No. L-XXXX dated as of [ ], 20XX (the "**Lease**"), a memorandum of which was recorded in the Official Records on [ ], 20XX as Instrument No. [ ].

D. The Property is located within the mixed-use development commonly known as Mission Rock. The Lease, and [Note: add other agreements if applicable] any other agreements or documents entered into by and between Port and Transferor pursuant to the Lease are referred to herein collectively, as the "**Property Agreements**."

E. Transferor and Transferee have entered into an agreement (the "**Purchase Agreement**") pursuant to which Transferor has agreed to assign all of its right, title and interest in and to the Property Agreements [and certain right title and interest in the Development Agreement] to Transferee, and Transferee has agreed to assume all of Transferor's right title and interest in and to the Property Agreements [and certain right title and interest in the Development Agreement] from Transferor.

F. In order to consummate the transactions contemplated by the Purchase Agreement, Transferor desires to assign and Transferee desires to assume the Property Agreements [and the Development Agreement] on the terms and conditions set forth in this Agreement.

### AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Transferor and Transferee agree as follows:

1. **Assignment by Transferor.** Transferor hereby assigns to Transferee as of the Effective Date each and all of the right, title, interest and obligations of Transferor under the Property Agreements [and certain right title and interest in the Development Agreement and any other agreements or documents entered into by and between City and Transferor pursuant to the Development Agreement] to the extent first arising after the Effective Date.

2. **Assumption by Transferee.**

2.1. **Assumption by Transferee.** Transferee hereby assumes from Transferor as of the Effective Date each and all of the right, title, interest and obligations of Transferor under the Property Agreements [and certain right title and interest in the Development Agreement and any other agreements or documents entered into by and between City and Transferor pursuant to the Development Agreement] to the extent first arising after the Effective Date. Transferee hereby acknowledges that Transferee has reviewed the Property Agreements [and the Development Agreement and any other agreements or documents entered into by and between City and Transferor pursuant to the Development Agreement] and agrees to be bound by all such agreements and all conditions and restrictions to which Transferor is subject under such agreements[ and to which Horizontal Developer (or the Transferor, as applicable) is subject under the Development Agreement to the extent applicable to the Property].

2.2. **[Note: add if applicable to residential rental projects] [To be confirmed-subject to further modification] Costa-Hawkins Waiver.** Without limiting the foregoing assumption of rights and obligations by Transferee, Transferee specifically acknowledges that the Development Agreement and the DDA, which includes the Affordable Housing Plan attached thereto as Exhibit [XX], [provide regulatory concessions and significant public investment to Mission Rock that directly reduce development costs at Mission Rock]. The regulatory concessions and public investment include a direct financial contribution of net tax increment and other forms of public assistance specified in California Government Code section 65915. These public contributions result in identifiable, financially sufficient, and actual cost reductions for the benefit of Horizontal Developer and Transferors under California Government Code section 65915. In consideration of the City's direct financial contribution and other forms of public assistance, the parties understand and agree that the Costa-Hawkins Act does not apply to any BMR Unit or Inclusionary Units developed under the AHP for Mission Rock.

3. **Representations and Warranties of Transferor.** Transferor hereby makes the following representations and warranties to Transferee, Port, and the City as of the Effective Date:

3.1. Transferor is a [ ] duly organized and validly existing under the laws of the State of [ ]. Transferor has the requisite power and authority to own its property and conduct its business as presently conducted. Transferor is in good standing in the State of California and is authorized to do business in the State of California and is in good standing therein.

3.2. Transferor has the requisite power and authority to execute and deliver this Agreement and the Transfer Agreement (collectively, the "Transaction Documents") and the agreements contemplated hereby and to carry out and perform all of the terms and covenants of the Transaction Documents and the agreements contemplated hereby to be performed by Transferor.

3.3. Neither Transferor's [articles of organization or operating agreement], nor any applicable Law, prohibits Transferor's entry into the Transaction Documents or its performance

thereunder. 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 the Transaction Documents by Transferor and Transferor's performance thereunder, 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 Transferor, and Transferor has not received notice of the filing of any pending suit or proceedings against Transferor before any court, governmental agency, or arbitrator, which might materially adversely affect the enforceability of the Transaction Documents or the business, operations, assets or condition of Transferor.

**3.4.** The execution and delivery of the Transaction Documents and the performance by Transferor thereunder have been duly and validly authorized. When executed and delivered, the Transaction Documents will be legal, valid and binding obligations of Transferor.

**3.5.** The execution, delivery and performance of the Transaction Documents (i) do not and will not violate or result in a violation of, contravene or conflict with, or constitute a default by Transferor under (A) any agreement, document or instrument to which Transferor is a party or by which Transferor is bound, (B) any law, statute, ordinance, or regulation applicable to Transferor or its business, or (C) the articles of organization or the operating agreement of Transferor, and (ii) do not result in the creation or imposition of any lien or other encumbrance upon the assets of Transferor (other than the lien of a Mortgage in accordance with the Parcel Lease).

**3.6.** Except to the extent disclosed to Port in writing, (i) Transferor is not in default under, and has not received notice asserting that it is in default under, any agreement for borrowed money, (ii) Transferor 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 Transferor's ability to meet its obligations under the Transaction Documents, and (iv) to Transferor's knowledge, no involuntary petition naming Transferor as debtor has been filed under any chapter of the U.S. Bankruptcy Code.

**4. Representations and Warranties of Transferee.** Transferee hereby makes the following representations and warranties to Transferor, Port, and the City as of the Effective Date:

**4.1.** Transferee is a [ ] duly organized and validly existing under the laws of the State of [ ]. Transferee has the requisite power and authority to own its property and conduct its business as presently conducted. Transferee is in good standing in the State of California and is authorized to do business in the State of California and is in good standing therein.

**4.2.** Transferee has the requisite power and authority to execute and deliver the Transaction Documents and the agreements contemplated hereby and to carry out and perform all of the terms and covenants of the Transaction Documents and the agreements contemplated hereby to be performed by Transferee.

**4.3.** Neither Transferee's [articles of organization or operating agreement], nor any applicable Law, prohibits Transferee's entry into the Transaction Documents or its performance thereunder. 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 the Transaction Documents by Transferee and Transferee's performance thereunder, 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 Transferee, and Transferee has not received notice of the filing of any pending suit or proceedings against Transferee before any court, governmental agency, or arbitrator, which might materially adversely affect the enforceability of the Transaction Documents or the business, operations, assets or condition of Transferee.

4.4. The execution and delivery of the Transaction Documents and the performance by Transferee thereunder have been duly and validly authorized. When executed and delivered, the Transaction Documents will be legal, valid and binding obligations of Transferee.

4.5. The execution, delivery and performance of the Transaction Documents (i) do not and will not violate or result in a violation of, contravene or conflict with, or constitute a default by Transferee under (A) any agreement, document or instrument to which Transferee is a party or by which Transferee is bound, (B) any law, statute, ordinance, or regulation applicable to Transferee or its business, or (C) the articles of organization or the operating agreement of Transferee, and (ii) do not result in the creation or imposition of any lien or other encumbrance upon the assets of Transferee (other than the lien of a Mortgage in accordance with the Parcel Lease).

4.6. Except to the extent disclosed to Port in writing, (i) Transferee is not in default under, and has not received notice asserting that it is in default under, any agreement for borrowed money, (ii) Transferee 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 Transferee's ability to meet its obligations under the Transaction Documents, and (iv) to Transferee's knowledge, no involuntary petition naming Transferee as debtor has been filed under any chapter of the U.S. Bankruptcy Code.

5. **Qualified Transferee.** Transferee is a Qualified Transferee. "Qualified Transferee" means any transferee that satisfies each of the following criterion: (1) has, or has engaged a property manager with at least ten (10) years' experience operating **[use for commercial development parcels: major commercial projects] [use for residential development parcels: residential projects]**; (2) satisfies the Net Worth Requirement; and (3) is subject to jurisdiction of the courts of California.

6. **Investigation of Property; No Port or City Representations.** Transferee has conducted a thorough investigation and due diligence of the Property, including all Material Systems, the roof and the structural integrity of the Improvements **[Add only if transfer occurs after 20th Anniversary of the Commencement Date: and has received and reviewed the Facilities Condition Report dated \_\_\_\_\_ prepared by or on behalf of Transferor]**. Transferee has reviewed and is familiar with the terms and conditions of the Property Agreements [and the Facilities Condition Report]. Transferee recognizes and acknowledges that Port makes no representation or warranty hereby, express or implied, regarding the Property, the Improvements, [the Facilities Condition Report] or the amount, nature, or extent of any representations or warranties with respect to the obligation, liability, or duty under any of the Property Agreements.

7. **Release of Indemnified Parties and the State Lands Indemnified Parties.** Transferee, on behalf of itself and its successors and assigns, waives or will be deemed to waive, any right to recover from, and forever releases, acquits, and discharges Indemnified Parties and the State Lands Indemnified Parties under the Property Agreements of all Losses against the Indemnified Parties and the State Lands Indemnified Parties for the condition of the Improvements or the real property or any claims assignor may have against the Indemnified Parties arising prior to the Effective Date 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.

Transferee understands and expressly accepts and assumes the risk that any facts concerning the Losses released, waived, and discharged in this Agreement includes known and unknown claims, disclosed and undisclosed, and anticipated and unanticipated claims pertaining to the subject matter of the releases, waivers, and discharges, and might be found later to be other than or different from the facts now believed to be true, and agrees that the releases, waivers, and discharges in this Agreement will remain effective. Accordingly, with respect to the claims released, waived, and discharged in this Agreement, Transferee expressly waives the benefits of Section 1542 of the California Civil Code, which provides as follows:

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

By placing its initials below, Transferee specifically acknowledges and confirms the validity of  
the releases, waivers, and discharges made above and the fact that Transferee was represented  
by counsel who explained, at the time this agreement was made, the consequences of the  
above releases, waivers and discharges.

TRANSFEEEE INITIALS: \_\_\_\_\_

**8. Release of Transferor.**

From and after the Effective Date, Transferor will be released from all obligations and liability  
under Parcel Lease to the extent first arising after the Effective Date as long as Transferee has  
assumed all such obligations and liabilities. In no event will Transferor be liable for a new  
default under Parcel Lease first arising after the Effective Date so long as Transferee has  
assumed all obligations and liabilities under Parcel Lease arising as of the Effective Date. The  
effectiveness of any Transfer hereunder is not in any way to be construed to relieve Transferor  
of any liability arising out of or with regard to the performance of any covenants or obligations  
to be performed by Transferor under Parcel Lease before the Effective Date.

**9. General Provisions.**

**9.1. Attorneys' Fees.** If either Party hereto fails to perform any of its respective  
obligations under this Agreement or if any dispute arises between the parties hereto  
concerning the meaning or interpretation of any provision of this Agreement, then the  
defaulting Party or the Party not prevailing in such dispute, as the case may be, will pay any and  
all costs and expenses incurred by the other party on account of such default or in enforcing or  
establishing its rights hereunder, including, without limitation, court costs and reasonable  
attorneys' fees and disbursements.

**9.2. Notices.** The provisions of Section 38 of the Parcel Lease [and Section 14.1 of the  
Development Agreement] are incorporated by reference with the same effect as if set forth  
herein; provided, however, the address for Transferee is as follows:

[\_\_\_\_\_]
[\_\_\_\_\_]
[\_\_\_\_\_]
Attn: [\_\_\_\_\_]

With a copy to:

[\_\_\_\_\_]
[\_\_\_\_\_]
[\_\_\_\_\_]
Attn: [\_\_\_\_\_]

**9.3. Successors and Assigns.** This Agreement shall be binding upon and inure to the  
benefit of each of the parties hereto and their respective executors, administrators, successors,  
and assigns.

**9.4. Counterparts.** This Agreement may be executed in one or more counterparts,  
each of which shall constitute an original and all of which shall constitute one instrument.

**9.5. Captions.** Any captions to, or headings of, the Articles, Paragraphs, or  
subparagraphs of this Agreement are solely for the convenience of the parties hereto, are not a

part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.

**9.6. Amendment to Agreement.** The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the parties hereto.

**9.7. Exhibits.** The Exhibits attached hereto are hereby incorporated herein by this reference for all purposes.

**9.8. Waiver.** The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

**9.9. Applicable Law.** This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of California.

**9.10. Fees and Other Expenses.** Except as otherwise provided herein, each of the parties shall pay its own fees and expenses in connection with this Agreement.

**9.11. Partial Invalidity.** If any portion of this Agreement as applied to any party or to any circumstances shall be adjudged by a court to be void or unenforceable, such portion shall be deemed severed from this Agreement and shall in no way affect the validity or enforceability of the remaining portions of this Agreement.

**9.12. Independent Counsel.** Each party hereto acknowledges that: (a) it has been represented by independent counsel in connection with this Agreement; (b) it has executed this Agreement with the advice of such counsel; and (c) this Agreement is the result of negotiations between the parties hereto and the advice and assistance of their respective counsel.

**9.13. Defined Terms.** All capitalized terms not defined herein are set forth in the Parcel Lease.

*[The remainder of this page has been intentionally left blank]*

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the Effective Date.

**TRANSFEROR:**

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

**TRANSFeree:**

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

The CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, operating by and through the SAN FRANCISCO PORT COMMISSION, hereby executes this Agreement with respect only to Article 8 (Release of Transferor) of this Agreement.

**PORT:**

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

By: \_\_\_\_\_  
[NAME]  
Executive Director

**APPROVED AS TO FORM:**

DENNIS J. HERRERA, City Attorney

By: \_\_\_\_\_  
[NAME OF DEPUTY]  
Deputy City Attorney



**[Note: Applicable only if DA is assigned and assumed]**

**DEVELOPMENT AGREEMENT RELEASE**

In accordance with Section 11.1 of the Development Agreement, the City hereby releases and discharges [insert Transferor ("**Transferor**")]] from all obligations that are transferred to, and assumed by, [insert transferee ("**Transferee**")]] under the foregoing Assignment and Assumption Agreement between Transferor and Transferee, dated as of [\_\_\_\_\_], 20XX (the "**Assignment and Assumption Agreement**"), to which this Release is attached. All capitalized terms not defined in this Release are as defined in the Assignment and Assumption Agreement.

**CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation

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

\_\_\_\_\_  
Director of Planning

Date: \_\_\_\_\_

APPROVED AS TO FORM:  
DENNIS J. HERRERA, City Attorney

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

Name: [Name of Deputy]  
Deputy City Attorney

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)  
Signature of Notary Public

**EXHIBIT A**

**LEGAL DESCRIPTION OF PROPERTY**

***[INSERT LEGAL DESCRIPTION FROM PARCEL LEASE]***

EXHIBIT P

Significant Change Certificate

**PARCEL LEASE EXHIBIT P**

**FORM OF SIGNIFICANT CHANGE CERTIFICATE**

Port of San Francisco  
Pier 1  
San Francisco, CA 94111  
Attn: Executive Director  
Re: Mission Rock -- Lease No. L-[\_\_\_\_\_]

Re: Significant Change Certificate for Parcel [XX]

This Significant Change Certificate (this "**Certificate**") is delivered to Port, pursuant to [Use before Certificate of Completion is issued: Section 18.1(b)(ii)] [Use after Certificate of Completion is issued: Section 18.1(g)] of that certain Lease No. L-[\_\_\_\_\_], between the CITY AND COUNTY OF SAN FRANCISCO, operating by and through the SAN FRANCISCO PORT COMMISSION ("**Port**") and \_\_\_\_\_ ("**Tenant**"), and dated \_\_\_\_\_, \_\_\_\_ (as may be amended, the "**Parcel Lease**").

[Use before Certificate of Completion issued: Section 18.1(g)] Tenant has requested Port's consent to a Significant Change (as that term is defined in the Parcel Lease), which consent is governed by Section 18.1 of the Parcel Lease. Pursuant to Section 18.1(b)(ii) [Use after Certificate of Completion issued: Section 18.1(g)] of the Parcel Lease, an officer of Tenant hereby certifies to Port the following information regarding the proposed Significant Change

List (each) Purchaser: \_\_\_\_\_

List Ownership Interest of (each) Purchaser: \_\_\_\_\_% \_\_\_\_\_%

Purchase price for (each) Purchaser: \_\_\_\_\_

Net Sale Proceeds  
(as defined in the Parcel Lease)  
owed to Port (if applicable): \_\_\_\_\_

[Use after Certificate of Completion issued: Section 18.1(g)] All other members/partners of Tenant and their respective ownership interest: \_\_\_\_\_% \_\_\_\_\_%

Furthermore, Tenant hereby reaffirms that it will continue to be obligated under all the terms and conditions of the Parcel Lease and Tenant will be, if not already, a Qualified Transferee immediately following the Significant Change. As the [insert title of person signing] of Tenant, the undersigned certifies that this Certificate is true, accurate and complete. All capitalized terms not defined in this Certificate are defined in the Parcel Lease.

This Certificate is made as of \_\_\_\_\_, 20[ ] and is for the benefit and protection of Port, with the understanding that the Port has the right to rely upon this Certificate.

**[NAME OF TENANT]**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT Q**

**Form of Tenant Estoppel Certificate**

**PARCEL LEASE EXHIBIT Q**  
**FORM OF TENANT ESTOPPEL CERTIFICATE**

[\_\_\_\_\_] a [\_\_\_\_\_] ("**Tenant**"), is the tenant of the real property having an address at [\_\_\_\_\_] [\_\_\_\_\_] within the mixed-use development commonly known as "Mission Rock" 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**" or "**Landlord**") [and to \_\_\_\_\_] the following as of [\_\_\_\_\_] 20XX:

1. That there is presently in full force and effect that certain Lease [\_\_\_\_\_] dated as of [\_\_\_\_\_] 20[XXX], (as 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, attached hereto as **Exhibit A** is, to the best of Tenant's knowledge, true, correct and complete and has not been modified, assigned, supplemented or amended except as follows: \_\_\_\_\_.

3. **[Note: Use only in connection with request for NDA:]** That the attached Sublease and summary of basic terms attached hereto as **Exhibit B** are true, correct and complete in all material respects and that there have been no changes in the executed Sublease and summary from the electronic copies previously delivered to Port on [\_\_\_\_\_] 20XX.

4. That the Lease [and the following documents: [\_\_\_\_\_]] represents the entire agreement between Landlord and Tenant with respect to the Premises.

5. That the commencement date under the Lease was [\_\_\_\_\_] 20[XXX], and the expiration date of the Lease is [\_\_\_\_\_] 20[XXX].

6. That the present monthly Base Rent (as defined in the Lease) under the Lease is \$\_\_\_\_\_.

7. That the Percentage Rent (as defined in the Lease) paid by Tenant for the most recent calendar quarter prior to the date set forth above was \$\_\_\_\_\_.] **[Insert "Not Applicable" if no percentage rent due under the Lease.]**

8. That the security deposits held by Landlord under the terms of the Lease are as follows: \$\_\_\_\_\_.

9. That Tenant has accepted possession of the Premises and that, to the best of Tenant's actual knowledge after diligent inquiry, all conditions of the Lease to be satisfied by Landlord have been completed or satisfied to the satisfaction of Tenant.

10. That, to the best of Tenant's actual knowledge after diligent inquiry, Tenant, as of the date set forth above, has no right or claim of deduction, charge, lien or offset against Landlord 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 \_\_\_\_\_.

11. That, to Tenant's actual knowledge, Landlord is not in default or breach of the Lease, nor has Landlord 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 Landlord.

12. That, to the best of Tenant's actual knowledge after diligent inquiry, 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.

13. Except for the following: \_\_\_\_\_, (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, and (iv) to Tenant's knowledge, no involuntary petition naming Tenant as debtor has been filed under any chapter of the U.S. Bankruptcy Code.

14. [Note: Delete if Initial Improvements are complete] The Initial Improvements [have not been completed but approximately XX% has been completed to date] [have not yet commenced].

This Certificate is binding upon Tenant and will inure to the benefit of Port, [ ] and their respective successors and assigns.

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

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

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT R

Form of Subtenant Estoppel Certificate

**PARCEL LEASE EXHIBIT R**  
**FORM OF SUBTENANT ESTOPPEL CERTIFICATE**

[\_\_\_\_\_] a [\_\_\_\_\_] ("**Subtenant**"), is the subtenant of the real property having an address at [\_\_\_\_\_] [\_\_\_\_\_] within the mixed-use development commonly known as "**Mission Rock**" 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 [\_\_\_\_\_] 20XX:

1. That there is presently in full force and effect that certain Sublease [\_\_\_\_\_] dated as of [\_\_\_\_\_] 20[XXX], (as modified, assigned, supplemented and/or amended as set forth in **paragraph 3 below**, the "**Sublease**"), between Subtenant, as tenant, and [\_\_\_\_\_] as landlord ("**Landlord**"), covering the Property and other improvements, as further described in the Sublease (the "**Subleased Premises**").

2. The Sublease is subject to that certain Lease No. L-[XXX] dated as of [\_\_\_\_\_] 20[XXX], as amended from time to time, between Landlord, as tenant, and Port, as landlord.

3. **[Note: Use only if Subtenant has an NDA:]** That to the best of Subtenant's knowledge, the Sublease, attached hereto as **Exhibit A** is true, correct and complete and has not been modified, assigned, supplemented or amended except as follows:

\_\_\_\_\_. **[Note: add if Sublease has been amended:]** The dates of Port approval for such amendments are as follows: [\_\_\_\_\_].]

4. That Subtenant has not sub-subleased any portion of the Subleased Premises other than to [\_\_\_\_\_] pursuant to that certain [insert description of the sub-subleases].

5. That the Sublease [and the following documents: [\_\_\_\_\_]] represents the entire agreement between Landlord and Subtenant with respect to the Subleased Premises.

6. That the commencement date under the Sublease was [\_\_\_\_\_] 20[XXX], and the expiration date of the Sublease is [\_\_\_\_\_] 20[XXX].

7. That the present minimum monthly base rent which Subtenant is paying under the Sublease is \$\_\_\_\_\_.

8. That the percentage rent paid by Subtenant for the most recent full calendar month prior to the date set forth above was \$\_\_\_\_\_.] **[Insert "Not Applicable" if no percentage rent due under the Sublease.]**

9. That the security deposits held by Landlord under the terms of the Sublease are as follows: \$\_\_\_\_\_.

10. That Subtenant has accepted possession of the Subleased Premises and that, to the best of Subtenant's actual knowledge after diligent inquiry, all conditions of the Sublease to be satisfied by Landlord have been completed or satisfied to the satisfaction of Subtenant.

11. That, to the best of Subtenant's actual knowledge after diligent inquiry, Subtenant, as of the date set forth above, has no right or claim of deduction, charge, lien or offset against Landlord 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 \_\_\_\_\_.

12. That, to Subtenant's actual knowledge after diligent inquiry, Landlord is not in default or breach of the Sublease, nor has Landlord 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 Landlord.

13. That, to the best of Subtenant's actual knowledge after diligent inquiry, 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.

14. Except for the following: \_\_\_\_\_, (i) Subtenant is not in default under, and has not received notice asserting that it is in default under, any agreement for borrowed money, (ii) Subtenant 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 Subtenant's ability to meet its Sublease obligations hereunder, and (iv) to Subtenant's knowledge, no involuntary petition naming Subtenant as debtor has been filed under any chapter of the U.S. Bankruptcy Code.

This Certificate is binding upon Subtenant and will inure to the benefit of Port, [ ] and their respective successors and assigns.

[\_\_\_\_\_] ,  
a [\_\_\_\_\_]

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

**EXHIBIT S**

**Form of Non-Disturbance Agreement**

## PARCEL LEASE EXHIBIT S

### FORM OF NON-DISTURBANCE AND ATTORNMENT AGREEMENT

This NON-DISTURBANCE AND ATTORNMENT AGREEMENT (this "Agreement") is made as of [\_\_\_\_\_, 20XXX] (the "Effective Date"), by and among the CITY AND COUNTY OF SAN FRANCISCO ("City"), operating by and through the SAN FRANCISCO PORT COMMISSION ("Port"), [\_\_\_\_\_, a [\_\_\_\_\_] ("Tenant" or "Sublandlord"), and [\_\_\_\_\_, a [\_\_\_\_\_] ("Subtenant"). The exhibits and the recitals and this Agreement are construed as a single instrument and are referred herein as this "Agreement."

### RECITALS

A. Port and Sublandlord entered into that certain Lease No. L-XXXX as may be amended from time to time dated [\_\_\_\_\_, 20XX], ("Parcel Lease") pursuant to which Port leased to Sublandlord that certain premises having an address at [\_\_\_\_\_] (the "Premises"), located in the City and County of San Francisco, California.

B. Subtenant desires to sublease from Sublandlord [insert description of premises, i.e. suite or floor numbers] within the Premises (the "Subleased Premises") pursuant to the terms of the Sublease Agreement between Sublandlord and Subtenant, dated as of [\_\_\_\_\_] (the "Sublease"). A summary of the basic terms of the Sublease certified by an authorized representative of Sublandlord as true, correct, and complete, is attached hereto as *Exhibit A* ("Sublease Summary"). A true, correct, and complete copy of the Sublease is attached hereto as *Exhibit B*.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, Port, Sublandlord and Subtenant agree as follows:

#### 1. SUBLEASE SUBJECT TO PARCEL LEASE.

The Sublease is subordinate at all times to the Parcel Lease and subject to all of its applicable provisions, covenants and conditions thereof.

#### 2. PRE-CONDITIONS TO RECOGNITION.

Port has no obligation to recognize Subtenant's rights under the Sublease or otherwise comply with *Section 4*: (a) if the Parcel Lease is terminated as a result of Sublandlord exercising its termination option due to (i) change in Laws in accordance with [Section 7.3 of the Parcel Lease], (ii) casualty or condemnation in accordance with [Articles 14 and 15 of the Parcel Lease], or (iii) certain Remediation obligations during the last ten (10) years of the Parcel Lease term, as further described in [Section 21.4(d) of the Parcel Lease], or (b) unless all of the following conditions are satisfied as of the effective date the Parcel Lease terminates ("Parcel Lease Termination Date"):

(i) there is no uncured Subtenant event of default, giving effect to any notice and cure period provided therein;

(ii) Subtenant delivers to Port, promptly following Port's notice to Subtenant that the Parcel Lease has terminated, an executed estoppel certificate, substantially in the form attached hereto as *Exhibit C* certifying as of the Parcel Lease Termination Date, among other things:

(1) that the attached Sublease and Sublease Summary are true, correct, and complete copies, and that the Sublease is in full force and effect, or if such Sublease is not in full force and effect, so stating,

(2) which amendments, if any, to the Sublease have been previously approved by Port in writing, including the dates of approval;

(3) the dates, if any, to which any rent and other sums payable thereunder have been paid,

(4) that Sublandlord is not in default, nor is it aware of any events which, with the passage of time or notice or both, would result in a default, except as to those specified in said certificate, and

(5) that Subtenant is not in default, nor is it aware of any events which, with the passage of time or notice or both, would result in a default, except as to those specified in said certificate.

(iii) Without limiting *Section 1*, from and after the Parcel Lease Termination Date, Subtenant hereby agrees that the provisions of [*Article 45* (Other City Requirements)] of the Parcel Lease (collectively, the “**Special Provisions**”) are deemed to be incorporated by reference and made a part of the Sublease as if set forth in full in the Sublease, except that the term “**Tenant**” in such sections will mean the Subtenant; and

(iv) [Note: Insert if Parcel Lease includes section related to Port’s reservation of rights.] As described in [Section 1.1(l) of the Parcel Lease], Subtenant hereby agrees that Port will have the continuing rights described in such section (without being in default under the Sublease) and in the event of any conflict with the Sublease, the terms of such section of the Parcel Lease will control.

### **3. NO OBLIGATION TO RECOGNIZE CERTAIN SUBLEASE PROVISIONS.**

Notwithstanding *Section 4*, Subtenant agrees and acknowledges that Port’s recognition of the Sublease from and after the Parcel Lease Termination Date, does not include, and in no event will Port be subject to, liable for, or bound by, any term or condition in the Sublease for any of the following:

(a) Any security deposit, prepaid rent or other charges previously paid by Subtenant to Sublandlord, unless such deposits, prepaid rents, or other charges are transferred to Port;

(b) Any sublandlord indemnity obligation or sublandlord waiver or release of claims under the Sublease for the benefit of Subtenant or any other party;

(c) Any requirement or obligation of the Sublandlord to pay (i) any liquidated damages, or (ii) any unpaid or unreimbursed tenant improvement allowance (provided, however, if Subtenant incurs costs after the Parcel Lease Termination Date that are reimbursable from any remaining and unpaid tenant allowance (“**Reimbursable Subtenant Costs**”), then so long as Subtenant is not in default under the Sublease and Subtenant provides Port with all the information required in the Sublease for Sublandlord to confirm or validate the amount of the tenant improvement allowance payable to Subtenant, and Port has validated such costs, then Subtenant may receive a rent credit of up to fifty percent (50%) of the monthly base rent then payable until the Reimbursable Subtenant Costs are fully reimbursed or the Sublease terminates, whichever is earlier.

(d) Any requirement or obligation of the Sublandlord to perform tenant improvement work; provided, however, if any such tenant improvement work has not been completed by the Parcel Lease Termination Date (the “**Incomplete TI Work**”), then so long as Subtenant is not in default under the Sublease, Subtenant will have the right to perform the Incomplete TI Work and will receive a rent credit of up to fifty percent (50%) of the monthly base rent then payable until Subtenant has received a rent credit equal to the Remaining TI Cost. “**Remaining TI Cost**” means the lesser of (i) the original estimated cost of the tenant improvement work which was to be performed by Sublandlord, as set forth in the attached Sublease Summary, or (ii) the actual cost of completing the Incomplete TI Work. [Note: If Sublease requires the sublandlord to perform tenant improvement work, then the summary of basic terms must include the original estimated cost of the TI work.]

(e) Without limiting *Sections 3(c)* and *3(d)*, any offsets, defenses or claims that Subtenant may be able to assert against Tenant as its sublandlord; provided however, the foregoing (other than any matters relating to *Sections 3(c) and 3(d)*) will not limit Port's obligations to correct any conditions that existed as of the date of attornment that violate Port's obligations as the sub landlord under the Sublease;

(f) Any Subtenant right of first offer to purchase, first negotiation to purchase or first refusal to purchase Sublandlord's interest in the Subleased Premises;

(g) Any Sublease term, including options to renew, that extend beyond the scheduled expiration date of the Parcel Lease;

(h) Any sublandlord obligation to pay or be liable for any indirect, consequential, incidental, punitive or special damages;

(i) Any limitation on Subtenant's obligation to indemnify any sublandlord parties based on Subtenant's insurance coverage;

(j) Any limitation on sublandlord's ability to transfer its interest in the Sublease (including any requirement to deliver prior notice to Subtenant or obtain Subtenant's prior approval);

(k) Any confidentiality obligations set forth in the Sublease, whether as the landlord under the Parcel Lease or the Sublease, to the extent that such obligations conflict with Port's obligations under the Public Records Act or the City's Sunshine Ordinance;

(l) Subject to the provisions of *Section 18.5* of the Parcel Lease, Any modification or amendment of the Sublease made without Port's written consent that increase Sublandlord's obligations under the Sublease or decrease the Subtenant's obligations under the Sublease unless such amendment or modification has previously been approved by Port in writing; and

(m) Any sublease provision that conflicts with *Section 18.3(a)* (Qualifying Subleases) of the Parcel Lease.

#### **4. RECOGNITION OF SUBTENANT RIGHTS.**

Provided all the conditions set forth in *Section 2* are fully satisfied, and further subject to the limitations set forth in *Sections 3 and 5*, if the Parcel Lease terminates for any reason other than Sublandlord terminating the Parcel Lease due to change in laws, casualty or condemnation, or certain Remediation obligations, all as further described in *Section 2*, Port agrees that from and after the Parcel Lease Termination Date: Port will (i) not disturb Subtenant's tenancy under the Sublease, (ii) perform the obligations of sublandlord under the Sublease arising after the Parcel Lease Termination Date until such obligations are assumed by another sublandlord or other transferee of Port's interest in the Sublease, and (iii) recognize Subtenant's rights under the Sublease with respect to the Subleased Premises.

#### **5. ATTORNMENT.**

Following the Parcel Lease Termination Date, Subtenant will attorn to Port and continue to perform all of Subtenant's obligations under the Sublease for the benefit of Port or any future sublandlord or other assignee of Port's rights under the Sublease. For such purposes, as between Port and Subtenant, notwithstanding the termination of the Parcel Lease as between Port and Sublandlord, the provisions of the Parcel Lease will be deemed to continue to apply to, and will continue to be incorporated by reference into, the Sublease, and Subtenant will continue to comply with such provisions, to the same extent that such provisions were incorporated into and Subtenant was required to comply with such provisions pursuant to the terms of the Sublease prior to the Parcel Lease Termination Date; provided, however, if there is any conflict between Subtenant's obligation to comply with such provisions in the Sublease and the Special Provisions, the Special Provisions will control.



**6. SELF-OPERATIVE PROVISIONS.**

The provisions contained in *Sections 2(iii)*, [Note: insert as applicable: *2(iv)*], *3, 4, 5* are to be effective and self-operative without the necessity of the execution or delivery of any other documents on the part of either Port or Subtenant.

**7. NOTICE AND OPPORTUNITY TO CURE UNDER SUBLEASE.**

Port will be entitled to notice and the opportunity to cure any default by Sublandlord under the Sublease as follows:

(a) Subtenant will give Port a copy of any and all notices of an event of default (*i.e.*, following the expiration of any notice and cure period) from time to time given to Sublandlord as sublandlord under the Sublease, by Subtenant at the same time as and whenever any such notice will thereafter be given by Subtenant to Sublandlord. Such notice will be addressed to Port in the manner for delivery of notices provided in the Parcel Lease.

(b) In the case of any notice of default given by Subtenant to Sublandlord and Port in accordance with *Section 7(a)*, Port will have the same right (and time period) to cure Sublandlord's default as given to any mortgagee under the Sublease, and Subtenant will accept such performance by or at the instance of Port as if the same had been made by Sublandlord.

**8. BROKERAGE FEES.**

Sublandlord and Subtenant each acknowledge that Port's execution hereof does not operate to impose on Port any liability or obligation whatsoever in connection with the payment of any brokerage or finder's fees or commissions in connection with or relating to the Sublease. In the event any broker, agent or finder makes a claim against Port for payment of any such fees or commission, Sublandlord will indemnify, defend, and hold harmless Port from any losses arising out of such claim.

**9. NO ASSUMPTION OF SUBLEASE.**

Except to the extent specifically provided under *Section 4*, Port will have no liability or obligation to Subtenant relating to Subtenant's occupation of the Subleased Premises under the Sublease, and Port does not assume any of the obligations of Sublandlord set forth therein.

**10. REPRESENTATIONS AND WARRANTIES.**

**10.1. Summary of Basic Terms.** Sublandlord and Subtenant each represent and warrant to Port that the Sublease Summary is true and correct in all material respects, and includes all of the basic terms of the Sublease..

**10.2. Copy of Sublease.** Sublandlord and Subtenant each represent and warrant to Port that attached as *Exhibit B* is a true, correct, and complete copy of the Sublease and that the Sublease complies with *Sections 18.3* (Subletting by Tenant) and *18.4(b)* (Conditions for Issuance of Non-Disturbance Agreements) of the Parcel Lease.

**10.3. Sublandlord Representations and Warranties.** Sublandlord represents and warrants to Port that as of the Effective Date:

(a) Sublandlord has accepted possession of the Premises and that, to the best of Sublandlord's actual knowledge after diligent inquiry, all conditions of the Parcel Lease to be satisfied by Port have been completed or satisfied to the satisfaction of Sublandlord;

(b) To the best of Sublandlord's actual knowledge after diligent inquiry, Sublandlord, as of the date set forth above, has no right or claim of deduction, charge, lien or offset against Port under the Parcel Lease or otherwise against the rents or other charges due or to become due pursuant to the terms of the Parcel Lease other than \_\_\_\_\_;

(c) To Sublandlord's actual knowledge, Port is not in default or breach of the Parcel 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 Parcel Lease by Port;

(d) To the best of Sublandlord's actual knowledge after diligent inquiry, Sublandlord is not in default or in breach of the Parcel Lease, nor 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 Parcel Lease by Sublandlord;

(e) Except for the following: \_\_\_\_\_,  
(i) Sublandlord is not in default under, and has not received notice asserting that it is in default under, any agreement for borrowed money, (ii) Sublandlord 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 Sublandlord's ability to meet its Parcel Lease obligations thereunder, and (iv) to Sublandlord's knowledge, no involuntary petition naming Sublandlord as debtor has been filed under any chapter of the U.S. Bankruptcy Code.

#### 11. EXCULPATION.

Sublandlord and Subtenant each covenant and agree that Port and City will not be responsible for or liable for, and, to the fullest extent allowed by law, each waives all rights against City, Port and their agents and release City, Port and their agents from any and all losses or liabilities relating to any disputes that may exist between Sublandlord and Subtenant relating to the Sublease or the Subleased Premises.

#### 12. GENERAL.

**12.1. Successors and Assigns.** This Agreement will be binding upon, and inure to the benefit of, the parties hereto and their respective successors, heirs, administrators and assigns.

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

**12.3. Amendment.** Neither this Agreement nor any of its terms may be terminated, amended, or modified except by a written instrument executed by the parties.

**12.4. Governing Law; Selection of Forum; Notices.** This Agreement will be governed by, and interpreted in accordance with, the laws of the State of California and the City Charter. As part of the consideration for Port's entering into this Agreement, Sublandlord and Subtenant agree that all actions or proceedings arising directly or indirectly under this Agreement may, at the sole option of Port, be litigated in courts within the State of California, and Sublandlord and Subtenant consents to the jurisdiction of any such state or federal court, and consents that any service of process in such action or proceeding may be made by personal service upon Sublandlord or Subtenant wherever Sublandlord or Subtenant, as applicable, may then be located, or by certified or registered mail directed to Sublandlord at the address set forth in the Parcel Lease for the delivery of notices and Subtenant at the address set forth below (or at such other address as may from time to time be specified by written notice to all parties to this Agreement):

To Subtenant:	
With a copy to:	

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**12.5. Attorneys' Fees.** If any party brings an action or proceeding (including any cross-complaint or counterclaim) against any other party by reason of a default, or otherwise arising out of this Agreement, the prevailing party in such action or proceeding will be entitled to recover from the other party its costs and expenses of suit, including but not limited to reasonable attorneys' fees, which will be payable whether or not such action is prosecuted to judgment. "Prevailing party" will include a party who substantially obtains or defeats, as the case may be, the relief sought in the action, whether by compromise, settlement, judgment or the abandonment by the other party of its claim or defense. Attorneys' fees under this **Section 12.5** will include reasonable attorneys' fees and all other reasonable costs and expenses incurred in connection with any appeal. For purposes of this Agreement, reasonable fees of attorneys of the 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.

*[Remainder of this page left intentionally blank.]*

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first above written.

*Port:*

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

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

*Sublandlord:*

**[INSERT SUBLANDLORD SIGNATURE BLOCK]**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

*Subtenant:*

**[INSERT SUBTENANT SIGNATURE BLOCK]**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A  
SUBLEASE SUMMARY**

**EXHIBIT B  
COPY OF SUBLEASE**

**EXHIBIT C  
SUBTENANT ESTOPPEL CERTIFICATE**

EXHIBIT T

Insurance Requirements

**EXHIBIT T**  
**INSURANCE REQUIREMENTS**

**20. Insurance.** Tenant will maintain or caused to be maintained throughout the Term, and cause Subtenants, contractors, subcontractors or others in connection with their use or occupancy of, or their activities in, on, under, around, or about the Premises, to maintain throughout the Term, the insurance described in this *Article 20*.

**20.1 Required Insurance Coverage.** Tenant, at no cost to Port, shall maintain, or cause to be maintained, the types and amounts of insurance detailed below; provided, however, that Tenant reserves the right, at its sole discretion, to utilize an owner controlled insurance program (OCIP) or contractor controlled insurance program (CCIP) to satisfy these insurance requirements. Such insurance shall remain in place from the Commencement Date to the later of (i) the last day of the Term, or (ii) the last day Tenant (A) is in possession of the Premises or (B) has the right of possession of the Premises (except as otherwise specified in this *Article 20*).

(a) **General Liability Insurance.** Commercial general liability insurance, with limits not less than Fifteen Million Dollars (\$15,000,000.00) each occurrence and annual aggregate for bodily injury and property damage, including coverages for contractual liability, independent contractors, broad form property damage, personal injury and products and completed operations, as well as damage to premises rented to you with limits not less than Two Hundred Fifty Thousand Dollars (\$250,000.00). Tenant's CGL policy shall contain no exclusion for explosion, collapse and underground liability during any period in which Tenant is conducting any such activity on or Subsequent Construction or Improvement to the Premises with risk of explosion, collapse or underground hazards. This policy or the Automobile Liability Policy described below must also cover non-owned and for-hire vehicles and all mobile equipment or unlicensed vehicles, such as forklifts. A policy written on an Insurance Services Office (ISO) form GC 00 01 as in effect on the Effective Date, or a form at least as broad as such form, meets the requirement of this paragraph.

(b) **Automobile Liability Insurance.** Automobile liability insurance with limits not less than Five Million Dollars (\$5,000,000.00) combined single limit each accident 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.

(c) **Worker's Compensation; Employer's Liability; Jones Act; U.S. Longshore and Harborworker's Act Insurance.** If applicable, 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, if applicable, 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) **Business Personal Property Insurance.** If Tenant uses business personal property in, on, or about the Premises, Tenant, at its sole cost and expense, shall procure or cause to be maintained on all of its business personal property, in, on, or about the Premises, property insurance on an all risk form, excluding earthquake and flood, to the extent of full replacement value.

(e) **Construction Activities.** Insurance required in connection with construction of Initial Improvements and Subsequent Construction, as applicable, is as set forth below:

(i) **Contractor Requirements.** Tenant must require its general contractor(s) and its(their) subcontractors to maintain the following coverages, if applicable:

(1) An Insurance Services Office (or equivalent) Commercial general liability insurance with limits of not less than Five Million (\$5,000,000) each occurrence and annual aggregate for general contractors, and One Million (\$1,000,000) each occurrence and annual aggregate for subcontractors;

(2) An Insurance Services Office (or equivalent) Automobile liability insurance with a policy combined single limit of not less than \$5 million each occurrence for general contractors.

(3) Worker's compensation insurance with statutory limits and employer's liability insurance with limits of not less than One Million (\$1,000,000) each accident, injury, or illness;

(4) Marine liability insurance (only if the scope of work of the particular contractor involves operating watercraft) including protection and indemnity insurance with limits not less than \$6 million each occurrence, or with Port approval, lesser limits and deductible as are readily available in the insurance market at a commercially reasonable cost, including wreck removal, and damages "In Rem" (the vessel), provided on a P&I, Marine General Liability, Marine Bumbershoot and/or other form reasonably acceptable to Port;

(5) Vessel pollution liability insurance (only if the scope of the work of the particular contractor involves operating watercraft with engines or fuel usage) with limits not less than Five Million Dollars (\$5,000,000) per occurrence and Five Million Dollars (\$5,000,000) in the aggregate with a deductible not to exceed \$50,000 without Port approval, which approval shall not be unreasonably withheld if such deductibles as are readily available in the insurance market at a commercially reasonable cost;

(6) Contractor's pollution liability insurance with limits of not less than Five Million Dollars (\$5,000,000) per claim and in the annual aggregate for general contractors; and.

(7) Property insurance on an all risk form, excluding earthquake and flood, on all of its business personal property whether owned, leased or rented, including any of their respective tools and equipment, in, on, or about the Premises.

(ii) **Builder's Risk Requirements.** In addition, if any of the following exposures are not covered by the insurance already required elsewhere Tenant or General Contractor must carry Builder's Risk Insurance: Contractor shall provide "Special Form" (All Risk) including Earthquake, Builder's Risk Insurance on a replacement cost basis as follows:

(1) Amount of Coverage: The amount of coverage shall be equal to the full replacement cost on a completed value basis, including periodic increases or decreases in values through change orders. The policy shall provide for no deduction for depreciation. The Builder's Risk Insurance shall also include the full replacement cost of all City-furnished equipment, if any.

(2) Parties Covered: The Builder's Risk policy shall identify the City and County of San Francisco as loss payee as its interest may appear. The policy shall include as additional named insureds the City and County of San Francisco, Tenant, the Contractor and its subcontractors of every tier. Each insured shall waive all rights of subrogation against each of the other insureds to the extent that the loss is covered by the Builder's Risk Insurance.

(3) Included Coverage: The Builder's Risk Insurance shall include, but shall not be limited to, 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 Project site, to construction plant and temporary structures.

b. The perils of fire, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, smoke damage, damage by aircraft or vehicles, vandalism and malicious mischief, theft, collapse, and water damage.

c. The costs of debris removal, including demolition as may be made reasonably necessary by such covered perils, resulting damage, and any applicable law, ordinance, or regulation with a sub-limit of not less than the lesser of (i) Fifty Million Dollars, or (ii) 25% of the value of the construction contract.

d. Start up and testing and machinery breakdown including electrical arcing.

e. Soft costs and loss of business income for any delayed completion period as caused by any of the perils or hazards set forth in and required to be insured pursuant to **Section 20.1(a)(i)**, for a delay period of not less than two (2) years with a limit of not less than One Million Dollars (\$1,000,000); provided however that Tenant may request approval from the Port, which shall not be unreasonably withheld, of a lesser delay period or limit.

f. If available at commercially reasonable rates, such builders risk insurance will also extend to cover the peril of terrorism.

g. Damages due to earthquake and tidal wave as described below.

(4) Deductibles: The Builder's Risk Insurance may have a deductible clause not to exceed the amounts below. Contractor shall be responsible for paying any and all deductible costs. The deductible for coverage of All Perils shall not exceed \$100,000. Deductibles for earthquake and tidal wave coverage will be subject to the reasonable approval of the Port.

(iii) **Professional Services Requirements.** Tenant will maintain or require to be maintained, project-specific professional liability (errors and omissions) insurance, with limits not less than Five Million Dollars (\$5,000,000) each claim and annual aggregate, with respect to architectural, engineering, geotechnical, and environmental professional services, reasonably necessary or incidental to the construction of the Initial Improvements, with any deductible/self-insured retention not to exceed One Hundred Thousand Dollars (\$100,000). Notwithstanding the foregoing, Tenant may elect, instead of obtaining the foregoing coverages in this paragraph, to require that any architects, contractors and sub-contractors performing professional services in connection with the Initial Improvements carry professional liability insurance (errors and omissions) in an amount not less than Two Million Dollars (\$2,000,000) each claim and annual aggregate with a deductible/self-insured retention not to exceed One Hundred Thousand Dollars (\$100,000). Coverage provided architects, contractors and sub-contractors performing professional services may be provided with a lower limit if either (i) the Tenant maintains an owners' protective professional indemnity (OPPI) policy for the difference or (ii) upon the prior written approval of Port, if requested by Tenant to accommodate the needs and limitations of LBE contractors used by Tenant. Such insurance will provide coverage during the period when such professional services are performed and for a period of three (3) years after Completion of the Initial Improvements. With respect to Subsequent Construction, Tenant will require that any architect, contractor or subcontractor performing professional services in connection with such Subsequent Construction, carry professional liability insurance (errors and omissions) in an amount not less than One Million Dollars (\$1,000,000) each claim and annual aggregate with a deductible/self-insured retention not to exceed One Hundred Thousand Dollars (\$100,000).

(iv) **Contractor's Pollution Legal Liability Insurance.** Tenant will cause to be maintained during the period of construction of the Initial Improvements and during any periods of Subsequent Construction that could reasonably be anticipated to involve a Release of Hazardous Materials on or about the Premises, Contractor's Pollution Legal Liability Insurance for Losses caused by pollution conditions, that are sudden, accidental or gradual, resulting from the Contractor's operations, or for which Contractor is legally liable, in connection with the construction of the Initial Improvements or Subsequent Construction, if applicable, whether such operations be by the Contractor or subcontractors, consultants or suppliers of the Contractor. The foregoing policy will contain minimum liability limits of Five Million Dollars (\$5,000,000) per occurrence and Five Million Dollars (\$5,000,000) in the aggregate with a deductible not to exceed One Hundred Thousand Dollars (\$100,000). The foregoing policy will at a minimum contain coverage for or be specifically endorsed to include coverage for pollution conditions resulting in, arising from or in connection with: (i) bodily injury (including death), property damage and environmental cleanup costs (on-site and off-site) resulting from construction of the Initial Improvements or Subsequent Construction, if applicable; (ii) the use or operation of motor vehicles (whether owned, non-owned or leased) in connection with construction of the Initial Improvements or Subsequent Construction, if applicable, including transportation of any Hazardous Materials to or from the project site, including any interim or temporary storage or transfer sites (such transportation coverage will also include loading/unloading of materials); (iii) claims by third parties (other than a disposal site owner) for bodily injury or property damage arising from any disposal location or facility, both final and temporary, to which any waste that is generated in connection with the construction of the Improvements under the Vertical DDA (if in effect) or any Subsequent Construction for which such coverage is required or in connection with any remediation obligation of Tenant pursuant to **Section 21** is delivered; all such disposal locations/facilities, both final and (where commercially available) temporary, will be scheduled to the foregoing policy as Non-Owned Disposal Sites for coverage under such policy. The foregoing policy will be written on an occurrence form and be in effect during the construction periods described above, or, if not available on an occurrence form, then on a claims-made form. If the foregoing policy is written on a claims made form, then the foregoing policy will be maintained for, or contain an extended reporting period of, at least five (5) years. The foregoing policy definition of "Covered Operations" or any other such designation of services or operations performed by the Contractor must include all work or services performed by such Contractor and its subcontractors, consultants, or suppliers as part of the construction of the Initial Improvements or Subsequent Construction, if applicable.

(f) **Property Insurance; Earthquake and Flood Insurance.**

(i) **Property Insurance.** Upon Substantial Completion of the Initial Improvements, and upon completion of Subsequent Construction of any additional Improvements, Tenant will maintain, or require to be maintained, property insurance policies with coverage at least as broad as Insurance Services Office form CP 10 30 06 95 ("Causes of Loss Special Form" (or its replacement)), in an amount not less than 100% of the then-current full replacement cost of the Improvements including any foundations, pilings, excavations and footings, including increased cost of construction and demolition of damaged and undamaged structures due to the enforcement of Laws, (with a deductible not to exceed One Hundred Thousand Dollars, except as to earthquake and flood insurance). If available at commercially reasonable rates, such insurance will extend to cover the peril of terrorism. In addition to the foregoing, Tenant may insure its Personal Property in such amounts as Tenant deems appropriate; and Port will have no interest in the proceeds of such Personal Property insurance.

(ii) **Earthquake Insurance.**

(1) During Construction, and prior to Substantial Completion, of the Initial Improvements, earthquake insurance will be in an amount equal to at least the lesser of (i) the Probable Maximum Loss to the Initial Improvements or, (ii) the maximum amount that

is available at commercially reasonable rates from recognized insurance carriers (with a deductible of up to but not to exceed ten percent (10%)) of the then-current, full replacement cost of the Initial Improvements without sub-limits for excavations and footings; provided that earthquake coverage is available at commercially reasonable rates), except that a greater deductible will be permitted to the extent that such coverage is not available from recognized insurance carriers or at commercially reasonable rates). "Probable Maximum Loss" means the scenario upper loss (SUL) estimate of damage that may occur to the structures with a ninety percent (90%) confidence of non-exceedance as a result of an earthquake with a return period of 224 years as determined prior to Completion of the Initial Improvements and thereafter not less frequently than every ten (10) years by a consultant chosen and paid for by Tenant who is reasonably satisfactory to Port;

(2) From and after Substantial Completion of the Initial Improvements, earthquake insurance will be in an amount equal to at least the lesser of (i) the Probable Maximum Loss to the Improvements, or (ii) the amount that is available at commercially reasonable rates from recognized insurance carriers, in each case, with a deductible of up to but not to exceed ten percent (10%) of the then-current, full replacement cost of the Initial Improvements, except that a greater deductible will be permitted to the extent that such coverage is not available from recognized insurance carriers or at commercially reasonable rates; and

(3) If Tenant determines that earthquake insurance should not be carried on the Improvements because it is not (or no longer) available at commercially reasonable rates or, in Tenant's reasonable business judgment, is imprudent, then Tenant will request in writing Port's consent to the absence or deletion thereof.

**(iii) Flood Insurance.**

(1) If the Premises is in a designated flood zone as depicted on current Flood Insurance Rate Maps ("FIRMs") issued by the U.S. Department of Homeland Security's Federal Emergency Management Agency ("FEMA") or its successor, then Tenant will, during construction, and prior to Substantial Completion of the Initial Improvements, obtain flood insurance from recognized insurance carriers (or through the National Flood Insurance Program ("NFIP")) equal to at least the lesser of (i) the maximum amount that is available at commercially reasonable rates from recognized insurance carriers or NFIP, or (ii) the then-current, full replacement cost of the Initial Improvements, as applicable, (including building code upgrade coverage and without any deduction being made for depreciation), with a deductible of up to but not to exceed ten percent (10%) of the then-current, full replacement cost of the Improvements, except that a greater deductible will be permitted to the extent that such coverage is not available from recognized insurance carriers or at commercially reasonable rates.

(2) If the Premises is not in a designated flood zone as depicted on current FIRMs issued by the FEMA or its successor, Tenant will, during construction of the Initial Improvements, obtain flood insurance, to the extent available at commercially reasonable rates from recognized insurance carriers (or through the NFIP), in an amount equal to the maximum amount of the then-current, full replacement cost of the Initial Improvements (including building code upgrade coverage and without any deduction being made for depreciation), with a deductible of up to but 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 insurance carriers (or through the NFIP) at commercially reasonable rates;

(3) From and after Substantial Completion of the Initial Improvements, flood insurance will be in an amount equal to at least the amount available at commercially reasonable rates from recognized insurance carriers or through the NFIP, with a deductible of up to but not to exceed ten percent (10%) of the then-current, full replacement cost of the Improvements, except that a greater deductible will be permitted to the extent that such

coverage is not available from recognized insurance carriers or at commercially reasonable rates; and

(4) If Tenant determines that flood insurance should not be carried on the Improvements because it is not (or no longer) available at commercially reasonable rates (or through the NFIP) or, in Tenant's reasonable business judgment, is imprudent, then Tenant will request in writing Port's consent to the absence or deletion thereof.

