File No. 240504 **Committee Item No.** 8
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

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Completed by: Brent Jalipa **Date** May 30, 2024
Completed by: Brent Jalipa **Date** _____

[Sublease and Property Management Agreement Amendment - Treasure and Yerba Buena Islands Market Rate Rental Housing]

Resolution approving the seventh amendment to the Sublease and Property Management Agreement for Treasure and Yerba Buena Islands Market Rate Rental Housing between the Treasure Island Development Authority and the John Stewart Company to extend the term by 10 years from June 30, 2024, for a total term of July 1, 2014, through June 30, 2034, with a three year option to extend.

WHEREAS, Naval Station Treasure Island is a former military base located on Treasure Island and Yerba Buena Island (together, the "Base"), portions of which continue to be owned by the United States of America (“the Federal Government”); and

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor’s Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the “Authority”) to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the “Act”), the California legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base

upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the Base that are subject to the Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency for Treasure Island in 1997; and

WHEREAS, On June 7, 2011, the Board of Supervisors voted unanimously on various pieces of legislation authorizing the Treasure Island/Yerba Buena Island Development Project (the "Project"), including a Disposition and Development Agreement (the "DDA"); and

WHEREAS, The DDA contains a Housing Plan which, amongst other matters, granted certain housing opportunities and benefits as part of the Project to residents of affordable and market units on the island; and

WHEREAS, The benefits available to residents of market-rate units leased to and operated by the John Stewart Company were enumerated in the Transition Housing Rules and Regulations (the "THRR") for The Villages at Treasure Island; and

WHEREAS, The THRR grants certain housing opportunities and transition benefits as part of the Project to those households who were living in The Villages at Treasure Island ("The Villages") at the time of the approval of the DDA on June 2011; and

WHEREAS, On January 24, 2012, the Board of Supervisors rescinded designation of the Authority as a redevelopment agency under California Community Redevelopment Law in Resolution No. 11-12, but such rescission did not affect the Authority's status as the Local Reuse Authority for Treasure Island or the Tidelands Trust trustee for the portions of Treasure Island subject to the Tidelands Trust, or any other powers or authority of the Authority; and

WHEREAS, On March 17, 1999, the Authority and John Stewart Company ("JSCo") entered into a Sublease, Development, Marketing and Property Management Agreement (as

amended, the “Original Agreement”) for the development, marketing and property management of up to 766 housing units on the Base; and

WHEREAS, The scheduled term of the Original Agreement expired on the effective date of the DDA, but continued thereafter on a month-to-month holdover basis; and

WHEREAS, On March 7, 2014, the Authority issued a Request for Proposals for a Sublease and Property Management Agreement for Treasure and Yerba Buena Islands Market Rate Rental Housing (the “RFP”) to perform the services that were then-being provided under the Original Agreement; and

WHEREAS, JSCo was the sole respondent to the RFP; and

WHEREAS, The Authority and JSCo negotiated a Sublease and Property Management Agreement for Treasure and Yerba Buena Islands Market Rate Rental Housing (the “Agreement”); and

WHEREAS, The Agreement was approved by the Authority Board of Directors at its June 11, 2014, meeting by Authority Board Resolution No. 14-22-06/14; and

WHEREAS, Because the cumulative amount of the Agreement exceeded One Million Dollars ($1,000,000), the Agreement required approval of the Board of Supervisors which was granted by Resolution No. 340-14 on September 16, 2014; and

WHEREAS, Under the Agreement, JSCo has supported the Authority in implementing resident relocations as anticipated and provided for under the THRR; and

WHEREAS, In 2014 and 2015, JSCo facilitated the relocation of 34 households as required by the Navy; and

WHEREAS, In 2015, JSCo facilitated the relocation of more than 40 households from Yerba Buena Island to Treasure Island to enable the first phase of development; and

WHEREAS, The Agreement has been modified six times since 2014, and the Term of the Agreement is set to expire on June 30, 2024; and

WHEREAS, The redevelopment of Treasure Island will include geotechnical improvements to the ground conditions and adaptations for sea level rise which will necessitate that all of the former Navy housing be demolished, including all structures included in the premises under the Agreement; and

WHEREAS, The role of JSCo in managing the property has shifted from marketing and leasing agent to supporting the transition of residents into other housing as anticipated under the THRR; and

WHEREAS, This includes supporting a declining resident base and facilitating transition opportunities as they become available and interim moves as they are required; and

WHEREAS, Only 330 units are currently occupied under the Agreement and that number is anticipated to drop by a minimum of 10% this summer as existing households transition to the newly constructed Star View Court; and

WHEREAS, The 2014 RFP attracted no other respondents, and an RFP issued today would be unlikely to draw additional interest; and

