ORIGINAL

SECOND AMENDMENT TO
SUBLEASE AND PROPERTY MANAGEMENT AGREEMENT

THIS SECOND AMENDMENT TO SUBLEASE (this "Second Amendment"), dated for reference purposes only as of May 1, 2017, is by and between the TREASURE ISLAND DEVELOPMENT AUTHORITY, a California public benefit corporation ("Sublandlord"), and The John Stewart Company, a California corporation ("Subtenant").

RECITALS

A. Sublandlord and Subtenant entered into that certain Sublease and Property Management Agreement dated for reference purposes as of July 1, 2014 (the "Original Sublease"), for the management of 556 Housing Units at Former Naval Station Treasure Island, San Francisco, California, as more particularly described in the Original Sublease.

B. Sublandlord and Subtenant entered into that certain First Amendment to Sublease dated for reference purposes as of March ---5, 2016 (the "First Amendment") to remove several buildings and include Quarters 7 as a caretakers unit to the Premises, adjust the Subtenant's insurance requirements and increase the Common Area Maintenance Fee.

C. Sublandlord and Subtenant desire to amend the Original Sublease, as amended by the First Amendment, to remove 1205 Bayside Dr. and 1237 Northpoint Dr., Treasure Island, San Francisco, California (the "New Premises") from the Premises, and to increase the Common Area Maintenance Fee and Utility Fee on the terms and conditions set forth in this Second Amendment.

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

NOW, THEREFORE, in consideration of the mutual covenants herein contained and for other good and valuable consideration, the Sublandlord and Subtenant hereby amend the Sublease as follows:

AGREEMENT

1. **Recitals.** The foregoing recitals are true and correct and are incorporated herein by this reference as if fully set forth herein.

2. **Effective Date.** The effective date of this Second Amendment shall be May 1, 2017 (the "Effective Date").

3. **Premises.** As of the Effective Date, 1205 Bayside Dr. and 1237 Northpoint Dr., Treasure Island, San Francisco, California shall be deleted from the Premises, and Exhibit B shall be deleted and replaced with the attached Exhibit B.

4. **Common Area Maintenance Charges (CAM).** Commencing July 1, 2017, the Common Area Maintenance Charges (CAM) described in the Sublease Section 15.8 (i) shall be amended to read as follows:

"Any increase in the amount of Common Area Maintenance (CAM) Charge payable by Subtenant after the Effective Date of this Agreement. The Parties herby acknowledge and agree that for the purposes of this Sublease, the Parties will treat the rates used by the Authority to calculate the CAM Charge as $176.22 per unit per month. The Parties hereby acknowledge that CAM Charge payable hereunder shall be subject to annual adjustment to increase CAM Charge by three percent (3%)"

5. **Utilities**. Commencing July 1, 2017, the Utilities described in Sublease Section 5.2 shall be amended to read as follows:

"Subtenant shall pay to the San Francisco Public Utilities Commission (SFPUC) Utility Fees in the amount of Four Hundred Dollars ($400.00) per unit per month for the period from July 1, 2017 to June 30, 2018.
Upon reasonable notice to Subtenant by the Director, Subtenant shall pay increased Utility Rates consistent with rate adjustments by the SFPUC during the Term."

6. **Vending Machines: Nutritional Standards and Calorie Labeling Requirements.** Tenant shall not install or permit any vending machine on the Premises without the prior written consent of the TIDA Director. Any permitted vending machine must comply with the food and beverage nutritional standards and calorie labeling requirements set forth in San Francisco Administrative Code section 4.9-1(c), as may be amended from time to time (the "Nutritional Standards Requirements"). Tenant agrees to 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. Failure to comply with the Nutritional Standards Requirements or to otherwise comply with this [Section 28.48] shall be deemed a material breach of this Lease. Without limiting Landlord's other rights and remedies under this Lease, Landlord shall have the right to require the immediate removal of any vending machine on the Premises that is not permitted or that violates the Nutritional Standards Requirements. In addition, any restaurant located on the Premises is encouraged to ensure that at least 25% of Meals offered on the menu meet the nutritional standards set forth in San Francisco Administrative Code section 4.9-1(e), as may be amended.

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

8. **Counterparts**. This Second Amendment may be executed in counterparts with the same force and effect as if the parties had executed one instrument, and each such counterpart shall constitute an original hereof.

9. **Full Force and Effect**. Except as specifically amended herein, the terms and conditions of the Sublease shall remain in full force and effect.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, Sublandlord and Subtenant have executed this Second Amendment to Sublease at San Francisco, California, as of the date first above written.