(g) **Boiler and Machinery Insurance.** If any of the following exposures are not covered by the insurance required by *Section 20.1(a)(ii)(1)*, Tenant will maintain, or require to be maintained, boiler and machinery insurance covering damage to or loss or destruction of machinery and equipment located in, on, under, around, or about the Premises that is used by Tenant for heating, ventilating, air-conditioning, power generation and similar purposes, in an amount not less than one hundred percent (100%) of the actual replacement value of such machinery and equipment.

(h) **Business Income Insurance.** If any of the following exposures are not covered by the insurance required by *Section 20.1(a)(ii)(1)*, from and after Completion of the Initial Improvements, Tenant will maintain business income insurance, including loss of rents and extra expense caused by any of the perils or hazards set forth in and required to be insured pursuant to *Section 20.1(a)(ii)* covering an interruption period of not less than two (2) years, with a limit of not less than twenty-four (24) months' of Gross Income.

(i) **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 carriers 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.

(j) **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* 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 *Section 20.1(c)*, as determined by Port.

## **20.2 General Requirements.**

(a) Insurance provided pursuant to this Section

(i) As to all insurance required hereunder, such insurance 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 will name the Tenant as the first named insured, and will name the Port as a loss payee as its interest may appear. As to general liability, automobile liability, and umbrella or excess liability insurance (including blanket policies), such insurance will name as additional insureds by written

endorsement: "THE CITY AND COUNTY OF SAN FRANCISCO AND THE SAN FRANCISCO PORT COMMISSION AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS" and if applicable, Tenant as additional insureds for claims arising in connection with the Insured's operations.

(iii) As to all insurance required hereunder, such insurance will be evaluated by Port and Tenant for adequacy every five (5) years from the Commencement Date. Following consultation with Tenant, Port may require, upon not less than ninety (90) days prior written notice, that Tenant increase the insurance limits for all or any of its general liability policies if in the reasonable judgment of the City's Risk Manager it is the general commercial practice in San Francisco to carry insurance for facilities or development projects of comparable size and use to the Premises in amounts substantially greater than the amounts being carried by Tenant with respect to risks comparable to those associated with the uses of the Premises. As part of such evaluation, Tenant may request that insurance limits for all or any of its general liability policies be decreased and, if the City's Risk Manager reasonably determines that the insurance limits required under *Section 20.1* may be decreased in light of such commercial practice and the risks associated with the uses of the Premises, Port will notify Tenant of such determination, and Tenant will have the right to decrease the insurance coverage required under this Lease accordingly. In such event, Tenant will promptly deliver to Port a certificate evidencing such new insurance amounts and additional insured endorsements in form reasonably satisfactory to Port, as applicable. If Tenant determines that such other insurance or coverage amount should not be required because it is not available from recognized carriers at commercially reasonable rates, then Tenant will provide to Port evidence supporting Tenant's determination of commercial unreasonableness as to the applicable coverage and any cost to maintain such additional insurance, if required by Port, shall be borne by Port and not by Tenant. 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.

(iv) Thirty (30) days' advance written notice shall be provided to the Port of cancellation, intended non-renewal, or material reduction in coverages, except for non-payment for which no less than ten (10) days' notice shall be provided to Port. Notices shall be sent to the Port address set forth in *Section 38.1* entitled "Notices".

(v) As to commercial general liability and automobile liability insurance, such insurance will provide that it constitutes primary insurance with respect to claims arising in connection with Tenant's completed and ongoing operations, and shall provide cross liability coverage (separation of insureds or severability of interests provision);

(vi) As to liability, automobile, worker's compensation and property insurance required hereunder, such insurance 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 of the type covered under the policies required by *Section 20.1(a)*; and

(vii) All insurance will be subject to the approval of Port, which approval will be limited to whether or not such insurance meets the terms of this Lease, such approval not to be unreasonably withheld. As to any minimum deductible specified hereunder, Tenant may request approval from the Port, which shall not be unreasonably withheld, of a higher deductible.

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

Tenant will furnish Port certificates and additional insured endorsements in form reasonably satisfactory to Port with respect to the policies required under this Section within thirty (30) days, (i) on or prior to the Commencement Date (to the extent such policy is required to be carried as of the Commencement Date), (ii) for such policies required to be carried after the Commencement Date, on or prior to the date such policies are required, and (iii) with respect to

renewal policies, the policy renewal date of each such policy. Within thirty (30) days after Port's request, Tenant also will provide Port with copies of each such policy, or will otherwise make such policy available to Port for its review. If Tenant has determined that obtaining earthquake or flood insurance prior to commencement of construction of the Initial Improvements pursuant to **Section 20.1(a)(ii)(4)** is not commercially reasonable, then Tenant will provide Port with such documents evidencing such determination. If at any time Tenant fails to maintain the insurance required pursuant to this **Section 20.1**, or fails to deliver certificates and/or endorsements as required pursuant to this **Section 20.1(c)** 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 will 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 (other than employers' liability and professional liability) to be maintained by Subtenants, contractors, subcontractors or others in connection with their use or occupancy of, or their activities in, on, under, around, or about the Premises, Tenant will require that such policies be endorsed to include the CITY AND COUNTY OF SAN FRANCISCO AND THE SAN FRANCISCO PORT COMMISSION AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS as well as Tenant as additional insureds for claims arising in connection with the named insured's operations. Notwithstanding the foregoing, Tenant will require all contractors and sub-contractors performing work in, on, under, around, or about the Premises and all operators and Subtenants of any portion of the Premises to carry the following coverages, if applicable: (i) commercial general liability with limits of no less than One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) annual general aggregate, (ii) workers' compensation in amounts required by law, (iii) employer's liability coverage in an amount not less than One Million Dollars (\$1,000,000) per accident, per employee and policy limit for injury by disease, covering all employees employed at the Premises, (iv) automobile insurance in an amount not less than \$1,000,000 combined single limit covering use of owned, non-owned or hired vehicles utilized in the performance of work in, on, under, around, or about the Premises.

(d) **Primary/Excess Limits.** All total limit requirements may be satisfied by any combination of primary, 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)** to the extent that such loss is reimbursed by an insurer.

**20.4 No Limitation.** The Indemnification requirements under this Lease will not be limited by the insurance requirements of this Lease.

**EXHIBIT U**

**Pre-Existing Hazardous Materials**

**EXHIBIT U**  
**PRE-EXISTING HAZARDOUS MATERIALS**

Hazardous Substances Reference List  
October 16, 2019

- Baseline Environmental Consulting. 2014. Site History Report, Seawall Lot 337/Pier 48, Mixed-Use Project, San Francisco, California. April.
- California Environmental Protection Agency, Department of Toxic Substances Control, Region 2. 1992. RCRA Facility Assessment, for H&H Ship Service Co., Inc, Berkeley, California. October.
- Camp Dresser & McKee Inc. 1996. Closure Report, Underground Storage Tank, for H&H Ship Service Company. December.
- ENVIRON Corporation. 1999. Risk Management Plan, Mission Bay Area, San Francisco, California, Emeryville, California. May 11.
- Geomatrix. 1999. Results of Article 20 Sampling Program and Health Risk Assessment. Imperial Weitz Parking Lots for the Giants Pacific Bell Ball Park, Area E – Port of San Francisco Property, South of China Basin Channel, San Francisco, California. June.
- Geomatrix. 1999. Site Use History and Proposed Article 20 Sampling Program, Proposed Imperial Weitz Parking Lots, South of China Basin Channel, San Francisco, California. March.
- Geomatrix Consultants, Inc. 1999. Soil Management Plan, Imperial Weitz Parking Lots, for the Giants Pacific Bell Ball Park, Area E – Port of San Francisco Property, San Francisco, California. June.
- Harding Lawson Associates. 1995. Preliminary Screening Evaluation, H&H Ship Service Company, San Francisco, California. September 14.
- Harding Lawson Associates. 1999. RCRA Closure Certification Report, Former H&H Ship Service Facility, San Francisco, California. February 4.
- Harding Law Associates. 1999. RCRA Closure Certification Report – Appendix D, Analytical Laboratory Reports and Chain of Custody Forms, San Francisco, California. February 4.
- Harding Lawson Associates. 1999. Response to Comments, RCRA Closure Certification, Former H&H Ship Service Facility, San Francisco, California. November 2.
- Langan Engineering and Environmental Services, Inc. 2016. Maher Application Transmittal, San Francisco, California. November 14.
- Langan Engineering and Environmental Services, Inc. 2016. Memorandum, Environmental Activities for the Mission Rock Development, Seawall Lot 337, San Francisco, California. December 15.



Langan Engineering and Environmental Services, Inc. 2018. Phase I Environmental Site Assessment, Mission Rock Development, San Francisco, California. April 17.

Langan Engineering and Environmental Services, Inc. 2018. Memorandum, Summary of Analytical Results from Previous Environmental Investigations and Preliminary Risk Assessment, Mission Rock Development, Seawall Lot 337, San Francisco, California. January 18.

Ramboll US Corporation. 2019. Updated Human Health Risk Assessment, Mission Rock Development, San Francisco, California. June 21.

Ramboll US Corporation. 2019. Soil Management Plan & Dust Control Plan, Mission Rock Development, San Francisco, California. September 19.

San Francisco Planning Department. 2017. Draft Environmental Impact Report – Volume 1, Seawall Lot 337 and Pier 48, San Francisco, California. April 26.

San Francisco Planning Department. 2017. Draft Environmental Impact Report – Volume 2, Seawall Lot 337 and Pier 48, San Francisco, California. April 26.

EXHIBIT V

Form of Port Estoppel Certificate

PARCEL LEASE EXHIBIT V

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 [bound by \_\_\_\_\_] [having an address at \_\_\_\_\_], within the mixed-use development commonly known as "**Mission Rock**" in San Francisco, California (the "**Property**"). Port hereby certifies to \_\_\_\_\_, a \_\_\_\_\_ ("**Tenant**") [and to \_\_\_\_\_] the following as of \_\_\_\_\_, 20XX:

1. That there is presently in full force and effect Lease No. L-[\_\_\_\_\_] dated as of \_\_\_\_\_, 20[XXX] (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 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 commencement date under the Lease was \_\_\_\_\_, 20\_\_\_\_, and the expiration date of the Lease is \_\_\_\_\_, 20\_\_\_\_.
4. That the present monthly minimum rent under the Lease is \$\_\_\_\_\_ and has been paid through \_\_\_\_\_, 20\_\_\_\_.
5. 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 above was \$\_\_\_\_\_ (mark N/A if not applicable).
6. That the security deposits held by Port under the terms of the Lease are as follows: \$\_\_\_\_\_.
7. That, to the actual knowledge of Port [**Note: Delete if estoppel is to Mezzanine Lender or prospective Mezzanine Lender**] [after diligent inquiry], 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: \_\_\_\_\_.
8. That, to the actual knowledge of Port [**Note: Delete if estoppel is to Mezzanine Lender or prospective Mezzanine Lender**] [after diligent inquiry], 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: \_\_\_\_\_.
9. That, to the actual knowledge of Port [**Note: Delete if estoppel is to Mezzanine Lender or prospective Mezzanine Lender**] [after diligent inquiry], Tenant, as of the date set forth above, 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 Port has not assigned, conveyed, transferred, or mortgaged its interest in the Lease or the Premises except as follows: \_\_\_\_\_.
11. 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.
12. The undersigned hereby certifies that he or she is duly authorized to sign and deliver this Certificate on behalf of Port.

**[Note: Use for Mezzanine Lender or prospective Mezzanine Lender]** For purposes of this Estoppel Certificate, the term "actual knowledge" shall mean the actual knowledge of [\_\_\_\_], Port's property manager for the Premises without diligent inquiry.

This Certificate shall be binding upon Port and inure to the benefit of Tenant, [\_\_\_\_] 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: \_\_\_\_\_

**EXHIBIT W**

**Other City Requirements**

## **EXHIBIT W**

### **Other City Requirements**

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 “**Other City Requirements**”). Tenant is charged with full knowledge of and compliance with each applicable ordinance and policy and any related implementing regulations as amended, subject to *DA § 5.3 (New City Laws)*.

In Ordinance No. 33-18, a copy of which is attached as **Exhibit A**, the Board of Supervisors waived the application to the Mission Rock Project of the following provisions of the Administrative Code (collectively, the “**DA Waivers**”):

1. Chapter 6 (Public Works Contracting Policies and Procedures) other than the payment of prevailing wages as required in Chapter 6;
2. to the extent inconsistent with Tenant’s approved LBE Utilization Program, Chapter 14B (Local Business Enterprise Utilization and Non-Discrimination in Contracting);
3. Competitive Bidding Procedures and Additional Appraisal Review as defined in Section 23.3 (Chapter Definitions) and required by Section 23.3 (Conveyance and Acquisition of Real Property);
4. Section 23.31 (Year-to-Year and Shorter Leases);
5. Section 23.30 (Lease of Real Property);
6. Section 23.33 (Competitive Bidding Procedures);
7. Section 23A. 7 (Transfer of Jurisdiction Over Surplus Properties to the Mayor’s Office of Housing and Community Development);
8. Subsection (c)(2) of Section 61.5 (Listing of Unacceptable Non-Maritime Land Uses); and
9. contract termination, liquidated damages, and debarment remedies under Section 4.9-1(c) (Nutritional Standards and Guidelines), Section 12Q.5(f) (Health Care Accountability), and Section 2T (Criminal History in Hiring and Employment).

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 Other City Requirements will give rise to the specific remedies described in the applicable Other City Requirements (which may include penalties) 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 Tenant in the Other City Requirements will apply to Tenant, its successors under the Lease, and its successors under the DA.

All statutory references in this Exhibit are to the Municipal Code as in effect on the DA Ordinance Effective Date (as defined in the DDA) unless specified otherwise. Initially capitalized or highlighted terms used in this Exhibit and not defined in the Lease have the meanings ascribed to them in the cited ordinance.

## **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 Premises, Tenant 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 Tenant, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in the business, social, or other establishment or organization operated by Tenant.

(c) **Requirement to Include.** Tenant 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 contracts, subcontracts, and subleases and require all contractors, subcontractors, and subtenants to comply with those provisions.

(d) **Nondiscrimination in Benefits.** Tenant 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. Tenant’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 covered contract.

(e) **Form.** On or before the commencement of construction, Tenant 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.** Tenant understands that under Administrative Code section 12B.2(h), the City may assess against Tenant or deduct from any payments due Tenant a penalty for each person for each calendar day during which Tenant or its subcontractor, property contractor, or other contractor discriminated against a protected person in violation of this Section.

### **2. Health Care Accountability Ordinance.**

(Admin. Code ch. 12Q)

(a) Tenant 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, Tenant 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 Tenant 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 Tenant enters into for public works, public improvements, or for services that the City will pay directly or reimburse Tenant for 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. Tenant agrees to notify the Contracting Department promptly of any Subcontractors performing services covered by Chapter 12Q and certify to the Contracting Department that Tenant has notified the Subcontractors of their HCAO obligations under this Chapter.

(e) Noncompliance. Tenant will be responsible for monitoring compliance with the HCAO by each Subcontractor, Subtenant, and Contractor performing services on the Premises as applicable. But the City agrees that Tenant will not be liable for the noncompliance of its Subcontractors, Subtenants, or Contractors. The City's remedies for Tenant's noncompliance with the HCAO are subject to the DA Waivers.

(f) Retaliation Prohibited. Tenant 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. Tenant 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, Tenant 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, Tenant 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. Tenant 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 Premises 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. Tenant must comply with the prevailing wage requirements in §12.4(f) (*Prevailing Wages*) of the Lease.

(c) Penalties. The Port has designated OLSE as the agency responsible for ensuring that prevailing wages are paid and other payroll requirements are met, subject to the DA Waivers.

**4. Other Prevailing Wage Rate Requirements.**

(Admin. Code §§ 21C.3, 21C.4)

(a) Under Administrative Code section 21C.4, individuals engaged in theatrical or technical services related to the presentation of a Show at the Premises, including rigging, sound, projection, theatrical lighting, videos, computers, draping, carpentry, special effects, and motion picture services, are entitled to be paid not less than the Prevailing Rate of Wages (including fringe benefits or matching equivalents) fixed by the Board of Supervisors, unless the Show is free and open to the public or meets any of the other exemptions in Administrative Code section 21C.4(b)(1).

(b) Individuals employed in the following activities at the Premises are also entitled to the Prevailing Rate of Wages: (i) a Public Off-Street Parking Lot, Garage or Automobile Storage Facility under Administrative Code section 21C.3; (ii) a Special Event under Administrative Code section 21C.8; and (iii) Broadcast Services under Administrative Code section 21C.9.

(c) Agreement. Tenant agrees to comply to the extent applicable 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 to the extent applicable. In addition, if Tenant or its tenant, contractor, or any subcontractor fails to comply with these obligations, the City will have all available remedies against Tenant to secure compliance and seek redress for workers who provided the services as described in section 21C.7, together with the remedies set forth in the Lease.

(d) Payroll Records. Tenant will: (i) comply with Administrative Code section 21C.7(c)(4) as to any Covered Contract on the Premises as defined in Administrative Code section 21C.7(b); and (ii) provide to the City for inspection, after receipt of a Violation Notice (as defined in section 21C.7(c)(4)), payroll records and other documentary evidence necessary to establish that the noticed violation has been cured.

(e) 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 §§ 83.1 et seq.)

Tenant's obligations to comply with the First Source Hiring Program are set forth in **Lease Exh M** (*Workforce Development Program*).

**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, Tenant will comply with and be bound by Chapter 12T, including the remedies and implementing regulations, with respect to applicants to and employees of Tenant who would be or are performing work at the Premises under the Lease.

(b) Breach. Tenant 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. Tenant will be responsible for monitoring compliance by its Subcontractors, Contractors, and subtenants, but the City agrees that Tenant will not be liable for their noncompliance.

(c) Prohibited Activities. Tenant 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. Tenant 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. Tenant 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 Tenant or its Subcontractors, Contractors, and subtenants at the Premises that the Lease 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. Tenant 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 Premises 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 Lease 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 Premises or other workplace at which it is posted.

(g) Penalties. Tenant 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 Tenant 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.**  
(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. Tenant 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. Local Business Enterprises.**  
(Admin. Code ch. 14B)

Tenant agrees to comply with the LBE Utilization Program contained in **Lease Exh M.**

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

(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).

**10. 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, Tenant must not use or apply during the Lease term, and must not contract with any party to provide pest abatement or control services to the Premises, except in compliance with the Port’s integrated pest management plan (“**IPM Plan**”).

(b) Application. Although not a City Department, Tenant agrees to comply, and must require all of Tenant’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 Tenant 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 Tenant to keep certain records and to report to the City all pesticide use by Tenant’s staff or contractors.

(c) Prior Review. Before Tenant or Tenant’s contractor applies pesticides to outdoor areas, Tenant 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>.

**11. Resource-Efficient Facilities and Green Building Requirements.**

(Env. Code ch. 7)

Tenant agrees to comply with all applicable provisions of the Environment Code relating to resource-efficiency and green building design requirements.

**12. 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). Tenant agrees that, except as permitted by the application of Environment Code sections 802(b) and 803(b), Tenant 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 Lease that are tropical hardwoods, tropical hardwood wood products, virgin redwood, or virgin redwood wood products. If Tenant fails to comply in good faith with any of Environment Code chapter 8, Tenant 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.

**13. 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, Tenant must minimize exhaust emissions from operating equipment and trucks during construction. Tenant's compliance with MMRP Mitigation Measure M-AQ-1a will satisfy this requirement.

**14. Arsenic-Treated Wood.**

(Env. Code ch. 13)

Tenant must not purchase preservative-treated wood products containing arsenic on behalf of the City in the performance of the Lease without obtaining an exemption under Environment Code section 1304 from the Department of Environment. Tenant 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 Tenant 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.

**15. Food Service and Packaging Waste Reduction Ordinance.**

(Env. Code ch. 16)

Tenant 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 Lease, Tenant 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 Commencement 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 Tenant's noncompliance.

**16. Bottled Drinking Water.**

(Env. Code ch. 24; Port Reso. No. 12-11)

Tenant 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, except as otherwise set forth in Environmental Code Chapter 24, during the Lease Term. Also, Tenant must comply with the Port's *Zero Waste Policy for Events and Activities* (Port Reso. No. 12-11) for applicable Events at the Premises during the Lease Term.

**17. Graffiti Removal and Abatement.**

(Pub. Works Code Sec. 23)

(a) Requirement. Tenant agrees to remove all graffiti from the Premises, including from the exterior of any structures within the Premises, 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 Tenant 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 Tenant 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 Tenant 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 Lease 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.

**18. 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 Tenant. Tenant 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.

**19. 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). Tenant must incorporate the Nutritional Standards Requirements into any contract for the installation of a vending machine on the Premises or for the supply of food and beverages to that vending machine.

(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. Tenant’s failure to comply with the Nutritional Standards Requirements in section 4.9-1(c) will be considered an Event of Default under the Lease 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 Premises that is not permitted or that violates the Nutritional Standards Requirements. Tenant will be responsible for monitoring compliance with the Nutritional Standards Requirements by each subcontractor, subtenant, and contractor performing services or occupying premises on the Premises. But the City agrees that Tenant will not be liable for the noncompliance of its subcontractors, subtenants, or contractors.

**20. All-Gender Toilet Facilities.**

(Admin. Code § 4.1-3)

Tenant 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, Tenant 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.

**21. Indoor Air Quality.**  
(Env. Code § 711(g))

Tenant 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.

**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 Lease, Tenant 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 Tenant becomes aware of any such fact during the Lease Term.

**23. Sunshine.**  
(Calif. Gov. Code §§ 6250 *et seq.*; Admin. Code ch. 67)

Tenant 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 Lease and all records, information, and materials that Tenant submits to the City may be public records subject to public disclosure upon request. Tenant may mark materials it submits to the City that Tenant 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. Tenant 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 Tenant.

**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 Lease, Tenant acknowledges the following.

(i) Tenant 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) Tenant; (2) each member of Tenant's board of directors; (3) Tenant's chairperson, chief executive officer, chief financial officer, and chief operating officer; (4) any person with an ownership interest of more than 20% in Tenant; (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 Tenant.

**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.

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**Exhibit A  
to  
Parcel Lease Exhibit W**

**Exhibit A to Parcel Lease Exhibit W**

1 [Development Agreement - Seawall Lot 337 Associates, LLC - Seawall Lot 337 - Mission  
2 Rock Project]

3 **Ordinance approving a Development Agreement between the City and County of San**  
4 **Francisco and Seawall Lot 337 Associates, LLC, for 28 acres of real property known as**  
5 **Seawall Lot 337, located east of Third Street between China Basin Channel and Mission**  
6 **Rock Street, China Basin Park and the portion of Terry A. Francois Boulevard abutting**  
7 **the park, Pier 48, the marginal wharf between Pier 48 and Pier 50, and Parcel P20; for**  
8 **the proposed Mission Rock Mixed-Use Project; waiving certain provisions of the**  
9 **Administrative Code, Planning Code, and Subdivision Code; and adopting findings**  
10 **under the California Environmental Quality Act, public trust findings, and findings of**  
11 **consistency with the General Plan, and the eight priority policies of Planning Code,**  
12 **Section 101.1(b).**

13 NOTE: Unchanged Code text and uncoded text are in plain Arial font.  
14 Additions to Codes are in single-underline italics Times New Roman font.  
15 Deletions to Codes are in ~~strike through italics Times New Roman font~~.  
16 Board amendment additions are in double-underlined Arial font.  
17 Board amendment deletions are in ~~strike through Arial font~~.  
18 Asterisks (\* \* \*) indicate the omission of unchanged Code  
19 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").

1 (c) In May 2010, the Port Commission (the "Port") selected SWL 337 Associates,  
2 LLC, a Delaware limited liability company ("Developer"), through a competitive process to  
3 negotiate exclusively for the mixed-use development (the "Project") of Seawall Lot 337,  
4 bounded by Third Street on the west, Parcel P20 and Mission Rock Street on the south,  
5 Pier 48 to the east, and China Basin Park on the north, and Pier 48. The Port Commission  
6 later added China Basin Park, the marginal wharf between Pier 48 and Pier 50, and  
7 Parcel P20 to the development site (collectively, the "Site"), subject to approvals necessary to  
8 remove Parcel P20 from the Mission Bay South Redevelopment Project Area. Developer, an  
9 affiliate of the San Francisco Giants, will act as the master developer for the Project.

10 (d) In conjunction with this ordinance, this Board has taken or intends to take a  
11 number of other actions in furtherance of the Project, including approval of: (1) a disposition  
12 and development agreement ("DDA") between Developer and the Port; (2) amendments to  
13 the Planning Code that create the Mission Rock Special Use District (the "SUD amendments")  
14 and incorporate the more detailed Mission Rock Design Controls; (3) amendments to the  
15 Zoning Maps; (4) a memorandum of understanding for interagency cooperation between the  
16 Port and other City agencies (the "ICA") with respect to the subdivision of the Site and  
17 construction of public infrastructure and other public facilities; (5) formation proceedings for  
18 financing districts covering the Site and a memorandum of understanding between the Port  
19 and the Treasurer and Tax Collector and the Controller regarding the assessment, collection,  
20 and allocation of ad valorem and special taxes to the financing districts; and (6) a number of  
21 related documents and entitlements to govern the Project.

22 (e) At full build-out, the Project will include: (1) 1.1 million to 1.6 million gross square  
23 feet ("gsf") of new residential uses (an estimated 1,000 to 1,950 new residential units), at least  
24 40% of which will be on-site housing affordable to a range of low- to moderate-income  
25 households as described in the Housing Plan in the DDA; (2) 972,000 to 1.4 million gsf of new

1 commercial and office space; (3) 241,000 to 244,800 gsf of active retail and production uses  
2 on 11 proposed development blocks on SWL 337 in buildings that would range in height from  
3 90 to 240 feet, consistent with Section 5 of the Mission Rock Affordable Housing, Parks, Jobs  
4 and Historic Preservation Initiative (Proposition D, November 2015); (4) rehabilitation and  
5 reuse of Pier 48, a significant contributing resource to the Port of San Francisco Embarcadero  
6 Historic District; (5) approximately 1.1 million gsf of above- and below-grade parking in one or  
7 two garages; (6) transportation demand management on-site and payment of impact fees that  
8 the Municipal Transportation Agency will use to improve transportation service in the area;  
9 (7) approximately 5.4 acres of net new open space for a total of approximately 8 acres of new  
10 and expanded open space, including an expansion of China Basin Park, a new central  
11 Mission Rock Square, and waterfront access along the shoreline; (8) public access areas,  
12 assembly areas, and an internal grid of public streets, shared streets, and utilities  
13 infrastructure; and (9) on-site strategies to protect against sea level rise.

14 (f) While the DDA binds the Port and Developer, other City agencies retain a role in  
15 reviewing and issuing certain later approvals for the Project. Later approvals include approval  
16 of subdivision maps and plans for public infrastructure and public facilities, design review and  
17 approval of new buildings under the SUD amendments, and acceptance of Developer's  
18 dedications of public infrastructure and public facilities for maintenance and liability under the  
19 Subdivision Code. Accordingly, the City and Developer negotiated a development agreement  
20 for the Project (the "Development Agreement"), a copy of which is in Board File No. 171313  
21 and incorporated in this ordinance by reference. The DDA, the Development Agreement, the  
22 ICA, the Tax MOU, and all vertical disposition and development agreements and leases that  
23 the Port enters into in accordance with the DDA are referred to collectively as the "Transaction  
24 Documents."

1 (g) Development of the Site in accordance with the DDA and the Development  
2 Agreement will help realize and further the City's goals to restore and revitalize Seawall  
3 Lot 337 and Pier 48, increase public access to the waterfront, increase public open space and  
4 community facilities within the neighborhood, add to the City's affordable and market-rate  
5 housing stock, and create a significant number of construction and permanent jobs in and  
6 near the Site. In addition, the Project will provide additional benefits to the public that could  
7 not be obtained through application of existing City ordinances, regulations, and policies.

8 Section 2. Environmental Findings.

9 (a) The Planning Commission has determined that the actions contemplated in this  
10 ordinance comply with the California Environmental Quality Act (Cal. Pub. Res. Code  
11 §§ 21000 et seq.) ("CEQA"). A copy of this determination is in Board File No. 171313 and  
12 incorporated in this ordinance by reference.

13 (b) The Board of Supervisors has adopted Resolution No. 36-18, a copy of which is  
14 in Board File No. 171286, making CEQA findings for the Project. The Board of Supervisors  
15 adopts and incorporates in this ordinance by reference the Planning Commission's findings  
16 under CEQA.

17 Section 3. Consistency Findings.

18 The Planning Commission recommended that the Board of Supervisors approve the  
19 Development Agreement and amendments to the Planning Code and the Zoning Maps at a  
20 public hearing on October 5, 2017, by Motion No. 20019 and Resolution No. 20020, copies of  
21 which are in Board File No. 171313. This Board adopts and incorporates by reference in this  
22 ordinance the Planning Commission's findings of consistency with the General Plan and the  
23 eight priority policies of Planning Code Section 101.1(b).

24 Section 4. Public Trust Findings.  
25

1 At a public hearing on January 30, 2018, the Port Commission consented to the  
2 Development Agreement and approved the DDA, subject to the Board of Supervisors'  
3 approval, finding that the Project would be consistent with and further the purposes of the  
4 common law public trust and statutory trust under the Burton Act (Stats. 1968, ch. 1333), as  
5 amended by Senate Bill 815 (Stats. 2007, ch. 660) and Assembly Bill 2797 (Stats. 2016,  
6 ch. 529), by Resolution Nos. 18-03 and 18-06, copies of which are in Board File No. 171313.  
7 The Board of Supervisors adopts and incorporates in this ordinance by reference the Port  
8 Commission's public trust findings.

9 Section 5. Approval of Development Agreement.

10 The Board of Supervisors:

- 11 (a) approves all of the terms and conditions of the Development Agreement in  
12 substantially the form in Board File No. 171313;
- 13 (b) finds that the Development Agreement substantially complies with the  
14 requirements of Administrative Code Chapter 56 (Development Agreements);
- 15 (c) finds that the Project is a large multi-phase and/or mixed-use development as  
16 defined in Administrative Code Section 56.3(g); and
- 17 (d) approves the Workforce Development Plan attached to the DDA in lieu of  
18 requirements under Administrative Code Chapter 14B (Local Business Enterprise Utilization  
19 and Non-Discrimination in Contracting Ordinance), Article VII of Chapter 23 (Prevailing Wage,  
20 Apprenticeship, and Local Hire Requirements in City Real Property Sales Contracts and  
21 Leases), Section 56.7(c) (Nondiscrimination/Affirmative Action Requirements), and  
22 Chapter 83 (First Source Hiring Program) to the extent that they apply to construction work  
23 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 the following  
14 additional provisions of the Administrative Code:

15           (a)    Chapter 6 (Public Works Contracting Policies and Procedures) other than the  
16 payment of prevailing wages when required;

17           (b)    remedies and penalties for noncompliance with Chapter 12Q (Health Care  
18 Accountability), Chapter 12T (City Contractor/Subcontractor Consideration of Criminal History  
19 in Hiring and Employment Decisions), or Section 4.9-1 (Nutritional Standards for Vending  
20 Machines; Nutritional Guidelines for Food Served at City Meetings and Events;  
21 Recommended Nutritional Guidelines for Restaurants on City Property) that could result in the  
22 termination of any Transaction Document, loss or impairment of Developer's rights under the  
23 Transaction Documents or a vertical developer's rights under a property contract for any part  
24 of the Site, or debarment of Developer or any vertical developer from future contract  
25 opportunities with the City;



1 (c) Chapter 14B (Local Business Enterprise Utilization and Non-Discrimination in  
2 Contracting Ordinance);

3 (d) Competitive Bidding Procedures and Appraisal Review as defined in  
4 Section 23.2 (Chapter Definitions) and required by Section 23.3 (Conveyance and Acquisition  
5 of Real Property) or Section 23.33 (Competitive Bidding Procedures);

6 (e) Section 23.31 (Year-to-Year or Shorter Leases), which limits the Director of  
7 Property's authority to enter into leases on behalf of the City as landlord for periods longer  
8 than one year;

9 (f) Chapter 23A.7 (Surplus Public Lands Ordinance);

10 (g) Paragraph (2) of Section 61.5(c) (Listing of Unacceptable Non-Maritime Land  
11 Uses); and

12 (h) solely to the extent inconsistent with Developer's approved Workforce  
13 Development Program, Chapter 82 (Local Hiring Policy for Construction) and Chapter 83  
14 (First Source Hiring Program).

15 Section 8. Subdivision Code Waivers.

16 (a) The Board of Supervisors waives the application to the Project of time limits  
17 under Subdivision Code Section 1346(e) (Improvement Plans) and Section 1355 (Time Limit  
18 for Submittal) to the extent that they conflict with the ICA or the Development Agreement.

19 (b) The Board of Supervisors also waives the application to the Project of  
20 Subdivision Code Section 1348 (Failure To Complete Improvements Within Agreed Time),  
21 and the following terms shall apply in lieu thereof: The Public Improvement Agreement, as  
22 defined in the ICA, shall include provisions consistent with the Transaction Documents and  
23 the applicable requirements of the Municipal Code and the Subdivision Regulations regarding  
24 extensions of time and remedies that apply when improvements are not completed within the  
25 agreed time.

1           Section 9. Authorization.

2           (a)    The Board of Supervisors affirms that the waivers in this ordinance do not waive  
3 requirements under the Development Agreement Law and authorizes the City to execute,  
4 deliver, and perform the Development Agreement as follows:

5                   (1)   the Director of Planning, the City Administrator, and the Director of Public  
6 Works are authorized to execute and deliver the Development Agreement with signed  
7 consents of the Port Commission, the Municipal Transportation Agency, and the San  
8 Francisco Public Utilities Commission; and

9                   (2)   the Director of Planning and other appropriate City officials are authorized  
10 to take all actions reasonably necessary or prudent to perform the City's obligations under the  
11 Development Agreement in accordance with its terms.

12           (b)    The Director of Planning is authorized to exercise discretion, in consultation with  
13 the City Attorney, to enter into any additions, amendments, or other modifications to the  
14 Development Agreement that the Director of Planning determines are in the best interests of  
15 the City and that do not materially increase the obligations or liabilities of the City or materially  
16 decrease the benefits to the City as provided in the Development Agreement. Final versions  
17 of any additions, amendments, or other modifications to the Development Agreement shall be  
18 provided to the Clerk of the Board of Supervisors for inclusion in Board File No. 171313  
19 within 30 days after execution by all parties.

20           Section 10. Ratification of Past Actions; Authorization of Future Actions.

21           All actions taken by City officials in preparing and submitting the Development  
22 Agreement to the Board of Supervisors for review and consideration are hereby ratified and  
23 confirmed, and the Board of Supervisors hereby authorizes all subsequent action to be taken  
24 by City officials consistent with this ordinance.

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**Section 11. 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: 171313**

**Date Passed: February 27, 2018**

Ordinance approving a Development Agreement between the City and County of San Francisco and Seawall Lot 337 Associates, LLC, for 28 acres of real property known as Seawall Lot 337, located east of Third Street between China Basin Channel and Mission Rock Street, China Basin Park and the portion of Terry A. Francois Boulevard abutting the park, Pier 48, the marginal wharf between Pier 48 and Pier 50, and Parcel P20; for the proposed Mission Rock Mixed-Use Project; 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).

February 07, 2018 Government Audit and Oversight Committee - RECOMMENDED

February 13, 2018 Board of Supervisors - PASSED ON FIRST READING

Ayes: 9 - Breed, Fewer, Kim, Peskin, Ronen, Sheehy, Stefani, Tang and Yee

Excused: 2 - Cohen and Safai

February 27, 2018 Board of Supervisors - FINALLY PASSED

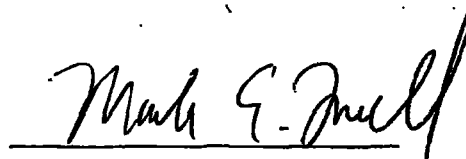
Ayes: 10 - Breed, Cohen, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Stefani and Yee

Excused: 1 - Tang

File No. 171313

I hereby certify that the foregoing  
Ordinance was **FINALLY PASSED** on  
2/27/2018 by the Board of Supervisors of  
the City and County of San Francisco.

  
Angela Calvillo  
Clerk of the Board

  
Mark E. Farrell  
Mayor

3/6/18  
Date Approved

**EXHIBIT X**

**Form of Memorandum of Lease**

**PARCEL LEASE  
EXHIBIT X**

<p>This document is exempt from payment of a recording fee pursuant to California Government Code Section 27383</p> <p>RECORDING REQUESTED BY, AND WHEN RECORDED, MAIL TO:</p>          	<p>FOR RECORDER'S USE ONLY</p>
---	--------------------------------

Lot \_\_\_\_, Block \_\_\_\_

The Undersigned Declare(s):  
DOCUMENTARY TRANSFER TAX: \_\_\_\_;  
[ ] computed on the consideration or full value of  
property conveyed, OR  
[ ] computed on the consideration or full value less  
value and/or encumbrances remaining at time of sale,  
[ ] unincorporated area;  
[ ] City of San Francisco

**MEMORANDUM OF LEASE  
(PARCEL LEASE)**

This Memorandum of Lease ("Memorandum"), dated for reference purposes only as of \_\_\_\_, 20XX, is by and between the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation ("City"), operating by and through the **SAN FRANCISCO PORT COMMISSION** ("Landlord" or "Port") and [TENANT], a [\_\_\_\_\_] ("Tenant").

**RECITALS**

A. Concurrently herewith, Landlord and Tenant have entered into that certain Lease No. L-[\_\_\_\_\_] (the "Lease"), dated as of \_\_\_\_, \_\_\_\_, pursuant to which Landlord leased to Tenant and Tenant leased from Landlord certain real property (the "Premises") more particularly described in the attached **EXHIBIT A**, which is incorporated by this reference.

B. Port and Tenant have also entered into that certain Vertical Disposition and Development Agreement, dated \_\_\_\_, \_\_\_\_ (the "VDDA"), with respect to the development of the Premises.

C. Landlord and Tenant desire to execute this Memorandum to provide constructive notice of Tenant's rights under the Lease to all third parties.

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. Term. Landlord leases (i) the Premises to Tenant for a term commencing on [\_\_\_\_\_, \_\_\_\_] (the "**Commencement Date**"). The Term of the Lease will expire on the date that is [\_\_\_\_\_] years] after the Commencement Date, unless earlier terminated in accordance with the terms of the Lease.

2. Lease Terms. The lease of the Premises to Tenant is pursuant to the Lease, which is incorporated in this Memorandum by reference. In the event of any conflict or inconsistency between this Memorandum and the Lease, the terms and conditions of the Lease will be controlling in all respects. Except as otherwise defined in this Memorandum, capitalized terms will have the meanings given them in the Lease.

3. Successors and Assigns. This Memorandum and the Lease will bind and inure to the benefit of the parties and their respective heirs, successors, and assigns, subject, however, to the provisions of the Lease on assignment.

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

*[The remainder of this page intentionally left blank]*

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

**TENANT:**

[\_\_\_\_\_] ,  
a [\_\_\_\_\_]

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

**LANDLORD:**

**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:**

DENNIS J. HERRERA, City Attorney

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Deputy City Attorney

Port Resolution No. 18—03, adopted on January 30, 2018  
Board of Supervisors Resolution No. 36—18, adopted on February 13, 2018



## 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)

**EXHIBIT A**

**EXHIBIT Y**

**Transportation Demand Management Plan**

**DDA EXHIBIT B7**

**TRANSPORTATION EXHIBIT**

**to**

**DISPOSITION AND DEVELOPMENT AGREEMENT**

**Mission Rock Project**



## DDA EXHIBIT B7

### TRANSPORTATION EXHIBIT

#### I. Transportation Fee.

A. **Payment by Vertical Developers.** Each Vertical DDA will require that the Vertical Developer shall pay to SFMTA a “**Transportation Fee**” that SFMTA will use and allocate in accordance with Section I.B below. The Transportation Fee must meet all requirements of and will be payable on all vertical development on the Mission Rock Project Site in accordance with Planning Code sections 411A.1-411A.8., except as provided in this Exhibit. All references to the Planning Code in this Transportation Exhibit refer to the Planning Code as in effect on the DA Ordinance Effective Date. Under the Development Agreement (DA) and this Transportation Program:

- The Transportation Fee will be payable on any Development Parcel on the Mission Rock Project Site, except Affordable Housing Projects pursuant to Planning Code section 406(b).
- The Transportation Fee will be calculated at 100% of the applicable TSF rate without a discount under Section 411A.3(d). The Project shall be subject to 100% of the applicable TSF rate as if it were a Project submitted under Section 411A.3(d)(3).
- The amount of the Transportation Fee will equal the Transportation Sustainability Fee in effect on the DA Ordinance Effective Date for the same land use category with annual escalation in accordance with the methodology provided in Section 409 to the date that the Port issues the first construction permit for each Vertical Improvement. For example, the Transportation Sustainability Fee on the DA Ordinance Effective Date for residential buildings with up to 99 units is \$8.60/gsf, and \$9.71/gsf of residential use in all dwelling units at and above the 100<sup>th</sup> unit in the building.

B. **Accounting and Use of Transportation Fee by SFMTA.** Section 411A.7 will apply except as follows. The Treasurer-Tax Collector will account for all Transportation Fees paid for each development project on the Mission Rock Project Site (the “**Total Fee Amount**”). SFMTA will use an amount equal to or greater than the Total Fee Amount to pay for uses permitted by the TSF Fund under Planning Code section 411A.7, including SFMTA’s and other agencies’ costs to design, permit, construct, and install a series of transportation improvements in the area surrounding or serving the Mission Rock SUD Area. SFMTA and other implementing agencies will be responsible for all costs associated with the design, permitting, construction, installation, maintenance, and operation of these improvements above the Total Fee Amount. SFMTA will report to the Planning Director on any use of the Total Fee Amount in any reporting period for the Annual Review under the DA. Examples of projects that SFMTA may fund with the Total Fee Amount include:

- Water Transit. Construction of a new ferry terminal at 16<sup>th</sup> Street in Mission Bay and support of other water transit, including a network of water taxi/small water ferry docks along the Central Waterfront.
- T-Third Enhancements. Reliability and capacity enhancements, including flashing “Train Coming” signs, in-ground detectors at to-be-identified intersections, and additional light rail vehicles (LRV) as needed to serve the growing population along the line.
- Existing and future MUNI lines that serve Project neighborhood. Capital improvements, including buses, associated with newly proposed MUNI routes, and re-routing of existing MUNI lines to better serve transit riders in the Dogpatch, Mission Bay, and Potrero Hill neighborhoods. Operation plans for all MUNI service is contingent on the SFMTA Board of Directors adoption of an operating budget.
- Muni Metro East. Capital costs associated with an expanded facility for on-site rebuilds, capacity for expanded bus and LRV fleet, and tracks for storage.

- Mission Bay E-W Bike Connector. Implementation of a connection across tracks, likely between 17th Street and Owens Street, to connect the 4th Street bikeway on east side and the 17th Street bikeway on west side.
- Terry A. Francois Boulevard Cycletrack. Implementation of bicycle access on Terry A. Francois Boulevard, including multi-use (peds/bikes) access on the 3rd Street Bridge and associated signal modifications.
- North-south bike connection on Indiana Street. Implementation of bicycle connection along Indiana Street from Cesar Chavez Boulevard to Mariposa Street.
- Upgraded bicycle access on Cesar Chavez Boulevard. Implementation of a lane along Cesar Chavez Boulevard from US 1-280/Pennsylvania to Illinois Street, including elements such as bulbs, islands, and restriping.
- Pedestrian improvements. Implement improved sidewalks and crosswalks as needed at various gap locations throughout the adjacent neighborhood, as identified in partnership with community and City partners.

Nothing in this Transportation Exhibit will prevent or limit the City's absolute discretion to: (i) conduct environmental review in connection with any future proposal for improvements; (ii) make any modifications or select feasible alternatives to future proposals that the City deems necessary to conform to any applicable laws, including CEQA; (iii) balance benefits against unavoidable significant impacts before taking final action; (iv) determine not to proceed with such future proposals; or (v) obtain any required approvals for the improvements.

## II. TDM Plan.

Developer shall implement the Transportation Demand Management ("TDM") Plan attached as **DDA Exhibit B7 Schedule 2** and otherwise comply with EIR Mitigation Measure M-AQ-2.3, as set forth in the MMRP, **DDA Exhibit A5**. The TDM Plan shall remain a component of the Project to be implemented for the duration of the Project. Monitoring, and submittal of monitoring reports and plan adjustments, shall be required as described in Mitigation Measure M-AQ-2.3. The City and Developer agree that the option for the offset fee discussed in the last paragraph of Mitigation Measure M-AQ-2.3 is not applicable, unless the Planning Department determines in its discretion that further TDM Plan adjustments will not achieve the reduction goal.

Developer's TDM Plan has a goal of reducing estimated aggregate daily one way vehicle trips by 20 percent compared to the aggregate daily one-way vehicle trips identified in the project's travel demand memo, prepared by Adavant Consulting, dated June 30, 2015. The project sponsors shall be responsible for monitoring implementation of the TDM Plan and proposing adjustments to the TDM Plan if its goal is not being achieved as described in Mitigation Measure M-AQ-2.3.

Developer's TDM Plan shall have been approved by the Planning Department prior to site permit application for the first building and the TDM Plan shall be implemented as to each new building upon the issuance of the certificate of occupancy for that building.

Notwithstanding any other provision of the DDA or DA, Planning Code Section 169.4 shall apply and, under Planning Code Section 169.4(e), the Zoning Administrator shall approve and order the recordation of the TDM Plan against the Project Site, and it shall be enforceable through the Notice of Violation procedures in the Planning Code, or any other applicable provision of law. The Zoning Administrator shall retain the discretion to determine what constitutes a separate violation in this context. The Planning Code procedures shall apply, except that the Zoning Administrator shall have discretion to impose a penalty of up to \$250 per violation. If the submittal of monitoring reports is no longer required in accordance with Mitigation Measure M-AQ-2.3, the provisions of Planning Code Section 169.5(b) shall apply.

### III. SFMTA Contact

SFMTA commits to designating a staff person to follow up on the transportation related components of the Project, including this Exhibit and associated Schedules, the DA, and the FEIR. This staff person will be a point person for Developer and the community.

### IV. Event Management Plan

*DDA § 3.2(j) (Event Management Plan)* requires inclusion of an Event Management Plan with each Phase Submittal. The scope of the Event Management Plan is outlined in Chapter 5 of the Mission Rock Transportation Plan (**DDA Exhibit B7 Schedule 1**). Any Parcel Lease for a Garage Parcel shall include provisions with respect to the Event Management Plan as described below.

Prior to entering into any agreement between the Garage operator and a third-party entity for use of the Garage by patrons of events not on-site or at AT&T Park (an “Event Parking Agreement”), the Garage operator will submit to the Port for its approval an updated Event Management Plan to address use of the Garage by patrons of such events.

The Garage operator will pay for, or cause to be paid by third parties (e.g., off-site third-party event operators), all direct and indirect expenses incurred by SFMTA associated with incremental enforcement on the Project Site required under the Event Management Plan beyond the SFMTA current enforcement levels described below. SFMTA will deploy such enforcement to the extent that enforcement resources are available.

SFMTA’s current enforcement levels refers to the following deployment of SFMTA Parking Control Officers (PCOs) on the Project Site for events at AT&T Park:

	Total PCO hours	Total PCO Supervisor hours
Weekday Daytime Event	178	16
Weekend Daytime Event	168	16
Weekday Evening Event	168	16
Weekend Evening Event	168	16

### V. Dedicated Storage Space

Developer will provide a 10’ by 10’ street-level secure storage space at no cost to SFMTA for the purpose of storage of SFMTA event management-related equipment. This space will be provided in interim phases as well as at final build-out.

### VI. Garage Consultation

Developer and the City will follow the provisions of *DDA § 2.5(c) (Garage Recommendations)* related to consultation regarding Garage sizing and operations.

### VII. Transportation Plan

Developer and the City will follow the Mission Rock Transportation Plan (**DDA Exhibit B7 Schedule 1**) for the Project Site.





**DDA EXHIBIT B7 - TP SCHEDULE 1**

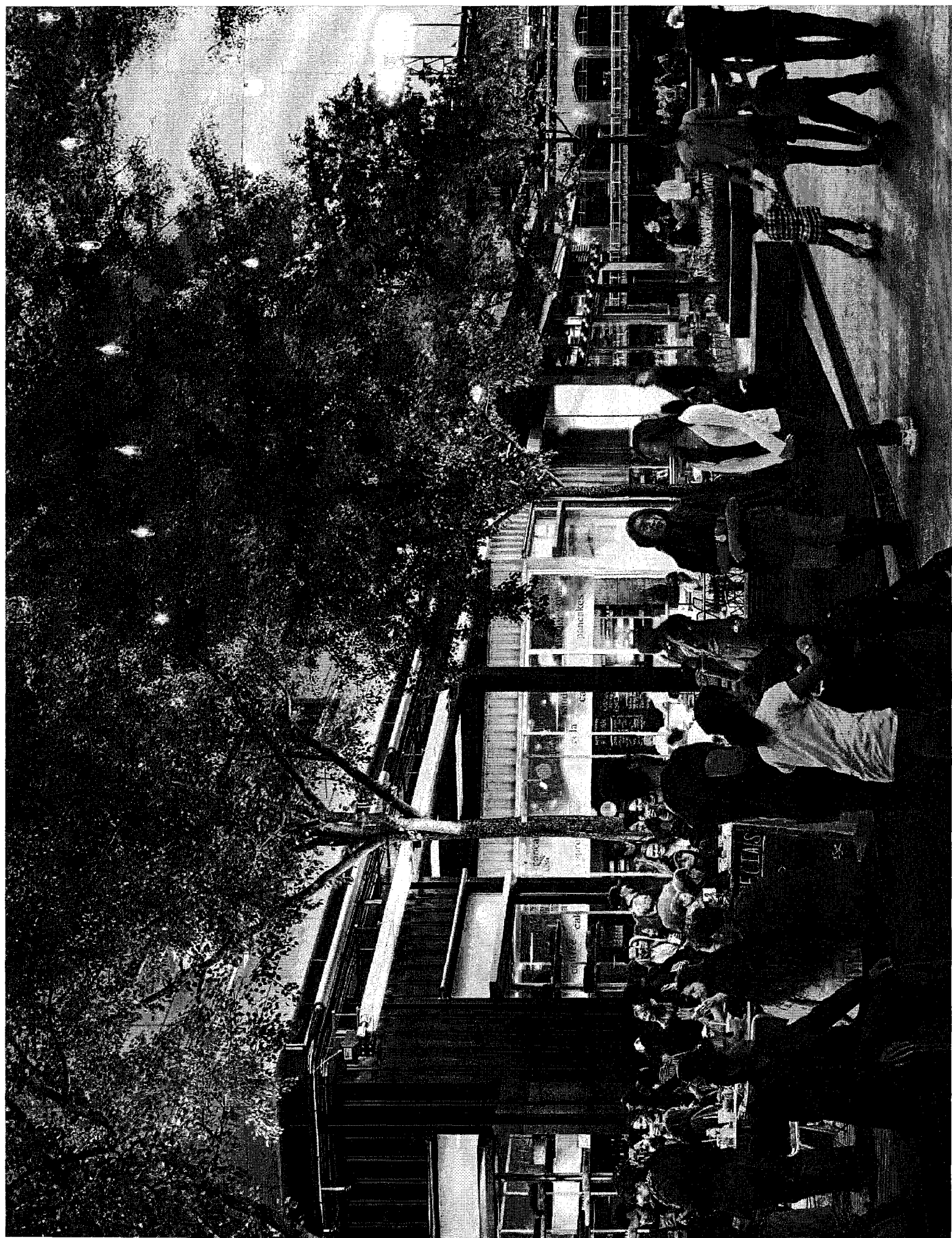
**"Mission Rock Transportation Plan"**





# MISSION ROCK

TRANSPORTATION  
PLAN



# MISSION ROCK

## TRANSPORTATION PLAN

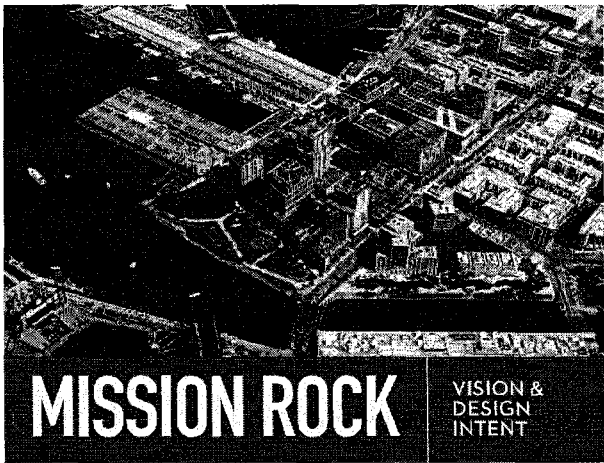
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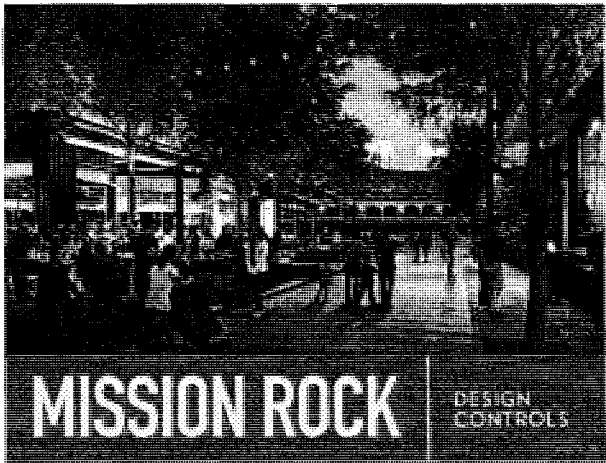
# MISSION ROCK DESIGN DOCUMENTS

The Transportation Plan comprises the fifth in a set of five documents which together describe the requirements for the development of Mission Rock.