WHEREAS, JSCo has been enthusiastically supportive of the Authority's housing programs since their inception, and remains committed to continuing to provide the required services under the Agreement; and

WHEREAS, The Navy schedule for the completion of their work and the transfer of the residential housing area is indeterminate, but will extend beyond 2032; and

WHEREAS, The familiarity of JSCo staff with the residents of the Villages and the leasing records maintained by JSCo will be invaluable in the implementation of the transition housing programs provided under the THRR; and

WHEREAS, The Authority wishes to extend the term of the Agreement by an additional 10 years to an expiration date of June 30, 2034; and

WHEREAS, The Agreement as originally executed provides for a single three-year Extension Option beyond the Expiration Date should additional time be necessary to wind down the leasing operations; and

WHEREAS, There is no change in existing use as a result of the Agreement and the approval of the Agreement is not a project under CEQA; now, therefore, be it

RESOLVED, That the Board of Supervisors hereby approves the Seventh Amendment to the Agreement (the “Amendment”), and authorizes the Treasure Island Director (the “Director”) to execute the Amendment in substantially the form filed with the Clerk of the Board of Supervisors, and to make any additions, amendments or other modifications to the Amendment (including, without limitation, its exhibits) that the Director determines, in consultation with the City Attorney, are in the best interests of the Authority and do not otherwise materially increase the obligations or liabilities of the Authority, and are necessary or advisable to effectuate the purpose and intent of this Resolution.

Item 8 File 24-0504	Department: Treasure Island Development Authority

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution would approve the seventh amendment to the Treasure Island Development Authority's agreement with John Stewart company. The amendment would increase the term by ten years to July 1, 2034 and restrict marketing and leasing existing housing units to new tenants.

Key Points

- As part of the Treasure Island development program, portions of market rate housing on properties that were previously owned by the U.S. Navy are planned to be demolished and redeveloped into new housing and open space.
- In September 2014, the Board of Supervisors approved an agreement between TIDA and John Stewart Company (File 14-0754), which expires June 30, 2024. The purpose of the agreement is for John Stewart to provide property management and tenant relocation services for legacy market rate units on Treasure Island.
- According to TIDA staff, the proposed agreement is being extended in light of delays in the Navy's remediation efforts and in Treasure Island Community Development's redevelopment of Treasure Island.
- Under the agreement, John Stewart (a) receives a management fee of 3% of gross leasing revenues, (b) pays TIDA an annual base rent, estimated at $842,825 for FY 2023-24 and adjusted annually for inflation, and (c) shares in net revenues, with TIDA receiving 95% of the net revenues and John Stewart Company receiving 5% of the net leasing revenues.

Fiscal Impact

- Under the agreement, we estimate TIDA would receive $868,110 in base rent and $4.8 million in percentage rent in FY 2024-25. John Stewart would receive $309,156 in management fees and $253,288 in percentage rent in FY 2024-25. Rents are expected to decline during the remaining term of the agreement, as households are relocated to other permanent housing.

Policy Consideration

- The proposed agreement was awarded in 2014 for a ten-year term following a competitive solicitation in which John Stewart was the only proposer. The proposed resolution would approve an additional ten-year term for the agreement without a competitive solicitation.
- Because TIDA received only one bid in response to the 2014 solicitation and because of the planned demolition of all units under the agreement, TIDA did not expect a new solicitation to attract interest from other property management firms.

Recommendation

- Approval of the proposed resolution is a policy matter for the Board of Supervisors.

MANDATE STATEMENT

City Charter Section 9.118(a) states that contracts entered into by a department, board, or commission that (i) have anticipated revenues of $1 million or more, or (ii) have anticipated revenues of $1 million or more and require modifications, are subject to Board of Supervisors approval.

BACKGROUND

As part of the Treasure Island development program, market rate housing on properties that were previously owned by the U.S. Navy are planned to be demolished and redeveloped into new housing and open space.

In September 2014, the Board of Supervisors approved a Sublease and Property Management Agreement between the Treasure Island Development Authority and John Stewart Company (File 14-0754). The agreement provides for John Stewart to provide property management and tenant relocation services for market-rate units on Treasure Island. The agreement has since been amended six times to update John Stewart's services and document approved rental rates for the housing units under its management.

Under the 2014 agreement, John Stewart (a) receives a management fee of 3% of gross leasing revenues, (b) pays TIDA an annual base rent, estimated at $842,825 for FY 2023-24 and adjusted annually for inflation, and (c) shares in net revenues, with TIDA receiving 95% of the net revenues and John Stewart Company receiving 5% of the net leasing revenues. Net leasing revenues are defined as total leasing revenues minus base rent to TIDA, John Stewart's operating expenses for property management, John Stewart's management fee, and funding a replacement reserve.