SUBLANDLORD:

TREASURE ISLAND DEVELOPMENT AUTHORITY

By: _____
Robert P. Beck
Treasure Island Director

SUBTENANT:

The John Stewart Company, Inc.
a California corporation

By: _____

Its: Steve McElwee, Vice President

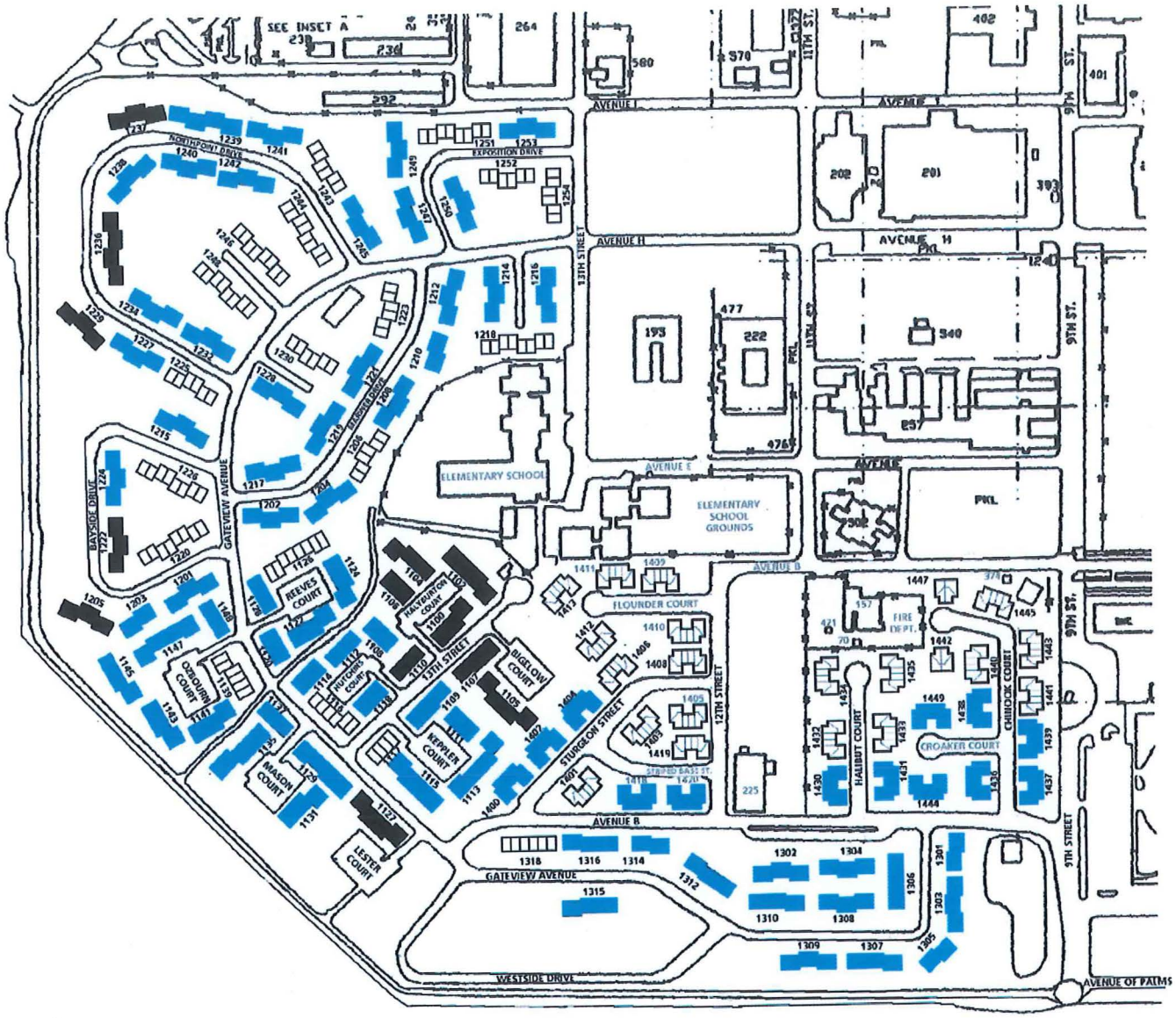
APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: _____
Deputy City Attorney

Amendment Prepared By: Richard A. Rovetti, Deputy Director of Real Estate _____
(initial)

The Villages at Treasure Island



The Villages at Treasure Island Units