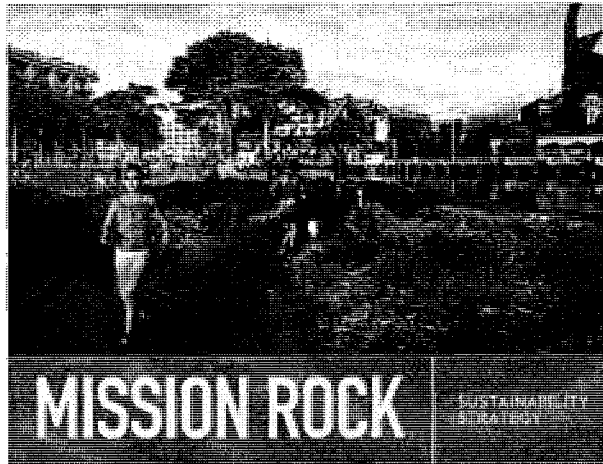
**MISSION ROCK VISION & DESIGN INTENT**

This document contains the big picture thinking and aspirations that will guide the process for the design and implementation of Mission Rock.



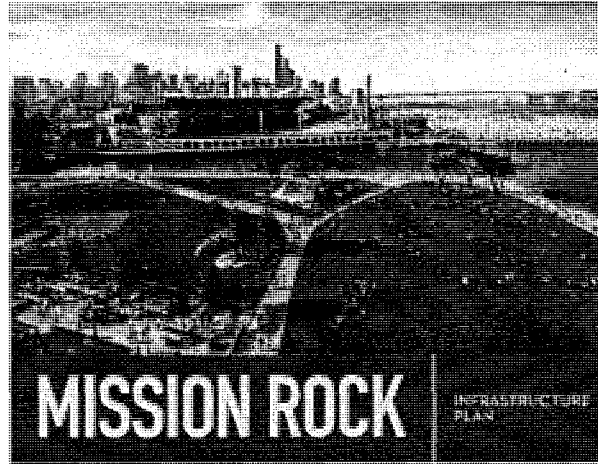
**MISSION ROCK DESIGN CONTROLS (DC)**

This document guides the development of the open spaces, streets, and buildings at Mission Rock. The DC ensures that the site will be developed in a way that is consistent with the vision as defined in the Mission Rock Vision and Design Intent document.



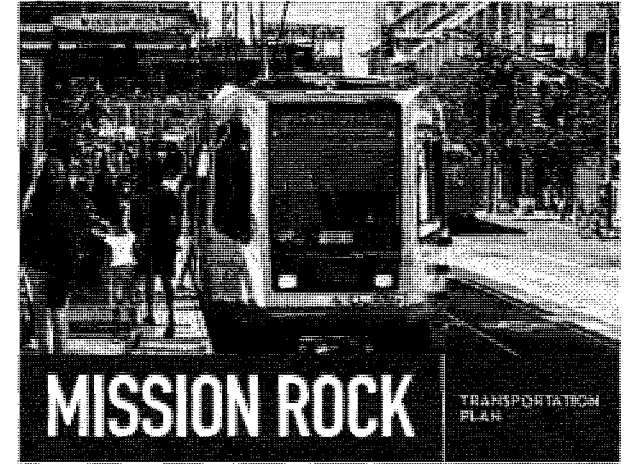
#### MISSION ROCK SUSTAINABILITY STRATEGY

This document identifies the high level sustainability goals for Mission Rock, details the requirements for the horizontal and vertical development and summarizes the anticipated reduction in greenhouse gas (GHG) emissions resulting from the district's approach to sustainable design.



#### MISSION ROCK INFRASTRUCTURE PLAN

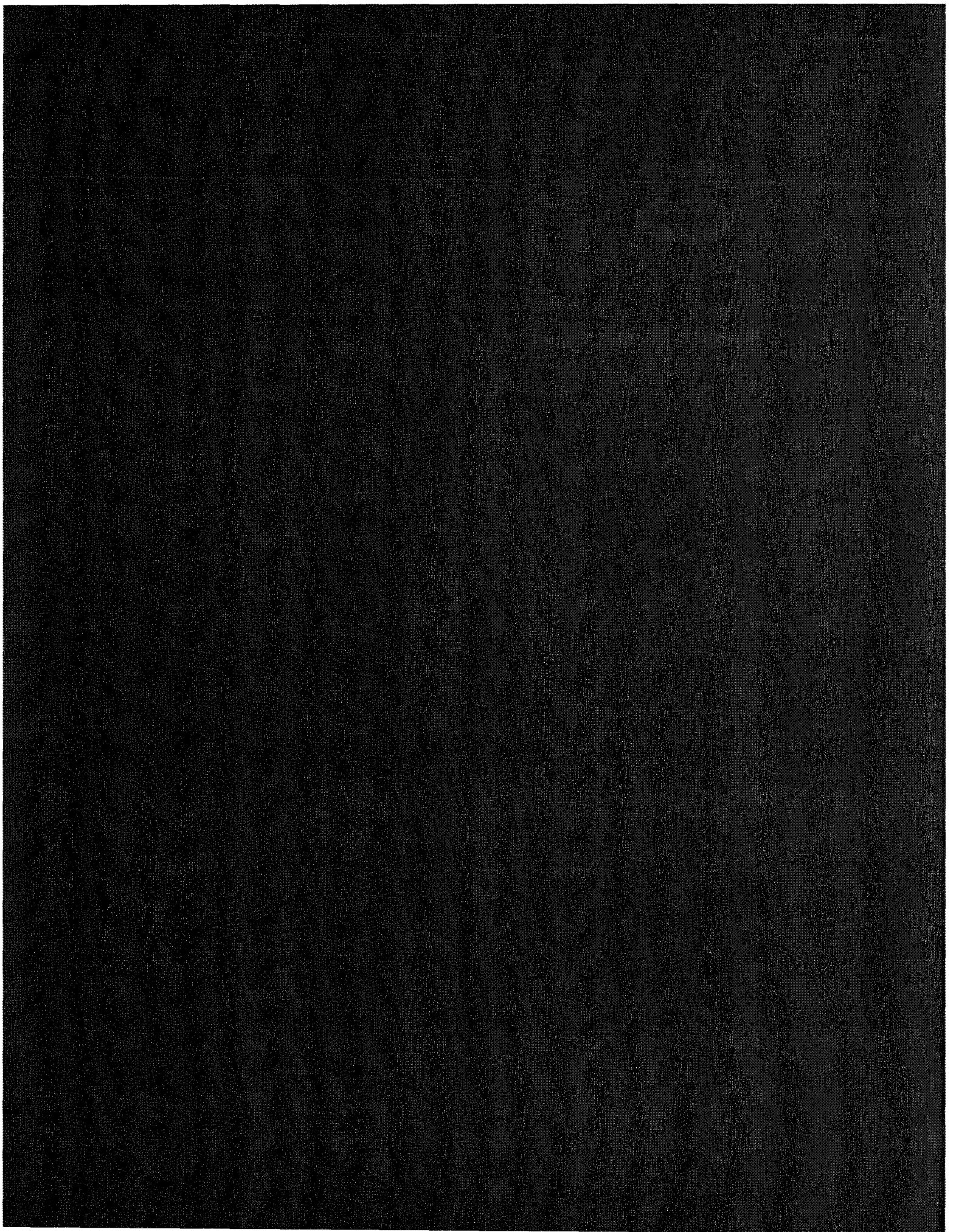
The design of the landscape, buildings, and sustainability strategies will be closely coordinated with the infrastructure planning at Mission Rock. This plan regulates the complex coordination of streets, utilities, and services.



#### MISSION ROCK TRANSPORTATION PLAN

This plan describes the ways in which the site will be designed to support the mobility choices of all users, with a special emphasis on safe and comfortable conditions for pedestrians and cyclists.





Located just steps from the center of the Bay Area's transportation system and along one of the premiere bicycle and pedestrian routes in the region, Mission Rock is poised to be a model for sustainable transportation. With a multitude of mobility choices built directly into the site's DNA, it will be one of the first true 21st Century developments in San Francisco.

Small, walkable blocks, wide sidewalks, and a diverse mix of uses will make it easy for those who live or work at Mission Rock to avoid traveling far to eat or shop for everyday necessities. A range of cycling facilities will ensure that cyclists of all ages and skill levels are comfortable navigating the site on two wheels. The opening of the Central Subway will mean frequent, rapid service to Market Street and downtown is just

steps away via the T-Third Muni Metro line, and access to the Peninsula and South Bay is just a few minutes further at Caltrain's 4th and King Street terminal. Supplemented by a suite of services and incentives that will make it easy to choose any mode, this wide range of mobility options mean the site will truly be a good fit for any modern lifestyle.

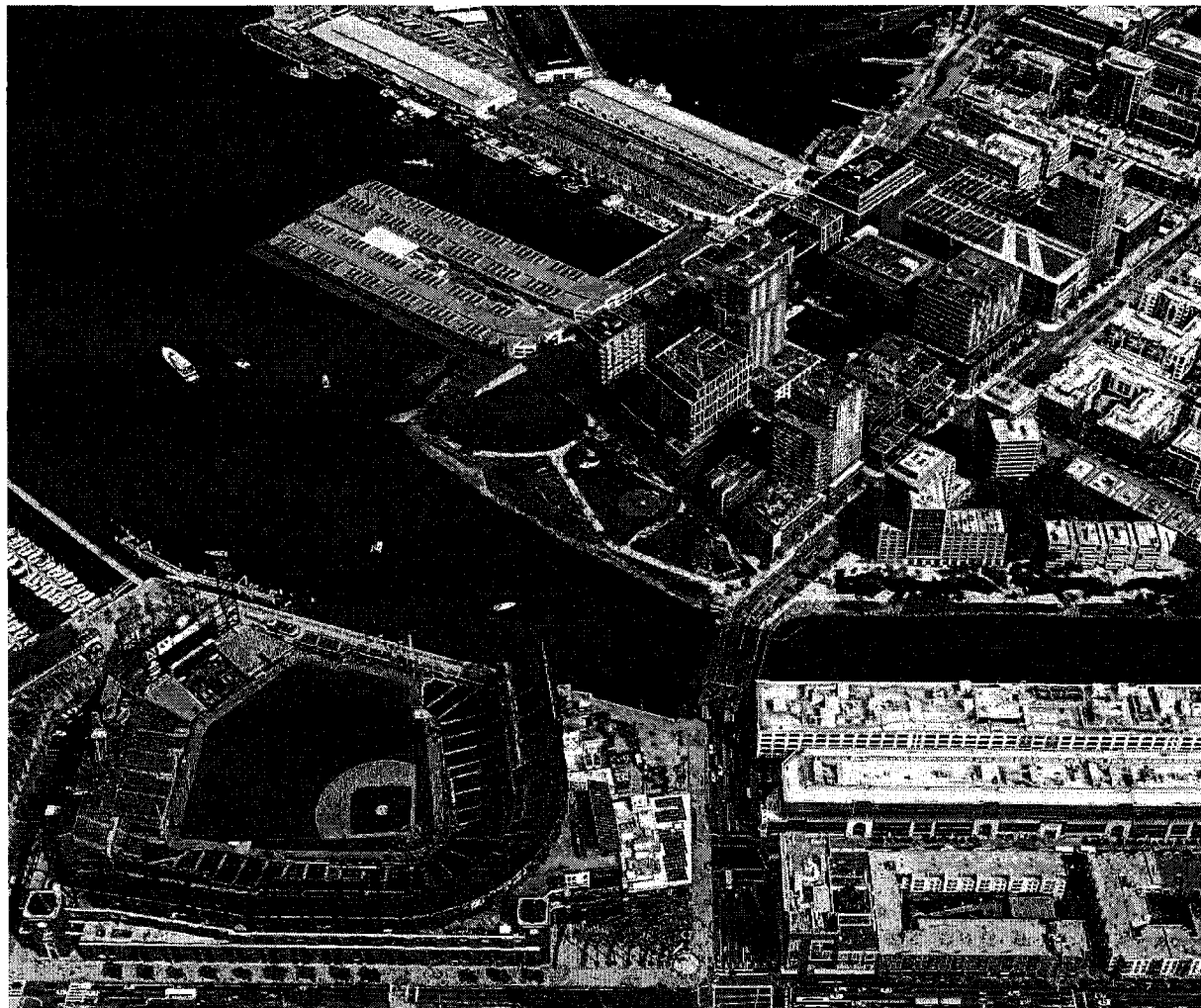
# 01

## INTRODUCTION

## 1.1 OVERVIEW

This document details how Mission Rock will achieve this vision. It starts by laying out the elements of the project's context that make it an ideal fit for a moment in which San Franciscans are choosing to accomplish more and more each year by a range of modes (Chapter 2). It walks through plans for the design of the site's internal streets, describing how bikes, pedestrians, and vehicles will circulate through the site and connect to its surroundings (Chapter 3). Mission Rock is committed to a robust set of infrastructure investments and ongoing programs that will make it easy to choose modes like walking, biking, and taking transit, and Chapter 4 details the planned package of transportation demand management (TDM) programs. With AT&T Park just steps away from the site, event-related travel will have an important impact on circulation patterns. Chapter 5 walks through how circulation will be managed around events to help reduce impacts on residents and employees, both on the site and in the surrounding neighborhood.

Note that this document focuses on the site's transportation programs at full build-out. The Infrastructure Plan discusses how the project will be phased and implications for the site's physical infrastructure, including transportation.



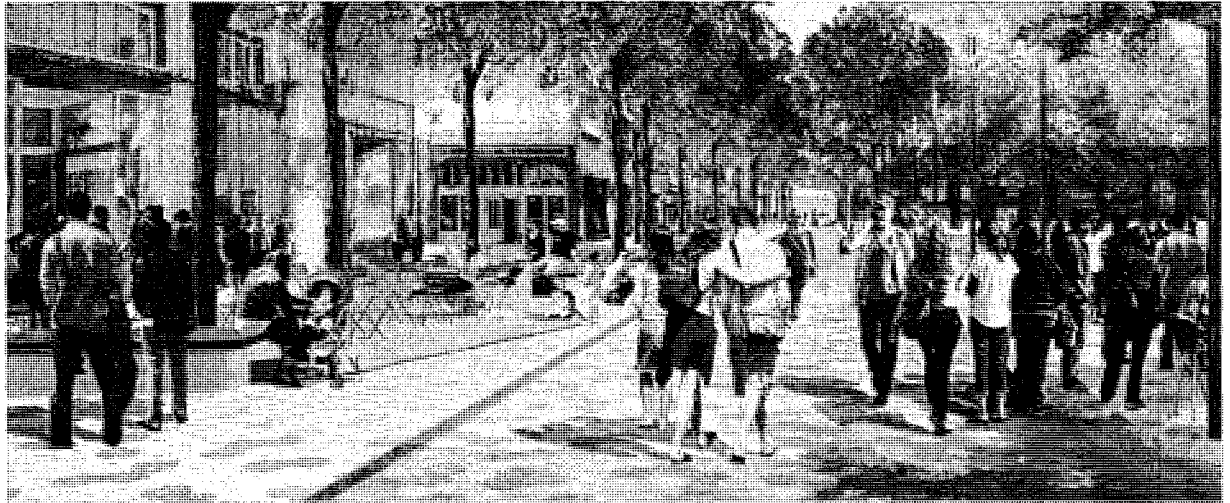
The proposed project, aerial view simulation from the northwest



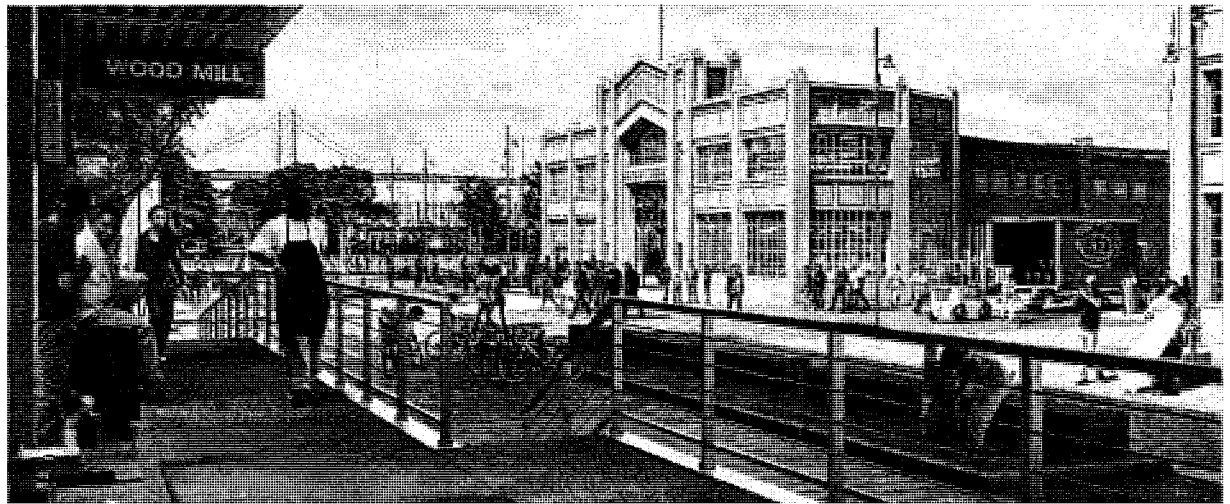
## 1.2 GOALS

Mission Rock aims to do the following through its transportation program:

1. Facilitate lifestyles low in vehicle miles traveled (VMT) by providing a robust set of sustainable choices for movement to and from the site
2. Create a vibrant, pedestrian-oriented, and visually interesting public realm within the site
3. Connect seamlessly to the site's broader context, including the City's growing bike network, the Mission Bay neighborhood's developing network of streets and sidewalks, and the city and region's transit systems
4. Ensure that the site is adaptable to new transportation technologies and changing travel habits over time
5. Play a productive role in the City's efforts to manage event-related travel



Shared Public Way, the shared street that will serve as the primary north-south pedestrian route through the site

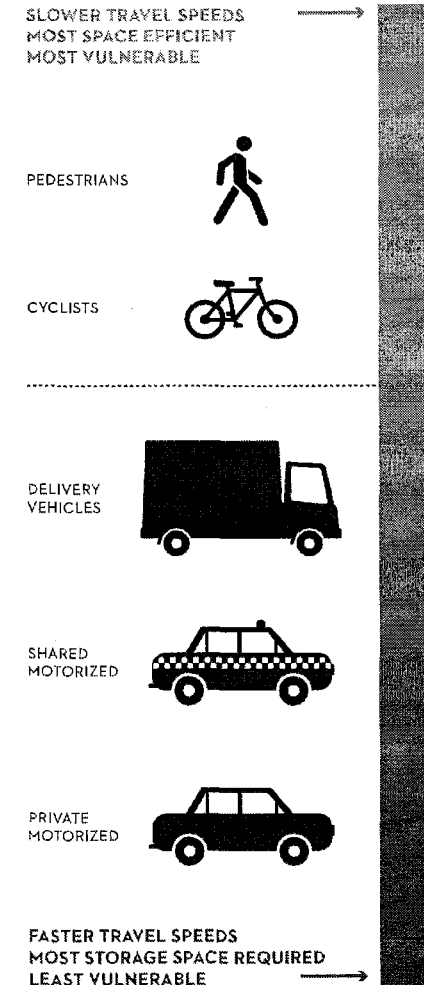


Terry A. Francois Boulevard, another shared street, will have a more maritime-industrial character

## 1.3 STRATEGIES

The project will accomplish those goals through the following primary strategies:

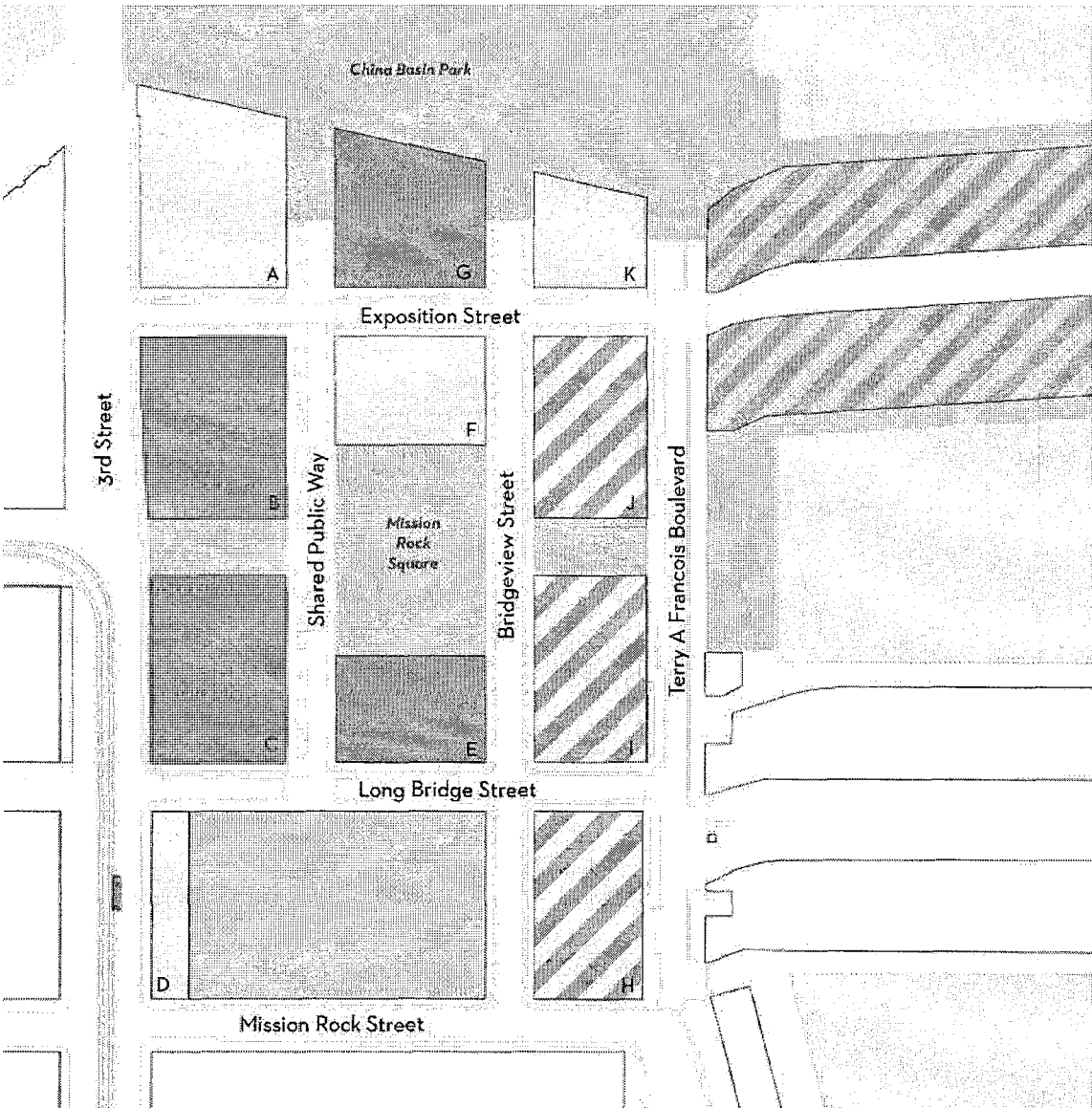
- ▶ Prioritize movement on-site using a modal hierarchy that puts the focus on the most space-efficient and environmentally sustainable modes
- ▶ Encourage walking, biking, and taking transit through convenience and meaningful incentives
- ▶ Design a highly connective street grid with generous and active pedestrian areas
- ▶ Allow for a diverse mix of uses that enables residents and employees to avoid long trips for daily necessities
- ▶ Design for safety through smart deployment of traffic calming strategies on internal streets
- ▶ Facilitate bike connectivity by adding an important link to City and regional bike networks through the site and providing safe and comfortable routing options for people of all cycling skill levels
- ▶ Create generous curb-side loading areas to:
  - ▶ Facilitate site access for people with mobility limitations and for families with small children
  - ▶ Facilitate the use of taxis and ride hail services, which can help obviate the need to bring a personal automobile to the site
  - ▶ Help site users avoid vehicle trips by facilitating convenient delivery of goods
- ▶ Actively manage parking to ensure it is used efficiently as part of the larger multimodal network
- ▶ Work in concert with neighborhood groups to help in responsibly managing event-related travel

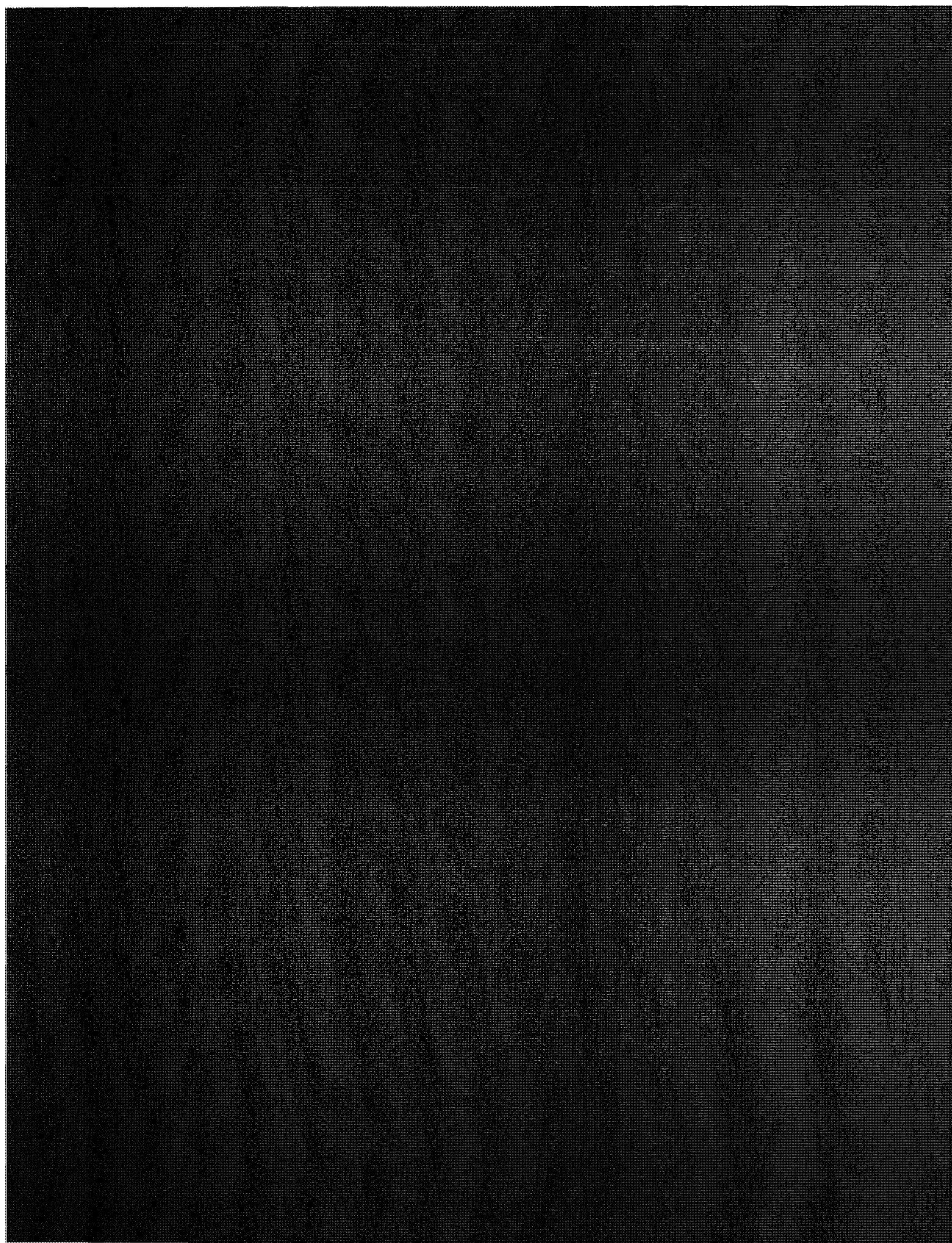


A modal hierarchy for travel through Mission Rock

The figure on this page shows the site's urban street grid and mixed land-use plan. The site plan and approach to circulation are two key ingredients in making the transportation vision come to life.

- Residential
- Commercial
- Flex
- Working Waterfront
- Structured Parking







Mission Rock's location, mix of uses, density, and design approach are all consistent with regional trends in land use and transportation and supportive of Bay Area planning agencies' efforts to direct new housing toward urban infill locations near transit stations.

# 02

## PROJECT CONTEXT

The site's mix of uses, including residential, commercial, and retail, will make it easy for residents and employees to take care of most needs within a short walk, and the project's location will naturally facilitate the use of transit and other shared modes for longer-distance trips.

This chapter details the context into which Mission Rock fits. It looks at the broader trends and policy context, as well as the array of local transportation resources that will help make the site's sustainable, multimodal vision come to life.



## 2.1 TRENDS IN POLICY AND TRAVEL BEHAVIOR

Mission Rock fits into a larger context of city, regional, and state policy encouraging transit-oriented mixed-use development, as well as the emergence of new transportation options that are changing the way Bay Area residents travel to work and play. The project is poised to both take advantage of the new mobility options and further encourage these shifts.

### 2.1.1 STATE, REGIONAL, AND CITY POLICIES

Starting in 2006, the State of California began laying out a constellation of policies aimed at reducing the state's carbon footprint. Assembly Bill (AB) 32, signed into law in 2006, required that the state reduce greenhouse gas emissions to 1990 levels by 2020, a 15 percent reduction relative to expected trends. Senate Bill (SB) 375 was the first major policy aimed at implementing AB 32. It required that each major region in the state create a "sustainable communities strategy" that would use a combination of land use and transportation planning to create more sustainable development patterns. Furthermore, the City of San Francisco's Climate Action Strategy specifically calls for shifting 80% of all trips to non-automobile trips by 2030.

Plan Bay Area is this Bay Area's sustainable communities strategy, and concentrating growth around the existing transit system is a key pillar of the plan. The plan identified Priority Development Areas with strong transit access and higher existing densities, and Mission Rock sits along a major axis of priority development areas along the eastern edge of San Francisco.

Infill and transit-oriented development are the two most important strategies for developing in a more sustainable fashion. When projects are located in areas that are already developed, they generally allow their inhabitants to travel shorter distances to reach jobs,

grocery stores, and other daily destinations. When located near existing transit networks, they make transit the default mobility option.

Infill development has long been a priority for the City of San Francisco, and the City has an array of policies aimed at aligning the transportation system to denser development patterns. Policies include the city's long-standing "transit first" policy, a 20% bicycle mode share goal, and a collection of recent policy changes - known as the Transportation Sustainability Program - that aim to further invest in transit, bike, and pedestrian network improvements, align the environmental review process for development with other city policies, and shift travel behavior toward non-motorized or shared modes while ensuring access and mobility. Mission Rock's transportation program is consistent with this approach.

With these policies in the background, travel behavior in San Francisco seems to be steadily shifting toward transit and non-motorized modes, and the market for developments that enable transit-, bicycle-, and pedestrian-oriented lifestyles has strengthened. The last few years have seen increases in transit ridership (including record ridership levels on BART and Caltrain in recent years) and major increases in cycling, particularly for commuters.

### 2.1.2 THE IMPACT OF TECHNOLOGY

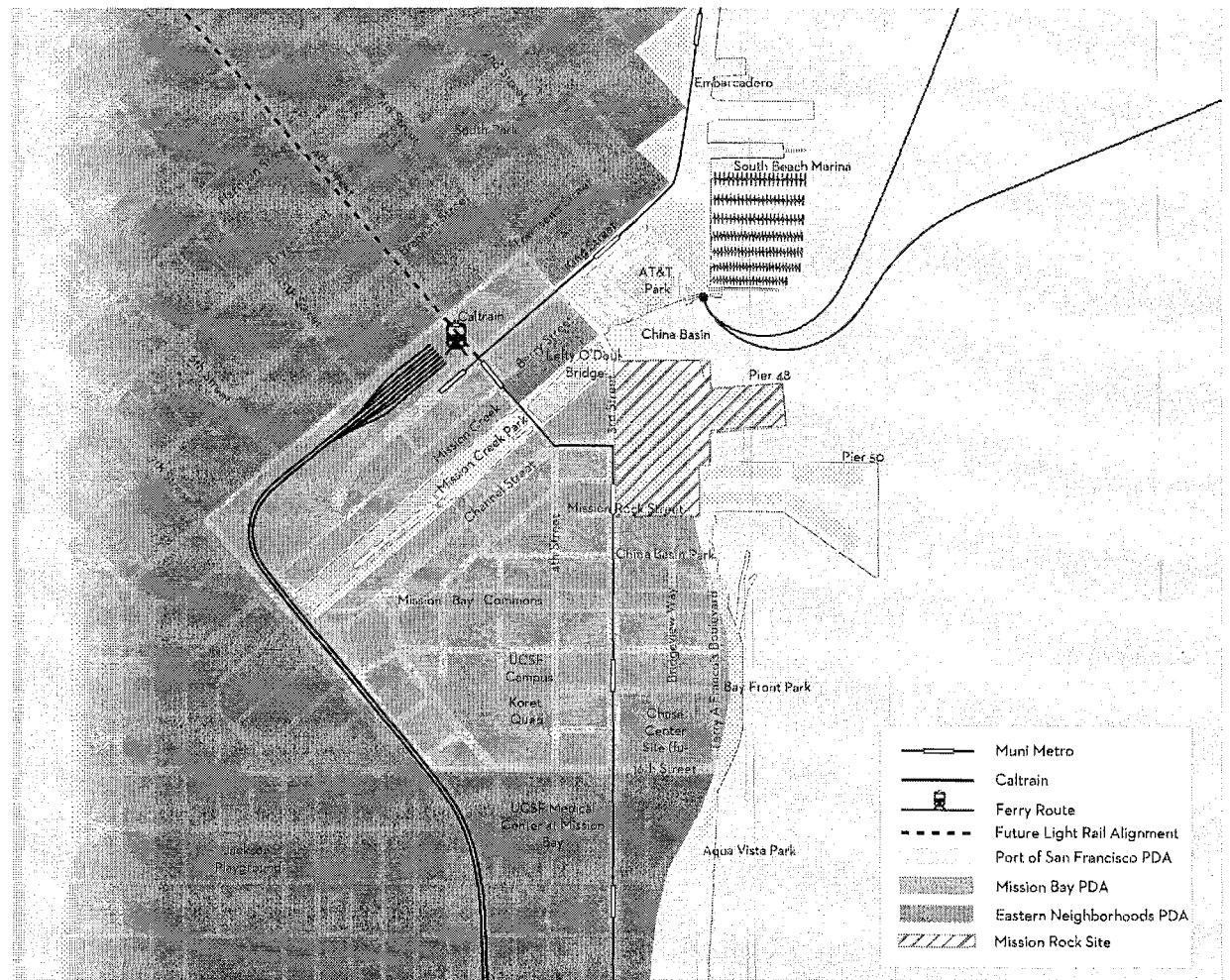
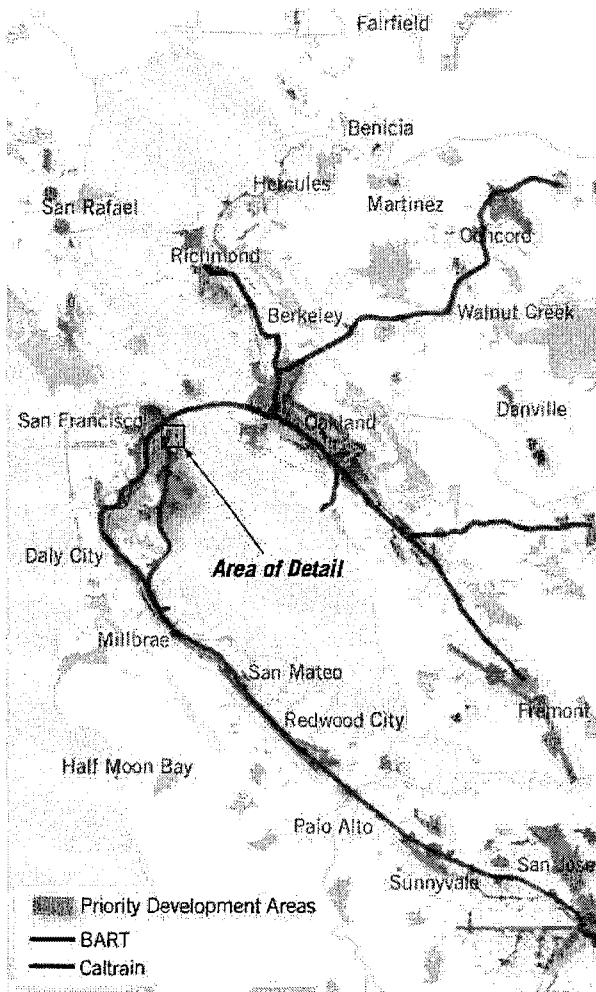
New technology-enabled travel options have also emerged, making it easier to routinely travel longer distances or make trips that do not align well to the transit network without owning a car. Car share companies like Zipcar and City Car Share have made it easy to rent vehicles, stored conveniently in small pods across the city, for short periods. This allows people who



SFMTA has installed "red carpet" transit-only treatments around the city in recent years (SFMTA)



Cycling rates have increased dramatically in recent years (FLICKR USER RICHARD MASONER)



Plan Bay Area's Priority Development Areas (PDAs) and regional transit connections

do not own a car to conveniently accomplish errands that require hauling more than one can carry on transit or a bicycle. Transportation network companies (TNCs) like Uber and Lyft and taxi hailing apps like Flywheel have made it far easier and more convenient to hail rides for trips the transit system is less well set up to handle – across town or late at night.

These trends and the new suite of travel options seem to be affecting people's behavior. A recent study showed that newcomers to the city began taking advantage of them as they emerged, with nine in 10 net new households in the city since 2000 not owning an automobile, according to data from the U.S. Census Bureau. Additional evidence from the Shared Use Mobility Center (TCRP Report 188) shows that individuals who use car sharing frequently tend to own vehicles at lower rates.

### 2.1.3 THE FUTURE OF TRANSPORTATION

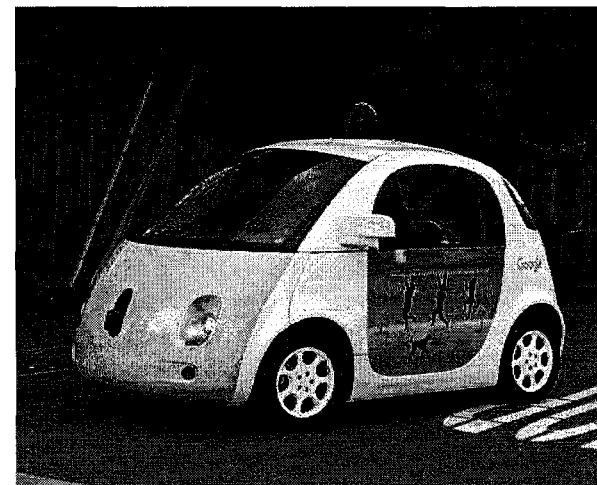
More dramatic changes could be in the offing. In the middle of 2016, several companies announced the first limited public use of autonomous vehicles, in Pittsburgh (Uber) and Singapore (nuTonomy). Google has been developing its own autonomous vehicles and testing them around its Mountain View headquarters for several years, and several other major Bay Area companies are also working hard – sometimes in partnership with more traditional auto companies – to develop their own models. When autonomous vehicles emerge in large numbers, the Bay Area is likely to be an area that adopts them quickly.

The precise effects self-driving cars will have on urban environments is unclear, given that the technology

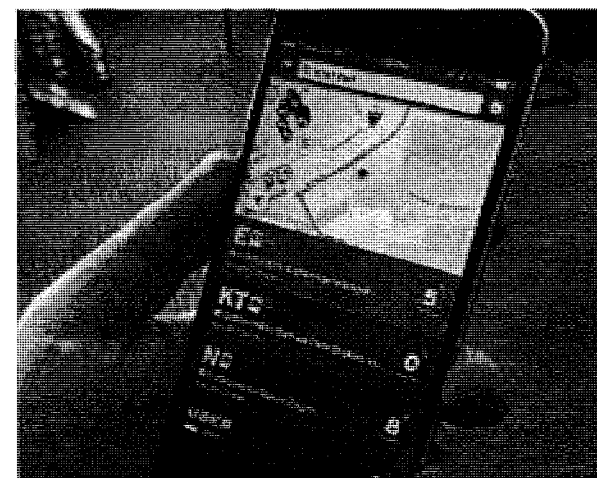
is still in the early stages of development. What is clear, though, is that they have the potential to dramatically change the way we get around, as the advent of motorized mobility did 100 years ago. Indeed, the emergence of automobiles in the early 1900s reshaped the economics and urban space needs of the transportation system.

If autonomous vehicles are used mainly as shared mobility resources, rather than privately held ones in the pattern of the vast majority of small vehicles today, they could lead to shifts like a major drop in parking demand and a major increase in the need for passenger loading space. Even if they emerge as privately owned mobility resources, though, the urban parking footprint is likely to go down. For example, if autonomous vehicles are able to communicate with each other while parking, they could theoretically squeeze together more efficiently, in much the same way as cars parked by valet can be lined up and parked in more narrow columns than can self-parked cars.

Mission Rock is set up to weather these changes well. As Chapter 3 describes, the site's curbs prioritize loading and delivery activities, which have already taken on increasing importance with growth in online shopping and, more recently, the earliest releases of new mobility technologies. The ways in which the site's transportation program has been shaped by its location will also help its design stay current in a world of changing mobility patterns. As detailed in the following sections, Mission Rock is located at the heart of the region's bicycle, pedestrian, transit, and roadway networks, giving future residents, employees, and visitors a wide range of natural options for getting around, even in the absence of new technologies.



Google's autonomous vehicle prototype (WIKIMEDIA COMMONS, USER GREHOLKAW)



Smartphones have revolutionized access to transportation information (WIKIMEDIA COMMONS, USER GREHOLKAW)

## 2.2 NEARBY NETWORKS

### 2.2.1 NON-MOTORIZED NETWORKS

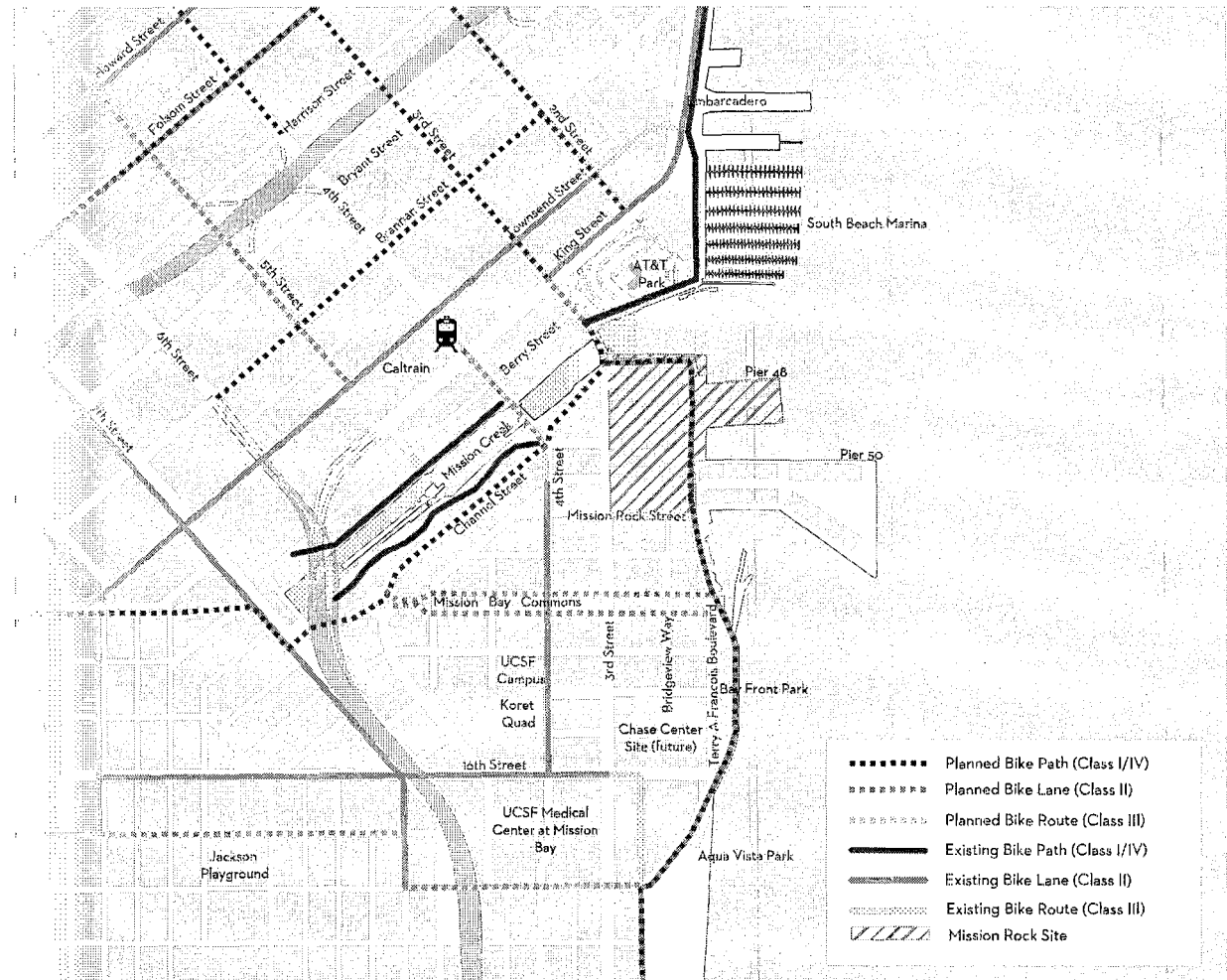
#### Pedestrian

Most trips begin or end on foot, so safe and robust pedestrian space is the backbone of any high quality transportation system.

The Embarcadero, 3rd Street, and Fourth Street are the major pedestrian routes between Mission Rock and the jobs and transit connections in SoMa and Downtown San Francisco. Pedestrian facilities on the Embarcadero are wide and spacious, while sidewalks through SoMa are typically more narrow and less well maintained. The City's Central Corridor Plan aims to steadily improve pedestrian conditions as the area grows and changes in the coming years. Mission Bay's street network is also in the process of being built out. Once the area's development is complete, all streets in the area will have sidewalks on both sides that are six feet wide, and in many places 10 or 12 feet.

#### Bicycle

San Francisco continues to build bicycle lanes of various class distinctions throughout San Francisco as part of its implementation of the 2009 San Francisco Bicycle Plan. In Mission Bay, dedicated bicycle lanes exist on Terry A. Francois Boulevard, Fourth Street, and 16th Street. The facilities on Terry A. Francois Boulevard will soon be improved to a full two-way cycle track as part of the larger San Francisco Bay Trail, which will ultimately be a high quality bicycle and pedestrian route along the entire bay-front. New or improved bicycle facilities are slated for multiple streets running north to Market Street, including 2nd, 3rd, and 5th streets.



Mission Rock's connections to the broader bicycle network and planned routes

## 2.2.2 TRANSIT NETWORKS

Mission Rock is served by several local and regional transit networks within a half-mile walk, including bus, light rail, and commuter rail. More regional connections are available a bit further to the north, along Market Street, the Embarcadero and in eastern SoMa, where there are additional regional rail, bus, and ferry options.

### Local Transit – Muni

Muni provides local transit service throughout San Francisco. The following Muni routes have stops within a quarter-mile of Mission Rock:

- ▶ **Light Rail** – N-Judah, T-Third, and E-Embarcadero
- ▶ **Bus** – 10-Townsend, 30-Stockton, 45-Union-Stockton, 47-Van Ness, 55-16th Street, 81X-Caltrain Express, 83X-Mid-Market Express

Notable investments and plans underway by SFMTA include:

The Central Subway project will place the T-Third line in a subway along Fourth Street north of Bryant Street and along Stockton Street, extending it 1.7 miles north through the SoMa, Union Square, and Chinatown neighborhoods. This will provide a more direct connection between the Mission Bay neighborhood and BART at Powell Station, as well as transit-, job-, and destination-rich neighborhoods near and north of Market Street. The project is due to open to the public in 2019.

Muni Forward is a comprehensive update to Muni routes and service plans. A subset of lines called the Rapid Network is receiving particular attention through the project, including increases in service frequency and other improvements. Service along 16th Street, through

the Mission and into Mission Bay, will see notable improvements through the project, including transit-only lanes, stop consolidation, transit signal priority, and additional transit bulbs and islands. An early Muni Forward improvement that directly affected Mission Bay was the implementation of the 55-16th Street bus, creating a direct connection between the BART station at 16th and Mission streets and the center of Mission Bay, at 3rd and Mission Bay Boulevard North. In several years, that route will be replaced by a re-routed 22-Fillmore, a trolley bus that provides crosstown connections along 16th Street through the Mission and north along Church and Fillmore streets to the Lower Height, Fillmore, Pacific Heights, and the Marina. Other routes in the vicinity of the project that will see updates include the 10-Townsend and the 12-Folsom/Pacific (the latter will be replaced by the 11-Downtown Connector).

### Regional Transit

#### Caltrain

Caltrain provides commuter rail service between San Francisco and the South Bay, with stops along the Peninsula, into San Jose and, during peak periods, south to Gilroy. Caltrain offers local, limited stop and “baby bullet” express routes which all serve San Francisco. Caltrain’s northernmost station is located about a quarter mile from the Mission Rock site at the intersection of 4th and King streets in San Francisco and is the busiest in the Caltrain system.

Notable planned Caltrain investments include:

- ▶ **Caltrain electrification** will replace the existing diesel service with electrified service between San Francisco and San Jose by 2020, allowing for increased speeds and service levels along the



Caltrain (CALTRAIN)



SF Bay Ferry (FLEET USER PHOTOGRAPH)

Peninsula corridor. The electrification project will also accommodate shared use of the corridor by Caltrain and planned high-speed rail service.

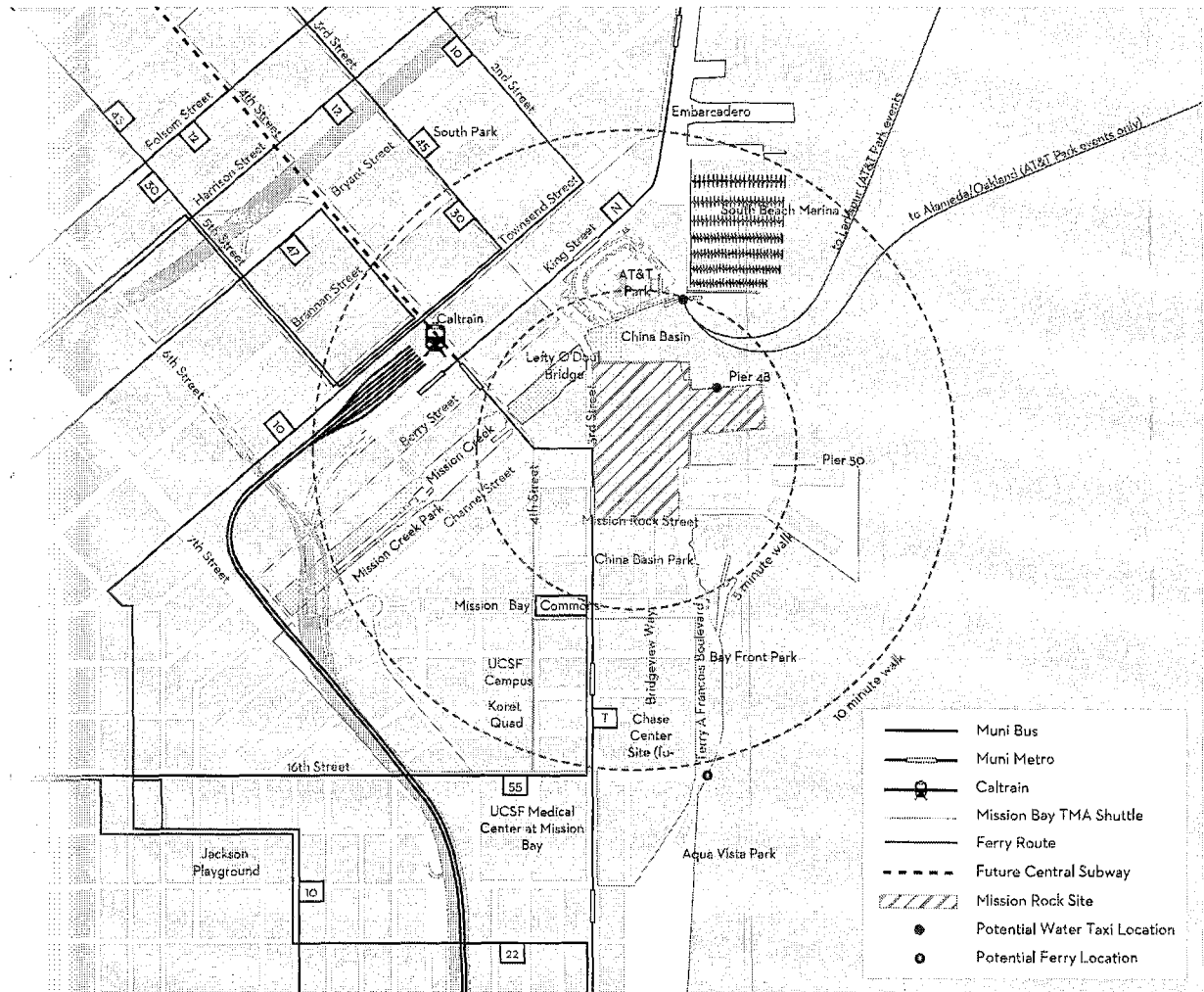
- ▶ Caltrain's **Downtown Extension** would connect Caltrain to the new Transbay Transit Center. The alignment of the extension is still being determined and is among the items being advanced in the Planning Department's Railyard Alternatives and I-280 Boulevard Feasibility Study.