John Stewart is managing 400 housing units, of which 330 are occupied. This is a decrease from the 556 housing units managed at the start of the 2014 agreement.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve the seventh amendment to the Treasure Island Development Authority's agreement with John Stewart Company. The amendment would increase the term by ten years to July 1, 2034 and restrict marketing and leasing existing housing units to new tenants.

According to TIDA staff, the proposed agreement is being extended due to delays in the Navy's remediation efforts and in Treasure Island Community Development's redevelopment of Treasure Island.

FISCAL IMPACT

Under the agreement, we estimate TIDA would receive $868,110 in base rent and $4.8 million in percentage rent in FY 2024-25. John Stewart would receive $309,156 in management fees and

$253,288 in percentage rent in FY 2024-25. Rents are expected to decline during the remaining term of the agreement, as households are relocated to other permanent housing.

POLICY CONSIDERATION

The proposed agreement was awarded in 2014 for a ten-year term following a competitive solicitation in which John Stewart was the only proposer. The proposed resolution would approve an additional ten-year term for the agreement without a competitive solicitation. According to TIDA staff, John Stewart has performed well on the existing agreement. Because TIDA received only one bid in response to the 2014 solicitation and because of the planned demolition of all units under the agreement, TIDA did not expect a new solicitation to attract interest from other property management firms.

The TIDA Board of Directors approved the extension of the proposed agreement on February 14, 2024 however TIDA did not bring this agreement to the Board of Supervisors until May 14, 2024. The current agreement expires June 30, 2024, so now a competitive solicitation process is likely not feasible.

RECOMMENDATION

Approval of the proposed resolution is a policy matter for the Board of Supervisors.

SEVENTH AMENDMENT TO

SUBLEASE AND PROPERTY MANAGEMENT AGREEMENT

Between

TREASURE ISLAND DEVELOPMENT AUTHORITY

As Sublandlord

and

THE JOHN STEWART COMPANY

As Subtenant and Manager

July 1, 2024

THIS SEVENTH AMENDMENT TO SUBLEASE AND PROPERTY MANAGEMENT AGREEMENT (this "Seventh Amendment"), dated as of July 1, 2024, is by and between the Treasure Island Development Authority (the "Authority") and the John Stewart Company, a California corporation ("Subtenant"). From time to time, the Authority and Subtenant together shall be referred to herein as the "Parties".

RECITALS

This Seventh Amendment is made with reference to the following facts and circumstances:

A. At its January 20, 1999, meeting the Authority Board of Directors ("Authority Board") approved a Sublease, Development, Marketing and Property Management Agreement (the "Original Agreement") with the John Stewart Company ("JSCo") for the market rate rental housing on TI/YBI. The Original Sublease was approved by the City's Board of Supervisors on February 22, 1999, and became effective on March 17, 1999. The Authority Board and the Board of Supervisors approved five amendments to the Original Sublease between 2000 and 2009.

B. On July 1, 2014, Subtenant and the Authority entered into a Sublease and Property Management Agreement (the "Agreement") for management of 556 housing units. The Agreement was amended pursuant to a First Amendment (the "First Amendment") dated March 15, 2016, a Second Amendment (the "Second Amendment") dated May 1, 2017, a Third Amendment (the "Third Amendment") dated October 1, 2017, a Fourth Amendment (the "Fourth Amendment") dated July 1, 2018, a Fifth Amendment (the "Fifth Amendment") dated May 1, 2019, and a Sixth Amendment (the "Sixth Amendment") dated July 15, 2019. Currently only 330 occupied units are managed under the Agreement.

C. JSCo has provided exemplary property management services to the Authority over the term of the Original Sublease, 1999-2014, and the current Agreement, 2014-present. JSCo has consistently demonstrated a strong institutional knowledge of the Island environment and issues and has played a critical role in partnering with the island's other housing providers – Catholic Charities, HomeRise, Swords to Plowshares, and HealthRight360 – to create an inclusive community on Treasure Island.

D. As development activities have progressed, JSCo has provided critical support to ensure an efficient and orderly process for implementation of complex residential transitions and relocations in accordance with the Transition Housing Rules and Regulations

(the "THRR") adopted by the Authority Board and the Board of Supervisors. The continuation of JSCo as manager will prove beneficial for Treasure Island residents and the Authority in implementing the development program and the tenant relocations.

E. Subtenant and the Authority desire to amend the Agreement to extend the Term, and revise certain terms and conditions of the Agreement.

F. The Agreement, First Amendment, Second Amendment, Third Amendment, Fourth Amendment, Fifth Amendment, Sixth Amendment, and this Seventh Amendment shall collectively be referred to as the "Agreement". All capitalized terms used herein but not otherwise defined shall have the meaning given to them in the Agreement.