### BART (Bay Area Rapid Transit)

BART provides regional transit service to the East Bay, Peninsula, and other parts of San Francisco. The closest stations to Mission Rock – Embarcadero and Montgomery – are a little more than one mile from the neighborhood. When it opens, the Central Subway will provide a rapid light rail connection between the site and Powell Station. BART is the region's rail spine, and it operates every 5 to 15 minutes on lines serving downtown San Francisco during the afternoon peak and every 20 minutes during non-peak times, including weekends.

### Ferries

SF Bay Ferry (operated by the Water Emergency Transportation Authority, or WETA) and Golden Gate Ferry provide daily ferry service between the San Francisco Ferry Building and the North and East Bay. Aside from services at the San Francisco Ferry Building, the nearest terminal is currently just beyond AT&T Park's center field gate, where ferries provide service to and from home baseball games. WETA and the City are exploring the potential for a new terminal in Mission Bay near 16th Street, though planning is in the very initial stages.





### Transbay Transit Center: Regional Bus and High Speed Rail

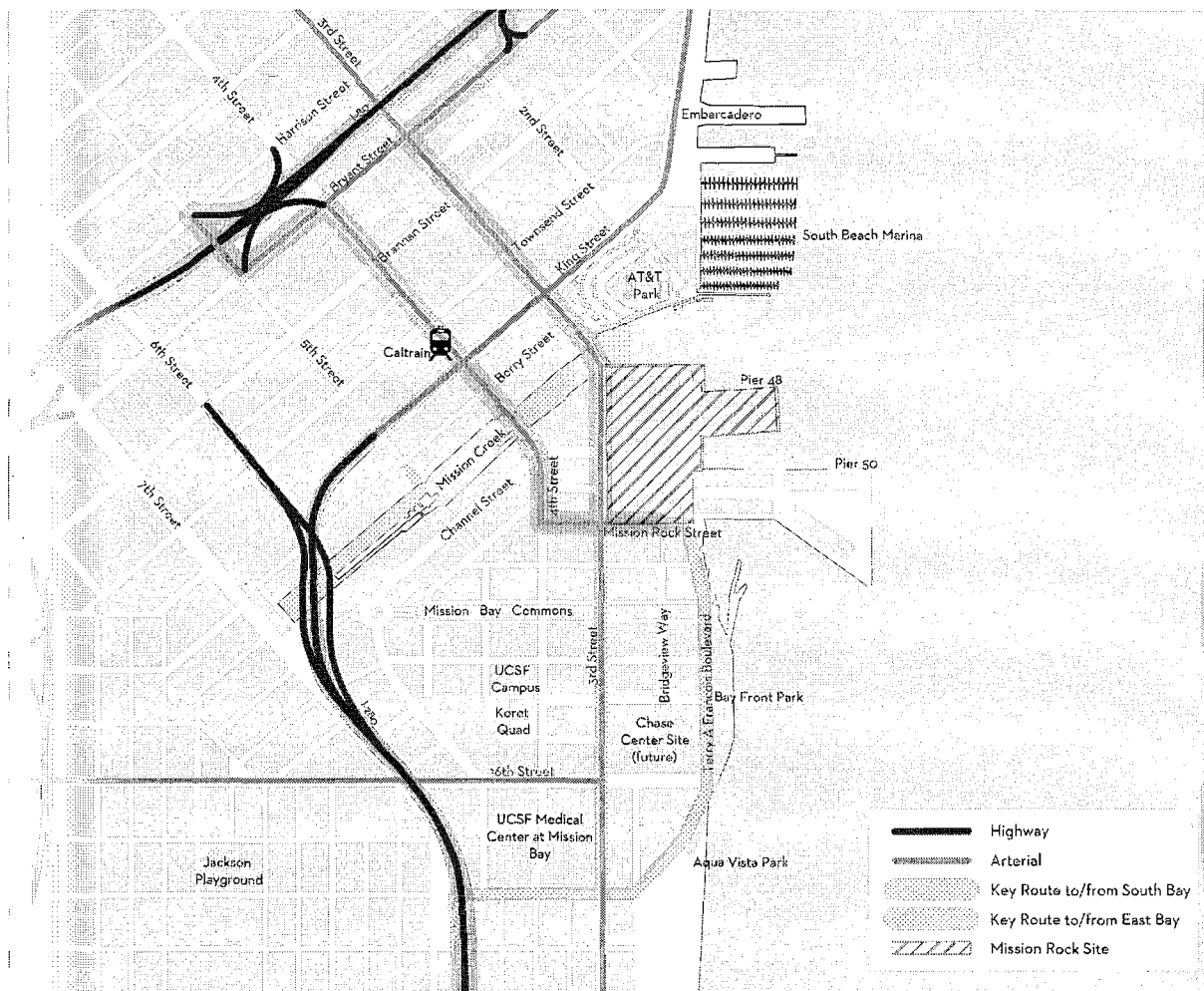
The under-construction Transbay Transit Center is located approximately one mile northeast of Mission Rock and will be open by the time the development is built out. The Transit Center will provide bus connections to regional destinations, as well as access to Greyhound and Amtrak Thruway Connection buses. Once the Downtown Extension is complete, the center will also be the terminal for California High-Speed Rail and Caltrain. Upon completion, the terminal will be served by 11 transit systems: AC Transit, BART, Caltrain, Golden Gate Transit, Greyhound, Muni, SamTrans, WestCAT Lynx, Amtrak, Paratransit, and High Speed Rail.

### 2.2.3 VEHICULAR CIRCULATION AND PARKING

Mission Rock is located near the center of the Bay Area's auto network, providing easy access to the region's freeway system but also exposing drivers in the area to congestion resulting from the large number of daily trips to, from, and through northeast San Francisco.

#### Local Streets

Third, 4th, and 16th streets are the key arterials providing vehicular access to and from Mission Rock and the broader Mission Bay neighborhood. Lefty O'Doul Bridge is also a drawbridge that is used several times per day, causing traffic congestion at one of the key access/egress points for the site on 3rd Street. The bridge is a historic landmark for which major structural modification is not an option, though the city is planning to realign lanes traveling across the bridge in the



Local street network

coming years to make space along its the eastern edge for bicycle and pedestrian facilities as part of the San Francisco Bay Trail.

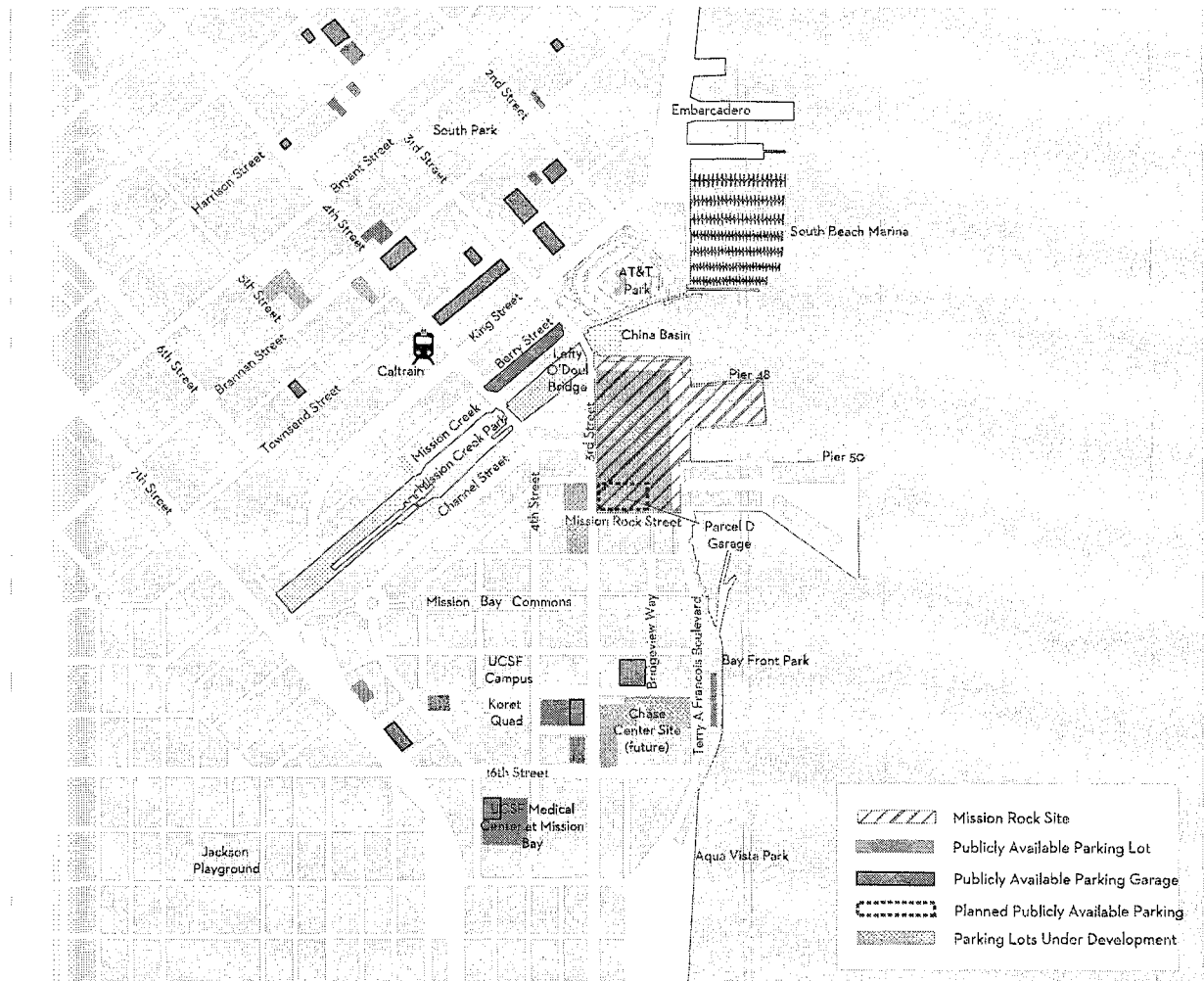
### Regional Connections

For connections to the region, ramps to Interstate-80 and access to the East Bay are located approximately a half mile north of the site, via 4th and 5th streets. Interstate 280 provides the main connection to the South Bay, and ramps are located less than a half mile of the site to the west, via King Street, or slightly further to the southwest, at Mariposa Street.

### Parking

As of SFMTA's most recent parking inventory in 2011, the Mission Bay and the Central Waterfront area (bound by the Bay to the east, Mission Creek Channel to the north, 7th Street and Iowa Street to the west, and Pier 80 to the south) had approximately 7,000 off-street parking spaces, and SoMa (bound by the Bay, Market Street, 7th Street, and the Channel) had an additional 26,000 spaces. Many of the spaces in Mission Bay are reserved for the users of specific sites like University of California, San Francisco's hospital and medical campus, but a sizable share of the spaces in SoMa are in paid publicly accessible lots and garages. Parking supplies in that area have shrunk somewhat in recent years, as surface parking lots have been redeveloped.

Many streets in SoMa and Mission Bay also have on-street parking. A large share of the on-street parking in both neighborhoods is currently metered per SFpark pricing policies to manage demand during nearby special events.



Parking facilities near Mission Rock (2015)



## 2.3 TECHNOLOGY-BASED TRANSPORTATION

As noted earlier, technology-based transportation companies offering car share, bike share, and app-based ride hailing (e.g. Lyft and Uber) are changing the way people travel. Although it has yet to be determined how ride hailing trips affect the number of overall driving trips, these innovative services have enjoyed early and growing adoption by Bay Area residents, particularly San Franciscans, and they are widely available in the areas around the project.

**Car-share** has emerged as a strong mobility option for households without cars. Efforts to quantify the impacts of car sharing have found that car share members drive 40% fewer miles than the average driver and take 46% more public transit trips, 10% more bicycle trips, and 26% more walking trips. The average household reduces its vehicle ownership by 50% after joining a car-share service.

**Bike share** provides another short-term mobility option, offering hourly rental of bicycles. Unlike car share programs offered in San Francisco, bike share allows for one-way rentals. Bay Area Bike Share is poised to expand dramatically throughout San Francisco by the



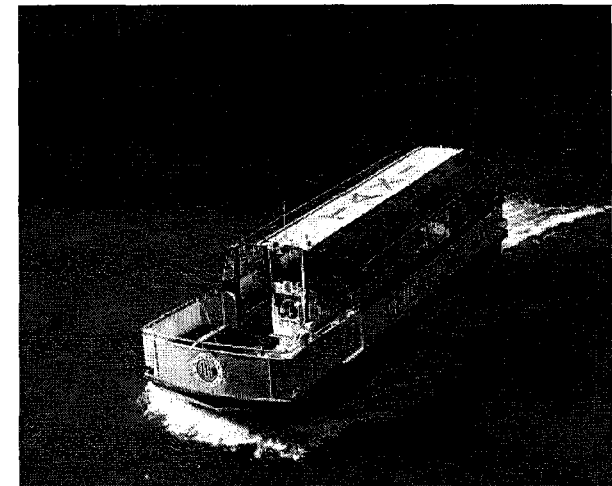
City Car Share (WIKIMEDIA COMMONS, USER MARIOROC)



Bay Area Bike Share (WIKIMEDIA COMMONS, USER MARIOROC)



Scoot (FLICKR, USER MARTIN WECHTAFF)



Water taxi service in Chicago (FLICKR, USER LIANE GORDON)

time Mission Rock opens, with a plan to expand to 7,000 bicycles by 2018.

**Scooter sharing** is another service that has emerged in San Francisco in recent years. Scoot offers \$3 one-way rentals of its fleet of more than 400 small two- and four-wheeled vehicles. The two-wheelers travel as fast as 30 miles per hour, and the four-wheeled “mini-cars” travel 25 miles per hour. Users of the service find nearby vehicles and unlock them using the company’s smartphone app.

TNCs like Lyft and Uber provide on-demand booking of one-way car trips via smart phone app, and have recently expanded to facilitate shared vehicle trips (through Lyft Line and UberPool).

The rest of the private transit market is an evolving landscape, consisting of long-distance employer shuttles, short-distance institutional and transportation management association (TMA) shuttles, on-demand commuter shuttles, and other services.

**Long-distance employer-sponsored shuttles** currently make trips to many office campuses outside of San Francisco (e.g. technology companies in the South Bay). An SFMTA program that designated certain Muni bus stop and other designated curb locations is ongoing.

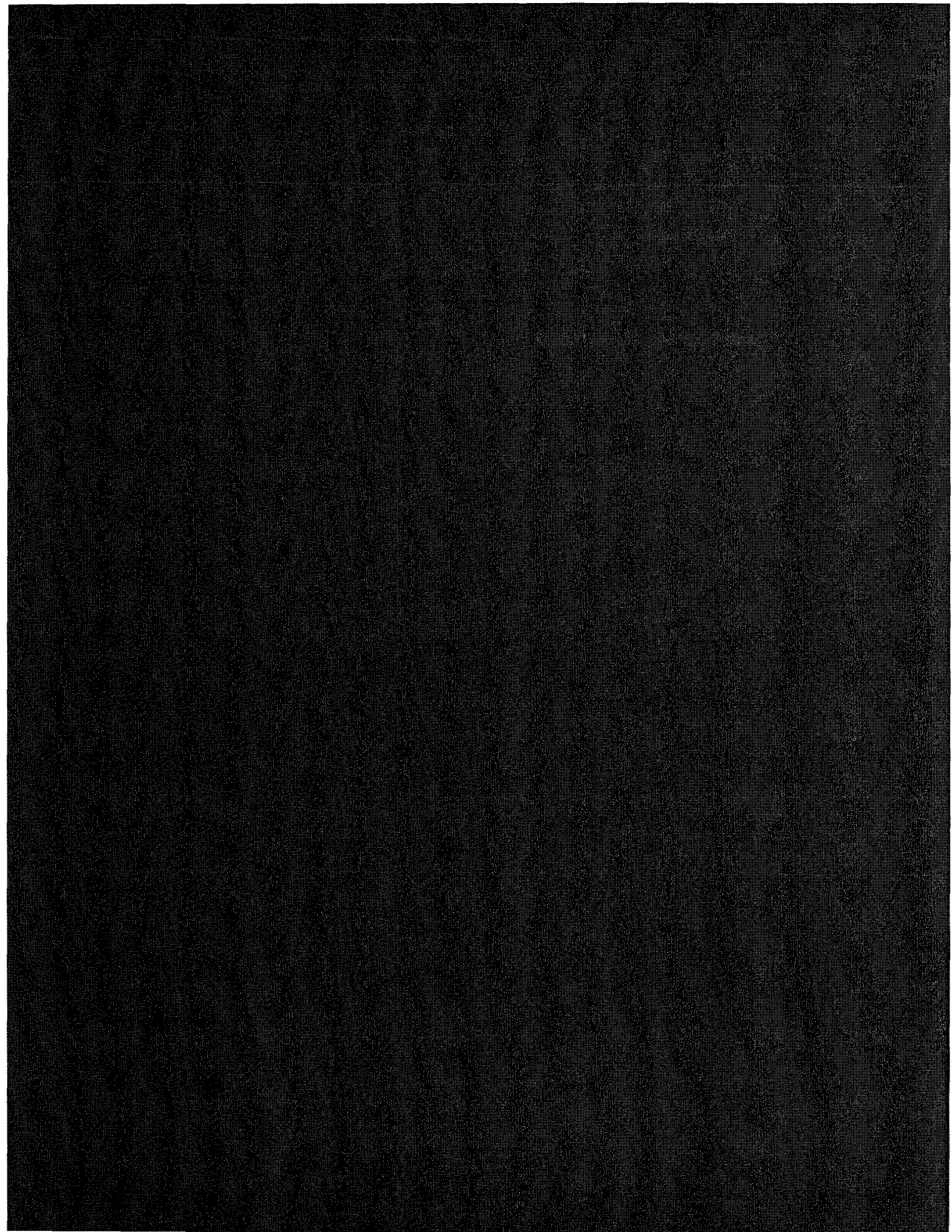
There are a number of **short-distance shuttles** in operation in the project area. Currently, the Mission Bay TMA operates five routes from Mission Bay to Market Street and points throughout SoMa. Most of the routes operate only during peak periods Monday through Friday. Numerous companies and institutions also offer shuttle service within San Francisco. For example, Levi’s operates a shuttle between Caltrain and BART stations and the company’s headquarters in Levi’s Plaza.

Chariot, which offers a **demand-responsive microtransit service** using 14-passenger vans, operated nine public routes during the morning and evening commute periods as of August 2017. The service typically utilizes white curb loading zones for passenger drop-off and pick-up. Chariot recently expanded many of its routes

and now serves points in the South Bay and East Bay, in addition to intra-San Francisco routes.

Two **water taxi** companies currently run limited service between points along the Bay, including the San Francisco Ferry Building. Over time, water taxi operations may expand with growing demand, and there is potential for a landing at Pier 48 and, with the exception of winter, at AT&T Park’s ferry dock.

These evolving transportation services provide people in San Francisco with new options to move around the city and the region, further supporting a multimodal lifestyle not dependent upon ownership or use of a private vehicle.



Mission Rock will be designed to give all users high quality choices for how they move about the site and how they get to and from it.

The site will feature generous and active pedestrian areas throughout, and the bicycle network will give cyclists of different ages and skill levels high quality options. Wide sidewalks and wayfinding will help people find the variety of nearby transit options, and Mission Rock's entire street grid will provide comfortable access

to the waterfront and, at Pier 48, a variety of water transportation options as well.

This chapter expands on these ideas, laying out the vision for how people will get around Mission Rock. Note that the project's Design Controls go into more detail on dimensions and materials.

# 03

## GETTING AROUND AT MISSION ROCK

## 3.1 NON-MOTORIZED CIRCULATION

Mission Rock's streets will be designed with the site's modal hierarchy in mind, prioritizing the safe and comfortable movement of pedestrians. Streets will include a variety of features that will help ensure that pedestrians feel safe and comfortable moving throughout the site by keeping vehicle speeds slow and ensuring that those on foot or on bicycles are highly visible to motorists.

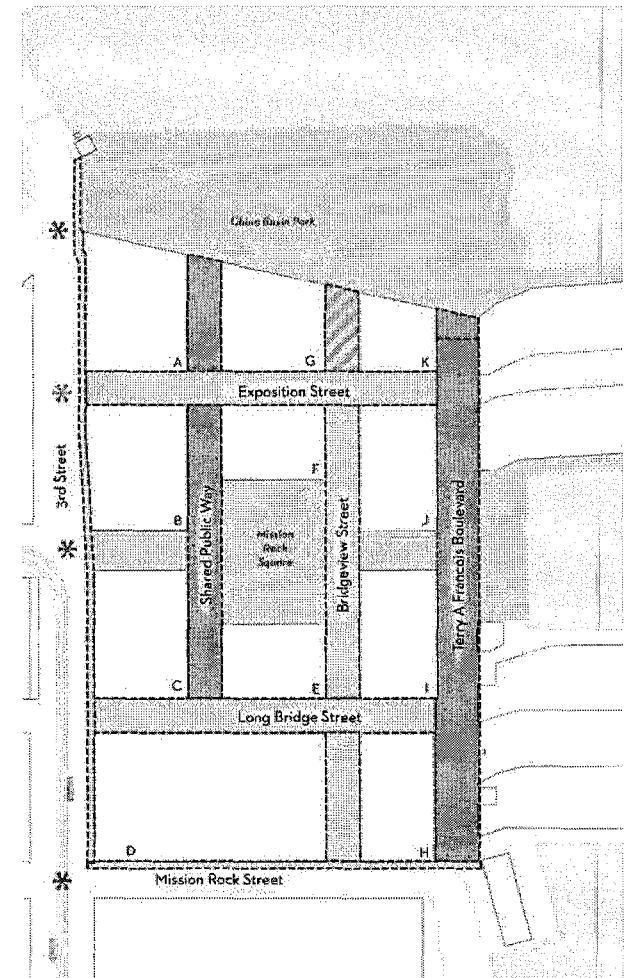
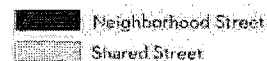
As specified in the Design Controls, all crossings will be marked using high visibility paint and other treatments, and all curbs will include ramps to facilitate accessible paths of travel. Some will be reinforced by bulbouts that bring curbs to the edge of travel lanes, shortening crossing distances and making pedestrians who are readying to cross more visible to drivers. At others, "tabletop" treatments will bring the roadway to sidewalk level and change paving materials through intersections. The changes in grade and visual treatment have been shown to make motorists instinctively slow down through these sensitive zones.

On the site's curbed streets, a combination of street furnishings, lighting treatments, and generous sidewalks will make pedestrian space vibrant, inviting, and comfortable even when pedestrian volumes are higher before and after events. Lighting will be at a pedestrian scale, and furnishings like benches and planters will create variety and a sense of protection from vehicle flows between the curbs. All three north-south streets will transition seamlessly into China Basin Park via vehicle-free zones at their northern ends.

### 3.1.1 SHARED STREETS

Shared streets, in which all modes mix across the entire street cross-section, will form the backbone of north-south pedestrian circulation, strategically placed along key paths of travel. These streets will be curbless, following street design approaches seen in Europe along key walking corridors and high streets. Visual and tactile cues like changes in the color or texture of pavers, bollards, street furniture, light fixtures, plantings, and tactile warning strips will differentiate between areas dedicated to pedestrian movement and areas shared by pedestrians, bicycles, and vehicles. These types of streets are somewhat rare in San Francisco, but the Mission Rock team has worked closely with the City to design the streets in a way that works with local norms and regulations. The Design Controls document describes the design of these streets in more detail.

The Shared Public Way will be a key retail corridor through the site, creating a vibrant connection between AT&T Park to the north and the ballpark's main parking facility at the southern end of Mission Rock. Lined with ground-floor shops and cafes, the street will feature



Street types on the Mission Rock site



patio seating and displays that extend the ground-floor uses into the right-of-way, creating “street rooms” that invite people to stroll and linger. The street will only allow northbound vehicle movement, and entrances to the zone will feature signs and other visual cues to make clear that vehicle access is for drop-off, pick-up, and deliveries only.

Terry A. Francois Boulevard, along the eastern edge of the site, will be a slightly different shared street, mixing the area’s maritime history with a newer identity as a place where people come together for all kinds of activities. The boulevard will feature a slow two-way, plaza-like shared zone for all modes between wide zones reserved for walking, biking, and loading. The San Francisco Bay Trail will extend through the site on the east side of the street, and the west side will allow pedestrian and loading access to ground-floor maker spaces, which will be raised slightly above street level in an ode to traditional industrial and warehouse building vocabulary.







### 3.1.2 BICYCLE FACILITIES AND CIRCULATION

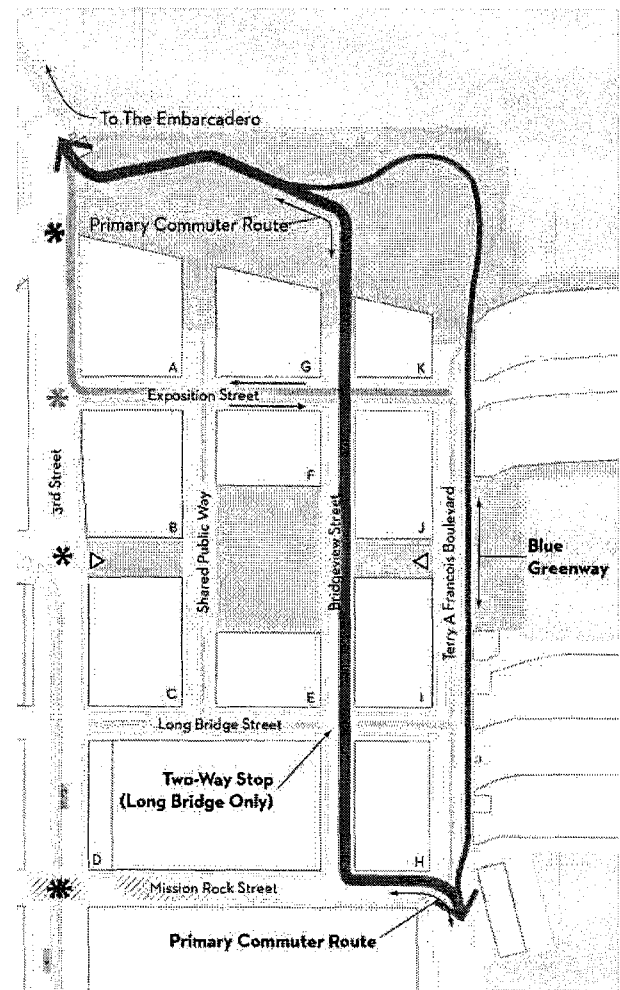
In keeping with the rest of the transportation program, Mission Rock’s approach to bicycle circulation is about providing a multitude of choices, with facilities designed for leisurely riders along the waterfront and higher speed facilities along more direct routes to SoMa, Downtown, and other points north of the site.

Even in cities with higher rates of bicycle commuting like San Francisco, researchers estimate that a considerable number of additional people might consider cycling if there were a network of slower, more protected facilities that made them feel safe and comfortable while riding. Mission Rock will provide routes to and through the site that speak to this need, and these facilities will connect to a large and growing network of bicycle facilities in the surrounding area.

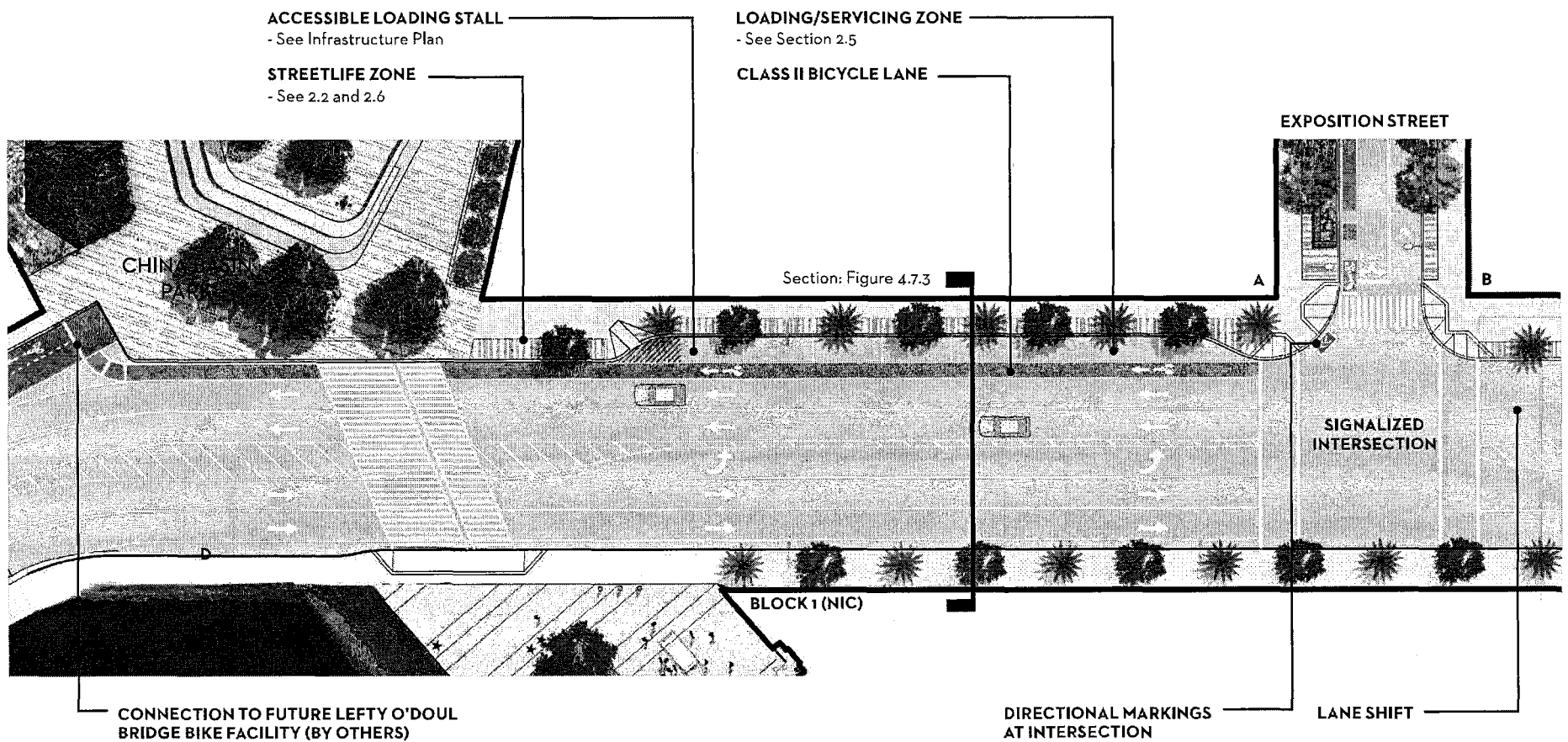
The San Francisco Bay Trail’s connection through the site will provide a comfortable route for cyclists of all ages. Visual cues at north and south gateways to the multi-use path will encourage slower bicycle speeds, opening space for younger and older cyclists, as well as pedestrians. The figures on the following pages show how the bicycle facility is anticipated to connect into the City’s bicycle network on the north and south ends. For more detail on the proposed design of these intersections or other streets, see Chapter 4 of the Design Controls.

A cycle track route along Bridgeview Street will provide a higher speed connection between the Embarcadero and points south of the site for commuters and more

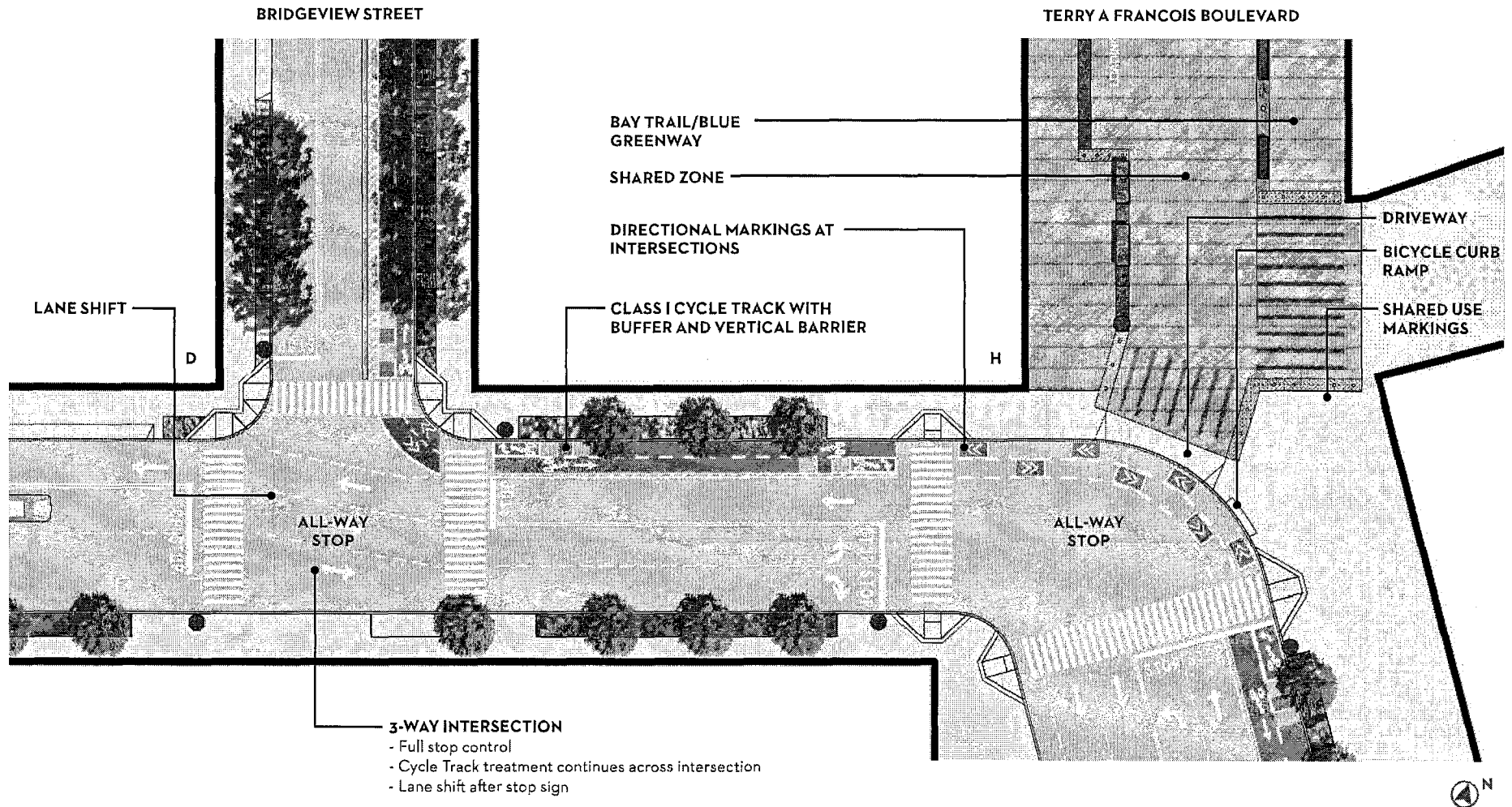
-  Planned Bike Path (Class I/IV)
-  Planned Bike Lane (Class II)
-  Planned Bike Route (Class III)
-  Existing Signal Location
-  Planned Signal Location
-  Access to Below-Grade Parking (if provided)



Bicycle circulation concept



A northbound buffered bicycle lane would provide commuters an alternative to traveling through China Basin Park to connect to a planned two-way cycle track across Lefty O'Doul Bridge.



Cyclists on a planned two-way cycle track along Terry A. Francois Boulevard to the south will have two high quality options at the southeastern corner of Mission Rock. Some may choose to continue on Terry A. Francois Boulevard, but those seeking a faster route will be able to connect seamlessly to a two-way cycle track on Bridgeview Street via Mission Rock Street.



experienced cyclists. A raised and green-painted two-way track protected by a painted buffer zone and soft-hit posts or another buffering approach will clearly reserve a piece of the right-of-way for cyclists. A two-way stop will control cross-traffic on Long Bridge Street to enable a faster and smoother ride for north- and south-bound cyclists. The intersection will be raised to the level of the cycle track to slow cars as they approach and move through the intersection. To connect to high quality bicycle facilities planned for Lefty O'Doul Bridge and the Embarcadero, the route will rejoin the San Francisco Bay Trail in China Basin Park. Northbound cyclists will be able to bypass the park via a painted bicycle lane along Exposition and 3rd streets.

The Design Controls document contains more detail on the planned design of these facilities. That document will be updated as the design team works with the City to ensure that bicycle facilities on the site connect seamlessly to improved facilities north and south of the site, to be implemented in the next several years.

For cyclists with destinations in Mission Rock, the site will provide a variety of bicycle storage options, including a network of spaces in public areas and conveniently located secure spaces inside the site's residential and office buildings. The project team anticipates that an existing bike share provider will install at least one bike share pod on the site, connecting to the much expanded bike share network that hit San Francisco streets in 2017.



Bridgeview Street imagined, with a two-way cycle track providing a faster option for commuters.

## 3.2 TRANSIT ACCESS

The Mission Rock site offers close, comfortable connections to several fast, high frequency, and high capacity transit options. By the time Mission Rock opens for occupancy, the T-Third Muni light rail line will have begun providing quick access to Market Street via 4th Street and the Central Subway (Mission Rock Station is located adjacent to the site, at the intersection of 3rd and Mission Rock streets). Caltrain's San Francisco terminal is a 10-minute walk from the site at 4th and King streets, and BART will be a 20-minute walk or quick T-Third ride away. Bay Area Bike Share will also provide a fast and convenient way to get to transit nodes like Market Street's subway stations and the Transbay Terminal.

The project team will implement a multi-pronged signage and wayfinding strategy to ensure that residents, employees, and visitors understand just how convenient it is to access these high quality mobility options. Outdoor static wayfinding will show basic directions and distances to nearby transit stops, and interactive information kiosks in key places on the site will provide access to more specific directions and real-time transit service information. For residents and employees, a Mission Rock website and screens in building lobbies will both show real-time transit information.

Elements of the site's transportation demand management program will also encourage transit use. See Chapter 4 and the Mission Rock TDM Strategy for more information on transit-supportive programs and incentives.



Transit screens set up in an office lobby (TRANSITSOURCE.COM)



Wayfinding signage in Amsterdam (FLUKEER, ANDREY BARMINSKY)



Interactive information kiosk (SAGE 3D)



Directional wayfinding to transit (FLUKEER, CHRIS HEATON-COTTE)

## 3.3 VEHICULAR CIRCULATION

Mission Rock's street network will be dense, highly connective, and strongly tied into its surroundings. The interior street grid will link up with the developing Mission Bay street network at several points, continuing east-west and north-south streets that currently dead-end at the edges of the project site. Bridgeview Way, which today runs between South Street and the southern border of the project site at Mission Rock Street, will continue as Bridgeview Street through the site to China Basin Park. Long Bridge Street, which today links Third and Fourth Streets will extend to the waterfront at Terry A. Francois Boulevard.

Most vehicles will enter the site from 3rd Street, the main north-south vehicular route through Mission Bay. The figures on this page show estimated relative vehicle flows through the site at peak periods, extrapolated from traffic modeling done for the Transportation Impact Study.

The site's approach to providing parking would place a single garage near the southwestern corner of the project site, which would keep most private vehicle traffic at the southern and western edges of the site. The project's entitlement documents also include an alternative parking approach that would distribute the site's parking supply between an above-ground facility at the site's southwest corner and a smaller facility under Mission Rock Square.

Vehicular circulation through the rest of the site should mostly consist of delivery vehicles and cars dropping off

or picking up passengers. Mission Rock will proactively manage commercial delivery activity, discouraging deliveries during commute periods and encouraging them instead in the early morning hours or late at night. The Mission Rock team will put together a detailed loading management plan for each phase of the project. The team will also work with tenants that are likely to regularly receive large-truck deliveries, such as potential tenants in Pier 48, to ensure that individual deliveries are appropriately staffed to maintain safe conditions for other street users.

As specified in the Design Controls, passenger loading spaces on the Shared Public Way, Bridgeview Street, Long Bridge Street, and Terry A. Francois Boulevard each have curb conditions that meet the standards of the Americans with Disabilities Act, for pick-up and drop-off of passengers with mobility limitations. During specified hours, parcel delivery will be concentrated around commercial loading zones on 3rd, Exposition, and Long Bridge streets and Terry A. Francois Boulevard. Outside of those hours, these spaces would open up to use by private cars picking up and dropping off passengers and for-hire passenger vehicles like taxis and TNCs.

The shared streets - Shared Public Way and Terry A. Francois Boulevard - are expected to see very low traffic volumes, consisting mainly of loading for passengers with mobility limitations. "Traffic calming" treatments like changes in paving materials and changes in roadway grades will help ensure that volumes and speeds stay low

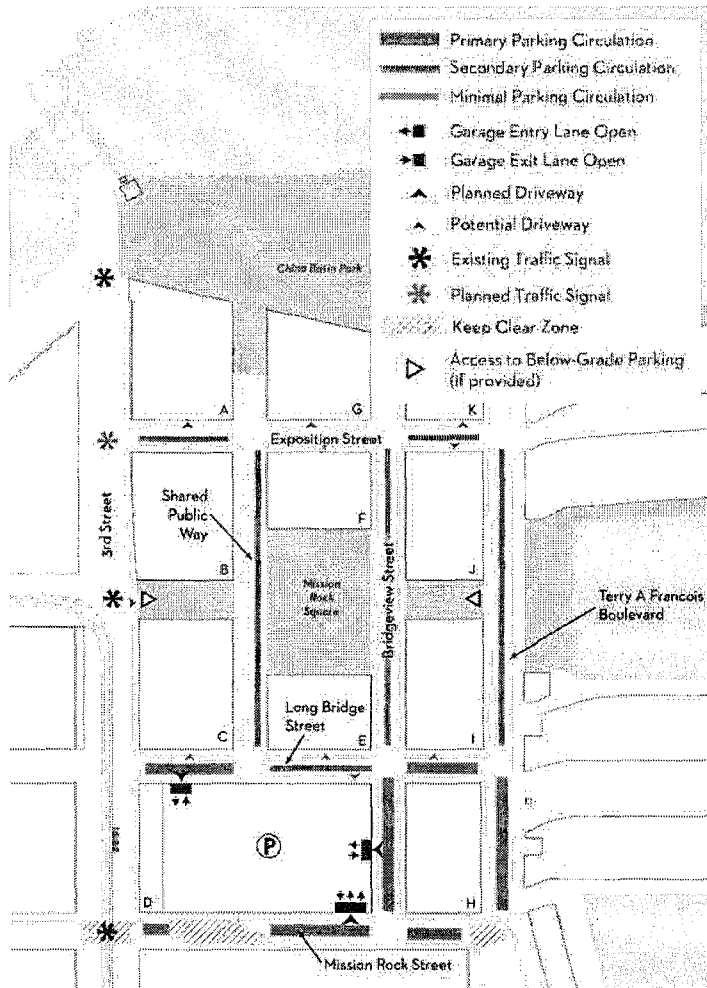
(see the Design Controls for more detail). If all parking is concentrated in a single facility at the southwest corner of the site, Channel Lane and Channel Street will each be closed to vehicle traffic. If the project ultimately includes a parking facility under Mission Rock Square, one or both streets may provide vehicle access to the facility.

### 3.3.1 INTERSECTION CONTROLS

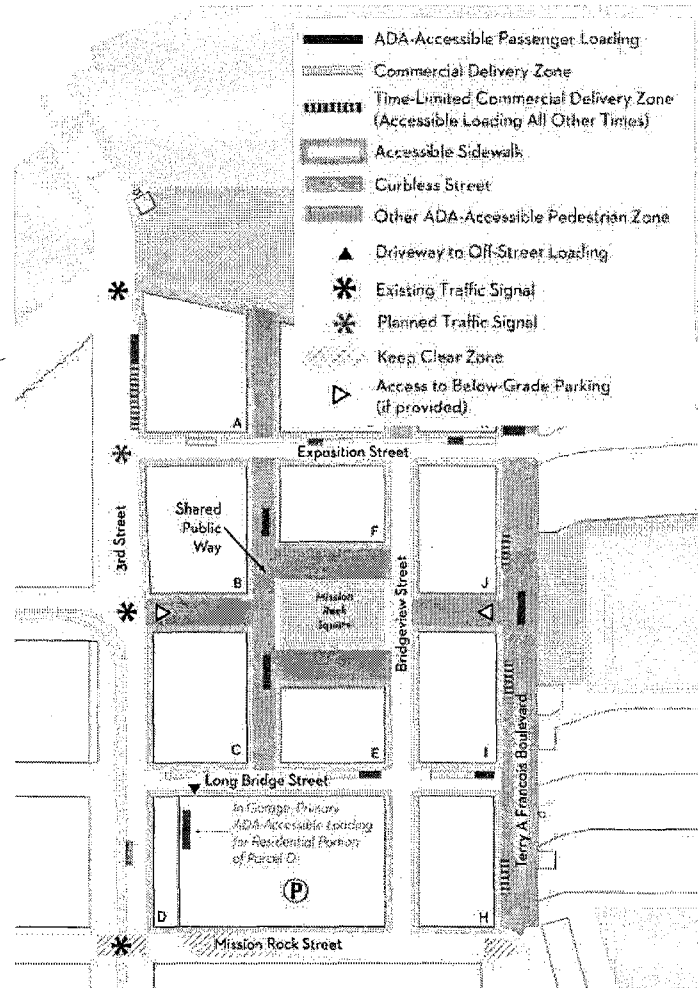
Most internal intersections will be controlled by all-way stop signs. As noted earlier, one intersection along Bridgeview Street will only stop cross traffic on Long Bridge Street to allow for smooth and efficient cycling along the route.

Third Street's interfaces with Mission Rock and Channel streets will be controlled by traffic signals, as they are today. A signal that currently controls the intersection of 3rd Street and Terry A. Francois Boulevard and halts traffic when Lefty O'Doul Bridge is raised for boat traffic entering Mission Creek is anticipated to remain where it is, allowing for signalized control of what will be an important pedestrian and bicycle connection between China Basin Park and a linear park on the west side of 3rd Street. An additional signal is planned at the intersection of 3rd and Exposition streets. The exact sequence of signals along 3rd Street will be determined by the San Francisco Municipal Transportation Agency and the Department of Public Works.

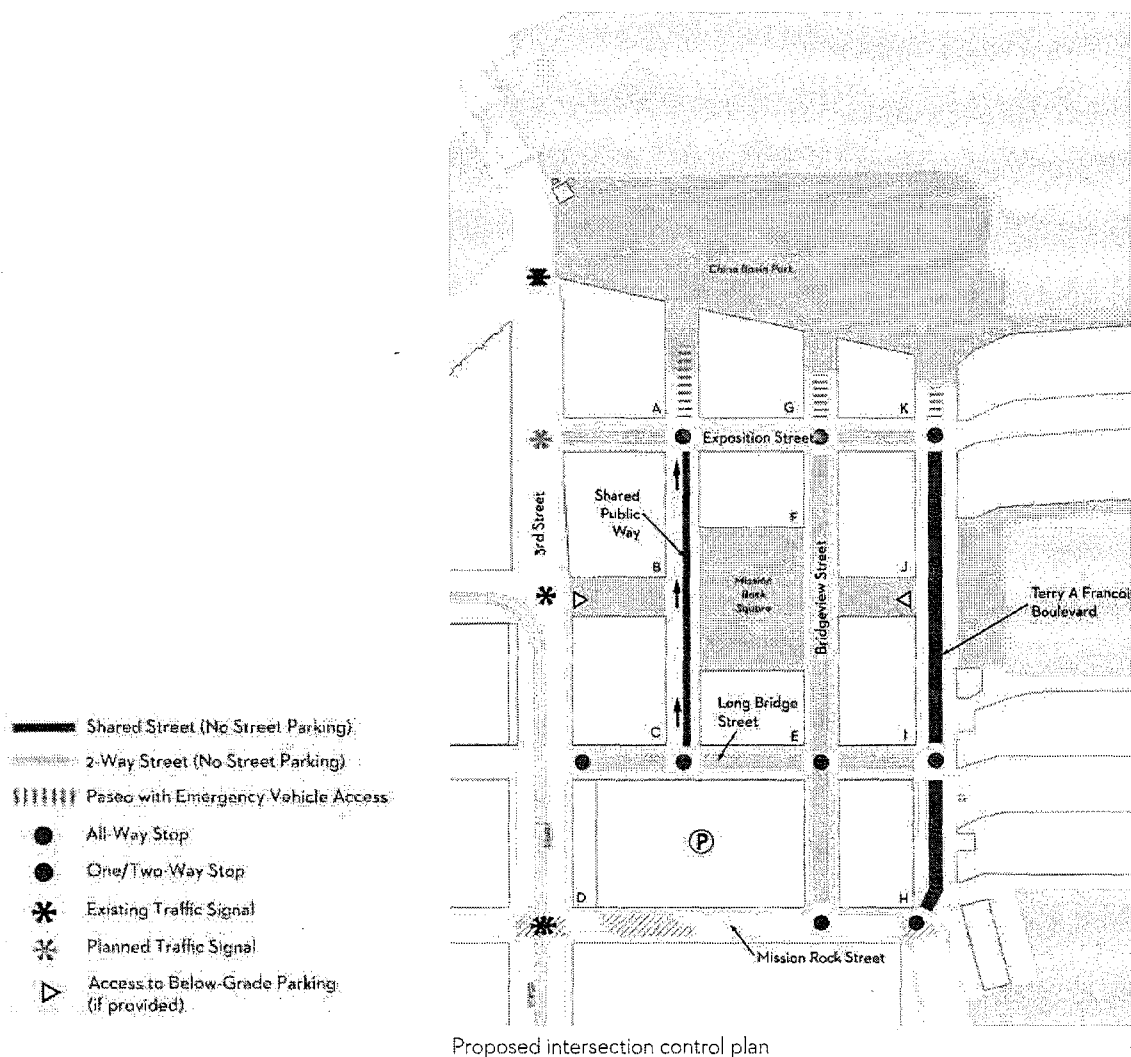
In keeping with the way major entries and exits from AT&T Park's main parking lot are managed before and after events today, intersections around the site's



Relative parking-related vehicle flows and garage access control plan (one-garage scenario)



Planned passenger loading zones



parking garage may be controlled by traffic control personnel (also known as parking control officers, or PCOs) before and after events. The number and location of PCOs will be identified in the project's development agreement with the City. See Chapter 5 for more on traffic control before and after major events.

### 3.3.2 PARKING

Strategic parking management is a cornerstone of the Mission Rock transportation program. A parking garage on the site's southwestern parcel will be the site's main parking facility, with 2,300 to 3,000 of the maximum of 3,100 parking spaces allowed on-site, per the development's entitlement documents. The garage will be used to serve the needs of both users of Mission Rock and users of AT&T Park, replacing the surface parking lot that currently covers the entire site. The site's entitlement documents include an alternative parking approach that could reduce the size of the main garage and locate some of the site's parking supply in a smaller facility under Mission Rock Square.

The site's parking supply will be managed around major AT&T Park events in much the same way as the surface lot is today: To ensure that there is adequate space available for event attendees, prices will be raised around event times to clear the garage at the site's southwest corner. When there is not an AT&T Park event on the calendar, available capacity in the facility could serve the needs of some users of Chase Center (the Golden State Warriors' planned arena and event center at 16th and 3rd streets) as well.

Outside of event times, most parking at Mission Rock will be a resource shared flexibly by all of the users of the site. This arrangement is an alternative to the traditional suburban model of requiring that a certain number of spaces be reserved for each individual use (i.e. office, residential, retail, or restaurant), with enough to accommodate each use's estimated peak demand. Sharing allows a more limited number of spaces to go further by taking advantage of the fact that different uses have different peak periods. For example, peak demand for parking related to office uses tends to take place in the late morning or early afternoon, while peak demand for residential uses is typically overnight. One set of parking spaces can serve both needs. The figures at the right illustrate how this approach to parking management typically results in the need for fewer spaces.

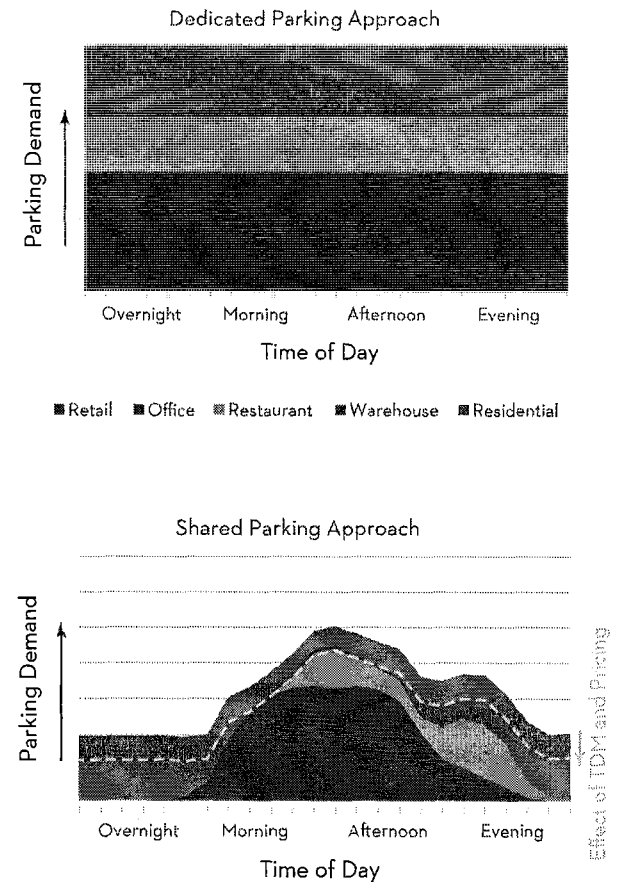
While most spaces will be designed for a typical self-park arrangement, with parking stall widths of eight to nine feet and vehicle circulation lanes, a portion of the spaces for long-term users could be in more

space-efficient vehicle stackers. Approximately 60 of the vehicle spaces will also be reserved for car share and scooter share vehicles (see additional information about vehicle sharing programs in Chapter 4).

### 3.3.2.1 Parking Pricing

The price of parking has been shown to be a highly effective mechanism in changing parking and travel behavior. Parking prices at Mission Rock will be set according to levels of demand: During times with higher levels of typical demand, parking might have a higher price, encouraging the use of other modes. Prices would not change in real time based on current occupancy, but might be adjusted overall a few times a year based on recent occupancy data. Prices might automatically increase by a pre-set amount during peak periods, based on typical demand patterns, or for scheduled events.

Given the project's desire to encourage people to the most sustainable mode that fits their lifestyle, hourly, daily, and monthly parking prices will be set based



*These figures illustrate how the concept of shared parking often results in reduced parking supplies overall. Because different uses see peak demand at different times, the total parking needed at any given time in a shared arrangement can be as much as one third less than what would be needed if each use had to accommodate peak demand separately. Pricing and TDM can reduce demand further.*

on market prices in the surrounding neighborhood. Disseminating pricing and availability information is critical to ensuring that users are able to change behavior in response to changes in price. Real-time parking information will be shared in a variety of ways, including the Mission Rock website and dynamic signs at entrances to the site.

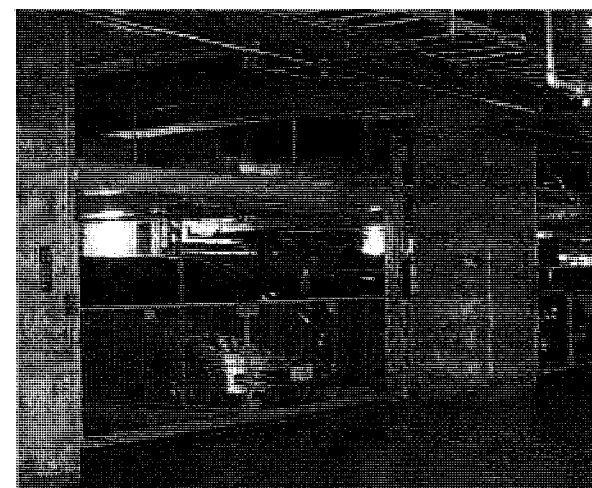
The price of parking at Mission Rock will be unbundled from residential and commercial leases, which means parking will not be included in rental agreements by default – residents and employees will need to purchase a daily or monthly parking permit separately. This approach is in-line with City of San Francisco policy and ensures that site users who do not own a car or do not plan to commute to the site by single-occupancy vehicle are not burdened with the price of parking they do not plan to use.

### 3.3.3 EMERGENCY ACCESS

All of Mission Rock's streets have been designed to provide appropriate clearance for emergency vehicles like large fire trucks. Corners have also been designed to accommodate the turning needs of large vehicles. The site's highly connective street grid will help facilitate emergency access to all of the site's buildings. Streets closed to general vehicle traffic will be made accessible to emergency vehicles as needed. The Infrastructure Plan contains further detail on the streets' technical specifications that allow for the safe circulation of emergency and other larger vehicles.



Dynamic parking information board (HIELSONNYGAARD)



Car stacker (SAEPARETOSOLUTIONS.COM.AU)

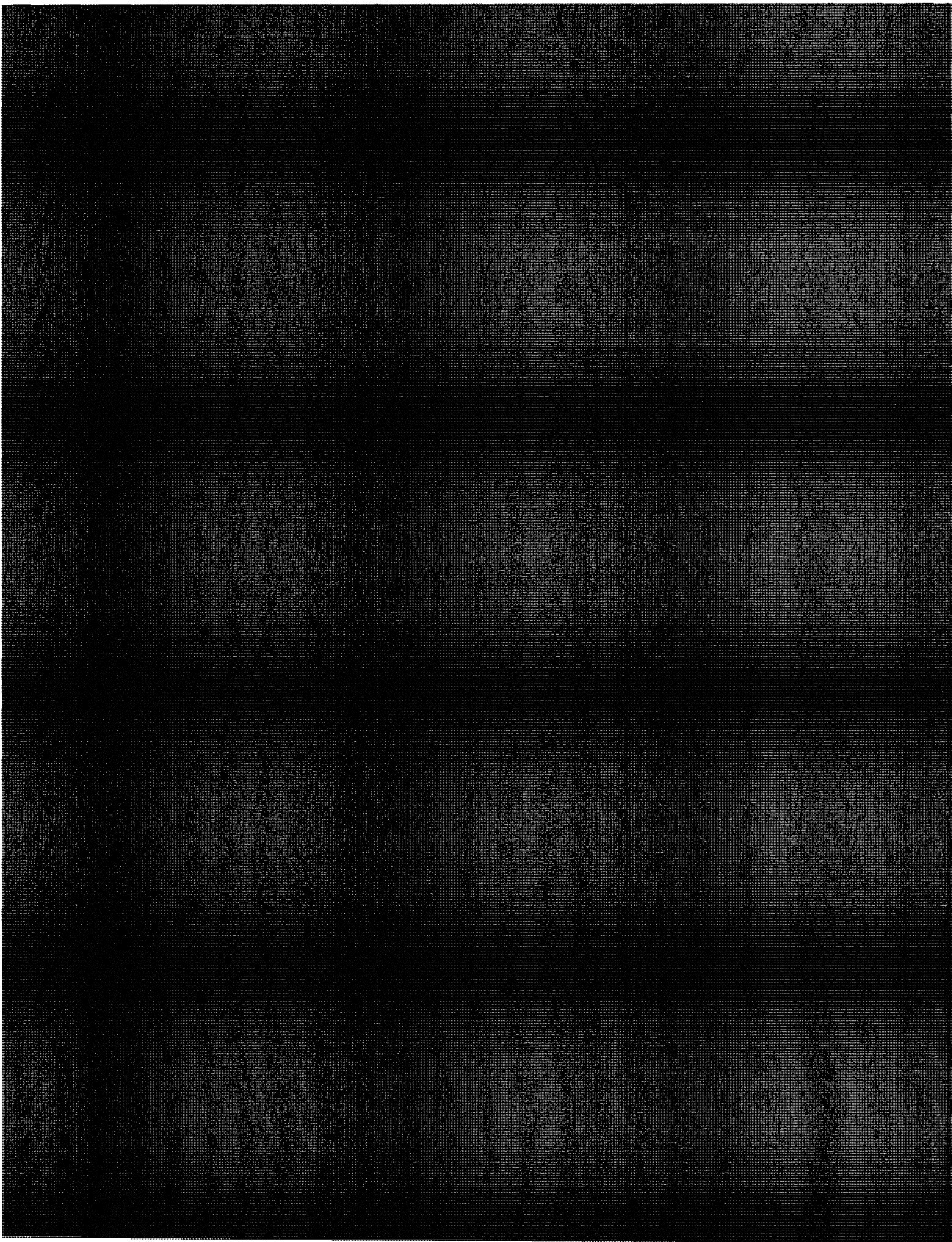
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## 3.4 CONCLUSIONS

Mission Rock's design reflects the future of transportation in San Francisco. More and more, people count on having convenient access to several ways of getting around, and Mission Rock provides comfortable facilities for all kinds of lifestyles. Mission Rock is designed to be safe and comfortable to pedestrians and cyclists, to create easy paths of access to the wealth of nearby public transit options, and to ensure that those who rely on motorized transportation can be dropped off or picked up in convenient locations around the site.

Of course, circulation infrastructure is only part of the program. The next chapter details the strategies and up-front investments that will help further provide incentives for the use of sustainable, space-efficient modes of transportation.





Mission Rock's transit-rich context and its bicycle and pedestrian-oriented approach make the site a prime candidate for robust and effective transportation demand management (TDM).

# 04

## TRANSPORTATION DEMAND MANAGEMENT

This chapter summarizes a comprehensive TDM program. TDM program will reinforce Mission Rock's forward-thinking vision and its aspirations to be an active and vibrant district that is inclusive and safe for all users. That will enable Mission Rock to actively manage travel demand through a variety of up-front infrastructure investments and ongoing programs. Ultimately, a robust

## 4.1 PLANNED STRATEGIES

Cities and campuses alike have implemented TDM programs to reduce single-occupancy vehicle (SOV) travel and find the optimal balance of transportation modes to accommodate growth. New residents and office tenants increasingly demand convenient access to quality multimodal infrastructure, and in urban areas like San Francisco, they assume that parking will be treated as a limited commodity that will be priced based on occupancy levels and market rates. The Mission Rock TDM Plan is in line with these expectations and exceeds them in important ways to maximize user satisfaction and foster travel choices that are sustainable in all senses of the word.

As summarized in this chapter, the Mission Rock TDM Plan consists of a package of cost-effective strategies that will work together to affect behavioral change. Strategies include incentives, programs, and infrastructure improvements, and they include many that have been successfully implemented in other mixed-use and urban environments. The package of strategies aims to reduce the number of daily SOV trips to the project site (as projected in the site's environmental impact report) by 20%.

The tables on this and the opposite page give an overview of the individual programs that comprise the site's overall TDM Plan. The text that follows provides some information on these programs; complete operational details are included in a separate TDM Plan document. A few of these recommendations have also been directly integrated into the design of Mission Rock, as codified in the Design Controls and other design documents.

Note that TDM programs work together to reduce demand, providing users with a complete package of incentives and infrastructure that can allow them the flexibility to use the mode that makes the most sense for them on a given day. This is in-line with the overall approach to transportation at Mission Rock - providing a variety of high quality mobility choices.

The collection of programs has been thoughtfully crafted into the cohesive strategy outlined in this chapter and further detailed in the TDM Plan document. While some TDM strategies like parking pricing have a more direct effect on travel behavior, others like facilitating delivery services play a more supportive role. Individual strategies would be unlikely to have the same impact in the absence of other strategies.

MEASURE TYPE	INFRASTRUCTURE AND POLICY	OPERATIONAL	
4.1.1 TRANSIT	4.1.1.1 Real-Time Transit Information and Marketing Screens	4.1.1.1 Dynamic Transportation Information	4.1.1.2 Transit Subsidies
4.1.2 BICYCLE	4.1.2.1 On-Site Bike Share 4.1.2.5 Bicycle Parking 4.1.2.6 Showers and Lockers	4.1.2.2 Bike Share Memberships 4.1.2.3 Bicycle Community Programming	4.1.2.4 Bicycle Resource Centers 4.1.2.7 Bicycle Valet
4.1.3 MOTORIZED TRANSPORT	4.1.3.1 On-Site Shared Scooters 4.1.3.3 On-Site Car Share Parking Spaces	4.1.3.2 Scooter Share Memberships	4.1.3.4 Car Share Memberships
4.1.4 PARKING	4.1.4.3 Unbundled Parking	4.1.4.1 Parking Pricing 4.1.4.2 Real-time Parking Pricing and Availability Information	
4.1.5 BUILDINGS	4.1.5.4 Cold and Dry Delivery Storage Space 4.1.5.5 Convenient Zones for Loading and Building Servicing 4.1.5.6 Childcare Facilities 4.1.5.7 Collaborative Work Space 4.1.5.8 Affordable Housing	4.1.5.1 In-Building Concierge Services 4.1.5.2 Coordinated Delivery Services	4.1.5.3 CSA Partnerships 4.1.5.6 Childcare Services
4.1.6 ALL AREAS	4.1.6.1 Signage & Wayfinding Across Modes 4.1.6.4 Improved Walking Conditions	4.1.6.2 Mobile-Friendly Mission Rock Transportation Website 4.1.6.3 Site-wide transportation staff	

#### 4.1.1 TRANSIT STRATEGIES

##### 4.1.1.1 Real-time Transit Information and Marketing Screens

Dynamic transit information and transportation marketing to residents, employees, and visitors will be displayed on screens in building lobbies, or a similar approach will be used based on state-of-the-practice technology at the time of occupancy. Information will be also displayed in other high traffic areas, such as collaborative work spaces inside residential and office buildings around the site or childcare facility entrances. Making such information readily available can increase residents' awareness of local transit options and facilitate efficient trip planning.

##### 4.1.1.2 Transit Subsidies

Clipper Cards pre-loaded with some cash value will be provided to all residents upon move-in, and business tenants will be required to offer employees the same. Clipper is the Bay Area's transit fare payment card and can be used on more than 20 of the region's transit agencies, including BART, Muni, and the ferries. Providing Clipper Cards upon move-in can increase residents' awareness of nearby transit options and increases the ease with which they can start using it. Clipper Cards can also be customized through a bulk purchase through the Metropolitan Transportation Commission, helping site users further associate Mission Rock with transit access.

Providing Clipper Cards could increase the ease of using transit for employees and residents who currently do not have Clipper. For individuals who already have cards, the one-time financial subsidy could help lower

one barrier to increased transit use.

#### 4.1.2 BICYCLE STRATEGIES

##### 4.1.2.1 On-Site Bike Share

At least one high visibility space will be made available for a Ford GoBike dock on-site, with the possibility of additional docks depending on Ford GoBike's intended Mission Bay expansion. Prominently located bike share docks can increase awareness of bike share as a viable transportation option while also facilitating use. Each bicycle dock would be provided and maintained by the Ford GoBike management company, Motivate, and the project team will work with the company to identify appropriate dock locations on the Mission Rock site.

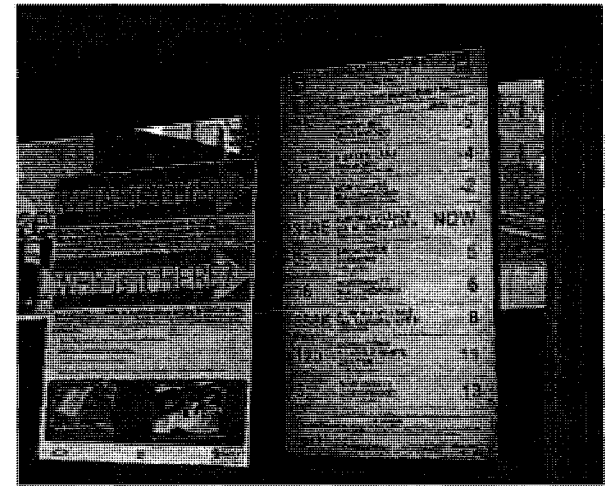
##### 4.1.2.2 Bike Share Memberships

Single-year Ford GoBike memberships will be offered to all residents 18 years or older upon move-in. Members of Ford GoBike can take free, unlimited 45-minute one-way bicycle rides between bike share stations.

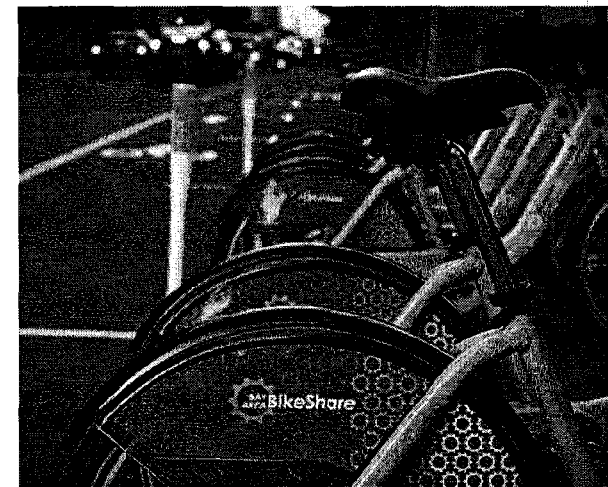
Providing residents with bike share memberships could help tenants with minimal experience cycling in San Francisco a low-cost and low-obligation opportunity to try cycling, and it would provide residents with a quick and easy way to get to the Transbay Transit Center and Market Street, for BART connections and a variety of other transit options and recreational activities.

##### 4.1.2.3 Bicycle Community Programming

Through the site transportation staff, regular bicycle parties or happy hours for the bicycling community will be hosted at Mission Rock, potentially paired with gear giveaways. Bicycle-oriented programs and events encourage bicycling by raising public acceptance and



Real-time transit information in Seattle (FLICKR USER BRIAN WHITNEY)



Bay Area Bike Share (FLICKR USER HANNO GRIENING)

support for non-motorized transportation and building connections between residents who regularly bicycle, making biking a fun, social activity. Integrating bicycling into the social fabric of the Mission Rock community will raise the profile of bicycling as a viable mode of transportation and encourage people to try biking for a portion of trips.

#### 4.1.2.4 Bicycle Resource Centers

Each building's secure bicycle parking area will be equipped with a bicycle maintenance space, with resources like a bicycle stand, a workbench, tools, and a basic repair kit. These dedicated spaces contribute to social acceptance of bicycling and reduce one key barrier associated with owning a bicycle – concern about complications related to ongoing maintenance – by providing tools and parts through a vending machine at low prices.

This measure will also include working to incorporate a bicycle store in the site retail plan and establishing a resource center containing a vending machine for bicycle parts, a “fix-it” work station with basic tools, and bicycle pumps somewhere else within the site at an easily accessible location.

#### 4.1.2.5 Bicycle Parking

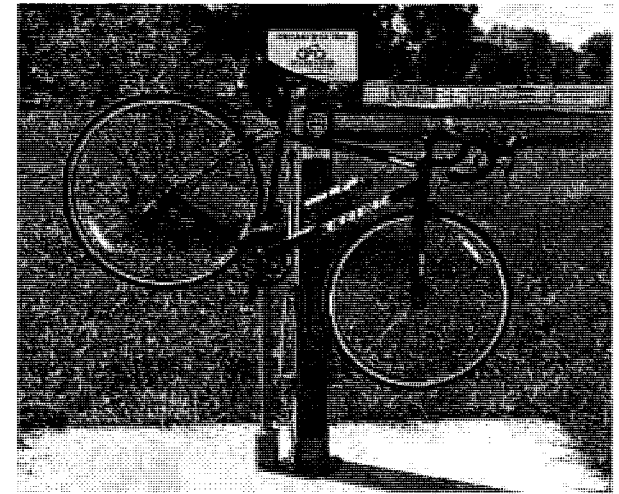
Given the importance of non-motorized transportation to the site's overall design concept, more bicycle parking will be provided than is required by San Francisco City Code. This will include secure Class I parking spaces in residential and office buildings and a network of Class II bicycle parking spaces throughout public areas.

Class I parking consists of secure long-term bicycle parking, including bicycle lockers, bicycle cages, and bicycle rooms. Class II bicycle parking refers to more short-term bicycle parking, including on-street bicycle racks. The site's location in a flat part of San Francisco and the numerous planned bicycle facilities through the site imply a strong potential for very high rates of bicycle usage, and this will be encouraged through easy access to ample, convenient bicycle parking. Bicycle parking facilities will also be available to accommodate various types of bicycles including those with cargo and trailer attachments.

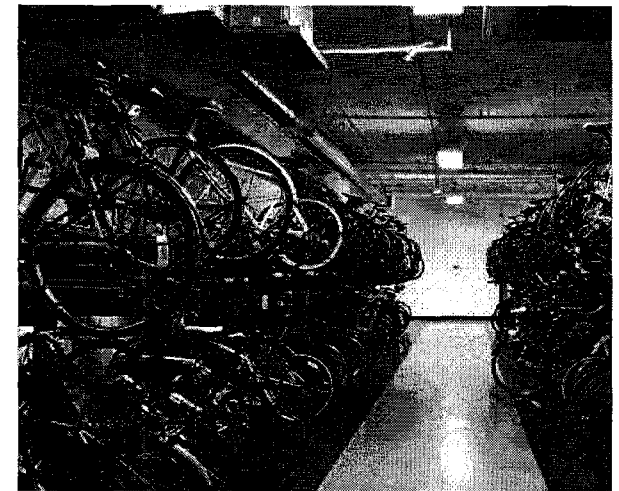
There are several methods of providing secure (Class I) bicycle parking spaces for residents and employees. The site will employ approaches that reflect best practices regarding secure short-term and long-term bicycle parking. For instance, one approach may be to locate bicycle cages at convenient locations within buildings, and bicycle owners who qualify can receive a key or access card to use the cages for a set period of time (e.g. during work hours). The access card can be the same as one used to access an elevator or parking garage. Public bicycle parking is often considered secure when it is situated in well-lit, highly visible areas.

#### 4.1.2.6 Showers and Lockers

The site will meet the San Francisco Code requirement to provide shower and clothes locker facilities for tenants and employees in buildings with certain uses. Offices (including childcare, business services, and light manufacturing) that exceed 10,000 square feet must provide at least one shower and six clothes lockers;



Bicycle fix-it station (FLICKR/USCIB/JOE)



Bicycle room (Class I parking) (WELLS/SHUTTERSTOCK)



for facilities between 20,000 and 50,000 square feet, the building must provide two showers and 12 lockers. Those exceeding 50,000 square feet must provide four showers and 24 lockers. Retail sales and restaurants exceeding 25,000 square feet must also provide one shower and six clothes lockers; those exceeding 50,000 square feet must provide at least two showers and 12 lockers.

#### **4.1.2.7 Bicycle Valet**

Free bicycle valet services will be provided for large on-site events (per code requirements). Complementing the bicycle parking available on a daily basis, bicycle valet services during special events can encourage people to travel to and from events by bicycle by eliminating the challenge of finding safe and convenient bicycle parking in an area crowded with event attendees. These services also raise public acceptance and support for non-motorized transportation by building connections with visitors.

### **4.1.3 MOTORIZED VEHICLE STRATEGIES**

#### **4.1.3.1 On-Site Shared Scooters**

Off-street parking spaces will be reserved for 15 to 20 shared scooters (approximately six car parking spaces in total). These spaces will be made available to scooter share companies at no cost. Electric scooters are highly convenient in a dense urban environment and may have additional marketing value, given the cache scooters carry among certain population segments. Scoot is a current provider of this type of service. One of the benefits of Scoot's network is the ability to travel point-to-point, instead of needing to return scooters

to their point of origin. Scoot already has pods within a short walk of Mission Rock. The parking garage would accommodate space for a scooter dock, which the scooter share vendor would provide and maintain.

#### **4.1.3.2 Electric Scooter Memberships**

Pending a partnership with Scoot Networks, a one-year Scoot membership will be offered to all new residents, and Scoot Networks could provide its scooter orientation on-site. Like a bike share membership, a scooter share membership could help establish new travel behavior patterns upon move-in. This measure would entail forming a partnership with Scoot or another electric scooter share vendor to provide free memberships in exchange to reserving space for electric scooter parking on-site.

#### **4.1.3.3 On-Site Car Share Parking Spaces**

Designated car share spaces will be provided in the parking garage, with flexibility to increase over time in response to demand. The number of spaces provided will exceed the amount required by the San Francisco Zoning Code. These spaces will be made available to car share companies at no cost.

Research indicates that a single car-share vehicle can remove as many as 20 private cars from the transportation network. Spaces will be located in high-visibility parking spots within the parking garage, which will be publicly accessible. Clear exterior signage will increase these spaces' visibility and emphasize the convenience of car share. Depending on the car share vendor provided, additional partnerships with ChargePoint may be required to provide infrastructure



SF Bicycle Coalition bicycle valet AT&T Park (NELSON WYGAARD)

for electric vehicle charging.

#### **4.1.3.4 Car Share Memberships**

Car share memberships will be offered to all households for their first year of residency. Depending on specifics of agreements with car share vendors, membership fees could be reduced or waived and some rental credit could be provided. These memberships could help establish new behavioral patterns upon moving in. Pairing access to car sharing vehicles with car sharing memberships is also shown to be more effective than implementing one or the other on its own.

#### 4.1.4 PARKING STRATEGIES

Priced and actively managed parking is a cornerstone of the Mission Rock transportation program. The following measures will ensure that driving is not the default choice for access to the site.

##### 4.1.4.1 Parking Pricing

The price of parking has been shown to be a highly effective mechanism in changing travel behavior, and as such, parking will be priced strategically at Mission Rock. During times of higher demand, parking might have a higher price, encouraging a higher rate of turnover and the use of other modes. Prices will not change in real time based on current occupancy, but instead might automatically increase by a pre-set amount during peak periods, based on typical demand patterns, or for scheduled events. Prices might be adjusted overall a few times a year based on recent occupancy data.

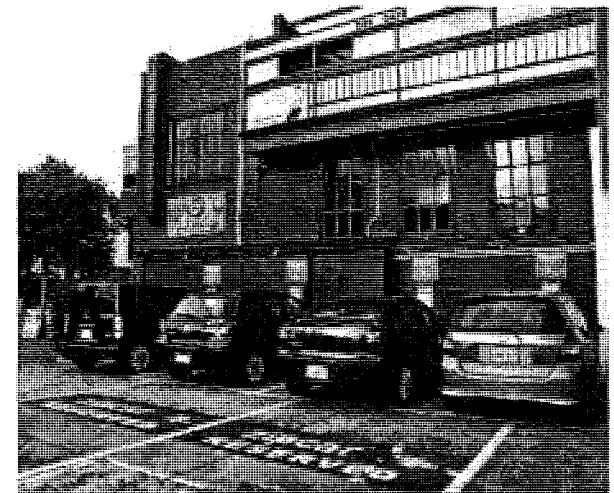
By refining the price of parking periodically, it would be possible to keep parking occupancy rates relatively close to the optimal level, typically around 90% for off-street parking. Researchers have found that parking facilities function efficiently (i.e. without requiring excessive parking-search time) up to roughly this level of occupancy. Demand-responsive pricing has been successfully piloted in San Francisco, Berkeley, Los Angeles, and other cities, and the AT&T Park lot on which Mission Rock will be built currently employs a form of this concept.

##### 4.1.4.2 Real-Time Parking Pricing and Availability Information

Dynamic displays (or another state-of-the-practice price-information sharing strategy) will be installed to show real-time parking price and availability information. This information will also be made available through other channels like a Mission Rock transportation website; this will require installing technology and associated information systems to automatically monitor parking usage. For market-based parking pricing to be truly effective, the dynamic between price and availability must be clearly communicated to drivers. Making such information readily available to potential drivers, particularly at parking garage entrances, decreases the likelihood of drivers' circling for parking or potentially increases the possibility of choosing other modes.

##### 4.1.4.3 Unbundled Parking

Parking costs will be unbundled from all residential, commercial, and retail leases and ensure that the users of parking are the ones who ultimately pay for it. In other words, individuals desiring parking will be required to pay the cost of parking themselves, and the price of parking will not be included in the leases of any residential or commercial tenants. "Unbundling" parking means that the cost for parking is separate from the cost of residential and commercial units. It is an increasingly common practice in urban areas, and it is required in San Francisco. Thirty percent of San Francisco households do not own a vehicle, and unbundled parking makes housing more affordable, particularly for those who do not need a parking space.



Car share spaces (NELSON\NYGAARD)



Parking pricing information sign (NELSON\NYGAARD)



This approach provides financial savings to households who decide to dispense with one of their cars, and it can help attract households who wish to live in a transit-oriented neighborhood where it is possible to live well with only one car, or even no car, per household. Unbundling parking costs changes parking from a required purchase to an optional amenity, so that households can freely choose how many spaces they wish to lease.

Unbundling parking tends to reduce demand for parking by specifically calling out and making optional the previously hidden cost of “free” parking. This in turn allows developers to provide less parking, which increases the area that can be developed with more lucrative land uses such as additional housing units. For this measure to work optimally for office users, the users of parking – not their employers – must be the ones who ultimately pay daily or monthly costs.

#### 4.1.5 BUILDING STRATEGIES

##### 4.1.5.1 In-Building Concierge Services

Mission Rock will work with the managers of individual buildings to appoint an in-building concierge to provide information about local merchants and coordinate/facilitate delivery services for residents. In-building concierge services and/or multi-purpose front-desk staff can facilitate valet parking, farm-to-table produce delivery, cold and dry storage for grocery or produce delivery, and secure package delivery. Concierge staff could also provide information about the nearest stores and services like dry cleaning and laundry service, as well as pickup/delivery services from local merchants.

Residents would pay for all services.

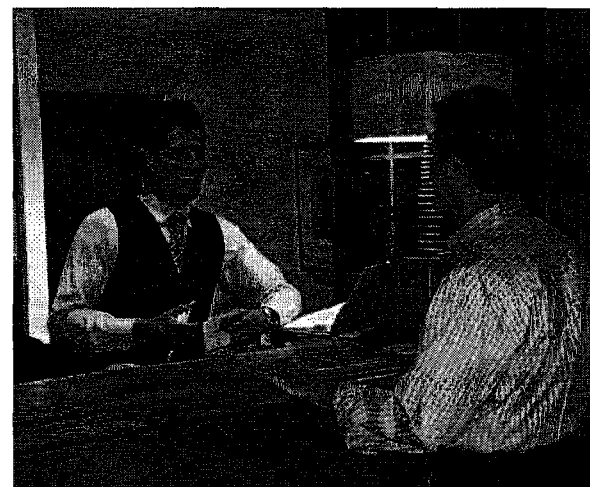
The site-wide transportation staff would provide centralized transportation support to the in-building concierges. The combination of these services will provide targeted travel information, consolidating or eliminating the need for additional trips.

##### 4.1.5.2 Coordinated Delivery Services

Mission Rock will consider partnering with delivery service companies, in addition to establishing a centralized staging location for parcel delivery and a distribution system that relies on non-motorized transportation to deliver packages to the various buildings within the development. In the absence of an official partnership, ways of making ordering in more appealing instead of making separate trips off the property for daily needs would be facilitated, thus reducing vehicle trips in the process. One potential way to do this would be to offer direct ordering through the Mission Rock website. Each building would manage these services individually as needed.

##### 4.1.5.3 Community-Supported Agriculture Partnerships

Local community-supported agriculture (CSA) deliveries will be coordinated. Fostering the use of local CSA organizations has the potential to reduce greenhouse gas emission and vehicle-trips by providing project residents convenient access to locally sourced food, reducing the number of trips and vehicle miles traveled by both vendors and consumers. This measure could also have marketing benefits and reinforce the site’s overall message about sustainability.



In-building concierge (Flicker User: ALAN LIGHT)



CSA box (Flicker User: NIKO SUDOLIN)

#### 4.1.5.4 Cold and Dry Delivery Storage Space

Mission Rock will work with individual building managers to provide storage space near the concierge and elevators to store packages, perishables, laundry, and other deliveries. Storage should be family friendly, including room to store car seats and strollers and near to car share locations. Providing storage space for groceries, laundry, and other packages can have a direct effect on reducing trips by encouraging and facilitating online ordering. A centralized storage facility within each building can also consolidate delivery trips by enabling delivery vehicles to only make one stop for multiple recipients instead of several.

#### 4.1.5.5 Convenient Zones for Loading and Building Servicing

Passenger loading and building servicing zones are integrated into Mission Rock's overall street design. These zones will reduce the need for personal vehicle trips by facilitating deliveries and also enabling easy pick-up and drop-off of seniors and people with disabilities by locating them near elevators and at corners with curb ramps.

#### 4.1.5.6 Childcare Facilities and Services

Mission Rock will aim to attract a provider of on-site childcare services and facilities to ensure easy access for Mission Rock residents and employees. Ensuring that childcare services are provided on-site at Mission Rock would break down a key barrier for parents to taking non-auto modes to work by bringing such services within walking distance and near the many commute options around the Mission Rock site. The

childcare services could be provided on the ground floor of a northern parcel, near China Basin Park. Other family-friendly amenities will also be established, including storage spaces with room to store car seats, strollers, and other family-related equipment.

#### 4.1.5.7 Collaborative Work Space

Mission Rock will work with the developers of individual parcels to establish a collaborative work space in each residential building. A typical offering in residential buildings today, business services rooms can help encourage and facilitate working from home, which can directly reduce trips to and from the site.

Work spaces could include for-rent work rooms that can be reserved in advance, equipped with video conference equipment, high-speed internet connections, projectors, white boards, basic office supplies, and printing, scanning, and faxing services. For residents interested in using this work space long term, dedicated mailboxes for businesses could be set aside and located nearby. The developers and managers of individual buildings will ultimately be responsible for developing and maintaining these business services rooms and ensuring that they are equipped with appropriate equipment.

#### 4.1.5.8 Affordable Housing

Forty percent of on-site units will be restricted to inclusionary affordable housing, to be provided in a balanced manner throughout the phasing of the development. Affordable units are generally associated with lower rates of auto trip-making, as residents living in affordable housing typically own fewer cars

per household than residents of market-priced units. They are more likely to use transit and are less likely to require parking, reducing overall vehicle trip generation.

### 4.1.6 ALL-REALM STRATEGIES

#### 4.1.6.1 Signage and Wayfinding across Modes

ADA compliant signage and wayfinding will be installed at key points throughout the development. Signs can help indicate points of connection between different modes, as well as estimated travel times and directions by mode, and they can help increase people's understanding of travel options. Clear signage is also important for ensuring safety for all types of users, differentiating spaces for different users within shared public spaces.



Transit-focused wayfinding (NELSON/CLAYCO)

#### 4.1.6.2 Mobile-Friendly Mission Rock Transportation Website

An ADA compliant site-wide website will be maintained with a dynamic and engaging section dedicated to transportation information and services, with specific portals for each user type (or the state-of-the-practice equivalent to this measure, per changes in technology by the time of first occupancy). A mobile-friendly website oriented toward all residents, employees, and visitors providing online access to concierge services and transportation programs can help raise awareness and visibility of transportation options and facilitates connections among transportation modes. The transportation information on the website will likely include but not be limited to real-time transit information and a transportation tab with all nearby options (e.g. Muni, car share, scooter share, ride-sourcing apps) showing locations and availability.



The informative website of a TMA in Mountain View. The site is mobile-friendly, as the images on the next page show.

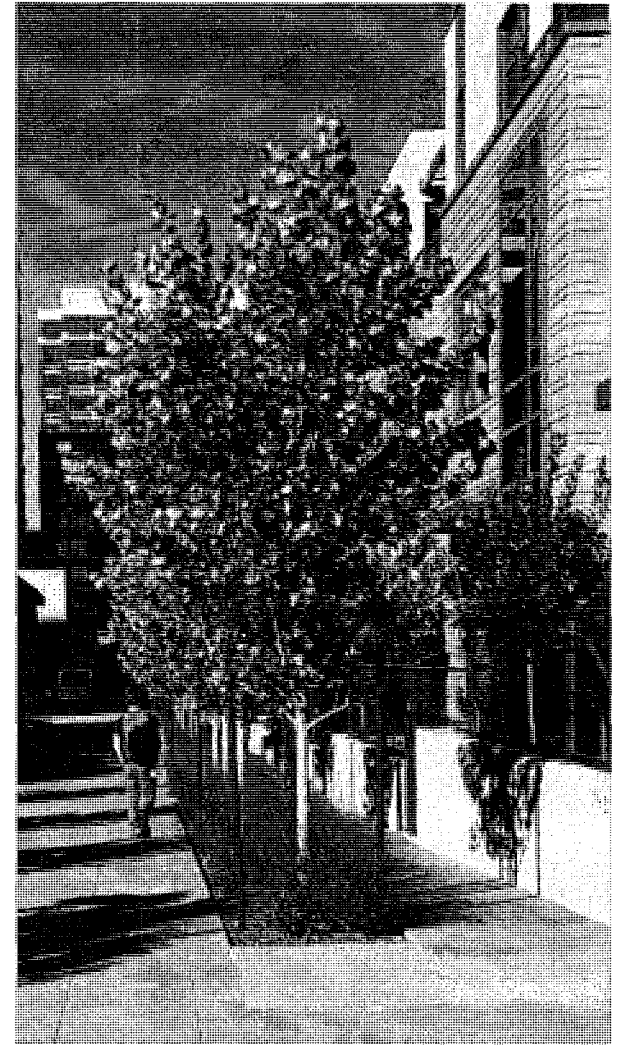
#### 4.1.6.3 On-Site Transportation Staff

A site-wide, dedicated transportation staff will be hired and tasked with providing individualized advice and information on transportation options to residents and employees. This can help raise awareness and understanding of transportation options and ensure that site users can find non-auto transportation options that meet their unique travel needs.

Other staff, such as the in-building concierge or those tasked with organizing bicycle events and maintaining the bicycle resource room, could also provide similar targeted information and facilitate discussions around using different modes. This dedicated transportation staff would act as a centralized transportation resource to the in-building concierges, providing up-to-date transportation information and expert support to front-line staff that are less likely to have the same depth of knowledge of the transportation system. Staff responsibilities may include active campaigns encouraging sustainable trip-making.

#### 4.1.6.4 Improved Walking Conditions

High-quality pedestrian design features (high connectivity, wide sidewalks, highly visible crossings, and others) are directly integrated in the design of Mission Rock. As described in the Mission Rock Design Controls, the development will add over half a mile of complete streets, including new and improved sidewalks and pedestrian crossings. Today, many sidewalks in Mission Bay are narrow or missing in areas. The new streets within Mission Rock will greatly improve the overall walking conditions of the neighborhood and facilitate safer and more convenient pedestrian connections. A pedestrian-oriented urban design is essential for residents, employees, and visitors to fully take advantage of the other TDM strategies, supporting access to all of the available transportation options and programs throughout the site and nearby. These improvements help shape the environment for the other TDM strategies to succeed.



High-quality design for pedestrians (NELSON\NYGAARD)

## 4.2 MARKETING AND COMMUNICATIONS

A strong communication strategy is critical to the success of any TDM program, ensuring that residents, employees, and visitors receive information about relevant resources and incentives at appropriate times and through channels that are easily accessible. Incorporating consistent branding into all communications can help create a sense of place and establish a cohesive identity for the transportation program. Branding can be used to support marketing and communication efforts, particularly on signage and wayfinding, to emphasize that residents, employees, and visitors can travel seamlessly through the area.

The TDM strategies cited in the chapter include three main channels for transportation-related communications: its site-wide transportation staff, a mobile-friendly web portal for site users, and physical signage and other wayfinding mechanisms on site. This section includes examples of communication tactics and channels to illustrate how specific channels can help reach target audiences.

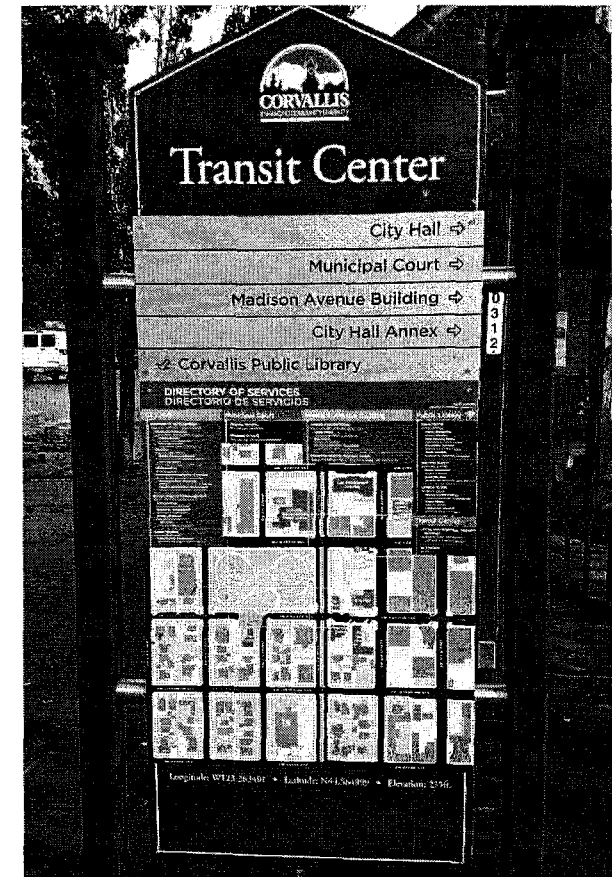
### 4.2.1 SITE-WIDE TRANSPORTATION STAFF

Led by a coordinator, Mission Rock transportation staff would be responsible for maintaining information about TDM programs and acting as a point of contact to assist residents, employees, and visitors with transportation-related questions, concerns, or general assistance. The transportation coordinator would have the authority to implement TDM strategies, oversee the management and marketing of all measures, manage the TDM program budget, and monitor success of the TDM program.

The transportation staff might also be responsible for compiling a print and/or electronic transportation handbook to be distributed to residents on move-in and employees on hiring. This handbook could include information on transportation programs, policies, and service options, in addition to the following information:

- ▶ Transportation staff contact information, including information for the in-building concierges (if relevant)
- ▶ How to access transportation information in other media and locations, such as the website, relevant mobile applications, and real-time screens
- ▶ Commute trip planning information, including links to the regional 511 Rideshare program
- ▶ Clipper Card and vehicle (including car, bicycle, and scooter) share membership subsidies and parking policies
- ▶ Information on accessing other TDM program details and amenities, such as the in-building storage facilities
- ▶ Walking and biking routes within the area, estimated walking and cycling times to key locations, including transit hubs, and a link to the San Francisco bicycle map
- ▶ Local transit options and schedules, including links to Muni, BART, and Caltrain schedules, route maps, and existing trip planner mobile applications

The handbook would be distributed to all prospective residential tenants and all prospective employees who receive an offer to work within the development as part of welcome packets or employee orientation, or posted



Signage that combines directional and map-based wayfinding (WILSON/STANLEYBAARD)

in prominent locations for all residents and employees.

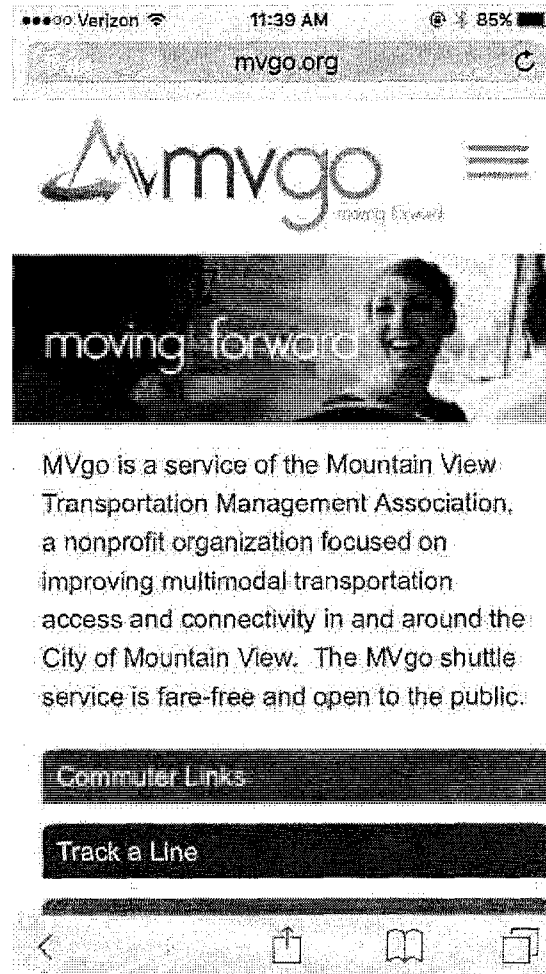
To make sure information stays useful to residents and employees over time, transportation staff will endeavor to keep all information and materials up to

date and relevant. Staff may also consider developing other transportation tools in addition to or instead of a handbook as appropriate, drawing on available best practices.

#### 4.2.2 MOBILE-FRIENDLY WEBSITE

Mobile-friendly websites are a way to create a dynamic and engaging repository for transportation information, point-to-point navigation tools, travel suggestions, user engagement campaigns, and other efforts to raise awareness of alternatives to drive-alone travel options and residents, employees, and visitors to use them. In addition to supporting the information already provided in the resident and employee handbook, this website could include the following:

- ▶ Real-time transit information
- ▶ Real-time parking pricing and availability information
- ▶ Notifications of upcoming transportation-related events, such as bicycle parties and farmers' markets, and alerts
- ▶ Integration with internet delivery services for ordering
- ▶ Registration for car share, bicycle share, and/or scooter share memberships
- ▶ Room reservations for the collaborative workspace
- ▶ On-site childcare services enrollment
- ▶ Specific pages or portals for residents, employees, and visitors so that each of these audiences has access to the appropriate and relevant travel information



The mobile-friendly version of the Mountain View TMA's website. The TMA offers real-time transit information and links to a variety of other resources.



- Functionality which allows for tracking travel behavior and enables gamification for incentives

This website will be ADA/Section 508 compliant to ensure that users of all abilities are able to easily access this information. Establishing specific portals for each audience can allow for the delivery of targeted, individualized TDM information for each of the audience groups. Each of the portals could also provide specific information on costs and multimodal options available for traveling to and from Mission Rock, as well as information on nearby attractions and services and links to citywide or regional information. The images on the previous pages show an example of computer and mobile-friendly versions of landing pages for this type of website.

#### 4.2.3 SIGNAGE AND WAYFINDING

Clear, consistent, and predictable signage and wayfinding can help residents, employees, and visitors navigate the site easily. Signage can also bring awareness to important information such as parking prices and availability, bicycle parking locations, estimates of bicycle and pedestrian travel times, and other information on Mission Rock programs or services. Simply providing information on non-motorized travel prominently can increase the likelihood that people will select biking or walking as their mode of transportation.

The efficacy of signage and wayfinding is dependent on the design and placement of signs. Signage should be clear and provide relevant information at key decision points in people's journeys, in areas that are highly

visible, and in clear lines of sight. For instance, when entering the site, cyclists should be able to clearly understand their route options through the site. This signage will be especially important for safety along the shared public ways, to ensure that users understand the encouraged forms of travel and appropriate behavior on each mode. Temporary signage may be used in areas more highly trafficked by residents or employees, to provide information on specific events or programs, such as CSA pick up locations.

Wayfinding examples throughout the chapter show how it can be used in vibrant, mixed-use areas. Some signs offer clear guidance for the nearby area at several scales while providing clear directional guidance to nearby transportation hubs and popular destinations.

For further information on the design considerations that will be accounted for in designing signage for the Mission Rock site, see section 2.10 of the Design Controls.

##### 4.2.3.1 Transportation Information Kiosks

Transportation information kiosks in the public realm can provide centralized locations for relevant transportation information for trips within Mission Rock and to nearby services and attractions. These kiosks could be placed throughout the site, at strategic decision-making locations where residents, employees, and visitors might need the information, such as the intersection of Terry A. Francois Boulevard and Mission Rock Street, China Basin Park, and Mission Rock Square. The kiosks could include transit schedules and fare information, walking and cycling routes, real-time

transit information, and Bay Area Bike Share dock locations and bicycle availability.

It is recommended that these kiosks be digital, interactive displays (as shown in the accompanying image) to allow information to be updated easily and regularly. These boards would be maintained and updated as needed by the transportation staff.

While the information kiosks can provide detailed information on transportation options to visitors and others new or unfamiliar with Mission Rock and the surrounding area, real-time transit screen technology is designed to offer an opportunity to understand transportation options at a quick glance. This would be particularly useful for employees and residents, those who make recurring trips frequently and don't need detailed guidance.

Each of the communication-based TDM measures are pertinent to residents, employees, and visitors at different times during their life cycle at Mission Rock. As such, it is critical to think strategically about when to share what with each of these key segments to reach certain groups of users.

The mobile-friendly Mission Rock website will be an important avenue for sharing information about programs, policies, and services. It is reasonable to assume that the website will act as a front-line communications vehicle to reach all of those who have or may be interested in having a connection with the site. Signage and wayfinding will be seen on a daily basis and is an important element for users of the development to efficiently navigate Mission Rock.



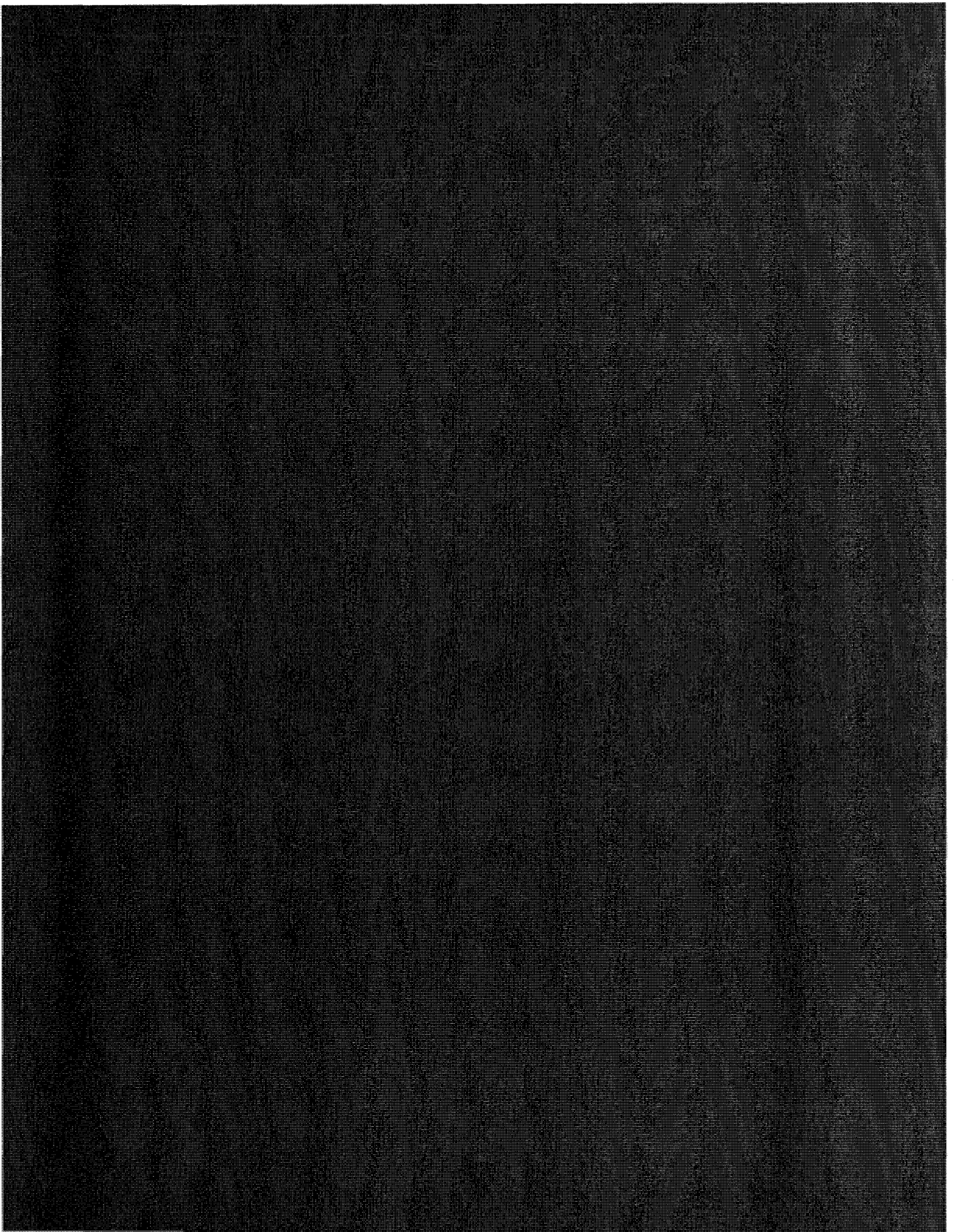
## 4.3 CONCLUSIONS

Establishing a robust TDM program reaffirms Mission Rock's commitment to sustainability and inclusivity. The program will encourage the site's residents, employees, and visitors to use the most environmentally friendly and spatially efficient mode possible for each trip, with an emphasis on cycling, walking, and shared rides.

TDM MEASURE	TARGET AUDIENCE		
	RESIDENT	EMPLOYEE	VISITOR
4.1.1.1 Real-Time Transit Information			
4.1.1.2 Clipper Cards			
4.1.2.2 Bike Share Memberships			
4.1.2.1 On-Site Bike Share			
4.1.2.7 Bicycle Valet			
4.1.2.3 Bicycle Community Programming			
4.1.2.4 Bicycle Resource Centers			
4.1.2.5 Bicycle Parking			
4.1.2.6 Showers and Lockers			
4.1.3.1 On-Site Shared Scooters			
4.1.3.2 Scooter Share Memberships			
4.1.3.4 On-Site Car Share			
4.1.3.4 Car Share Memberships			
4.1.4.1 Parking Pricing			
TDM MEASURE (CONT'D)	TARGET AUDIENCE		
	RESIDENT	EMPLOYEE	VISITOR
4.1.4.2 Real-Time Parking information			
4.1.4.3 Unbundled Parking			
4.1.5.1 In-Building Concierge Services			
4.1.5.2 Coordinated Delivery Services			
4.1.5.3 CSA Partnerships			
4.1.5.4 Cold and Dry Delivery Storage Space			
4.1.5.5 Convenient Zones for Loading			
4.1.5.6 Childcare Services			
4.1.5.7 Collaborative Work Space			
4.1.5.8 Affordable Housing			
4.1.6.2 Mobile-Friendly Website			
4.1.6.3 Site-Wide Transportation Staff			
4.1.6.1 Signage and Wayfinding			
4.1.6.4 Improved Walking Conditions			

Target audience for each TDM program





# 05

## EVENT MANAGEMENT

The energy and excitement generated by people visiting parks and event venues will be part of what makes Mission Rock a fun and interesting place to live, work, and play.

These visitors will bring the area to life throughout the year. Mission Rock will be designed and actively managed to maximize the best aspects of festivities in these spaces while responsibly managing the potential inconveniences that large crowds can cause. This

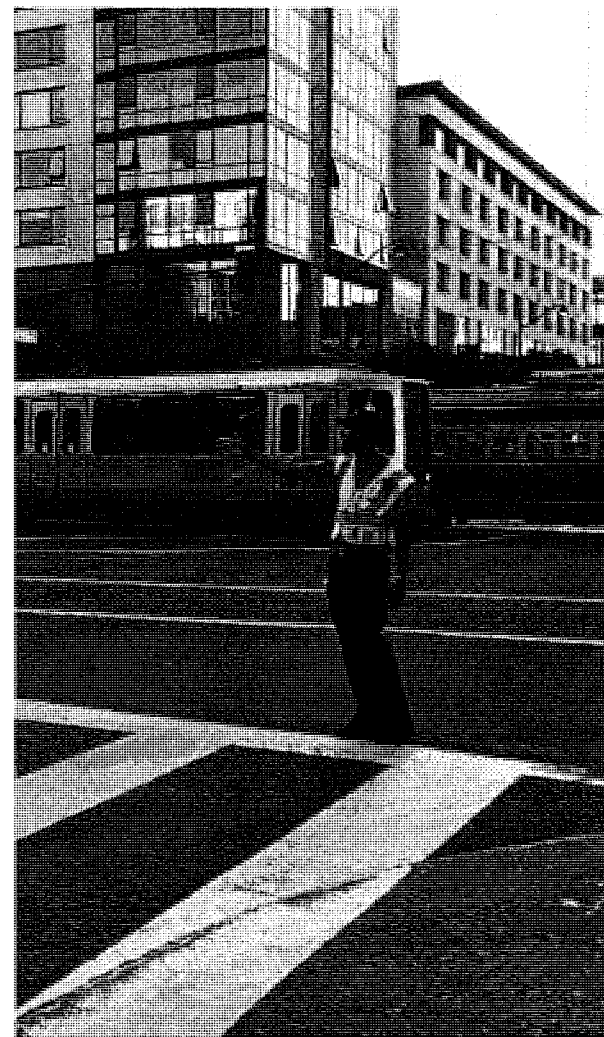
chapter outlines the basic site's anticipated approach to managing pedestrian activity, vehicle flows, and bicycle parking around them to ensure that residents and employees can enjoy the energy without the hassle.

As the team has since it moved to AT&T Park in 2000, the San Francisco Giants will continue to work closely with the City and with citizens advisory committees in the area to manage the effects of event crowds on surrounding neighborhoods, through measures like deploying traffic control officers (known in San Francisco as parking control officers, or PCOs). In addition to such measures, the Mission Rock transportation staff might also be empowered to take additional actions like closing on-site streets or individual lanes to vehicle traffic and encouraging the use of non-auto modes for travel to on-site events.

This chapter describes how these types of strategies might be combined for three scenarios, representing the likely range of common events: A primary event at AT&T Park (35,000+ attendees), a secondary event at AT&T Park (15,000 to 35,000 attendees), and on-site events in China Basin Park, Mission Rock Square, or potential event venues in Pier 48 or Block E (500 to 4,000 attendees). A more detailed Event Management

Plan will be developed in concert with City agencies before construction of the first phase of the project, and it will be updated ahead of each subsequent phase of the site's build-out. The Event Management Plan will include the topics listed in the table of contents referenced below.

Given their storage-space needs, automobiles naturally pose challenges for organizers of any large event. As such, most scenarios include some restrictions on vehicle movement through the site, and the TDM Plan's efforts to reduce reliance on single-occupancy vehicles for travel to and from the site will be particularly crucial during these times. However, some vehicle movement will be accommodated. An up-to 3,000-space parking garage at the southwest corner of the site will serve as AT&T Park's main parking facility, replacing the surface lot on which Mission Rock will be built. During AT&T Park and Mission Rock events, curb space around the site will also provide important capacity for passenger loading.



Parking control officers (PCOs) (NELSON/RYGARD)



## EVENT MANAGEMENT PLAN TOPICS

An Event Management Plan will be developed for submission and approval as part of the first phase application for a Mission Rock site, then updated and submitted for informational purposes as part of each subsequent phase application. The plan will cover all events on-site at Mission Rock. Section V will identify the full universe of potential TDM and traffic management strategies. The subsets of such strategies that will apply to different events for size, type and location will also be identified in Section V.

### I. Introduction

- Purpose of the Document
- Goals of the Mission Rock Event Management Program

### II. Mission Rock Project Update

- Description of Current Phase Land Use
- Description of Cumulative Project to Date
- Interim Transportation Network (Phases I-5 only)

### III. Transportation Context

- Transit Network
- Bicycle and Pedestrian Network
- Key Local and Regional Roadways
- Parking Facilities

### IV. Events at Mission Rock

- On-Site Event Venues
- Characteristics of Potential Event Types (would include location, event format/type, number of attendees, how many of week, likely times of day, attendee arrival/departure windows and concentrations, estimated attendee trips linked with other nearby events/land uses, and likely frequency)

### V. Project Phasing & Implications for Events

- Phase I
- Phase II
- Phase III
- Phase IV

### d. Relationship with Other Venues and Potential Events in the Area

- Other Venues and Event Types

#### 1. AT&T Park

#### 2. Chase Center

- Concurrent Events: Types and Frequency of Overlaps

### V. Managing On-Site Event-Related Travel Demand

#### a. Desired Outcomes

- Ensure Safe Conditions for Pedestrians and Cyclists
- Avoid Travel Delays Related to Garage Queuing Impacts

- Minimize Mission Bay Traffic Impacts during Sensitive Times

- Uninterrupted Event-Specific TDM and Traffic Management Tools

#### c. Transportation Demand Management Strategies

- Real-time communications/information distribution, temporary or permanent multi-modal wayfinding, incentives/disincentives for using particular modes at particular times, etc.)

- Traffic Control Strategies (e.g. curb management, the use of temporary occupancy vest states and/or dynamic signs, PCODs, traffic flow and adjustments, other strategies to prevent transit delays on Third & support safety of all users, etc.)

- Matrix Event Types + Tools/Strategies To Be Used - Responsible Parties + Additional Considerations

#### e. Event-Specific Measures (as applicable, e.g. differences in the location of PCODs, differences in the use of dynamic or temporary signage, differences for events on different days/at different times, at different phases of build-out, etc.)

- Emergency Vehicle Access/Circulation On-Site

#### f. Event-Related Loading & Servicing

- Managing Concurrent Event Scenarios: Coordinating with Other Venues through Subpark Missions Bay Transportation Coordination Committee (BMBTCC) and/or Other Applicable Body

### VI. Implementation and Refinement

- Mission Rock Transportation Coordinator Responsibilities

#### b. Coordinating with City Agencies

- Port of San Francisco (e.g. manage efforts to involve relevant city agencies, staff level approval with rest of relevant phase application materials)

- San Francisco Municipal Transportation Agency (e.g. involved in development of a bid contract, involved in approval process)

- Coordinating with Venue Managers and Neighborhood through BMBTCC and/or Other Applicable Body

#### d. Monitoring and Plan Refinement

- More than wide circulation will focus on events on-site at Mission Rock, there is a separate event management plan in place to manage traffic associated with AT&T Park

## 5.1 PRIMARY EVENTS

### ***AT&T Park, 35,000 to 40,000+ Attendees***

A primary event at AT&T Park will be the most common scenario, occurring between 80 and 100 times per year, depending on whether the Giants make the playoffs and on how many non-baseball events (like concerts or other sporting events) AT&T Park hosts.

#### **5.1.1 MANAGEMENT STRATEGIES**

##### **Parking Pricing**

As noted in Chapter 4, it is anticipated that the Mission Rock garage will be actively managed around event times to ensure that there is space available for AT&T Park event attendees. To encourage regular users of the garage to find alternative ways to get to the site on event days, parking prices could be raised during a period covering a few hours before and after AT&T Park events. This approach has already been successfully employed to manage parking demand in the existing main AT&T Park lots, Lot A and Pier 48. People arriving at the garage around event times could pay a flat event rate that might amount to a total that is higher than typical hourly rates would be (i.e. if the event period is six hours long, the flat event rate would exceed the total cost of parking for six hours at typical hourly rates).

##### **Vehicle Flows and Curb Space**

Vehicular circulation through Mission Rock could be restricted during primary events in anticipation of high pedestrian volumes through the site. The Shared Public Way is a particularly critical north-south pedestrian route, providing the most direct path of travel between the main garage and the ballpark. As such, it is anticipated that the street would be closed



Giants games at AT&T Park regularly sell out, bringing a festive atmosphere to the neighborhood

to vehicle traffic around major event times. Right turns from Mission Rock Street to 3rd Street could also be prohibited before events, to reduce volumes on Mission Rock Street in front of the Public Safety Building. Left turns into and out of the site at 3rd Street's intersections with Long Bridge will be prohibited at all times. The eastern-most lane on 3rd Street between Exposition and King streets will also likely be closed before and after events, as it is today, to facilitate the movement of large volumes of pedestrians near the ballpark.

Traffic flows will be actively managed through PCOs and strategically placed signs, and garage entrances and exits will be managed to allow for efficient processing of major vehicle flows. To ensure that emergency vehicles have clear access to Public Safety Building driveways on the south side of Mission Rock Street, keep clear zones will be maintained and could be reinforced by one or more PCOs. Traffic flows on Mission Rock Street could also be managed to maintain an open lane for potential emergency vehicle movement. Event vehicles will also be encouraged, via signs and PCOs strategically located at points south of

the site, to enter and exit the area via Terry A. Francois Boulevard. Specific PCO locations will be determined by the SFMTA with the goal of supporting pedestrian safety, limiting impacts on transit, and keeping intersections clear of vehicles.

Most vehicular circulation through the site is expected to be for passenger pick-up and drop-off. Key passenger loading locations will include the north side of Exposition Street and the east side of the block of 3rd Street just north of Exposition Street. Primary loading zones for people with mobility limitations include the east side of 3rd Street north of Exposition Street and an accessible loading zone on Exposition Street between the Shared Public Way and Bridgeview Street.

To manage vehicle movement at points of potential conflict between modes, this plan recommends the use of PCOs in key places along 3rd Street and through the site, including the intersections of Mission Rock and 3rd, Mission Rock and Bridgeview, and Mission Rock and Terry A. Francois Boulevard, and the 3rd Street crossing just south of Lefty O'Doul Bridge.

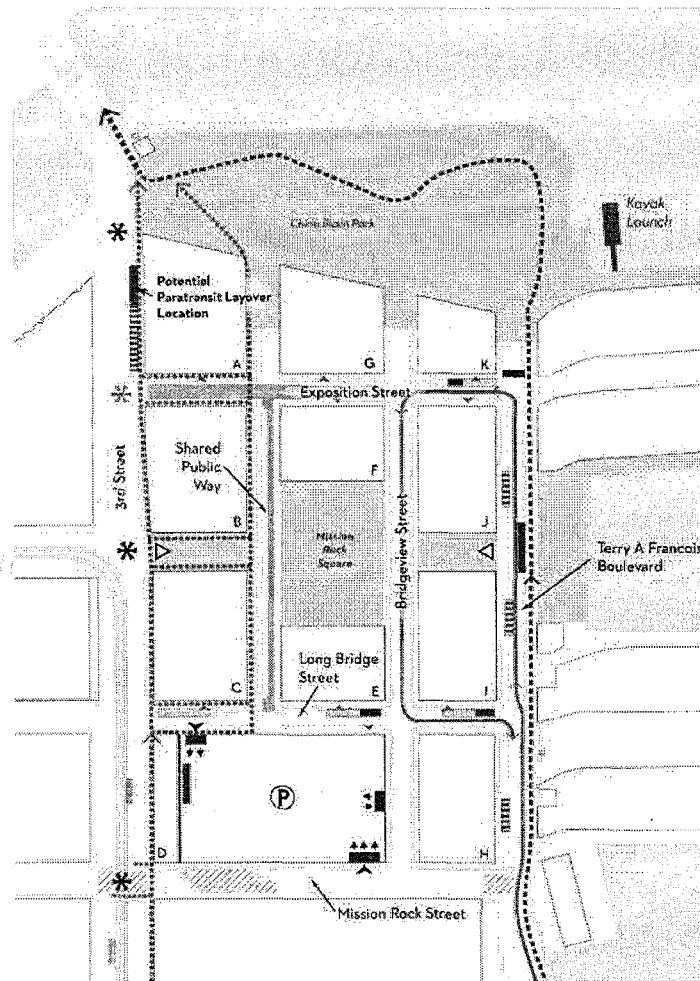
## **Pedestrians**

It is anticipated that all pedestrian paths of travel will be open, but pedestrian activity is likely to concentrate along the Shared Public Way and 3rd Street, the two key north-south routes between Long Bridge Street and the ballpark.

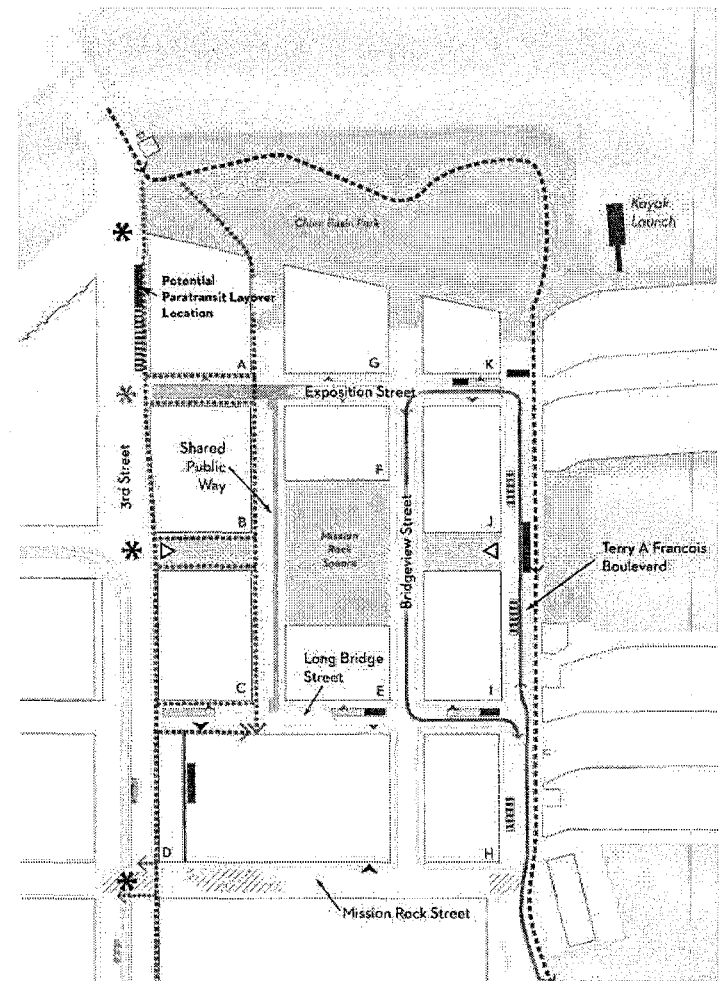
## **Bicycles**

Primary bicycle flows south of China Basin are expected to be along the San Francisco Bay Trail to and from bicycle parking facilities immediately around AT&T Park. Some cyclists may also use Bridgeview Street, but they might be less likely to do so than in normal conditions due to larger numbers of vehicles turning into and out of the garage. Cyclists will be encouraged to dismount at the western end of China Basin Park to reduce conflicts with the heavy pedestrian flows across Lefty O'Doul Bridge. Some event attendees will also likely lock their bicycles on the Mission Rock site, to visit on-site restaurants before or after games or to avoid crowds closer to the venue. An additional ballpark bicycle valet facility could also be located on the Mission Rock site, if usage of the main valet facility warrants it.

- \*\*\*\*\* Key Pedestrian Routes
- \*\*\*\*\* Primary Bicycle Route
- ← Primary Passenger Loading Flow
- ▬ ADA-Accessible Loading
- ▬ Commercial Deliveries Only
- ▬ Time-Limited Commercial Loading
- ▬ Closed to Vehicular Traffic
- \* Existing Traffic Signal
- \* Planned Traffic Signal
- ⬮ Potential Traffic Control Officer Location
- ⬮ Garage Lanes
- ▲ Planned Driveway
- ▲ Potential Driveway
- ▨ Keep Clear Zone
- ▷ Access to Below-Grade Parking (if provided)



Pre-event circulation patterns



Post-event circulation patterns

## 5.2 SECONDARY EVENTS

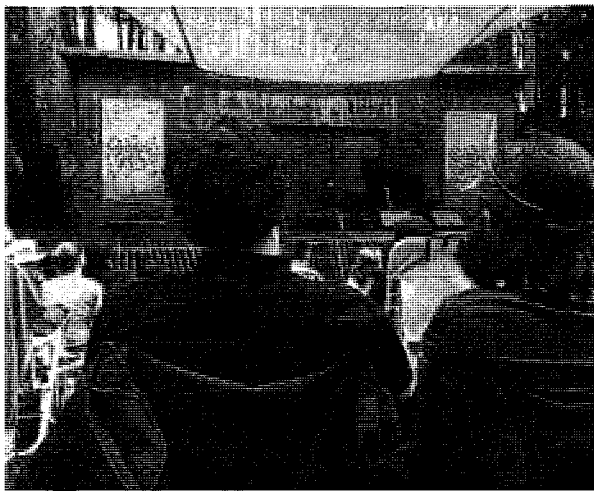
### **AT&T Park, 15,000 to 35,000 Attendees**

Circulation patterns at Mission Rock are anticipated to be similar around smaller events at AT&T Park. The Shared Public Way could be closed, and the relative intensity of different vehicle flows should be consistent with the basic patterns seen for the biggest events at the ballpark, though overall flows should be much smaller. Bicycle and pedestrian circulation patterns are also expected to be consistent with those anticipated for larger events.

Given lower levels of expected parking demand, it is anticipated that the garage at the southwest corner of the site would generally not need to use flat-rate event pricing around secondary events. Event attendees would be able to park in available spaces as long as spaces are available. However, communications related to AT&T Park events would likely still encourage the use of other modes to access the ballpark, in the interest of reducing congestion and parking demand overall.



Concert at AT&T Park (PHOTO USER REBECCA WILLIAMS)



Stern Grove concert series (PHOTO HANNAH KIM)

## 5.3 ON-SITE EVENTS

### **Mission Rock, 500 to 4,000 Attendees**

Mission Rock will have two spaces equipped to host large events. The Great Lawn in China Basin Park will have room to host concerts, movie nights, and other large gatherings. Mission Rock Square will likely host a broader range of events, from staged performances to farmers markets or craft fairs, with thousands of people flowing through the space over a several-hour period.

The garage at the southwest corner of the site's parking prices could be converted to event rates for a period covering several hours before and after the biggest events, to discourage use by regular users.

#### **5.3.1 CHINA BASIN PARK EVENT**

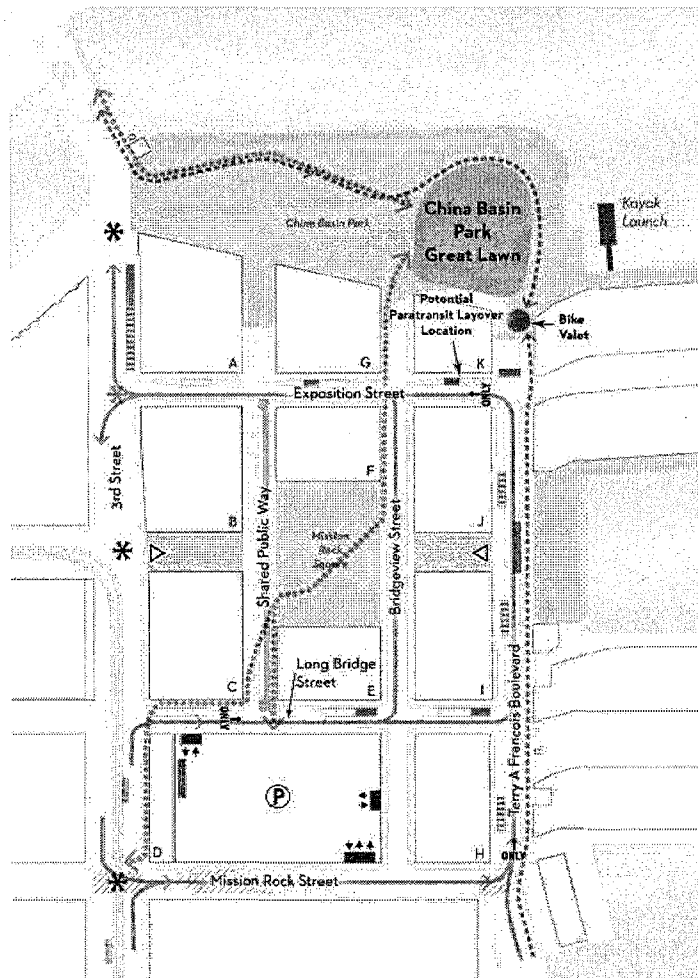
##### **5.3.1.1 Vehicle Circulation and Passenger Loading**

For the biggest China Basin Park events, Terry A. Francois Boulevard and Exposition Street could be closed to through traffic (the project team will apply for street closure permits through the standard City process), with the streets reserved for event-related pick-up and drop-off. To make vehicle flows predictable for pedestrians crossing these key streets, Terry A. Francois Boulevard could be converted to a one-way street northbound, and Exposition Street could be one-way westbound to complete a site-wide circuit.

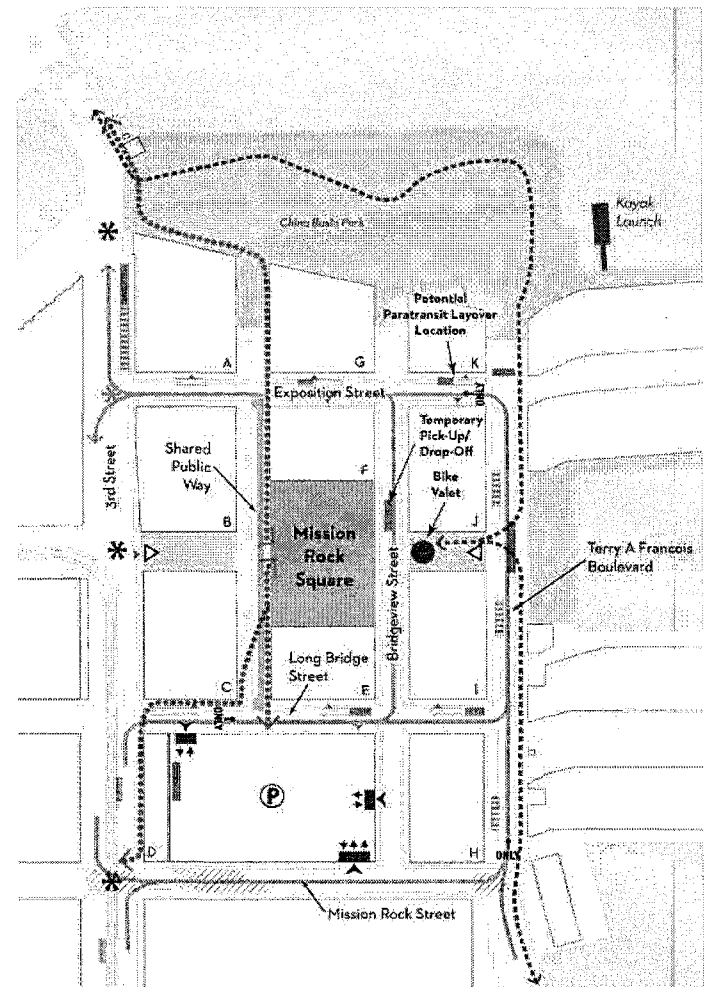
It is anticipated that the north end of Terry A. Francois Boulevard, at or north of the intersection with Exposition Street, would be the main drop-off and pick-up location for people with mobility limitations. Taxi, TNC, and other vehicular loading could be focused along Exposition Street west of Terry A. Francois Boulevard.



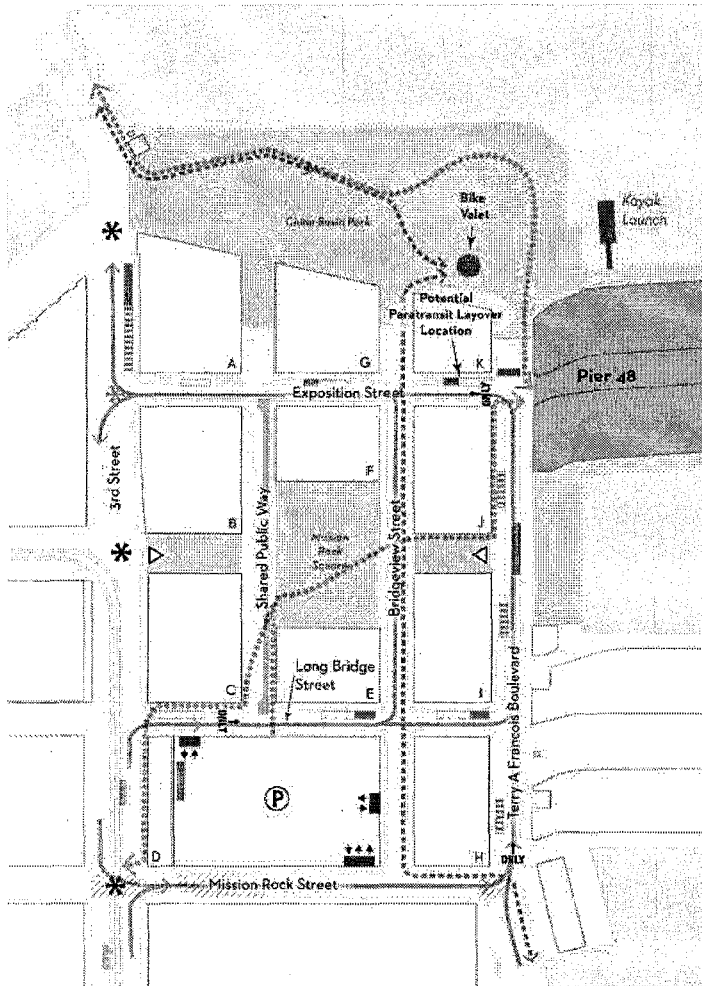
- ← Passenger Pickup & Dropoff
- ADA-Accessible Loading
- ▨ Commercial Deliveries Only
- ▨ Closed to Vehicular Traffic
- \* Existing Traffic Signal
- \* Potential Traffic Signal
- ◀ Garage Entry Lane Open
- ▶ Garage Exit Lane Open
- ▲ Planned Driveway
- ▲ Potential Driveway
- ▨ Keep Clear Zone
- ▷ Access to Below-Grade Parking (if provided)



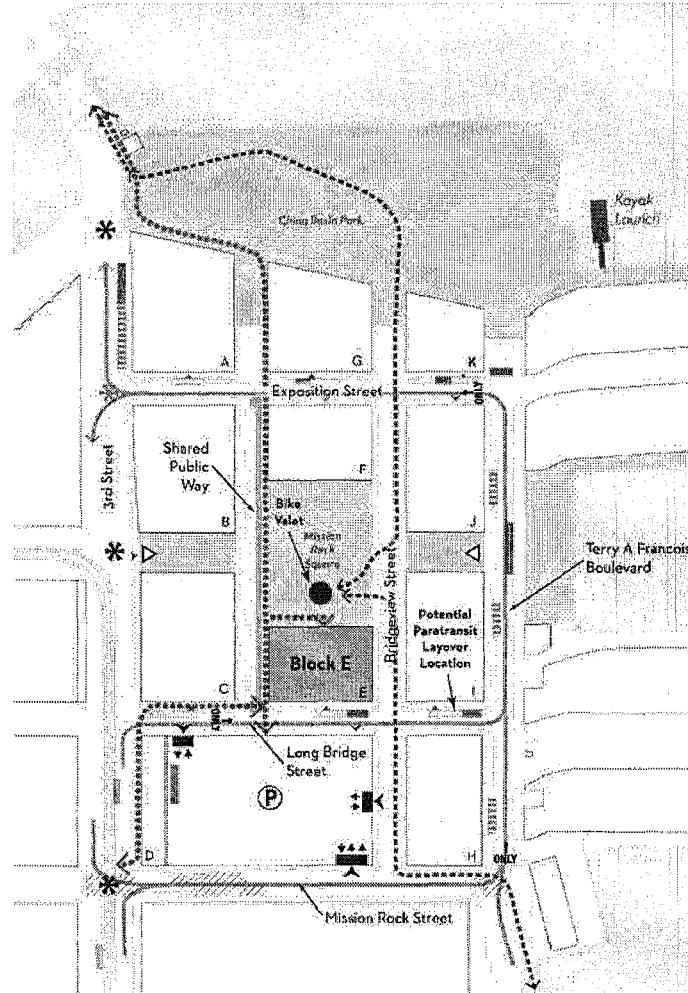
China Basin Park event circulation patterns



Mission Rock Square event circulation patterns



Event circulation patterns for potential event venue at Pier 48



Event circulation patterns for potential event venue at Block E

- Passenger Pickup & Dropoff
- ADA-Accessible Loading
- Commercial Deliveries Only
- Closed to Vehicular Traffic
- Existing Traffic Signal
- Potential Traffic Signal
- Garage Entry Lane Open
- Garage Exit Lane Open
- Planned Driveway
- Potential Driveway
- Keep Clear Zone
- Access to Below-Grade Parking (if provided)

### 5.3.1.2 Pedestrian Circulation

Pedestrian traffic is likely to focus along two major routes: 1) through China Basin Park and up 3rd Street to/from the Caltrain terminal at 4th and King streets and toward BART on Market Street, and 2) through the site to/from the parking garage and the Muni light rail station on 3rd Street south of Channel Lane. Flows through the site can be expected to concentrate on Bridgeview Street north of Mission Rock Square, in the square, and along the Shared Public Way and Long Bridge Street, en-route to the parking facility and the Muni station at the southwestern corner of the site. PCOs may be helpful on Exposition Street at Shared Public Way and Bridgeview Street, to enable vehicles picking up or dropping off passengers to exit the site.

### 5.3.1.3 Bicycle Circulation and Parking

Bicycle valet facilities could be located along the San Francisco Bay Trail, just southeast of the event space, and cyclists will also be able to use the network of public bicycle parking spaces throughout the site.

Cyclists from the north could be encouraged to dismount at the edge of China Basin Park and walk their bicycles around the event space to the bicycle valet facility. Cyclists from the south could be encouraged to dismount as they approach the area for pick-up and drop-off of attendees with mobility limitations.

## 5.3.2 MISSION ROCK SQUARE EVENT

### 5.3.2.1 Vehicle Circulation and Passenger Loading

For the biggest Mission Rock Square events, Shared Public Way could be closed to vehicle traffic (with

appropriate City permits), and Bridgeview Street between Long Bridge and Exposition streets will be closed to all but pick-up and drop-off of people with mobility limitations. As for China Basin Park events, Terry A. Francois Boulevard and Exposition Street could create a one-way loop for taxi, TNC, and other vehicular drop-off, and they could be closed to through traffic.

### 5.3.2.2 Pedestrian Circulation

Major pedestrian flows to transit nodes north and northwest of the site are anticipated to follow the Shared Public Way through China Basin Park to 3rd Street. Flows southwest to the main garage and the T-Third Muni light rail stop would follow Shared Public Way to the south and Long Bridge Street between Shared Public Way and 3rd Street.

### 5.3.2.3 Bicycle Circulation and Parking

Bicycle valet could be located on Channel Lane east of Mission Rock Square. The main flows of cyclists from points south would follow the San Francisco Bay Trail to Channel Lane. Temporary signage at the north end of the site would encourage cyclists to follow the San Francisco Bay Trail to Channel Lane. The cycle track on Bridgeview Street could be closed to bicycle traffic temporarily, to make way for large pedestrian flows and for the primary loading area for event attendees with mobility limitations.

Mission Rock residents, employees, and visitors would also be encouraged to travel to and from the site on foot, bike, or transit on days with events on-site or at AT&T Park. Site transportation staff would keep and

prominently display a calendar of major events as a planning resource for regular users of the site.

## 5.3.3 EVENTS IN POTENTIAL VENUES AT PIER 48 AND BLOCK E

As the figures on page 63 show, circulation patterns related to events at potential Pier 48 and Block E event venues would be similar to those for events at China Basin Park and Mission Rock Square respectively. The following subsections describe slight differences.

### 5.3.3.1 Vehicle Circulation and Passenger Loading

For events at Pier 48, vehicular circulation through the site are anticipated to be the same as for events at China Basin Park. For events at Block E, paratransit loading could be moved to Long Bridge Street. To account for increased flows of cyclists along Bridgeview Street, vehicles could be discouraged from using that street by on-site personnel or temporary signs.

### 5.3.3.2 Pedestrian Circulation

Pedestrian flows are expected to be broadly similar to those for China Basin Park (Pier 48 events) and Mission Rock Square (Block E events).

### 5.3.3.3 Bicycle Circulation and Parking

For Pier 48 events, bicycle valet services could be sited on the China Basin Park Great Lawn. Cyclists from the south could be encouraged to use Bridgeview Street, to clear space for pedestrian circulation between Pier 48 and Block K. For Block E events, bicycle valet services could be sited in Mission Rock Square, and cyclists would be expected to gravitate to Bridgeview Street for access from both north and south.

## 5.4 CONCLUSIONS

Those who live and work near AT&T Park enjoy the exciting, festive atmosphere created by such a premiere urban event space, and they also know it takes some extra planning to make trips to and from the area as smooth as possible. The Giants and the transportation staff at Mission Rock will work hard to aid in this planning by providing users of the site ready access to an abundance great information and a range of travel choices.

In the same spirit, the Giants and the Mission Rock team are committed to working with neighborhood organizations to responsibly manage event-related transportation conditions and make sure inconveniences related to events are kept to a minimum.



AT&T Park and Mission Rock

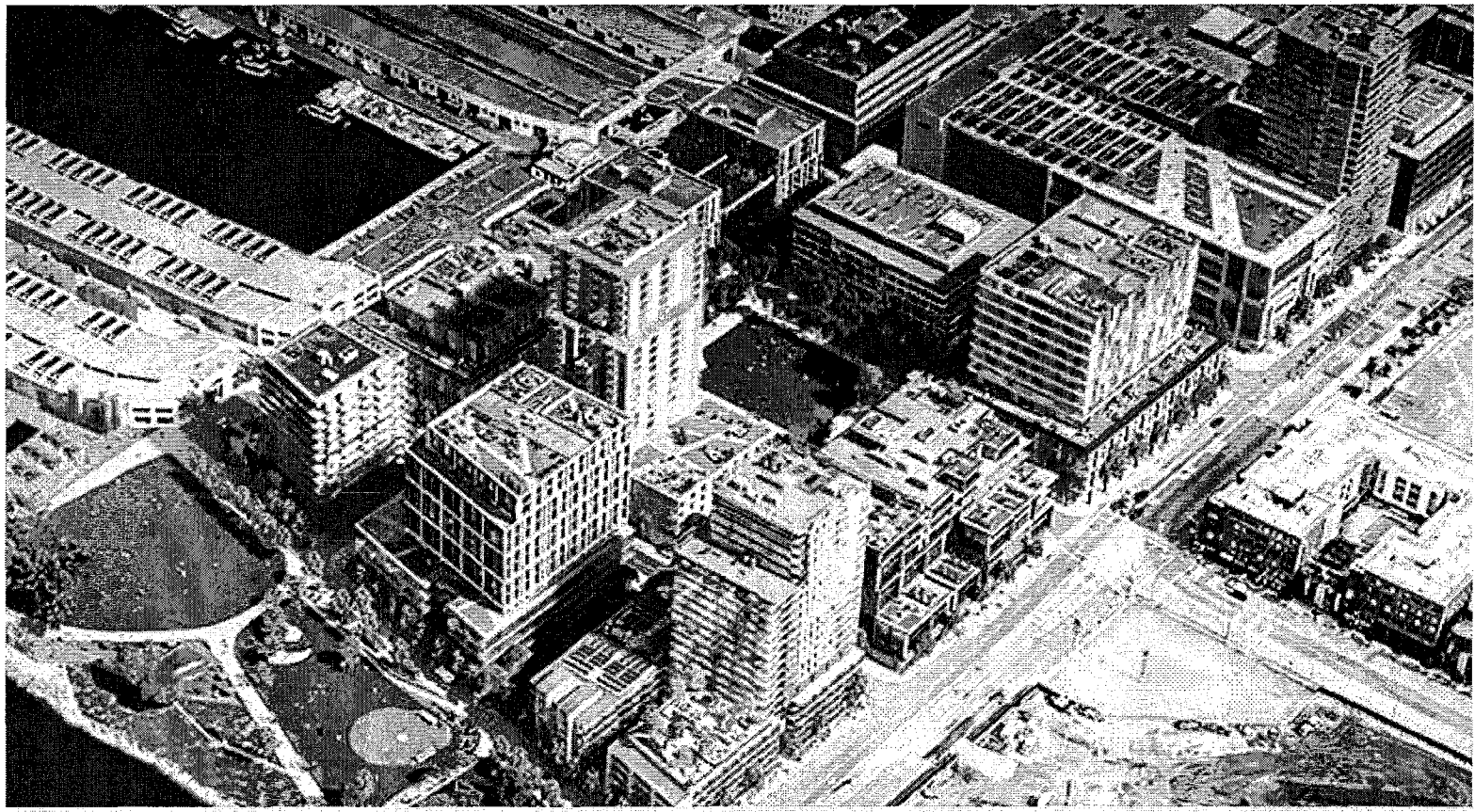


**DDA EXHIBIT B7 - TP SCHEDULE 2**

**"TDM Plan"**







# **MISSION ROCK TRANSPORTATION DEMAND MANAGEMENT PLAN**

**December 2017**





## MISSION ROCK TRANSPORTATION DEMAND MANAGEMENT PLAN

Seawall Lot 337 Associates, LLC

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# 1 OVERVIEW

The development context and overall design profile of Mission Rock make it a prime candidate for robust and effective transportation demand management (TDM). Travel demand generated by Mission Rock will be affected by locational and land use factors, such as proximity to high quality transit, the presence of transit-supportive land use densities, and mixed land use patterns.

This TDM Plan describes measures that will enable Mission Rock to actively manage travel demand through a variety of up-front infrastructure investments and ongoing programs, including unbundled parking, pedestrian- and bicycle-friendly design, transportation marketing, vehicle share facilities and memberships, and others. Ultimately, implementing a robust TDM program will reinforce the forward-thinking vision and brand of Mission Rock as an active and vibrant district that is inclusive and safe for all users.

## DEVELOPMENT CONTEXT AND DESIGN PROFILE

Establishing new and enhanced links to and along San Francisco's waterfront, Mission Rock's mixed-used, multi-phase development will be a dynamic addition to the Mission Bay neighborhood. Encompassing approximately 27 acres, Mission Rock is slated to include 11 parcels of residential, office, and retail development as well as a refurbished and reactivated Pier 48, an expanded China Basin Park, and a variety of smaller open space areas. Including Pier 48, Mission Rock will include approximately 1,000 to 1,500 dwelling units, 1.4 to 1.8 million square feet of commercial development, and more than five acres of new open space, for a total of approximately 3.9 million gross square feet of development and eight acres of open space. The site plan calls for a tight and highly walkable urban street grid, with more than half a mile of complete streets. In addition, between 2,400 and 3,000 parking spaces could be provided in off-street facilities.

Mission Rock is located near a busy, increasingly congested part of San Francisco and is readily accessible via car, transit, walking, and bicycling. The site is accessible to I-280 and US-101/I-80 through SoMa's urban street grid, with bicycle connections to the north via the Embarcadero bike route as well as to the south via the Blue Greenway. More importantly, the project is well served by transit, both local and regional. Multiple lines of Muni bus and light rail are within a quarter-mile of the site, with moderate to high frequency of service for most of the day and late into the evening.

Although narrow sidewalks, missing crosswalks, long blocks, and the amount of on-going construction in the surrounding area all currently challenges for pedestrians and bicyclists, the Mission Rock development includes multiple street design improvements to create a safe and inviting environment, such as:

- A highly connective grid of internal streets
- Sidewalks that are to be between 12 and 15 feet wide throughout the project site

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- High visibility sidewalks, bulb-outs, and raised pedestrian crossings
- Completion of the portion of the Blue Greenway that runs through the site, with a 16-foot-wide shared bike and pedestrian right-of-way running along Terry Francois Boulevard and the northern edge of China Basin Park
- Designated bicycle lanes or bicycle-friendly low-traffic blocks on all internal roadways
- Bicycle treatments at internal intersections

Mission Rock will also provide important neighborhood amenities – groceries, childcare, personal services – establishing destinations that are easily accessible by all modes of transportation. The existing and future transportation infrastructure in the area (see Figure 1) will further promote the use of all modes of active transportation.

**Figure 1 Mission Rock Context Map**

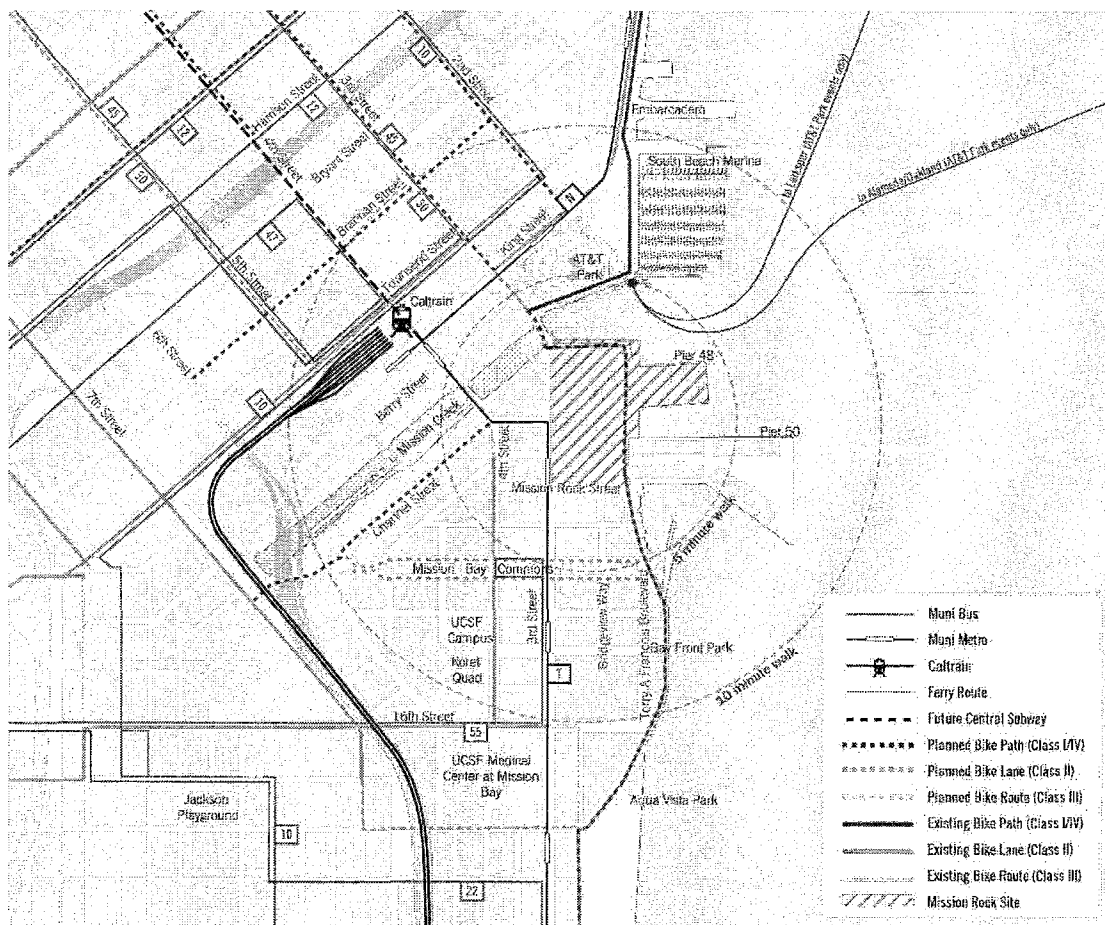


Figure 2 summarizes Mission Rock's development components, associated vehicle trip estimates, and the anticipated trip reduction goal, per commitments made in the project's Environmental Impact Report (EIR).

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**Figure 2 Estimated Vehicle Trip Generation and Trip Reduction Goal<sup>1</sup>**

Scenario	Proposed Development Components (approximate)	Aggregate Daily One-Way Vehicle Trips (a)	Number of Trips to be Reduced (b = a * 20%)	Target Threshold (c = a - b)
High Commercial, Low Residential	<ul style="list-style-type: none"> <li>▪ 1,048 dwelling units</li> <li>▪ 1.4 million square feet (sf) office</li> <li>▪ 130,000 sf retail</li> <li>▪ 86,000 sf sit-down restaurant</li> <li>▪ 37,000 sf quick service restaurant</li> <li>▪ 5 acres park</li> <li>▪ 190,000 sf brewery</li> <li>▪ 11,000 sf brewery retail</li> <li>▪ 11,000 sf brewery restaurant</li> </ul>	7,615	1,523	6,092
Low Commercial, High Residential	<ul style="list-style-type: none"> <li>▪ 1,579 dwelling units</li> <li>▪ 980,000 square feet (sf) office</li> <li>▪ 130,000 sf retail</li> <li>▪ 84,000 sf sit-down restaurant</li> <li>▪ 36,000 sf quick service restaurant</li> <li>▪ 5 acres park</li> <li>▪ 190,000 sf brewery</li> <li>▪ 11,000 sf brewery retail</li> <li>▪ 11,000 sf brewery restaurant</li> </ul>	7,242	1,448	5,794

## WHY TRANSPORTATION DEMAND MANAGEMENT

This TDM Plan reaffirms Mission Rock's commitment to sustainability and inclusivity. It encourages the site's residents, employees, and visitors to use the most environmentally friendly and spatially efficient mode possible for each trip, with an emphasis on cycling, walking, and shared rides.

The measures outlined below are designed to work together to affect site users' travel habits. Targeted programs strengthen the benefits of investments in bicycle and pedestrian infrastructure and the site's proximity to major transit nodes by reinforcing awareness of these options, breaking down barriers to incorporating them in travel routines, and incentivizing habitual use.

The site plan and TDM program are consistent with several decades of City of San Francisco climate and sustainability policies that aim to encourage the use of transit and other non-auto modes of transportation. It is also consistent with the City's efforts to manage the transportation impacts of new development. The Plan was developed with San Francisco's new TDM Ordinance in mind, and the Mission Rock team used the Ordinance's framework to scale the site's programs appropriately.

Many campuses have implemented similar TDM programs to reduce single-occupancy vehicle (SOV) travel and find the optimal balance of transportation modes to accommodate growth.

<sup>1</sup> Seawall Lot 337 and Pier 48 Mixed-Use Project Environmental Impact Report, Appendix 4-1 – Transportation Impact Analysis, April 2017. Pg. 486.

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Genentech implemented an aggressive TDM strategy in 2006 that included programs such as shuttle service and parking cash-out accompanied by comprehensive marketing and communications through an online employee portal. Since implementation, drive-alone mode share has decreased by almost 30%, decreasing carbon emissions from 4.5 tons per employee to 1.9. Similarly, Stanford University's extensive TDM program, which has for years included meaningfully priced parking, transit subsidies, and incentive programs, has effected a substantial decrease in SOV commuting, from 72% in 2002 to 46% in 2011. Moreover, these programs serve campuses that grew rapidly during the periods noted, but this growth was not accompanied by substantial increases in parking.

In a similarly urban environment, the City of Cambridge implemented a parking and TDM ordinance in 1998, made permanent in 2006. In the Kendall Square area, which predominantly houses large biotechnology firms and research and academic institutions, such as the Massachusetts Institute of Technology, the ordinance has been particularly effective. Although the neighborhood has added 4.6 million square feet of commercial and institutional development over the past 10 years, automobile traffic has *decreased* on major streets, with vehicle counts decreasing as much as 14 percent.<sup>2</sup> In this way, citywide TDM measures in Cambridge have not deterred the development market while still having a positive impact on quality of life and the environment.

Given these successes, robust TDM programs are becoming expected aspects of new developments, in central cities and suburbs alike. San Francisco is no exception. The City has established a TDM ordinance that would require developers to establish TDM programs scaled to the amount of parking they plan to build on-site. This ordinance reinforces existing multimodal policies, such as the city's Transit First Policy, which was established in 1973 and amended to include pedestrians and bicyclists in 1999. New residents and office tenants increasingly demand convenient access to quality multimodal infrastructure, and in urban areas like San Francisco, they assume that parking will be treated as a limited commodity that will be priced based on occupancy levels and market rates. The Mission Rock TDM Plan reflects the values outlined in City policies by striving to maximize user satisfaction and foster travel choices that are sustainable in all senses of the word.

## **PLAN OVERVIEW**

This Plan is comprised of the following chapters:

- Chapter 2 presents a slate of recommended TDM measures for Mission Rock to reduce SOV trip and parking demand for the development.
- Chapter 3 presents the marketing and communications strategy for Mission Rock's TDM program, discussing the interplay between the primary communication mechanisms, the TDM measures, and the various user groups of Mission Rock.
- Chapter 4 presents Mission Rock's approach to monitoring the TDM Plan's implementation to ensure that it achieves the 20% vehicle-trip reduction target.

This TDM Plan will be incorporated into the Transportation Plan for Mission Rock, which will coordinate daily circulation of people, bicycles, and vehicles to, from, and around the site.

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<sup>2</sup> Moskowitz, Eric. "Car-free commuting push pays off in Kendall Square." *The Boston Globe*. July 25, 2012. <https://www.bostonglobe.com/metro/2012/07/24/kendall-square-car-traffic-falls-even-workforce-soars/C4Fio7iKZnwEMAw7y4cJgN/story.html>

## 2 PLANNED MEASURES

The Mission Rock TDM Plan consists of a package of measures that will work together to effect behavioral change in a way that is both cost effective and highly marketable. Measures include incentives, programs, and infrastructure improvements, and they include many that have been successfully implemented in other mixed-use and urban environments; those case studies are cited as possible below each measure.

The measures balance the desire to provide innovative transportation amenities with the need to maintain a cost-effective program and an acknowledgement that Seawall Lot 337 Associates, LLC will not hold a primary relationship with site tenants over the long term – vertical developers or the management companies that take ownership of individual buildings once they are developed will ultimately play this role, and will be required to be responsible for any relevant ongoing programs. As such, programs that necessitate ongoing operational expenditures are included but deemphasized in favor of one-time, up-front investments that give new tenants and visitors immediate experiences with and exposure to the array of non-auto transportation options available to them. These will form lifelong patterns of choosing sustainable transportation options. Figure 2 gives an overview of the measures included in the Plan, and identifies the likely responsible party for implementing the measure, the target audience for the measure, the communication channels used and associated level of impact. The remaining chapter provides further detail. As in the table's column headings, colors are used to differentiate infrastructural (❖) and operational (❖) measures in the text below. A few of these recommendations have been directly integrated into the design of Mission Rock, as codified in the Design Controls and other design documents.

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**Figure 3 Summary of Planned TDM Measures by Mode**

● = High Impact ○ = Medium Impact ○ = Low Impact      Infrastructural = ❖ Operational = ❖

Mode	Measure Type	TDM Program Measures	Responsible Party	Target Audience for Measure			Communication Channels Used			Page Reference
				Residents	Employees	Visitors	Mobile-Friendly, Site-Wide Website	Signage and Wayfinding	Site-Wide Transportation Staff	
Transit	❖ ❖	Real-time transit information and marketing screens	Vertical Developer	x	x	X	●	○	-	10
Transit	❖	One-time transit subsidies	Vertical Developer	X			●	-	●	11
Bicycle	❖	Bike share memberships	Vertical Developer	X			●	-	○	12
Bicycle	❖	Space for on-site bike share	Horizontal Developer	X	X	X	●	●	-	13
Bicycle	❖	Bicycle valet	Horizontal Developer			X	●	●	-	13
Bicycle	❖	Bike community programming with periodic giveaways	Vertical and Horizontal Developers	X	X		●	●	●	13
Bicycle	❖	Bicycle resource center, including vending machine with parts and tools and fix-it station	Horizontal Developer	X	X		○	●	○	14
Bicycle	❖	Secure bike parking in buildings and along desire lines	Vertical and Horizontal Developers	X	X	X	○	●	-	14
Bicycle	❖	Showers and clothes lockers for employees	Vertical Developer		X		○	●	○	16



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Mode	Measure Type	TDM Program Measures	Responsible Party	Target Audience for Measure			Communication Channels Used			Page Reference
				Residents	Employees	Visitors	Mobile-Friendly, Site-Wide Website	Signage and Wayfinding	Site-Wide Transportation Staff	
Personal Motorized Transport	❖	On-site shared scooters	Horizontal Developer	X	X	X	●	●	○	16
Personal Motorized Transport	❖	Electric scooter share memberships	Vertical and Horizontal Developers	X			○	-	○	17
Personal Motorized Transport	❖	On-site car share parking spaces	Horizontal Developer	X	X	X	●	●	○	18
Personal Motorized Transport	❖	Car share memberships	Vertical Developer	X			⊙	-	●	18
Parking	❖	Market-based off-street parking pricing	Garage Developer	X	X	X	⊙	⊙	⊙	19
Parking	❖	Unbundled parking	Vertical and Horizontal Developers	X	X		○	-	●	19
Parking	❖	Reduced parking supply	Horizontal Developer	X	X	X	⊙	●	-	20
Parking	❖	Real-time information on parking pricing and availability	Vertical and Garage Developers	X	X	X	●	●	-	20
Buildings	❖	In-building concierge services	Vertical Developer	X	X		-	-	⊙	22
Buildings	❖	Delivery coordination for online personal services	Horizontal Developer	X	X		●	-	○	22

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Mode	Measure Type	TDM Program Measures	Responsible Party	Target Audience for Measure			Communication Channels Used			Page Reference
				Residents	Employees	Visitors	Mobile-Friendly, Site-Wide Website	Signage and Wayfinding	Site-Wide Transportation Staff	
Buildings	❖	Partnerships with CSAs	Horizontal Developer	X	X		●	○	○	23
Buildings	❖❖	Cold, dry storage space for grocery and package delivery	Vertical Developer	X			-	●	-	23
Buildings	❖❖❖	Family supportive amenities	Vertical Developer	X			-	●	-	23
Buildings	❖❖❖	Convenient loading zones	Horizontal Developer	X	X	X	-	●	-	24
Buildings	❖❖❖❖	Childcare services and facilities	Vertical Developer	X	X		●	○	-	24
Buildings	❖❖❖	Collaborative work space with business services	Vertical Developer	X			●	○	-	24
Buildings	❖❖❖❖	Convenient elevator design for bicycles, strollers, wheelchairs, etc.	Vertical Developer	X	X	X	-	○	-	25
Buildings	❖❖❖❖	On-site affordable housing	Vertical Developer	X			●	-	○	26
All Areas	❖	Site-wide transportation staff	Vertical Developer	X	X	X	○	-	●	26
All Areas	❖	Mobile-friendly Mission Rock transportation website	Horizontal Developer	X	X	X	●	-	-	27

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Mode	Measure Type	TDM Program Measures	Responsible Party	Target Audience for Measure			Communication Channels Used			Page Reference
				Residents	Employees	Visitors	Mobile-Friendly, Site-Wide Website	Signage and Wayfinding	Site-Wide Transportation Staff	
All Areas	❖	Intuitive signage and wayfinding for trip planning across all modes	Horizontal Developer	X	X	X	-	●	-	27
All Areas	❖	Improved walking conditions to, from, and within Mission Rock	Horizontal Developer	X	X	X	-	●	-	27

Some TDM measures like parking pricing have a more direct effect on travel behavior, while others like facilitating delivery services play a more supportive role. For another example, providing car share membership leverages the potential impact of providing easily accessible car share spaces. In other words, the effectiveness of these combined measures is more than the sum of the parts.

The importance of monitoring cannot be overstated; regular monitoring enables management to effectively address and adjust these measures over time in response to changing residential and employee needs.

## TRANSIT MEASURES

### ❖❖ Real-time Transit Information and Marketing Screens

This programmatic measure consists of providing real-time transit information to Mission Rock residents, employees, and visitors. Information will be displayed on screens in lobbies (see Figure 3) and other high traffic areas, such as the collaborative work space or the childcare facilities. Making such information readily available increases residents' awareness of local transit options and facilitates efficient trip planning and use of other modes.

**Mission Rock will display dynamic transit information and transportation marketing in building lobbies or use a similar approach based on state-of-the-practice technology at the time of occupancy.**

**Figure 4** TransitScreen Display in an Office Lobby



### **Implementation Examples**

Parkmerced, the largest apartment community in San Francisco, began a partnership in 2014 with TransitScreen, a company that provides this service. TransitScreen is working with the Metropolitan Transportation Commission to modernize transit displays in over 46 locations throughout the San Francisco Bay Area. Another residential development, NEMA, provides real-time transit information on their resident app and website.

### **❖ One-Time Transit Subsidies**

The Clipper card is the Bay Area's transit fare payment card and can be used on more than 20 of the region's transit agencies, including BART, Muni, and the ferries. Providing a one-time transit subsidy in the form of Clipper cards upon move-in can increase residents' awareness of nearby transit options and increases the ease with which they can start using it. Clipper cards through a bulk purchase through the Metropolitan Transportation Commission, the regional public agency that manages Clipper. A custom-designed Clipper card can help tie the Mission Rock brand more closely to lifestyles that incorporate frequent transit use.

Providing Clipper cards increases the ease of using transit for employees and residents who currently do not have Clipper. For individuals who already have cards, the one-time financial subsidy could help lower one barrier to increased transit use.

**Mission Rock will provide a one-time transit subsidy in the form of a Clipper card pre-loaded with \$50 cash value to all residents over the age of 18 upon move-in, and will require that business tenants offer employees the same.**

### **Implementation Examples**

The City TDM Ordinance lists one-time financial incentives paired with outreach to employees and residents as a possible measure. Although other residential developments in the Bay Area have provided free/discounted monthly transit passes to residents, providing a Clipper Card with a set value pre-loaded would be a new measure.

## BICYCLE MEASURES

Figure 5 Ford GoBike Bike Share Dock



### ❖ Bike Share Memberships

Members of Ford GoBike can take free, unlimited 30-minute one-way bike rides between bike share stations. Once the system's expansion is complete (planned for November 2016 through 2018), annual memberships will cost \$149 per year. Providing residents and employees with bike share memberships could help tenants with minimal experience bicycling in San Francisco a low-cost and low-obligation opportunity to try cycling, and it would provide residents with a quick and easy way to get to the Transbay Transit Center and Market Street, for BART connections and a variety of other transit options and recreational activities.

**Mission Rock will offer bike share memberships for all residents 18 years and older for one year upon move-in.**

### **Implementation Examples**

While many property owners partner with bike share services to locate bike share docks nearby, offering a bike share membership to residents would be a new measure. Multiple tech companies in the Bay Area, such as Microsoft and Facebook, partner with Bikes Make Life Better, a company that specializes in bicycle program management, to develop and administer their bike programs.

### **❖ Space for On-Site Bike Share**

This measure would involve partnering with Ford GoBike to locate one or more bike share docks in Mission Rock. The system is primarily concentrated in downtown San Francisco, but has recently expanded to Oakland and Berkeley. In May 2017, they announced their plans to establish 7,000 GoBikes across San Francisco, San Jose, Oakland, Berkeley, and Emeryville by 2018. As bike share placement is most effective every 1,000 feet, Mission Rock should examine where Ford GoBike is already planning to establish bike docks near the development and consider sponsoring at least one dock within the site itself. Currently, there is one bike station planned at Terry Francois Boulevard and 3<sup>rd</sup> Street. Prominently located bike share docks can increase awareness of bike share as a viable transportation option while also facilitating convenient use. Each bicycle dock would be provided and maintained by Ford GoBike, but sponsoring a bicycle dock would allow control over the specific siting and design of the dock, including incorporation of developer-specific branding on the bikes, docks, and other materials.

**Mission Rock will establish a high visibility space for a Ford GoBike (or similar provider) dock, with the possibility of additional docks depending on the bike share provider's intended Mission Bay expansion. If sponsorship is necessary, Mission Rock will take it into consideration.**

### **❖ Bike Valet**

Complementing the bike parking available on a daily basis, bike valet services during special events can encourage people to travel to and from events by bicycle by eliminating the challenge of finding safe and convenient bike parking in an area crowded with event attendees. These services also raise public acceptance and support for non-motorized transportation by building connections with visitors.

**Mission Rock will provide free bike valet services for all on-site events, as required by code.**

### **Implementation Examples**

San Francisco Administrative Code Section 2.76 requires that events that require a street closure and anticipate over 2,000 attendees provide monitored bicycle parking. Currently, the San Francisco Bicycle Coalition provides these services for many events, including those at AT&T Park.

### **❖ Bike Community Programming**

Bike-oriented programs and events encourage bicycling by raising public acceptance and support for non-motorized transportation and building connections between residents who regularly bike, making biking a fun, social activity. These events could include evening bike parties, bike-oriented happy hours, periodic bike gear giveaways, and bicycle campaigns that involve contests

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and prizes. Integrating bicycling into the social fabric of the Mission Rock community will raise the profile of bicycling as a viable mode of transportation and encourage people to try biking for a portion of trips.

**Through the site transportation staff, Mission Rock will host regular bike parties or happy hours for the bicycling community, potentially paired with gear giveaways.**

### **Implementation Examples**

Although private and non-profit organizations such as the San Francisco Bike Coalition often host these types of events, bike event programming led by a mixed-use development would be a new measure. Some Bay Area employers, such as LinkedIn and Google, sponsor special events around Bike to Work Day paired with regular giveaways and bike valet.

### **Bicycle Resource Center**

A bicycle resource center can provide a dedicated space for residents and employees to get information about bicycling as well as tools and parts for bike repairs and maintenance. A dedicated space contributes to social acceptance of bicycling and reduces one key barrier associated with owning a bike – concern about complications related to ongoing maintenance – by providing tools and parts through a vending machine at low prices. This measure will also include working to incorporate a bicycle store in the site retail plan and establishing a resource center containing a vending machine for bicycle parts, a “fix-it” work station with basic tools, and bicycle pumps somewhere else within the site at an easily accessible location.

**Mission Rock will establish bicycle maintenance space near a major secure bike parking area within each building with resources like a bike stand, a workbench, tools, and a basic repair kit. This space will be available over the life of the project. The team will work to include a bike store as part of the site retail plan.**

### **Implementation Examples**

In Seattle, Via6 is a 654-unit mixed-use apartment complex that provides a bike wash station for residents, as well as a bike shop on the ground floor that is owned and operated separately from the development. The Velo Room at Solera (Denver) provides tools, bike stands, work benches, air pumps, tubes, and other supplies, as well as gel packs, energy bars, and bike trail maps. Several university campuses, including Ponce Health Science University in Portland and the University of California-Davis, have bicycle repair stations in key facilities.



Figure 6 Bike Center, Millenium Park, Chicago



Source: Flickr, Brian Kusler

## ❖ Bike Parking

Following San Francisco Zoning Code Section 155, Table 155.2, the Mission Rock project is required to provide at least 710 secure bike parking spaces (Class I), in addition to at least 371 spaces for bikes in publicly-accessible locations (Class II), under the Maximum Commercial Scenario. Under the Maximum Residential Scenario, the Mission Rock project is required to provide at least 765 Class I spaces, and 388 Class II spaces.

Given the importance of non-motorized transportation to the site's overall design concept, this measure goes above that requirement to provide one Class I space per dwelling unit, one Class I space per 2,500 square feet of commercial development, one Class I space per 3,750 square feet of retail, and one Class I space per 5,000 square feet of open space, in addition to around 700 Class II spaces. Class I parking consists of secure long-term bicycle parking, including bicycle lockers, bike cages, and bike rooms. Class II bike parking refers to more short-term bicycle parking, including on-street bike racks. The site's location on a Class I north-south bicycle facility and in a flat part of San Francisco implies a strong potential for very high rates of bicycle usage, and this should be encouraged through easy access to ample, convenient bicycle parking. Bike parking facilities will also accommodate various types of bicycles including those with cargo and trailer attachments.

There are several methods of providing secure (Class I) bicycle parking spaces for residents and employees. Bike cages can be placed at convenient locations within buildings or on sidewalks in the area, and bike owners who qualify can receive a key or access card to use the cages. This space

will serve as a common, secure bike room, where residents or employees can use a key or access card (often the same card used to access an elevator or parking garage). Moreover, public bike parking is often considered secure when it is situated in well-lit, highly visible areas.

**Exceeding the bike parking required by City code, Mission Rock will construct 1 Class I bike parking space per dwelling unit, an additional 511 (under the High Residential Scenario) or 667 (under the High Commercial Scenario) Class I spaces for commercial development, and 675 (under the High Commercial Scenario) or 692 (under the High Residential Scenario) Class II bike parking spaces and will work with vertical developers to set aside necessary square footage for secure bike parking in the ground floor or another convenient area of each building.**

### **Implementation Examples**

As it is required by San Francisco zoning code, any new construction, including the addition of new units or an increase of off-street vehicle parking capacity, must include bicycle parking spaces. For residential development, one Class I (secure) space per unit is required; for buildings with more than 100 units, 100 spaces plus one space per every four units over 100 are required. The requirements for commercial development vary; retail development must provide one Class I (secure) space for every 7,500 square feet of occupied floor area, and office developments must provide one space for every 5,000 square feet.

### **Showers and Lockers for Employees**

Following San Francisco Zoning Code Section 155.4, specific land uses exceeding a certain square footage threshold are required to provide shower and clothes locker facilities for tenants and employees. Offices (including childcare, business services, and light manufacturing) that exceed 10,000 square feet must provide at least one shower and six clothes lockers; for facilities between 20,000 and 50,000 square feet, the building must provide two shower and 12 lockers. Those exceeding 50,000 square feet must provide four showers and 24 lockers. Retail sales and restaurants exceeding 25,000 square feet must provide one shower and six clothes lockers; those exceeding 50,000 square feet must provide at least two showers and 12 lockers.

**Mission Rock will work with the vertical developers to meet this requirement.**

### **Implementation Examples**

San Francisco first implemented this requirement in 1998, and amended it to include office land uses in 2013.

## **PERSONAL MOTORIZED VEHICLE MEASURES**

### **On-site Shared Scooters**

Electric scooters are highly convenient in a dense urban environment and may have additional marketing value, given the cache scooters carry among certain population segments. The main company providing scooter share services is called Scoot, providing access to both single-rider scooters and quad vehicles, which have four wheels and can carry up to two people. One of the benefits of Scoot's network is the ability to travel point-to-point, instead of needing to return scooters to their point of origin. Scoot already has pods within about a half-mile of Mission Rock.

Providing scooter share access to residents on-site will magnify the effectiveness of offering Scoot memberships. The parking garage would accommodate space for a scooter dock, which the scooter share vendor would provide and maintain.

**Mission Rock will reserve off-street parking space for 20 scooters (approximately six car parking spaces), and will pursue a potential marketing partnership opportunity with a provider of scooter share (e.g. Scoot) or a similar service.**

### Implementation Examples

This would be a new measure.

Figure 7 Scoot Networks



Source: Flickr, Marcin Wichary

### ❖ Electric Scooter Share Memberships

Like a bike share membership, a scooter share membership for Mission Rock residents can help establish new travel behavior patterns upon move-in. This measure would entail partnering with Scoot or another electric scooter share vendor to provide free memberships in exchange to reserving space for electric scooter parking on-site.

**Mission Rock will offer a one-year membership for Scoot or a similar service to all new residents aged 21 and over who meet the scooter share provider's membership requirements, and will offer on-site scooter orientation (provided by Scoot Networks or a similar provider).**

### Implementation Examples

Offering scooter share memberships would be a new measure.

## ❖ On-site Car Share Parking Spaces

According to San Francisco Zoning Code<sup>3</sup>, Mission Rock is required to provide 31 to 38 car share spaces. Research indicates that a single car-share vehicle can remove as many as 20 private cars from the transportation network. Spaces will be located in high-visibility parking spots within the publicly-accessible parking garage, with clear exterior signage to increase visibility and emphasize the convenience of car share. City Car Share offers electric vehicles which appear to be equally popular, though others have found barriers to adoption as people are still becoming comfortable with using the technology; this may not be the case in five years. Depending on the car share vendor provided, additional partnerships with ChargePoint may be required to provide infrastructure for electric vehicle charging.

**Exceeding this code requirement, Mission Rock will negotiate an agreement with one or more local car share vendors to provide 50 designated car share spaces in initial design with flexibility to increase over time in response to demand. Mission Rock will also consider partnering with ChargePoint to provide electrical hookups adjacent to spaces to allow for the potential for electric shared vehicles, with the ability to increase over time in response to demand.**

## Case Studies

Fox Plaza (San Francisco) has 443 units with a 0.77 parking ratio and provides 14 car share vehicles on site, with 12 additional spaces located within 1/4 mile. Madera Apartments (Mountain View) has 203 units with a 1.37 parking ratio and provides two car share vehicles on site, with two additional Zipcar locations within 1/4 mile. The Uptown (Oakland) has 665 units with a 0.80 parking ratio and provides one car share vehicle on site, with an additional four car share locations within a 1/4 mile.

## ❖ Car Share Memberships

New residents will receive a car share membership for their first year of residency to help establish new behavioral patterns upon moving in (opt-out allowed, but default to providing for all). Pairing access to car sharing vehicles with car sharing memberships is also shown to be more effective than implementing one or the other on its own.

**Mission Rock will offer memberships to all households for their first year of residency. Depending on the agreement with the on-site car share vendor, membership fees will likely be reduced or waived and some rental credit may be provided.**

## Implementation Examples

Several Bay Area residential projects cover the full price of car share memberships for residents (New Californian - Berkeley; Madera Apartments - Mountain View; Fruitvale Transit Village - Oakland; Fox Plaza - San Francisco; The Uptown - Oakland). Many of these developments have parking ratios of less than one per unit, and all of them have seen parking utilization rates of well below capacity.

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<sup>3</sup> San Francisco Planning Code Section 166, Table 166.

## PARKING MEASURES

### ❖ Parking Pricing

The price of parking has been shown to be a highly effective mechanism in changing parking and travel behavior. Demand-responsive pricing involves altering the cost of parking according to the level of demand. During times of higher demand, parking has a higher price and thus encourages both a higher rate of turnover and the use of other modes; during times of lower demand, parking has a lower price. Prices generally do not change in real time based on current occupancy, but instead might automatically increase by a pre-set amount during peak periods, based on typical demand patterns, or for scheduled events. Prices might be adjusted overall a few times a year based on recent occupancy data. By refining the price of parking periodically, it is possible to keep parking occupancy rates relatively close to the optimal level, typically around 90% for off-street parking. Researchers have found that parking facilities function efficiently (i.e. without requiring excessive parking-search time) up to roughly this level of occupancy.<sup>4</sup>

**At the time when the site is fully built out, Mission Rock's parking facilities will be priced to keep demand below a threshold occupancy rate and to encourage site users to avoid parking during AT&T Park events. Non-event rates will be comparable to off-street parking prices at other facilities in SoMa and Northern Mission Bay.**

### Implementation Examples

Demand-based parking pricing has been implemented to various degrees in multiple cities. The *SFPark* program in San Francisco regulates parking prices for off-street as well as on-street parking facilities, adjusting hourly parking rates every three months based on the parking demand at each garage during five different time bands throughout the day. When occupancy exceeds 80%, hourly rates for the following three-month period are increased by 50 cents. Unlike approach planned for Mission Rock, *SFPark* also decreases prices when occupancy falls below a low-end threshold of 40%. When it was first implemented, the program also adjusted early bird parker time requirements and added off-peak discounts to discourage commuting at peak hours, reducing congestion around the garages. Since implementation, San Francisco has seen higher garage occupancy at lower prices overall, resulting in a marginal increase in revenue.

### ❖ Unbundled Parking

"Unbundling" parking means that the cost for parking is separate from the cost of residential and commercial units. It is an increasingly common practice in urban areas; the City of San Francisco requires residential developments to unbundle parking. Thirty percent of San Francisco households do not own a vehicle<sup>5</sup> and unbundled parking makes housing more affordable those who do not need a parking space. This approach provides a cost savings to households who decide to dispense with one of their cars, and it can help attract households who wish to live in a transit-

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<sup>4</sup> See: Levy, Nadav, Karel Martens, and Itzhak Benenson. Exploring Cruising Using Agent-Based and Analytical Models of Parking. *Transportmetrica*, DOI: 10.1080/18128602.2012.664575, 2012. AND Millard-Ball, Adam, Rachel Weinberger, and Robert Hampshire. Is the curb 80% full or 20% empty? Assessing the impacts of San Francisco's parking pricing experiment. *Transportation Research Part A: Policy and Practice*, No 63, 2014, pp. 76-92.

<sup>5</sup> U.S. Census, American Community Survey 2013, 5-year estimates

oriented neighborhood where it is possible to live well with only one car, or even no car, per household. Unbundling parking costs changes parking from a required purchase to an optional amenity, so that households can freely choose how many spaces they wish to lease.

Unbundling parking tends to reduce demand for parking by specifically calling out and making optional the previously hidden cost of “free” parking. This in turn allows developers to provide less parking, which increases the developable area for more lucrative land uses such as additional housing units. For this measure to work optimally for office users, the users of parking – not their employers – must be the ones who ultimately pay daily or monthly costs.

**Mission Rock will unbundle parking costs from all residential, commercial, and retail leases and ensure that the users of parking are the ones who ultimately pay for it.**

### **Reduced Parking Supply**

Overbuilding parking supply leads to increased automobile use, contributing to more vehicle trips, traffic congestion, higher housing costs, and greenhouse gas emissions. Providing parking at a rate below the surrounding neighborhood reduces the parking supply from what would be typically provided for this kind of development, which in turn reduces the number of trips the development may generate. Given the large number of households with no vehicle and the demand for housing in San Francisco, a limited supply of parking could be expected to attract a high proportion of residents without vehicles, which in turn would result in fewer vehicle trips from the development. Mission Rock is within a few blocks of frequent high-quality transit to downtown and is in a neighborhood that is already facing vehicular congestion, which further discourages driving and parking.

**Mission Rock will establish maximum parking ratios that are lower than the neighborhood average; if anticipated needs related to AT&T Park require providing parking at a rate higher than the neighborhood average, Mission Rock will still price parking at or above market rates for northern Mission Bay or SoMa, rather than reducing prices to fill the facility.**

### **Real-time Parking Pricing and Availability Information**

This programmatic measure consists of providing real-time parking pricing and availability information to Mission Rock residents, employees, and visitors who utilize the off-street parking facilities on-site. Information could be displayed on signs outside of the parking garage, and could also be accessible on the mobile-friendly Mission Rock website. For market-based parking pricing to be truly effective, the dynamic between price and availability must be clearly communicated to drivers. Making such information readily available to potential drivers, particularly at parking garage entrances, decreases the likelihood of drivers’ circling for parking or potentially increases the possibility of choosing other modes.

Real-time availability information for an overall facility can be derived from the access control of the parking garage, calculated based on the number of entries and exits at any given time. To provide garage floor-specific information on where spaces are available, each parking space needs a sensor (typically embedded in the floor) that communicates wirelessly with a central system to sense when the space is occupied.

Mission Rock will install dynamic displays (or use another state-of-the-practice price-information sharing measure) to show real-time parking price and availability information, and will endeavor to make this information available through other channels like a Mission Rock transportation website; this will require installing technology and associated information systems to automatically monitor parking usage.

Figure 8      Dynamic Parking Signage, SoMa



### Implementation Examples

All City-owned garages that participate in the demand-based parking pricing program, *SFpark*, provide real-time pricing and availability information on the *SFpark* website; there are several dynamic message signs at key intersections in SoMa that indicate the number of parking spaces available and general wayfinding to those garages.

## BUILDING MEASURES

### ❖ In-Building Concierge Services

In-building concierge services and/or multi-purpose front-desk staff can facilitate valet parking, farm-to-table produce delivery, cold and dry storage for grocery or produce delivery, and secure package delivery. Concierge staff could also provide information about the nearest stores and services like dry cleaning and laundry service, as well as pickup/delivery services from local merchants. Residents would pay for all services.

This concierge will be supported by the site-wide transportation staff who would provide centralized transportation support to the in-building concierges (see section on the site-wide transportation staff below). The combination of these services will consolidate or eliminate the need for additional trips and could be a resource for residents, providing targeted travel information. In buildings where a concierge service isn't feasible, the site-wide transportation staff will provide this service to the building tenants.

**Mission Rock will encourage vertical developers to appoint an in-building concierge to provide information about local merchants and coordinate/facilitate delivery services for residents.**

#### Implementation Examples

Though many residential buildings provide a concierge, explicitly pairing in-building concierge staff with a transportation specialist would be a new measure for reducing trips and demand for parking. Crafting and marketing the concierge's role as such may increase the program's effectiveness.

### ❖ Coordinated Delivery Services

Mission Rock will aim to partner with online personal service providers (i.e. Instacart, Postmates, Taskrabbit) or facilitate other ways of making ordering in, instead of making separate trips off the property for daily needs, more appealing and reduce vehicle trips in the process. One potential way to do this would be to offer direct ordering through the Mission Rock website. Each building would manage these services individually as needed.

**Mission Rock will aim to establish site-wide partnerships with internet delivery services companies.**

#### Implementation Examples

NEMA on Market Street facilitates local organic produce and wine delivery, which is part of its overall suite of concierge services. This type of amenity could be coupled with an app-based ordering system, such as Instacart or Postmates, or Mission Rock may want to develop one specific to its services.

### ❖ CSA Partnerships

Partnering with local community-supported agriculture (CSA) organizations has the potential to reduce greenhouse gas emission and vehicle-trips by providing project residents convenient access to locally sourced food, reducing the number of trips and vehicle miles traveled by both



vendors and consumers. This measure could also have marketing benefits and reinforce the site's overall message about sustainability. Initial conversations about bringing a farmers' market to Mission Rock have yielded a cost estimate of approximately \$75,000 to \$100,000 annually for Mission Rock to manage it in-house. Alternatively, hiring a farmers market management company could reduce costs to as low as \$15,000. However, providing a farmers market may result in generating more trips rather than it offsets; as such, a partnership with a local CSA might be more cost-effective.

**Mission Rock will coordinate with local CSAs to provide group deliveries, and continue exploring the possibility of hosting regular farmers' markets on the premises.**

### **Implementation Examples**

This would be a new measure; although there are multiple farmers' markets throughout San Francisco, they are not specific to a certain development or community, nor were they started with a specific development's needs in mind.

### **Cold and Dry Delivery Storage Space**

Providing storage space for groceries, laundry, and other packages can have a direct effect on reducing trips by encouraging and facilitating online ordering. A centralized storage facility within each building can also consolidate delivery trips by enabling delivery vehicles to only make one stop for multiple recipients instead of several. Where this type of measure has been implemented without direct staff monitoring at all times, building residents typically access deliveries through a locker system with unique pick-up codes that include the locker number and access times for the delivery recipient.

**Mission Rock will work with the vertical developers to provide storage space near the concierge and elevators to store packages, perishables, laundry, and other deliveries.**

### **Implementation Examples**

Presidio Landmark has a wine cellar with climate controlled lockers; separate storage lockers are also provided.

### **Family Supportive Amenities**

Providing secure storage space for personal car seats, strollers, athletic or other extracurricular gear, and other large equipment can address challenges families face while traveling. Locating this space near car share parking spaces make it easier for families to travel without feeling a personal vehicle is necessary. If this measure is implemented without direct staff monitoring at all times, building residents can access the space with an access code or key card.

**Mission Rock will provide storage space for family-related equipment near car share parking spaces.**

## **Convenient Loading Zones**

While the site does not contain on-street parking, Mission Rock is planning to dedicate a portion of the site's curb space for loading and deliveries of goods and people to reduce the need to make personal vehicle trips. Curb designations will be consistent with City of San Francisco regulations. Under those regulations, taxis, transportation network companies, and private vehicles may drop off along any curb space not designated by a red curb or marked otherwise. Vehicles may not idle in these locations as per San Francisco Transportation Code Section 7.2.86. As noted earlier, the project team will work with the City to develop a loading management plan during a future phase of project development.

Drop-off locations for seniors and people with disabilities will be located near building entrances, elevators, and at corners with curb ramps. The location of loading zones will also take into consideration the moving needs of residents and businesses. See the Mission Rock Transportation Plan and the Design Controls for more detail on the planned location of loading and delivery zones and for more information on Americans with Disabilities Act (ADA) accessibility on the site.

**Mission Rock is integrating loading zones into the site's overall street design.**

## **Childcare Facilities and Services**

Providing childcare services on site at Mission Rock would break down a key barrier for parents to taking non-auto modes to work by bringing such services within walking distance and near the many commute options around the Mission Rock site. Mission Rock will aim to attract a childcare provider, likely on the ground floor of a northern parcel, near China Basin Park.

**Mission Rock will aim to attract a provider of on-site childcare services and facilities to ensure easy access for Mission Rock residents and employees.**

### **Implementation Examples**

Many residential developments in major cities provide childcare services as part of their amenities; NEMA on Market Street provides childcare, and North Beach Place provides day care and children's play areas. A housing development at 8<sup>th</sup> and Market instituted unbundled parking to free up space for an on-site childcare center. Parkmerced includes a Montessori School on its premises, with full daycare and after-school care.

## **Collaborative Work Space**

A business services room can help encourage and facilitate working from home, which can have a direct impact on reducing trips to and from the site. Such an amenity is a typical part of large rental buildings, though the size and specific services included vary.

At Mission Rock, work spaces could include rentable work rooms that can be reserved in advance, equipped with video conferencing equipment, high-speed internet connections, projectors, white boards, basic office supplies, and printing, scanning, and faxing services. For residents interested in using this work space long term, dedicated mailboxes for businesses could be set aside and located nearby. Vertical developers will ultimately be responsible for developing and maintaining these business services rooms and ensuring that they are equipped with appropriate equipment.

**Mission Rock will work with vertical developers to implement this measure.**

### Implementation Examples

NEMA (Market Street, San Francisco) has a business lounge with Apple computers, printers, fax machines, and scanners, and a board room with phone, touch screen monitor, and computer hook-ups. Many newer residences also offer Wi-Fi throughout all common areas.

**Figure 9** Co-Working Space



Source: Wikimedia, Chris Gallegos

### ❖ Convenient Elevator Design

By designing elevators that easily accommodate bicycles, strollers, and wheelchairs, Mission Rock will be able to increase the visibility and communicate the importance of bicycling and improve the family friendliness and accessibility of the project. Building codes already require elevators to be large enough to accommodate a variety of users, but the project will also aim to provide appropriate wayfinding and signage for elevators to educate residents about using the appropriate elevators to transport bicycles and other wheeled conveyances.

**Mission Rock will work with vertical developers to implement this measure and meet building code requirements.**

### Implementation Examples

Many residential developments have gone to great lengths to design their facilities as bicycle friendly, but none have specifically called out adaptations to their elevations as an accommodation or amenity.

### ❖ On-Site Affordable Housing

Residents living in affordable housing typically own fewer cars per household than residents of market-priced units. They are more likely to use transit and are less likely to require parking, reducing overall vehicle trip generation.

**Mission Rock will restrict 40% of on-site units to inclusionary affordable housing, to be provided in a balanced manner throughout the phasing of the development.**

## **ALL-REALM MEASURES**

### **❖ On-Site Transportation Staff**

The Mission Rock team aims to hire at least one on-site transportation staff person proficient in the planning and implementation of a TDM program, with an annual budget for TDM staffing, communications, and programs. The site-wide transportation staff will provide customized travel guidance to residents and employees, helping raise awareness and understanding of transportation options and ensuring that site users can find non-auto transportation options that meet their unique travel needs. They may also provide resources to support employers, such as helping them enrolled in pre-tax benefits and/or San Francisco's Emergency Ride Home program, setting up flexible work schedules, developing employee mobility management programs and organizing sitewide marketing and incentive campaigns. Other staff, such as the in-building concierge or those tasked with organizing bike events and maintaining the bike resource room, could also provide similar targeted information and facilitate discussions around using different modes. This dedicated transportation staff would act as a centralized transportation resource to the in-building concierges, providing up-to-date transportation information and expert support to front-line staff that are less likely to have the same depth of knowledge of the transportation system.

The on-site transportation staff will also support efforts to collect data to evaluate the effectiveness of the overall TDM program and to understand opportunities to adjust the program to meet changing needs of Mission Rock residents, employees, and visitors. Chapter 3 provides additional detail about how the other TDM measures will leverage the transportation staff for marketing and communications.

**Mission Rock will hire and task dedicated transportation staff with providing individualized advice and information on transportation options to residents and employees.**

### **Implementation Examples**

This would likely be a new measure, as other developments have not explicitly instituted and integrated transportation information with residential or employee services. Several cities have used something similar to this measure at a neighborhood level. Portland, Ore. has seen notable mode shifts from its Smart Trips program, which provides targeted marketing and information on non-auto transportation options in particular neighborhoods.

### **❖ Mobile-Friendly Mission Rock Transportation Website**

A mobile-friendly website oriented toward all residents, employees, and visitors providing online access to concierge services and transportation programs can help raise awareness and visibility of transportation options and facilitates connections among transportation modes. The transportation information on the Mission Rock site will likely include but not be limited to real-time transit information and a transportation tab with all nearby options (e.g. Muni, car share, scooter share, ride-sourcing apps) showing locations and availability. Chapter 3 provides

additional detail about how the other TDM measures will leverage the website for marketing and communications.

**Mission Rock will create a site-wide website with a dynamic and engaging section dedicated to transportation information and services, with specific portals for each user type (or the state-of-the-practice equivalent to this measure, per changes in technology by the time of first occupancy).**

### **Implementation Examples**

NEMA (Market Street, San Francisco) has a "resident portal" where residents can submit work orders, track packages, pay rent, alert the valet, and communicate with management regarding car charging, car share, bike share, and bike repair.

### **Signage and Wayfinding across Modes**

Signage and wayfinding to indicate points of connection between different modes, as well as estimated travel times and directions by mode, can help increase people's understanding of travel options. Clear signage is also important for ensuring safety for all types of users, differentiating spaces for different users within shared public spaces. Signage will also indicate the nature and location of nearby bicycle routes. Mission Rock will coordinate with the City on the project's overall signage and wayfinding program to ensure the project conforms to City standards. Chapter 3 provides additional detail about how the other TDM measures will leverage signage and wayfinding for marketing and communications.

**Mission Rock will design and install signage and wayfinding at key points throughout the development, including signage for safety along the shared streets.**

### **Implementation Examples**

Interactive signage and wayfinding has been instituted in a variety of cities, academic institutions, and transportation hubs.

### **Improved Walking Conditions**

As described in the Mission Rock Design Controls, the development will add over half a mile of complete streets, including new and improved sidewalks and pedestrian crossings. Complete streets are streets designed and operated to enable safe access for users of all ages, abilities, and transportation modes with the ultimate goal of fostering more livable communities. Today, many sidewalks in Mission Bay are narrow or missing in areas. The new streets within Mission Rock will greatly improve the overall walking conditions of the neighborhood and facilitate safer and more convenient pedestrian connections. A pedestrian-oriented urban design is essential for residents, employees, and visitors to fully take advantage of the other TDM measures, supporting access to all of the available transportation options and programs throughout the site and nearby. These improvements help shape the environment for the other TDM measures to succeed.

**Mission Rock has integrated high-quality pedestrian design features (high connectivity, wide sidewalks, highly visible crossings, and others) into its design.**

### **3 MARKETING AND COMMUNICATIONS**

A strong communication measure is critical to the success of any TDM program, ensuring that residents, employees, and visitors receive information about relevant resources and incentives at appropriate times and through channels that are easily accessible. Incorporating consistent branding into all communications can help create a sense of place and establish a cohesive identity for the transportation program. Branding can be used to support marketing and communication efforts, particularly on signage and wayfinding, to emphasize that residents, employees, and visitors can travel seamlessly through the area.

The Plan anticipates that Mission Rock will likely have three main channels for transportation-related communications: Its site-wide transportation staff, a mobile-friendly web portal for site users, and physical signage and other wayfinding mechanisms on site. This section includes examples of communication tactics and channels to illustrate how specific channels can help reach target audiences. Given the diverse mix of ways different people process information, any good communications plan relies on a mix of measures and channels. The Communications Timeline section matches the mix of channels outlined in this section to the key audiences for the information: residents, employees, and visitors.

Communications technology and norms are changing rapidly, and as such, this portion of the Plan will necessarily be updated as the projects approaches first occupancy. As such, the details for each of these measures are presented as a set of recommendations. Regardless of how they are implemented, these measures remain part of the TDM Plan.

#### **SITE-WIDE TRANSPORTATION STAFF**

Mission Rock transportation staff would be responsible for maintaining information about TDM programs and acting as a point of contact to assist residents, employees, and visitors with transportation-related questions, concerns, or general assistance. The Mission Rock team envisions that a transportation coordinator would have the authority to implement TDM measures, oversee the management and marketing of all measures, and monitor success of the TDM program. Whether the coordinator would need support from additional staff and how large the team would be will be figured out as the communications measure is solidified closer to occupancy.

Transportation staff might also be responsible for compiling a print and/or electronic transportation handbook to be distributed to residents on move-in and employees on hiring. This handbook could include information on transportation programs, policies, and service options, in addition to the following information:

- Transportation staff contact information, including information for the in-building concierges (if relevant)

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- Commute trip planning information, including links to the regional 511 Rideshare program
- Clipper card and vehicle (including car, bike, and scooter) share membership subsidies and parking policies
- Information on accessing other TDM program details and amenities, such as the in-building storage facilities
- Walking and biking routes within the area, estimated walk and bike times to key locations, including transit hubs, and a link to the San Francisco bike map
- Local transit options and schedules, including links to Muni, BART, and Caltrain schedules, route maps, and existing trip planner mobile applications

It is envisioned that this handbook would be distributed to all prospective residential tenants and all prospective employees who receive an offer to work within the development. It might also be included as a component of resident and employee welcome packets or employee orientation. The information provided in the handbook, as well as relevant website addresses, may also be posted in prominent locations for all residents and employees, such as apartment lobbies or lunchrooms. Print materials with information on various programs, maps, and amenities could also be provided to the in-building concierge staff for easy distribution when questions arise.

The transportation coordinator will also be responsible for supporting employers by providing information and guidance regarding tools and programs for flex work or telecommuting.

To make sure information stays useful to residents and employees over time, it is important that Mission Rock transportation staff keep all information and materials up to date and relevant.

## MOBILE-FRIENDLY MISSION ROCK WEBSITE

Mobile-friendly websites are an easy way to create a dynamic and engaging repository for transportation information, point-to-point navigation tools, travel suggestions, user engagement campaigns, and other efforts to raise awareness of alternatives to drive-alone travel options and residents, employees, and visitors to use them. In addition to supporting the information already provided in the resident and employee handbook, this website could include the following:

- Real-time transit information
- Real-time parking pricing and availability information
- Notifications of upcoming transportation-related events, such as bike parties and farmers' markets, and alerts
- Integration with internet delivery services for ordering
- Registration for car share, bike share, and/or scooter share memberships
- Room reservations for the collaborative workspace
- On-site childcare services enrollment
- Specific pages or portals for residents, employees, and visitors so that each of these audiences has access to the appropriate and relevant travel information
- Functionality which allows for tracking travel behavior and enables gamification for incentives

Establishing specific portals for each audience can allow for the delivery of targeted, individualized TDM information for each of the audience groups. For example, the resident and employee portals could have features to receive notifications for coordinated delivery services,

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should Mission Rock choose to develop a centralized delivery facility. Each of the portals could also provide specific information on costs and multimodal options available for traveling to and from Mission Rock, as well as information on nearby attractions and services and links to citywide or regional information. Figure 9 shows an example of a landing page for this type of website. Advantages of a webpage similar to that shown in the figure include prominent links to a trip planning service, alerts for riders, and individual operator websites for more information.

**Figure 10 Sample Site-Wide Transportation Website, Mountain View Transportation Management Association (TMA)**



## **SIGNAGE AND WAYFINDING**

Clear, consistent, and predictable signage and wayfinding can help residents, employees, and visitors navigate the site easily. Signage can also bring awareness to important information such as parking prices and availability, bike parking locations, estimates of bike and pedestrian travel times, and other information on Mission Rock programs or services. Simply providing information on non-motorized travel prominently can increase the likelihood that people will select biking or walking as their mode of transportation.

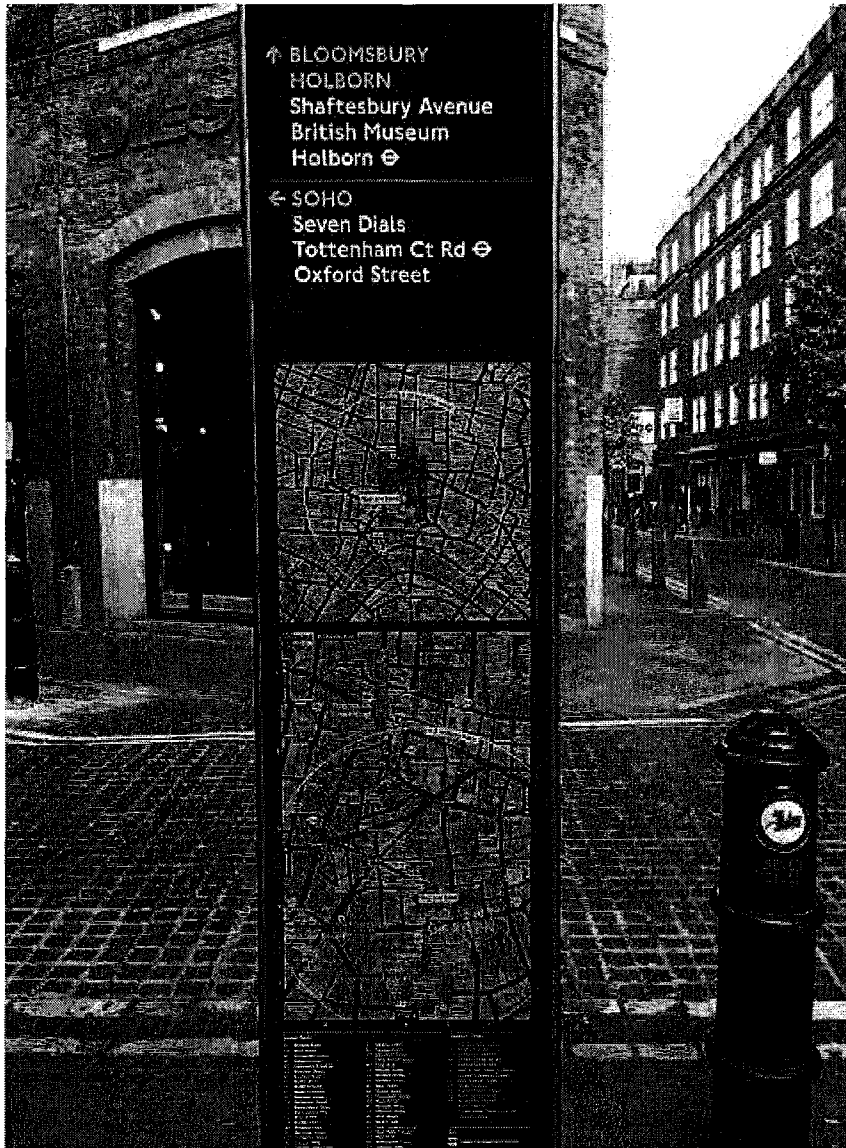
The efficacy of signage and wayfinding is dependent of the design and placement of signs. Signage should be clear and provide relevant information at key decision points in people's journeys, in areas that are highly visible, and in clear lines of sight. For instance, when entering the site, cyclists should be able to clearly understand the route options along Terry Francois Boulevard, Exposition Street, and Bridgeview Street. This signage will be especially important for safety along the shared public ways, to ensure that users understand the encouraged forms of travel and



appropriate behavior on each mode. Temporary signage may be used in areas more highly trafficked by residents or employees, to provide information on specific events or programs, such as CSA pick up locations.

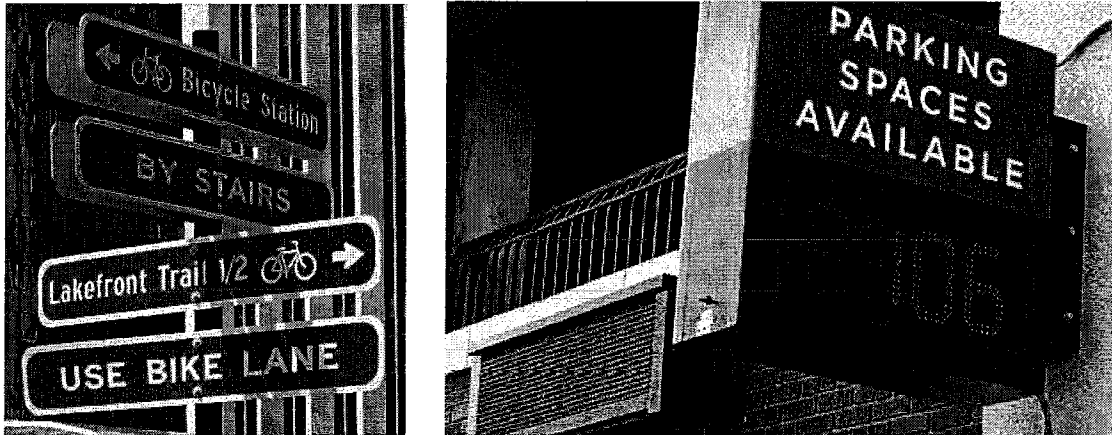
Figure 10 and Figure 11 are examples of wayfinding signage used in vibrant, mixed-use areas. The wayfinding signage in Figure 10 offers clear guidance for the nearby area at two different scales while providing clear directional guidance to nearby transportation hubs and popular destinations. Figure 11 offers examples of bike directional signage, as well as digital, dynamic parking availability signage.

Figure 11 Area Wayfinding Signage – London, UK



Source: Andrew Nash, Flickr Creative Commons

Figure 12 Bike Route and Parking Signage



Source: Nelson\Nygaard, signal-tech.com

## Transportation Information Kiosks

Transportation information kiosks can provide centralized locations for relevant transportation information for trips within Mission Rock and to nearby services and attractions. These kiosks could be placed throughout the site, at strategic decision-making locations where residents, employees, and visitors might need the information. For instance, kiosks located at the primary entrances to Mission Rock such as the intersection of Terry Francois Boulevard and Mission Rock Street could include all information necessary to navigate to specific places throughout the site. Similarly, kiosks could be placed in and around primary points of congregation on the site, including China Basin Park and Mission Rock Square. The kiosks could include transit schedules and fare information, walking and cycling routes, real-time transit information, and Ford GoBike dock locations and bike availability.



Source: Kansas City example from transit.dot.gov

It is recommended that these kiosks be digital, interactive displays (as shown in the accompanying image) to allow information to be updated easily and regularly. These boards would be maintained and updated as needed by the transportation staff.

Real-time transit information signage, such as the technology provided by TransitScreen, would be a similar dynamic information-distribution mechanism aimed mostly at residents, employees, and their visitors, located in the site's residential and office building lobbies (see more information on this measure in Chapter 2). While the information kiosks can provide detailed information on transportation options to visitors and others new or unfamiliar with Mission Rock

and the surrounding area, real-time transit screen technology is designed to offer an opportunity to understand transportation options at a quick glance. This would be particularly useful for employees and residents, those who make recurring trips frequently and don't need detailed guidance.

## **COMMUNICATION TIMELINE**

Each of the communication-based TDM measures are pertinent to residents, employees, and visitors at different times during their lifecycle at Mission Rock. As such, it is critical to think strategically about when to share what with each of these key segments.

The mobile-friendly Mission Rock website will be an important avenue for sharing information about programs, policies, and services. It is reasonable to assume that the website will act as a front-line communications vehicle to reach all of those who have or may be interested in having a connection with the site. Signage and wayfinding will be seen on a daily basis and is an important element for users of the development to efficiently navigate Mission Rock. The site-wide transportation staff will provide key information for residents and employees at the time of move-in or hire, and will provide as needed services over time. See Figure 12 through Figure 14 for more detail on the progression of anticipated touch points for transportation-related communication for residents, employees, and visitors of Mission Rock.

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**Figure 13 Residential Communications Touch Points**

	Pre-Move In & Lease Signing Period	Move-in Period	Establishing Transportation Patterns	Ongoing	Life Change: New Job	Life Change: Family
<b>Website</b>	Promote website and all web-based transportation tools through pages or portal aimed at prospective tenants	Receipt of access to special "residents-only" website pages/portals	Visit website to plan frequent trips and learn about transportation options, sign up for any available subsidies or complimentary memberships, as applicable	Ongoing use of website for trip planning tools, information on events, and program memberships	Return to trip planning tools and information on website	Return of trip planning tools and information on website
<b>Wayfinding &amp; Signage</b>	View wayfinding and signage when touring site	Gain deeper familiarity with the site and surroundings through signage and wayfinding	Use of dynamic wayfinding (kiosks and transit screens) to deepen understanding of nearby transportation options and develop time/schedule patterns	Ongoing use of wayfinding and signage	Renewed use of dynamic wayfinding to deepen understanding of new transportation options given new destination	Renewed use of dynamic wayfinding to deepen understanding of new transportation options given new destination; use of signage pointing to family transportation resources
<b>Site-wide Transportation Staff</b>	Discussion of transportation handbook, nearby transportation options, amenities or subsidies as applicable, promotion of trip-planning assistance	Distribution of transportation handbook, one-on-one assistance in planning commute or other trip options, or signing up for transportation programs/memberships	One-on-one assistance in planning commute or other trip options	Available for questions as they arise	Additional one-on-one support to plan new routes, etc. as needed	Additional one-on-one support to plan new routes, understand family-friendly resources on site, as needed

**MISSION ROCK TRANSPORTATION DEMAND MANAGEMENT PLAN**  
Seawall Lot 337 Associates, LLC

**Figure 14 Employee Communications Touch Points**

	Employer Signs Lease at Mission Rock	→ Employer Move-in Period	→ Employee Move-In Period	→ Ongoing: With Employer	→ Ongoing: With Employees	→ Ongoing: New Hires
<b>Website</b>	Promote website and all web-based transportation tools through pages or portal aimed at prospective tenants	Receipt of access to special "employer-only" website pages/portals	Employees receive access to special "employees-only" website pages/portal Plan frequent trips and learn about transportation options, sign up for available subsidies or complimentary memberships, as applicable	Ongoing references of website for trip planning tools, information on events and program memberships	Ongoing use of trip planner on website and other website tools	Receipt of access to special "employees-only" website pages/portals Ongoing use of trip planner on website and other website tools
<b>Wayfinding &amp; Signage</b>	View wayfinding and signage when touring site	Presentation regarding available wayfinding	Use of wayfinding and signage to learn about nearby transportation options	Ongoing use of wayfinding and signage	Ongoing use of wayfinding and signage	Presentation regarding available wayfinding
<b>Site-wide Transportation Staff</b>	Discussion of transportation handbook, nearby transportation options, amenities or subsidies as applicable, promotion of trip-planning assistance	Distribution of transportation handbook, one-on-one assistance in planning commute or other trip options, or signing up for transportation programs/memberships	Distribution of transportation handbook One-on-one assistance in planning commute options is made available to new employees	Presentations to share new web or wayfinding functionality, employee-focused TDM programs, and ongoing support structures	Available for questions as they arise	Distribution of transportation handbook Additional one-on-one support is available to plan new routes, etc.

**MISSION ROCK TRANSPORTATION DEMAND MANAGEMENT PLAN**  
Seawall Lot 337 Associates, LLC

**Figure 15 Visitor Communications Touch Points**

	Planning Trip to Site	(For Event Attendees) Purchase Tickets	Arrive on Site	Ongoing Time Spent on Site	Planning to Leave Site
<b>Website</b>	Use of public-facing website, including embedded trip-planning tools and parking pricing and availability information	Opportunity to receive tailored point-to-point trip suggestions and information emphasizing parking pricing and limited parking availability at time of ticket purchase	Use mobile-friendly website to understand transportation options, parking pricing and availability information, and maps of site		Use mobile-friendly website to plan onward journey from site
<b>Wayfinding &amp; Signage</b>			Use of dynamic parking pricing and availability signage; use of wayfinding and signage, including kiosks, to navigate to specific destination	Use of wayfinding and signage to navigate to additional destinations	Use of wayfinding and signage, including kiosks, to understand options for onward journey from site and navigate to nearby transit options, as applicable
<b>Site-wide Transportation Staff</b>	Coordinate with retailers and restaurants to post latest transportation information on their websites; maintain site website to ensure any updates to transportation information are readily available				

## 4 MONITORING AND COMPLIANCE WITH SF TDM ORDINANCE

A robust monitoring program that allows the site's transportation team to adjust offerings over time is key to the success of the Mission Rock TDM Plan. Monitoring will allow the Mission Rock team to better understand the effects of different measures on travel behavior and determine how programs are meeting the needs of residents, employees, and visitors.

The objectives of an annual monitoring program are:

1. To measure progress toward achieving, or retaining, compliance with the TDM's goal of reducing estimated aggregate daily one-way vehicle trips by 20%<sup>6</sup>; and
2. To identify the most and least effective TDM measures, so that the former can be strengthened and the later can be replaced or significantly improved.

This chapter describes the tools the transportation team will use to effectively monitor the program and ensure that the program complies with City of San Francisco monitoring requirements. It starts with a look at how the TDM Plan compares to the San Francisco TDM Ordinance.

### USING THE SAN FRANCISCO TDM ORDINANCE AS GUIDANCE

San Francisco adopted a citywide TDM Ordinance that created a TDM Program for new development in 2017. The goal of the Program is to reduce driving trips associated with new development. The Ordinance calls for development projects negotiated through Development Agreements, such as Mission Rock, to comply with the spirit of the Program, allowing that there may be unique opportunities because of project scale and mixes of use to meet the goals of the Program. Mission Rock's TDM Plan aims to reduce anticipated driving trips by 20% compared with what is estimated without TDM.

At the heart of the Ordinance is a menu of potential TDM measures, with points or credits assigned to different measures based on their documented effectiveness. Developers are required to implement measures that get them to a point total established based on the number of net new parking spaces planned as part of a given project. For example, residential and office projects with 20 or fewer parking spaces (including zero) need to implement measures with point values adding up to 13 points; each additional 10 spaces require projects to generate an additional point through additional TDM efforts. Retail projects with four or fewer spaces (including zero) need to

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<sup>6</sup> This goal is a 20% reduction compared to the aggregate daily one-way vehicle trips identified in Mission Rock's travel demand memo prepared by Adavant Consulting, dated June 30, 2015.

implement measures worth a total of nine points, and each additional two spaces will require another point.

Figure 16 estimates how the Mission Rock TDM Plan rates against the City's TDM Menu of Options and the range of associated point values. As the table shows, the measures included in this Plan are expected to garner 21 points for the residential component of the project, 20 points for the office component, and 12 points for the retail/restaurant component.

**Figure 16 Comparing Mission Rock TDM Measures to Ordinance Measures, with Estimated Point Values**

Program	Ordinance Category	Estimated Point Values by Use		
		Res	Office	Retail
Real-time transit information and marketing screens	INFO-2	1	1	1
One-time transit subsidies				
Bike share memberships	ACTIVE-4			
Space for on-site bike share				
Bicycle valet beyond code requirements	ACTIVE-7			1
Bike community programming with periodic giveaways				
Bicycle resource center, including vending machine with parts and tools and fix-it station	ACTIVE-5a	2	2	
Secure bike parking in buildings and along desire lines beyond code requirements	ACTIVE-2	2	2	2
Showers and clothes lockers for employees	ACTIVE-3		1	
On-site shared scooters	CSHARE-1	Covered	Covered	Covered
Electric scooter share memberships				
On-site car share parking spaces beyond code requirements	CSHARE-1	2	2	2
Car share memberships				
Market-based off-street parking pricing				
Unbundled parking	PKG-1	2	3	3



Program	Ordinance Category	Estimated Point Values by Use		
		Res	Office	Retail
Reduced parking supply				
Real-time information on parking pricing and availability				
In-building concierge services	DELIVERY-1	1	1	
Delivery coordination for online personal services	DELIVERY-1	Covered	Covered	
Partnerships with CSAs				
Cold, dry storage space for grocery and package delivery	DELIVERY-1	Covered		
Family supportive amenities	FAM-1	1		
Convenient loading zones				
Childcare services and facilities	FAM-2	2	2	
Collaborative work space with business services				
Convenient elevator design for bicycles, strollers, wheelchairs, etc.				
On-site affordable housing	LU-2	2		
Site-wide transportation staff	INFO-3	4	4	1
Mobile-friendly Mission Rock transportation website				
Intuitive signage and wayfinding for trip planning across all modes	INFO-1	1	1	1
Improved walking conditions to, from, and within Mission Rock	ACTIVE-1	1	1	1
		21	20	12

There are several measures recommended in this Plan that do not clearly align with any of those specified in documents related to the Ordinance. As noted earlier, many of these measures play important roles in supporting programs that might more directly affect travel behavior. Others may deserve recognition in the City's framework. Regardless, the specifics of Mission Rock's TDM monitoring will be worked out through discussions with the City.

## TDM PLAN MONITORING AND REPORTING

With the 20% trip reduction goal in mind, Mission Rock will monitor vehicle trips to and from the site for all buildings that have received a Certificate of Occupancy, and compare these vehicle trips to the aggregate daily one-way vehicle trips anticipated for the those buildings based on the trip generation rates specified in the EIR supporting documents.

Monitoring will include the following elements:

- **Trip counts and intercept surveys.** This will consist of site-wide counts of persons and vehicles arriving and leaving the project site on a non-ballgame or major event day. Counts will take place over at least two days between 6 a.m. and 8 p.m.
- **Travel demand information.** The trip count and intercept survey data will provide the key inputs to calculating travel demand for the site in line with the San Francisco Planning Department's transportation impact analysis guidelines.
- **Documentation of Plan implementation.** Mission Rock transportation staff will document the implementation of the TDM Plan's elements.

### Timeframe for Monitoring

Per commitments made under the EIR, Mission Rock transportation staff will monitor and adjust the TDM Plan accordingly until 1) the Development Agreement expires, or 2) the site meets the reduction goal for up to eight consecutive reporting periods, whichever comes first. This monitoring will begin 18 months after the completion and commencement of operation of the proposed parking garage. After that point, the site transportation staff will submit annual monitoring reports until five consecutive reporting periods show that the reduction goal has been reached. After this point, staff will submit monitoring reports every three years.

If the TDM Plan's measures are not achieving the reduction goal after three consecutive reporting periods, Mission Rock will work with the Planning Department to adjust the program as necessary, which may include refining or removing existing measures, or adding new measures. If Mission Rock has adjusted the TDM program and has not met the reduction goal for up to eight consecutive reporting periods, the project may pay an additional emissions offset fee to address any shortfall in meeting the TDM Plan reduction target. At that point, monitoring and reporting requirements will be lifted.

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**EXHIBIT Z**

**Form of Quarterly Percentage Rent Statement**

**Parcel Lease Exhibit Z**

**Form of Quarterly Percentage Rent Statement**

**Parcel [    ]**

**Date: [    ]**

<b>Mission Rock Parcel Form Lease Rent Report</b>		
<b>Base Rent</b>		
<b>Base Rent Due</b>	<b>Amount Per Sec. 3.3 [or Sec. 3.1 for Garage Leases]</b>	<b>\$X.XX</b>
<b>*Note* Base Rent only if Hybrid Lease [or Parcel D Garage]</b>		
<b>Gross Income</b>		<b>\$X.XX</b>
Less Impositions	As set forth in Sec. 3.5(a)(ii) [or Sec. 3.2 for Garage Leases]	\$X.XX
Less Utilities	As set forth in Sec. 3.5(a)(ii) [or Sec. 3.2 for Garage Leases]	\$X.XX
Less Insurance Costs	As set forth in Sec. 3.5(a)(ii) [or Sec. 3.2 for Garage Leases]	\$X.XX
<b>Adjusted Gross Income</b>	<b>(Gross Income - Adjustments)</b>	<b>\$X.XX</b>
<b>Percentage Rent Rate:</b>	<b>Rate per Lease Sec. 3.5(b)(i) [see note below]</b>	<b>XX%</b>
<b>Percentage Rent Overage Due</b>	<b>[(Adjusted Gross Income * Percentage Rent Rate) - Base Rent]</b>	<b>\$X.XX</b>
<b>Paid throughout the Lease Term</b>		
<b>Base Rent Due</b>	<b>Per Above Calculation</b>	<b>\$X.XX</b>
<b>Percentage Rent Overage Due</b>	<b>Per Above Calculation</b>	<b>\$X.XX</b>
<b>Total Rent Due</b>	<b>(Base Rent Due + Perc Rent Overage Due)</b>	<b>\$X.XX</b>

**Note: Calculation of "Participation Rent" under Garage Leases differs from "Percentage Rent" under other Parcel Leases, so this statement should be adjusted accordingly.**

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**EXHIBIT AA**

**Form of Annual Percentage Rent Statement**

**Parcel Lease Exhibit AA**

**Form of Annual Percentage Rent Statement**

**Parcel [ ]**

**Date: [ ]**

<b>Mission Rock Parcel Lease Rent Report</b>		
<b>Base Rent</b>		
<b>Base Rent Due</b>	<b>Amount Per Sec. 3.3 [or Sec. 3.1 for Garage Leases]</b>	<b>\$X.XX</b>
<b>*Note* Base Rent only if Hybrid Lease [or Parcel D Garage]</b>		
<b>Gross Income</b>		<b>\$X.XX</b>
Less Impositions	As set forth in Sec. 3.5(a)(ii) [or Sec. 3.2 for Garage Leases]	\$X.XX
Less Utilities	As set forth in Sec. 3.5(a)(ii) [or Sec. 3.2 for Garage Leases]	\$X.XX
Less Insurance Costs	As set forth in Sec. 3.5(a)(ii) [or Sec. 3.2 for Garage Leases]	\$X.XX
<b>Adjusted Gross Income</b>	(Gross Income - Adjustments)	<b>\$X.XX</b>
<b>Percentage Rent Rate:</b>	<b>Rate per Lease Sec. 3.5(b)(i) [see note below]</b>	<b>XX%</b>
<b>Percentage Rent Overage Due</b>	<b>[(Adjusted Gross Income * Percentage Rent Rate) - Base Rent]</b>	<b>\$X.XX</b>
<b>Paid throughout the Lease Term</b>		
<b>Base Rent Due</b>	<b>Per Above Calculation</b>	<b>\$X.XX</b>
<b>Percentage Rent Overage Due</b>	<b>Per Above Calculation</b>	<b>\$X.XX</b>
<b>Total Rent Due</b>	<b>(Base Rent Due + Perc Rent Overage Due)</b>	<b>\$X.XX</b>
<b>Annual "true-up"</b>		
<b>[attach separate pages for each quarter which requires any changes]</b>		

**Note: Calculation of "Participation Rent" under Garage Leases differs from "Percentage Rent" under other Parcel Leases, so this statement should be adjusted accordingly.**

**EXHIBIT BB**

**Cal. Revenue and Taxation Code, Chapter 2, Section 64**

## **EXHIBIT BB**

### **Cal. Revenue and Taxation Code, Chapter 2, Section 64**

#### **REVENUE AND TAXATION CODE**

#### **Property Taxation**

#### **PART 0.5. IMPLEMENTATION OF ARTICLE XIII A OF THE CALIFORNIA CONSTITUTION**

#### **CHAPTER 2. CHANGE IN OWNERSHIP AND PURCHASE**

#### **SECTION 64**

64. Corporation and partnership interests. (a) Except as provided in subdivision (i) of Section 61 and subdivisions (c) and (d) of this section, the purchase or transfer of ownership interests in legal entities, such as corporate stock or partnership or limited liability company interests, shall not be deemed to constitute a transfer of the real property of the legal entity. This subdivision is applicable to the purchase or transfer of ownership interests in a partnership without regard to whether it is a continuing or a dissolved partnership.

(b) Any corporate reorganization, where all of the corporations involved are members of an affiliated group, and that qualifies as a reorganization under Section 368 of the United States Internal Revenue Code and that is accepted as a nontaxable event by similar California statutes, or any transfer of real property among members of an affiliated group, or any reorganization of farm credit institutions pursuant to the federal Farm Credit Act of 1971 (Public Law 92-181), as amended, shall not be a change of ownership. The taxpayer shall furnish proof, under penalty of perjury, to the assessor that the transfer meets the requirements of this subdivision.

For purposes of this subdivision "affiliated group" means one or more chains of corporations connected through stock ownership with a common parent corporation if both of the following conditions are met:

(1) One hundred percent of the voting stock, exclusive of any share owned by directors, of each of the corporations, except the parent corporation, is owned by one or more of the other corporations.

(2) The common parent corporation owns, directly, 100 percent of the voting stock, exclusive of any shares owned by directors, of at least one of the other corporations.

(c) (1) When a corporation, partnership, limited liability company, other legal entity, or any other person obtains control through direct or indirect ownership or control of more than 50 percent of the voting stock of any corporation, or obtains a majority ownership interest in any partnership, limited liability company, or other legal entity through the purchase or transfer of corporate stock, partnership, or limited liability company interest, or ownership interests in other legal entities, including any purchase or transfer of 50 percent or less of the ownership interest through which control or a majority ownership interest is obtained, the purchase or transfer of that stock



or other interest shall be a change of ownership of the real property owned by the corporation, partnership, limited liability company, or other legal entity in which the controlling interest is obtained.

(2) On or after January 1, 1996, when an owner of a majority ownership interest in any partnership obtains all of the remaining ownership interests in that partnership or otherwise becomes the sole partner, the purchase or transfer of the minority interests, subject to the appropriate application of the step-transaction doctrine, shall not be a change in ownership of the real property owned by the partnership.

(d) If property is transferred on or after March 1, 1975, to a legal entity in a transaction excluded from change in ownership by paragraph (2) of subdivision (a) of Section 62, then the persons holding ownership interests in that legal entity immediately after the transfer shall be considered the "original coowners." Whenever shares or other ownership interests representing cumulatively more than 50 percent of the total interests in the entity are transferred by any of the original coowners in one or more transactions, a change in ownership of that real property owned by the legal entity shall have occurred, and the property that was previously excluded from change in ownership under the provisions of paragraph (2) of subdivision (a) of Section 62 shall be reappraised.

The date of reappraisal shall be the date of the transfer of the ownership interest representing individually or cumulatively more than 50 percent of the interests in the entity.

A transfer of shares or other ownership interests that results in a change in control of a corporation, partnership, limited liability company, or any other legal entity is subject to reappraisal as provided in subdivision (c) rather than this subdivision.

(e) To assist in the determination of whether a change of ownership has occurred under subdivisions (c) and (d), the Franchise Tax Board shall include a question in substantially the following form on returns for partnerships, banks, and corporations (except tax-exempt organizations):

If the corporation (or partnership or limited liability company) owns real property in California, has cumulatively more than 50 percent of the voting stock (or more than 50 percent of total interest in both partnership or limited liability company capital and partnership or limited liability company profits) (1) been transferred by the corporation (or partnership or limited liability company) since March 1, 1975, or (2) been acquired by another legal entity or person during the year—? (See instructions.)

If the entity answers "yes" to (1) or (2) in the above question, then the Franchise Tax Board shall furnish the names and addresses of that entity and of the stock or partnership or limited liability company ownership interest transferees to the State Board of Equalization.

History.—Stats. 1979, Ch. 1161, in effect September 29, 1979, substituted "A corporation, partnership, other legal entity or any other person" for "one corporation", and substituted "any" for "another" after "in" in the first sentence of

subdivision (c). Stats. 1980, Ch. 1349, in effect January 1, 1981, added "and (d)" after "subdivision (c)" in subdivision (a); added "or obtains a majority ownership interest in any partnership or other legal entity" before "through the purchase", substituted "partnership interest, or ownership interests in other legal entities" for "exclusive of any shares owned by directors" after "corporate stock", added "or other interest" before "shall be" and "partnership, or other legal entity" before "in which" in subdivision (c); and added subdivisions (d) and (e). Stats. 1982, Ch. 1465, in effect January 1, 1983, deleted "by merger or consolidation," after "reorganization," in the first sentence of subdivision (b); substituted "If" for "Whenever" before "property," added "on or after March 1, 1975," after "transferred", "paragraph (2) of" before "subdivision (a)", and "then" after "Section 62," in the first sentence, and substituted "that" for "the " before "real property", added "which . . . Section 62" before "shall be", and deleted "by the assessor pursuant to Section 65" after "reappraised" in the second sentence of the first paragraph of subdivision (d), and added the fourth paragraph thereof; and substituted "subdivision (c) and (d)" for "subdivision (c)" after "under" in the first paragraph of subdivision (e), substituted "has cumulatively . . . person" for "was control of the corporation (partnership) transferred or sold" after "California," in the second paragraph thereof, and substituted "the" for "an" after "If", added "(1) or (2) in "after 'cyes' to", substituted "shall" for "will" after "Board", substituted "names and addresses of that" for "name and address of such" after "furnish the", and added "and of . . . transferees" after "entity" in the third paragraph thereof. Stats. 1984, Ch. 678, in effect January 1, 1985, deleted the former third paragraph of subdivision (d) which stated that "The persons holding ownership interests in the legal entity immediately following the reappraisal shall be considered the new original co-owners." Stats. 1988, Ch. 560, in effect January 1, 1989, added ", or any reorganization of farm credit institutions pursuant to the Federal Farm Credit Act of 1971 (Public Law 92-181), as amended," before "shall" in the first sentence of subdivision (b). Stats. 1994, Chs. 1200 and 1243, in effect September 30, 1994, added references to limited liability company throughout text; added "(as enacted . . . 1955)" after "25105" and substituted "the" for "such" and substituted "that" for "such" in subdivision (c). Stats. 1995, Ch. 497, in effect January 1, 1996, added the second sentence in subdivision (a); substituted "that" for "which" twice in the first paragraph in subdivision (b); added "both of . . . are met" after "corporation if" in the second paragraph of subdivision (b); substituted a period for "; and" after "corporations" in paragraph (1) of subdivision (b); added paragraph number designation (1) before first paragraph of subdivision (c), substituted "through direct . . . stock of" for ", as defined in Section 25105 (as enacted by Chapter 938 of the Statutes of 1955), in", after "obtains control", added "including any . . . is obtained," after "legal entities", and added "the real" after "ownership of" therein; added paragraph (2) to subdivision (c); and substituted "that" for "which" twice in the first paragraph and in the third paragraph of subdivision (d). Stats. 1998, Ch. 591 (SB 2237), in effect January 1, 1999, substituted "subdivision (i)" for "subdivision (h)" after "as provided in" in the first sentence of subdivision (a). Stats. 1999, Ch. 83 (SB 966), in effect January 1, 2000, added a comma after "this subdivision" in the first sentence of

the second paragraph of subdivision (b), and deleted "In order" before "To assist" in the first sentence of the first paragraph of subdivision (e).

Note.—Section 40 of Stats. 1995, Ch. 497, providing the following:

The Legislature finds and declared that the amendments of subdivision (a) and paragraph (1) of subdivision (c) of Section 64 of the Revenue and Taxation Code made by this act do not constitute a change in, but are declaratory of, existing law.

The Legislature further finds and declares that the amendment adding paragraph (2) to subdivision (c) of Section 64 of the Revenue and Taxation Code that is made by this act is necessary to correctly state the change in ownership results intended by the Legislature when a majority partner acquires the minority partners' ownership interests. It is the Legislature's intent that, absent the appropriate application of the step-transaction doctrine or one of the express exceptions listed in subdivision (a) of Section 64 of the Revenue and Taxation Code, the transfer of minority interests in a partnership to the majority owner shall not constitute a change in ownership of the partnership real property, on or after January 1, 1996.

Note.—Section 5 of Stats. 1980, Ch. 1349, provided the amendments made to Section 64 shall be effective for the 1981–82 assessment year and years thereafter. It is the intent of the Legislature that the provisions of this act shall apply to the determination of base year values for the 1981–82 fiscal year, and shall apply to any change in ownership occurring on or after March 1, 1975. No escape assessments shall be levied and no refund shall be made for any years prior to 1981–82 for any increases or decreases in value made for the 1981–82 fiscal year or fiscal years thereafter as the result of the enactment of this act. Section 6 thereof provided the provisions of subdivision (d) of Section 64 as added by this act shall be operative with respect to returns for years beginning in 1981 and thereafter.

Note.—Section 11 of Stats. 1988, Ch. 560, provided that the amendment made to Section 64 shall be applicable to the 1985–86 fiscal year and fiscal years thereafter. The Legislature finds and declares that farm credit banks are instrumentalities of the federal government, and that the recent reorganization of these farm credit institutions was effected pursuant to federal law and regulations. The Legislature further finds and declares that the reorganization of these institutions was of a type which would have avoided a change in ownership reappraisal under Section 64 of the Revenue and Taxation Code if the institutions had been members of a privately owned "affiliated group" connected through stock ownership with a common parent, rather than a federal instrumentality.

Construction.—This section applies to true changes in ownership, rather than "paper" ones. Where a corporation is involved, the term exempts a mere change in the form of ownership or corporate organization, but it encompasses outright sale of either land or the company to a stranger, whether for cash or for shares of stock. Thus, reassessment may not be avoided by selling all or a majority of the stock in real estate holding companies, and all realty held by a holding company and its former parent corporation was subject to reassessment upon a surviving corporation's acquisition of control of the holding company by merger with the former parent corporation. The change of ownership of the realty occurred within the meaning of section 64(c) when the shareholders of the former parent corporation became proportionate, but minority, shareholders in the surviving corporation, thereby losing control, and conversely, the surviving corporation obtained control of the holding company by acquiring a majority of its voting shares. Section 64(b) was not applicable since the merger was not between members of an affiliated group where none of the corporations owned 100 percent of the voting stock of the other at the time the merger tender offer was accepted. *Sav-on Drugs, Inc. v. Orange County*, 190 Cal.App.3d 1611.

A corporation, which obtained direct control of an intermediary corporation by conversion of its wholly owned subsidiary's common stock into the common stock of the intermediary, obtained indirect control of a separate subsidiary corporation that was wholly owned by the intermediary. Thus, notwithstanding the fact that the acquiring corporation did not directly purchase the stock of the intermediary's subsidiary, a change in ownership of that subsidiary's real property holdings occurred within the meaning of Section 64(c). The determinative factor as to whether a change in ownership of corporate property has occurred is control of the corporation that owns the property, not the right to occupy the property or to take possession of it. *Title Ins. & Trust Co. v. Riverside County*, 48 Cal.3d 84.

A corporate reorganization effecting a change in the majority controlling ownership of the corporate entities results in a change of ownership of the real property under Section 64(c), even though the reorganization itself was exempt from state and federal income taxation. The reorganization involved affiliated entities that were not affiliated after the transaction, and for Section 64(b) to be applicable, "members of an affiliated group" must have been affiliated from beginning to end, under the same ownership and control before a transfer and after. *Pueblos Del Rio South v. City of San Diego*, 209 Cal.App.3d 893.

A change in ownership of corporate real property triggering reassessment of the property occurred within the meaning of Section 64(c) where the taxpayer and another corporation formed a new corporation which set up two wholly owned subsidiary corporations which were then merged into the taxpayer and the other corporation, but which left the taxpayer's shareholders with a majority interest in the stock of the new corporation. *Kraft, Inc. v. Orange County*, 219 Cal.App.3d 1104. The acquisition of a film corporation by another corporation, specially created for that purpose, constituted a change in ownership within the meaning of Section 64(c) so as to allow reassessment of real property owned by the film corporation, even though none of the investors in the acquiring corporation owned more than 50 percent of its stock. The ultimate control theory, reflected in that section and which looks through the titleholder to the entity ultimately responsible, did not require that the acquiring corporation be ignored in order to focus instead on the individual investors. *Twentieth Century Fox Film Corp. v. Los Angeles County*, 223 Cal.App.3d 1158. The statutory definition of "control", in a partnership, a majority ownership interest, prevails over the concept that a choice in action represents indirect, constructive or effective control. *Shuwa Investments Corporation v. Los Angeles County*, 1 Cal.App.4th 1635. While acquisition of a minority partnership interest does not constitute a change of ownership under this section, this exemption applies only to transfers involving continuing entities. Thus, where the majority partner purchased the minority partners' partnership interests, in this case the partnership dissolved, this was a change in ownership, and the partnership's subsequent transfer of title to its real property to the sole partner was a mere formality. *Zapara v. Orange County*, 26 Cal.App.4th 464.

Section 64(e) is designed to assist the appropriate authorities in determining whether a change of ownership has occurred by alerting them to stock purchases that might lead to reassessment of real property, not to state the circumstances under which a property value tax reassessment should occur. *Title Ins. & Trust Co. v. Riverside County*, 48 Cal.3d 84.

Legislative intent.—The intent of the Legislature is the end and aim of all statutory construction. The Legislature's failure to adopt a proposed amendment to Section 64(c) which would have expressly extended application of the subdivision to corporate subsidiaries is not conclusive evidence of its intent that the subdivision not apply to subsidiaries. The Legislature may have objected to other portions of the bill, which contained numerous other provisions, or it may have determined that further clarification of the status of subsidiaries was unnecessary. *Title Ins. & Trust Co. v. Riverside County*, 48 Cal.3d 84.

EXHIBIT CC

Port's Good Neighbor Policy

## **EXHIBIT CC**

### **Port's Good Neighbor Policy**

#### **GOOD NEIGHBOR POLICY OR STANDARDS**

The Port Commission has adopted the following "Good Neighbor" standards for activities, including Special Events that occur on the waterfront.

Tenant and Sponsors of events in this area will be required to meet these standards, which apply to bars, restaurants which sell alcohol, large fast food restaurants, and assembly and entertainment uses (including Special Events), unless the Port Commission makes a specific finding that a particular condition is unnecessary or infeasible:

A. Any indoor and/or outdoor activity located within 300 feet of a residential unit shall, during the period from 10:00 pm to 6:00 am, insure that sound levels emanating from such activities do not exceed the acceptable noise levels established by the San Francisco Noise Ordinance. Police Code, Article 29.

B. The tenant (or sponsor) shall post interior signs and request that patrons leaving the premises after 10:00 pm leave the establishment and the neighborhood in a quiet, peaceful and orderly fashion and not litter or block driveways in the neighborhood. The tenant shall alert the San Francisco Police Department if exiting patrons are causing a disturbance.

C. All garbage receptacles shall be enclosed and no garbage shall be put on the sidewalk for collection, except as permitted by Article 5.1 of the Public Works Code.

D. The tenant (or sponsor) shall keep sidewalks fronting the premises clean of debris and litter and shall walk a 100 foot radius from the premises sometime between thirty minutes after closing and 8:00 am the following morning to pick up and dispose of any discarded trash left by area patrons.

E. The tenant (or sponsor) shall designate a neighborhood liaison contact person whose name and phone number shall be made available to the Port and to neighborhood associations in the area.

---

**SCHEDULE 13.2**

**Intentionally Omitted**







**City and County of San Francisco  
Carmen Chu, Assessor-Recorder**

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:**

San Francisco Port Commission  
Pier 1  
San Francisco, CA 94111  
ATTN: Michael Martin

Doc #	<b>2020027130</b>	Fees	\$0.00
10/7/2020	11:21:41 AM	Taxes	\$310,750.00
AM	Electronic	Other	\$0.00
Pages 6	Title 097	SB2 Fees	\$0.00
Customer	2001	Paid	\$310,750.00

**FOR RECORDER'S USE ONLY**

Lot 1, Parcel A  
APN: (Old) Lot 006, Block 8719, a portion  
(New) Lot 002, Block 8719B  
*Esc # 15607051*  
*NO STREET ADDRESS*

The Undersigned Declare(s):  
DOCUMENTARY TRANSFER TAX: \$310,750.00;  
[ X ] computed on the consideration or full value of property conveyed, OR  
[ ] computed on the consideration or full value less value and/or encumbrances remaining at time of sale,  
[ ] unincorporated area;  
[ X ] City of San Francisco

**MEMORANDUM OF LEASE  
(PARCEL LEASE)**

*October* This Memorandum of Lease ("Memorandum"), dated for reference purposes only as of ~~September 6~~, 2020, is by and between the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation ("City"), operating by and through the **SAN FRANCISCO PORT COMMISSION** ("Landlord" or "Port") and **MISSION ROCK PARCEL A OWNER, L.L.C.**, a Delaware limited liability company ("Tenant").

**RECITALS**

A. Concurrently herewith, Landlord and Tenant have entered into that certain Lease No. L-16703 (the "**Lease**"), dated as of ~~September 6~~ *October 6*, 2020, pursuant to which Landlord leased to Tenant and Tenant leased from Landlord certain real property (the "**Premises**") more particularly described in the attached **EXHIBIT A**, which is incorporated by this reference.

B. Port and Tenant have also entered into that certain Vertical Disposition and Development Agreement, dated June 25, 2020 (the "**VDDA**"), with respect to the development of the Premises.

C. Landlord and Tenant desire to execute this Memorandum to provide constructive notice of Tenant's rights under the Lease to all third parties.

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:


1. Term. Landlord leases (i) the Premises to Tenant for a term commencing on ~~September~~ <sup>October</sup> 6, 2020 (the “**Commencement Date**”). The Term of the Lease will expire on the date that is 75 years after the Commencement Date, unless earlier terminated in accordance with the terms of the Lease.
2. Lease Terms. The lease of the Premises to Tenant is pursuant to the Lease, which is incorporated in this Memorandum by reference. In the event of any conflict or inconsistency between this Memorandum and the Lease, the terms and conditions of the Lease will be controlling in all respects. Except as otherwise defined in this Memorandum, capitalized terms will have the meanings given them in the Lease.
3. Successors and Assigns. This Memorandum and the Lease will bind and inure to the benefit of the parties and their respective heirs, successors, and assigns, subject, however, to the provisions of the Lease on assignment.
4. Counterparts. This Memorandum may be executed in two or more counterparts, each of which will be deemed an original, but all of which taken together will constitute one and the same instrument.

*[The remainder of this page intentionally left blank]*

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

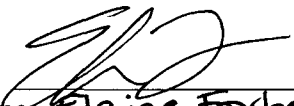
**TENANT:**

**MISSION ROCK PARCEL A OWNER, L.L.C.,**  
a Delaware limited liability company

By:   
Name: Carl D. Shannon  
Title: Authorized Signatory

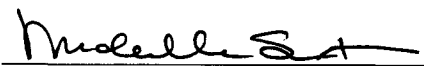
**LANDLORD:**

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

By:   
Name: Elaine Forbes  
Title: Executive Director  
AKA Elaine C Forbes

**APPROVED AS TO FORM:**

DENNIS J. HERRERA, City Attorney

By:   
Name: Michelle Sexton  
Deputy City Attorney

Port Resolution No. 18—03, adopted on January 30, 2018  
Board of Supervisors Resolution No. 36—18, adopted on February 13, 2018

## 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 SAN FRANCISCO

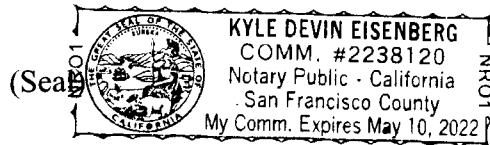
On 09/14/2020 before me, KYLE DEVIN EISENBERG <sup>NOTARY PUBLIC</sup> personally  
(insert name and title of the officer),  
appeared CAROL D. SHANNON

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



**CERTIFICATE OF ACKNOWLEDGMENT**  
**OF NOTARY PUBLIC**

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.

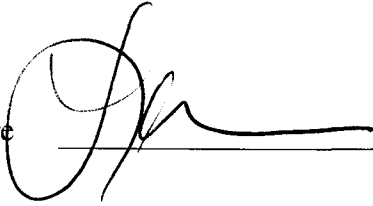
State of California )  
County of San Francisco )

On 9/17/20, before me, Lauren Skellen, Notary Public, personally appeared Elaine C. Forbes, 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 \_\_\_\_\_



## EXHIBIT A

### Legal Description of Premises

"LOT 1"

PARCEL ONE:

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

LOT 1, AS SAID LOT IS SHOWN ON FINAL MAP 9443 FILED FOR RECORD ON JUNE 12, 2020, IN BOOK 1 OF FINAL MAPS, PAGES 28-38 INCLUSIVE, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO.

CONTAINING 41,986 SQ.FT. OR 0.96 ACRES, MORE OR LESS

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.

AND FURTHER EXCEPTING THEREFROM:

UNTO THE STATE OF CALIFORNIA, ITS SUCCESSORS, AND ASSIGNS, FOREVER, ALL MINERALS AND MINERAL RIGHTS OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED IN THE HEREINAFTER DESCRIBED PORTION OF THE ABOVE DESCRIBED REAL PROPERTY INCLUDING, BUT NOT LIMITED TO, OIL AND GAS AND RIGHTS THERETO, TOGETHER WITH THE SOLE, EXCLUSIVE, AND PERPETUAL RIGHT TO EXPLORE FOR, REMOVE AND DISPOSE OF THOSE MINERALS BY ANY MEANS OR METHODS SUITABLE TO THE STATE OF CALIFORNIA OR TO ITS SUCCESSORS AND ASSIGNS, BUT WITHOUT ENTERING UPON OR USING THE SURFACE OF THE LANDS CONVEYED AND IN SUCH MANNER AS NOT TO DAMAGE THE SURFACE OF THE LANDS CONVEYED, OR TO INTERFERE WITH THE USE THEREOF BY THE CITY AND COUNTY OF SAN FRANCISCO, ITS SUCCESSORS AND ASSIGNS, PROVIDED, HOWEVER, THAT THE STATE OF CALIFORNIA, ITS SUCCESSORS AND ASSIGNS, WITHOUT THE PRIOR WRITTEN PERMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO, ITS SUCCESSORS AND ASSIGNS, SHALL NOT CONDUCT ANY MINING ACTIVITIES OF ANY NATURE WHATSOEVER ABOVE A PLANE FIVE HUNDRED FEET (500') BELOW THE SURFACE OF THE HEREINAFTER DESCRIBED PORTION OF THE ABOVE DESCRIBED REAL PROPERTY, AS RESERVED IN THAT CERTAIN PATENT FROM THE STATE OF CALIFORNIA TO THE CITY AND COUNTY OF SAN FRANCISCO, A CHARTER CITY AND COUNTY, RECORDED JULY 19, 1999, IN REEL H429, IMAGE 518, AS INSTRUMENT NO. G622166, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, AND AS SET FORTH IN CHAPTER 1143, STATUTES OF 1991, AND AMENDMENTS THERETO UPON THE TERMS AND PROVISIONS SET FORTH THEREIN SUCH PORTION OF THE ABOVE DESCRIBED REAL PROPERTY.

PARCEL TWO:

EASEMENTS AS CONTAINED IN THAT CERTAIN "MISSION ROCK MASTER DECLARATION OF RESTRICTIONS", RECORDED JUNE 25, 2020, AS INSTRUMENT NO. 2020-K944344-00, OFFICIAL RECORDS.



**City and County of San Francisco  
Carmen Chu, Assessor-Recorder**

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:

San Francisco Port Commission  
Pier 1  
San Francisco, CA 94111  
ATTN: Michael Martin

Doc #	<b>2020027137</b>	Fees	\$0.00
10/7/2020	11:21:41 AM	Taxes	\$30,000.00
AM	Electronic	Other	\$0.00
Pages 6	Title 097	SB2 Fees	\$0.00
Customer	2001	Paid	\$30,000.00

FOR RECORDER'S USE ONLY

Lot 2, Parcel B  
APN: (Old) Lot 006, Block 8719, a portion  
(New) Lot 003, Block 8719C

*ESC #15607052*

*no street address*

The Undersigned Declare(s):  
DOCUMENTARY TRANSFER TAX: \$30,000.00;  
[ X ] computed on the consideration or full value of  
property conveyed, OR  
[ ] computed on the consideration or full value less  
value and/or encumbrances remaining at time of sale,  
[ ] unincorporated area;  
[ X ] City of San Francisco

**MEMORANDUM OF LEASE  
(PARCEL LEASE)**

~~October~~ This Memorandum of Lease ("Memorandum"), dated for reference purposes only as of ~~September 6~~, 2020, is by and between the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation ("City"), operating by and through the **SAN FRANCISCO PORT COMMISSION** ("Landlord" or "Port") and **MISSION ROCK PARCEL B OWNER, L.L.C.**, a Delaware limited liability company ("Tenant").

**RECITALS**

A. Concurrently herewith, Landlord and Tenant have entered into that certain Lease No. L-16704 (the "**Lease**"), dated as of ~~September 6~~ <sup>October 6</sup>, 2020, pursuant to which Landlord leased to Tenant and Tenant leased from Landlord certain real property (the "**Premises**") more particularly described in the attached **EXHIBIT A**, which is incorporated by this reference.

B. Port and Tenant have also entered into that certain Vertical Disposition and Development Agreement, dated June 25, 2020 (the "**VDDA**"), with respect to the development of the Premises.

C. Landlord and Tenant desire to execute this Memorandum to provide constructive notice of Tenant's rights under the Lease to all third parties.

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. Term. Landlord leases (i) the Premises to Tenant for a term commencing on ~~September~~ <sup>October</sup> 6, 2020 (the “**Commencement Date**”). The Term of the Lease will expire on the date that is 75 years after the Commencement Date, unless earlier terminated in accordance with the terms of the Lease.
2. Lease Terms. The lease of the Premises to Tenant is pursuant to the Lease, which is incorporated in this Memorandum by reference. In the event of any conflict or inconsistency between this Memorandum and the Lease, the terms and conditions of the Lease will be controlling in all respects. Except as otherwise defined in this Memorandum, capitalized terms will have the meanings given them in the Lease.
3. Successors and Assigns. This Memorandum and the Lease will bind and inure to the benefit of the parties and their respective heirs, successors, and assigns, subject, however, to the provisions of the Lease on assignment.
4. Counterparts. This Memorandum may be executed in two or more counterparts, each of which will be deemed an original, but all of which taken together will constitute one and the same instrument.

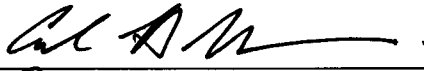
*[The remainder of this page intentionally left blank]*



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


**TENANT:**

**MISSION ROCK PARCEL B OWNER, L.L.C.,**  
a Delaware limited liability company

By:   
Name: Carl D. Shannon  
Title: Authorized Signatory

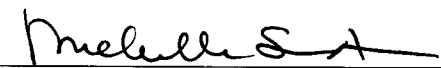
**LANDLORD:**

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

By:   
Name: Elaine Forbes  
Title: Executive Director  
AKA Elaine C Forbes

**APPROVED AS TO FORM:**

DENNIS J. HERRERA, City Attorney

By:   
Name: Michelle Sexton  
Deputy City Attorney

Port Resolution No. 18—03, adopted on January 30, 2018  
Board of Supervisors Resolution No. 36—18, adopted on February 13, 2018

## 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 SAN FRANCISCO

On 09/14/2020 before me, KYLE DEVIN EISENBERG, Notary Public personally  
(insert name and title of the officer),  
appeared CARL D STANNON

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)



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.

On 9/17/20, before me, Lauren Skellen, Notary Public, personally appeared Elaine C. Forbes, 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.

WITNESS my hand and official seal.

re 



## EXHIBIT A

### Legal Description of Premises

"LOT 2"

PARCEL ONE:

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

LOT 2, AS SAID LOT IS SHOWN ON FINAL MAP 9443 FILED FOR RECORD ON JUNE 12, 2020, IN BOOK 1 OF FINAL MAPS, PAGES 28-38 INCLUSIVE, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO.

CONTAINING 40,286 SQ.FT. OR 0.92 ACRES, MORE OR LESS

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.

AND FURTHER EXCEPTING THEREFROM:

UNTO THE STATE OF CALIFORNIA, ITS SUCCESSORS, AND ASSIGNS, FOREVER, ALL MINERALS AND MINERAL RIGHTS OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED IN THE HEREINAFTER DESCRIBED PORTION OF THE ABOVE DESCRIBED REAL PROPERTY INCLUDING, BUT NOT LIMITED TO, OIL AND GAS AND RIGHTS THERETO, TOGETHER WITH THE SOLE, EXCLUSIVE, AND PERPETUAL RIGHT TO EXPLORE FOR, REMOVE AND DISPOSE OF THOSE MINERALS BY ANY MEANS OR METHODS SUITABLE TO THE STATE OF CALIFORNIA OR TO ITS SUCCESSORS AND ASSIGNS, BUT WITHOUT ENTERING UPON OR USING THE SURFACE OF THE LANDS CONVEYED AND IN SUCH MANNER AS NOT TO DAMAGE THE SURFACE OF THE LANDS CONVEYED, OR TO INTERFERE WITH THE USE THEREOF BY THE CITY AND COUNTY OF SAN FRANCISCO, ITS SUCCESSORS AND ASSIGNS, PROVIDED, HOWEVER, THAT THE STATE OF CALIFORNIA, ITS SUCCESSORS AND ASSIGNS, WITHOUT THE PRIOR WRITTEN PERMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO, ITS SUCCESSORS AND ASSIGNS, SHALL NOT CONDUCT ANY MINING ACTIVITIES OF ANY NATURE WHATSOEVER ABOVE A PLANE FIVE HUNDRED FEET (500') BELOW THE SURFACE OF THE HEREINAFTER DESCRIBED PORTION OF THE ABOVE DESCRIBED REAL PROPERTY, AS RESERVED IN THAT CERTAIN PATENT FROM THE STATE OF CALIFORNIA TO THE CITY AND COUNTY OF SAN FRANCISCO, A CHARTER CITY AND COUNTY, RECORDED JULY 19, 1999, IN REEL H429, IMAGE 518, AS INSTRUMENT NO. G622166, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, AND AS SET FORTH IN CHAPTER 1143, STATUTES OF 1991, AND AMENDMENTS THERETO UPON THE TERMS AND PROVISIONS SET FORTH THEREIN SUCH PORTION OF THE ABOVE DESCRIBED REAL PROPERTY.

PARCEL TWO:

EASEMENTS AS CONTAINED IN THAT CERTAIN "MISSION ROCK MASTER DECLARATION OF RESTRICTIONS", RECORDED JUNE 25, 2020, AS INSTRUMENT NO. 2020-K944344-00, OFFICIAL RECORDS.



City and County of San Francisco  
Carmen Chu, Assessor-Recorder

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:

San Francisco Port Commission  
Pier 1  
San Francisco, CA 94111  
ATTN: Michael Martin

Doc #	<b>2020027143</b>	Fees	\$0.00
10/7/2020	11:21:41 AM	Taxes	\$651,750.00
AM	Electronic	Other	\$0.00
Pages 6	Title 097	SB2 Fees	\$0.00
Customer	2001	Paid	\$651,750.00

FOR RECORDER'S USE ONLY

Lot 4, Parcel F  
APN: (Old) Lot 006, Block 8719, a portion  
(New) Lot 001, Block 8719C

*ESC #15607054*

*no street address*

The Undersigned Declare(s):  
DOCUMENTARY TRANSFER TAX: \$651,750.00;  
[ X ] computed on the consideration or full value of property conveyed, OR  
[ ] computed on the consideration or full value less value and/or encumbrances remaining at time of sale,  
[ ] unincorporated area;  
[ X ] City of San Francisco

MEMORANDUM OF LEASE  
(PARCEL LEASE)

~~October~~ This Memorandum of Lease ("Memorandum"), dated for reference purposes only as of ~~September 6~~, 2020, is by and between the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation ("City"), operating by and through the **SAN FRANCISCO PORT COMMISSION** ("Landlord" or "Port") and **MISSION ROCK PARCEL F OWNER, L.L.C.**, a Delaware limited liability company ("Tenant").

RECITALS

A. Concurrently herewith, Landlord and Tenant have entered into that certain Lease No. L-16706 (the "**Lease**"), dated as of ~~September 6~~<sup>October 6</sup>, 2020, pursuant to which Landlord leased to Tenant and Tenant leased from Landlord certain real property (the "**Premises**") more particularly described in the attached **EXHIBIT A**, which is incorporated by this reference.

B. Port and Tenant have also entered into that certain Vertical Disposition and Development Agreement, dated June 25, 2020 (the "**VDDA**"), with respect to the development of the Premises.

C. Landlord and Tenant desire to execute this Memorandum to provide constructive notice of Tenant's rights under the Lease to all third parties.

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

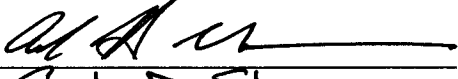
1. Term. Landlord leases (i) the Premises to Tenant for a term commencing on ~~September~~ <sup>October</sup> 6, 2020 (the “**Commencement Date**”). The Term of the Lease will expire on the date that is 75 years after the Commencement Date, unless earlier terminated in accordance with the terms of the Lease.
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3. Successors and Assigns. This Memorandum and the Lease will bind and inure to the benefit of the parties and their respective heirs, successors, and assigns, subject, however, to the provisions of the Lease on assignment.
4. Counterparts. This Memorandum may be executed in two or more counterparts, each of which will be deemed an original, but all of which taken together will constitute one and the same instrument.

*[The remainder of this page intentionally left blank]*

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

**TENANT:**

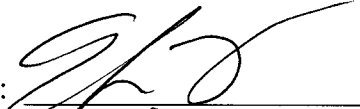
**MISSION ROCK PARCEL F OWNER, L.L.C.,**  
a Delaware limited liability company

By:   
Name: Carl D. Shannon  
Title: Authorized Signatory

Aka Carl Shannon

**LANDLORD:**


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

By:   
Name: Elaine Forbes  
Title: Executive Director

Aka Elaine C Forbes

**APPROVED AS TO FORM:**

DENNIS J. HERRERA, City Attorney

By:   
Name: Michelle Sexton  
Deputy City Attorney

Port Resolution No. 18—03, adopted on January 30, 2018

Board of Supervisors Resolution No. 36—18, adopted on February 13, 2018

## 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 SAN FRANCISCO

On 09/14/2020 before me, KYLE DEVIN EISENBERG, NOTARY PUBLIC personally  
(insert name and title of the officer),  
appeared CARL SHANNON

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.

Kyle Devin Eisenberg  
Signature

(Seal)





**CERTIFICATE OF ACKNOWLEDGMENT**  
**OF NOTARY PUBLIC**

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.

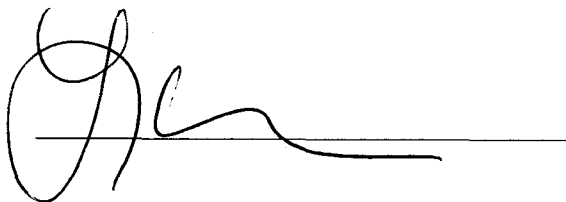
State of California )  
County of San Francisco )

On 9/17/20, before me, Lauren Skellen, Notary Public, personally appeared Elaine C. Forbes, 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



## EXHIBIT A

### Legal Description of Premises

"LOT 4"

PARCEL ONE:

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

LOT 4, AS SAID LOT IS SHOWN ON FINAL MAP 9443 FILED FOR RECORD ON JUNE 12, 2020, IN BOOK 1 OF FINAL MAPS, PAGES 28-38 INCLUSIVE, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO.

CONTAINING 25,113 SQ.FT. OR 0.58 ACRES, MORE OR LESS

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.

AND FURTHER EXCEPTING THEREFROM:

UNTO THE STATE OF CALIFORNIA, ITS SUCCESSORS, AND ASSIGNS, FOREVER, ALL MINERALS AND MINERAL RIGHTS OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED IN THE HEREINAFTER DESCRIBED PORTION OF THE ABOVE DESCRIBED REAL PROPERTY INCLUDING, BUT NOT LIMITED TO, OIL AND GAS AND RIGHTS THERETO, TOGETHER WITH THE SOLE, EXCLUSIVE, AND PERPETUAL RIGHT TO EXPLORE FOR, REMOVE AND DISPOSE OF THOSE MINERALS BY ANY MEANS OR METHODS SUITABLE TO THE STATE OF CALIFORNIA OR TO ITS SUCCESSORS AND ASSIGNS, BUT WITHOUT ENTERING UPON OR USING THE SURFACE OF THE LANDS CONVEYED AND IN SUCH MANNER AS NOT TO DAMAGE THE SURFACE OF THE LANDS CONVEYED, OR TO INTERFERE WITH THE USE THEREOF BY THE CITY AND COUNTY OF SAN FRANCISCO, ITS SUCCESSORS AND ASSIGNS, PROVIDED, HOWEVER, THAT THE STATE OF CALIFORNIA, ITS SUCCESSORS AND ASSIGNS, WITHOUT THE PRIOR WRITTEN PERMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO, ITS SUCCESSORS AND ASSIGNS, SHALL NOT CONDUCT ANY MINING ACTIVITIES OF ANY NATURE WHATSOEVER ABOVE A PLANE FIVE HUNDRED FEET (500') BELOW THE SURFACE OF THE HEREINAFTER DESCRIBED PORTION OF THE ABOVE DESCRIBED REAL PROPERTY, AS RESERVED IN THAT CERTAIN PATENT FROM THE STATE OF CALIFORNIA TO THE CITY AND COUNTY OF SAN FRANCISCO, A CHARTER CITY AND COUNTY, RECORDED JULY 19, 1999, IN REEL H429, IMAGE 518, AS INSTRUMENT NO. G622166, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, AND AS SET FORTH IN CHAPTER 1143, STATUTES OF 1991, AND AMENDMENTS THERETO UPON THE TERMS AND PROVISIONS SET FORTH THEREIN SUCH PORTION OF THE ABOVE DESCRIBED REAL PROPERTY.

PARCEL TWO:

EASEMENTS AS CONTAINED IN THAT CERTAIN "MISSION ROCK MASTER DECLARATION OF RESTRICTIONS", RECORDED JUNE 25, 2020, AS INSTRUMENT NO. 2020-K944344-00, OFFICIAL RECORDS.

20209K94459600007  
San Francisco Assessor-Recorder  
Carmen Chu, Assessor-Recorder  
DOC 2020-K944596-00  
Acct 2001-Chicago Title Company Concord  
Friday, JUN 26, 2020 11:15:51  
Tit Pd\$30,042.00 Nbr-0006204481  
okc/RE/1-7

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:

San Francisco Port Commission  
Pier 1  
San Francisco, CA 94111  
ATTN: Michael Martin

FOR RECORDER'S USE ONLY

Lot 3, Parcel G  
APN: (Old) Lot 006, Block 8719, a portion  
(New) Lot 008, Block 8719A  
*CTC ESC #1567053-156-TJK-JM*  
*property address: Mission Rock*

The Undersigned Declare(s):  
DOCUMENTARY TRANSFER TAX: \$30,000.00;  
[ X ] computed on the consideration or full value of property conveyed, OR  
[ ] computed on the consideration or full value less value and/or encumbrances remaining at time of sale,  
[ ] unincorporated area;  
[ X ] City of San Francisco

MEMORANDUM OF LEASE  
(PARCEL LEASE)

This Memorandum of Lease ("Memorandum"), dated for reference purposes only as of June 25, 2020, is by and between the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation ("City"), operating by and through the **SAN FRANCISCO PORT COMMISSION** ("Landlord" or "Port") and **MISSION ROCK PARCEL G OWNER, L.L.C.**, a Delaware limited liability company ("Tenant").

RECITALS

A. Concurrently herewith, Landlord and Tenant have entered into that certain Lease No. L-16705 (the "**Lease**"), dated as of June 25, 2020, pursuant to which Landlord leased to Tenant and Tenant leased from Landlord certain real property (the "**Premises**") more particularly described in the attached **EXHIBIT A**, which is incorporated by this reference.

B. Port and Tenant have also entered into that certain Vertical Disposition and Development Agreement, dated June 25, 2020 (the "**VDDA**"), with respect to the development of the Premises.

C. Landlord and Tenant desire to execute this Memorandum to provide constructive notice of Tenant's rights under the Lease to all third parties.

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. Term. Landlord leases (i) the Premises to Tenant for a term commencing on June 25, 2020 (the “**Commencement Date**”). The Term of the Lease will expire on the date that is 75 years after the Commencement Date, unless earlier terminated in accordance with the terms of the Lease.
2. Lease Terms. The lease of the Premises to Tenant is pursuant to the Lease, which is incorporated in this Memorandum by reference. In the event of any conflict or inconsistency between this Memorandum and the Lease, the terms and conditions of the Lease will be controlling in all respects. Except as otherwise defined in this Memorandum, capitalized terms will have the meanings given them in the Lease.
3. Successors and Assigns. This Memorandum and the Lease will bind and inure to the benefit of the parties and their respective heirs, successors, and assigns, subject, however, to the provisions of the Lease on assignment.
4. Counterparts. This Memorandum may be executed in two or more counterparts, each of which will be deemed an original, but all of which taken together will constitute one and the same instrument.

*[The remainder of this page intentionally left blank]*

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

**TENANT:**

**MISSION ROCK PARCEL G OWNER, L.L.C.,**  
a Delaware limited liability company

By: Carl D. Shannon  
Name: Carl D. Shannon  
Title: Authorized Signatory

**LANDLORD:**

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

**SIGNED IN COUNTERPART**  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**APPROVED AS TO FORM:**

DENNIS J. HERRERA, City Attorney

**SIGNED IN COUNTERPART**  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Deputy City Attorney

Port Resolution No. 18—03, adopted on January 30, 2018  
Board of Supervisors Resolution No. 36—18, adopted on February 13, 2018

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


**TENANT:**

**MISSION ROCK PARCEL G OWNER, L.L.C.,**  
a Delaware limited liability company

By: SIGNED IN COUNTERPART  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

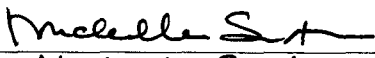
**LANDLORD:**

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

By:   
Name: Elaine Forbes  
Title: Executive Director

**APPROVED AS TO FORM:**

DENNIS J. HERRERA, City Attorney

By:   
Name: Michelle Sexton  
Deputy City Attorney

Port Resolution No. 18—03, adopted on January 30, 2018  
Board of Supervisors Resolution No. 36—18, adopted on February 13, 2018

## 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 SAN FRANCISCO

On JUNE 25, 2022 before me, ANN MARIE MURTAGH <sup>notary public</sup> personally  
(insert name and title of the officer),  
appeared CAROL D. SHANNON

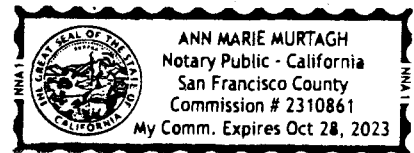
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), 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.

Ann Marie Murtagh  
Signature

(Seal)



Comm Exp OCT 28, 2023

## 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 San Francisco )

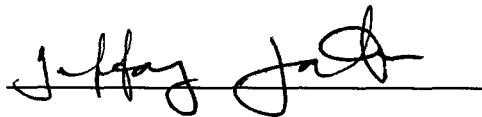
On June 24, 2020 before me, Tiffany Tatum, Notary Public  
(insert name and title of the officer)

personally appeared Elaine Forbes  
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)





## EXHIBIT A

### Legal Description of Premises

"LOT 3"

PARCEL ONE:

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

LOT 3, AS SAID LOT IS SHOWN ON FINAL MAP 9443 FILED FOR RECORD ON JUNE 12, 2020, IN BOOK 1 OF FINAL MAPS, PAGES 28-38 INCLUSIVE, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO.

CONTAINING 33,057 SQ.FT. OR 0.76 ACRES, MORE OR LESS

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.

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PARCEL TWO:

EASEMENTS AS CONTAINED IN THAT CERTAIN "MISSION ROCK MASTER DECLARATION OF RESTRICTIONS", RECORDED JUNE 25, 2020, AS INSTRUMENT NO. 2020-K944344-00, OFFICIAL RECORDS.

**From:** [Conine-Nakano, Susanna \(MYR\)](#)  
**To:** [BOS Legislation, \(BOS\)](#); [Forbes, Elaine \(PRT\)](#)  
**Cc:** [Paulino, Tom \(MYR\)](#); [Tam, Madison \(BOS\)](#); [Delepine, Boris \(PRT\)](#); [True, Judson \(DPW\)](#)  
**Subject:** Mayor -- Resolution -- Mission Rock Parcel Lease Amendment  
**Date:** Tuesday, October 24, 2023 4:52:36 PM  
**Attachments:** [Mayor -- Resolution -- Mission Rock Parcel Lease Amendment.zip](#)

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Hello Clerks,

Attached for introduction to the Board of Supervisors is a Resolution approving certain amendments to the form of Parcel Lease between the Port and Seawall Lot 337 Associates, LLC, a subsidiary agreement under the Disposition and Development Agreement for the Mission Rock Project; approving certain amendments to Leases for Parcel A, Parcel B, Parcel F, and Parcel G with affiliates of Developer; and adopting findings under the California Environmental Quality Act.

@Forbes, Elaine (PRT), can you please reply-all to confirm your approval? Thank you!

Please note that Supervisor Dorsey is a co-sponsor of this legislation.

Best,  
Susanna

Susanna Conine-Nakano  
Office of Mayor London N. Breed  
City & County of San Francisco  
1 Dr. Carlton B. Goodlett Place, Room 200  
San Francisco, CA 94102  
415-554-6147