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

AGREEMENT

1. **Recitals.** The foregoing recitals are true and correct and are incorporated herein.

2. **Defined Terms.** Capitalized terms not separately defined herein shall have the same meaning provided in the Agreement.

3. **Effective Date.** The effective date of this Seventh Amendment shall be July 1, 2024.

4. **Amendment of Section 3.1 – Term of Agreement.** Section 3.1 of the Agreement is deleted in its entirety and replaced with the following:

"**Term of Agreement.** The Premises are subleased for a term (the "Term") commencing on July 1, 2014 (the "Commencement Date"), and terminating on June 30, 2034 (the "Expiration Date"), unless sooner terminated or extended pursuant to the terms of this Agreement."

5. **Amendment of Section 6 – Subtenant's Marketing Responsibilities.** Section 6 of the Agreement is deleted in its entirety.

6. **Amendment of Section 7.1 – Leasing.** Section 7.1 of the Agreement is deleted in its entirety and replaced with the following:

"**Leasing.** Subtenant shall not engage in any new marketing or leasing activities as tenants vacate the property and residential units become available except as explicitly authorized by the Director."

7. **Amendment of Section 7.2 – Application Process and Screening.** Section 7.2 of the Agreement is deleted in its entirety and replaced with the following:

"**Application Process and Screening.** Subtenant shall only screen prospective Residential Sub-Tenant applications by applying customary credit and tenancy standards in accordance with Section 34.1. Subtenant shall not discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes. In addition, in the operation of the Project, the Subtenant shall not discriminate against Residential Tenants using Section 8 certificates or vouchers or other tenant-based rental assistance, or other sources of income."

8. **Amendment of Section 34.3 - Tropical Hardwood and Virgin Redwood Ban.** Section 34.3 of the Agreement is deleted in its entirety and replaced with the following:

"**Tropical Hardwood and Virgin Redwood Ban; Preservative-Treated Wood Containing Arsenic**. 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 product. Except as expressly permitted by the application of San Francisco Environment Code sections 802(b) and 803(b), Subtenant will not provide any items to the construction of tenant improvements or Alterations in the Premises, or otherwise in the performance of this Lease, that are tropical hardwoods, tropical hardwood wood products, virgin redwood, or virgin redwood wood products. If Subtenant fails to comply with any of the provisions of San Francisco Environment

Code Chapter 8, Subtenant will be liable for liquidated damages for each violation in an amount equal to Subtenant's net profit on the contract, or five percent (5%) of the total amount of the contract dollars, whichever is greater. Subtenant may not purchase preservative-treated wood products containing arsenic in the performance of this Lease unless an exemption from the requirements of Environment Code Chapter 13 is obtained from the Department of Environment. This provision does not preclude Subtenant from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" means a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater."

9. **Amendment of Section 34.5 - Prohibition of Tobacco Sales and Advertising.** Section 34.5 of the Agreement is deleted in its entirety and replaced with the following:

"**Prohibition of Tobacco Sales and Advertising**.
Subtenant 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, Subtenant 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 Leases 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."

10. **Amendment of Section 34.9 - Pesticide Prohibition.** Section 34.9 of the Agreement is deleted in its entirety and replaced with the following:

"**Pesticide Prohibition**.
(a) Subtenant may not use or apply or allow the use or application of any pesticides on the Premises or contract with any party to provide pest abatement or

control services to the Premises without first receiving City's written approval of an integrated pest management ("IPM") plan that (i) lists, to the extent reasonably possible, the types and estimated quantities of pesticides that Subtenant may need to apply to the Premises during the term of this Lease, (ii) describes the steps Subtenant will take to meet the City's IPM Policy described in San Francisco Environment Code Chapter 3, section 300 (the Integrated Pest Management Program Ordinance or "IPM Ordinance"), and (iii) identifies, by name, title, address, and telephone number, an individual to act as the Subtenant's primary IPM contact person with the City. Subtenant will comply, and will require all of Subtenant's contractors to comply, with the IPM plan approved by the City and will comply with the requirements of Sections 300(d), 302, 304, 305(f), 305(g), and 306 of the IPM Ordinance, as if Subtenant were a City department. Among other matters, the provisions of the IPM Ordinance: (A) provide for the use of pesticides only as a last resort, (B) prohibit the use or application of pesticides on property owned by the City or Landlord, except for pesticides granted an exemption under Section 303 of the IPM Ordinance (including pesticides included on the most current Reduced Risk Pesticide List compiled by City's Department of the Environment), (C) impose certain notice requirements, and (D) require Subtenant to keep certain records and to report to City all pesticide use at the Premises by Subtenant's staff or contractors.

(b) If Subtenant or Subtenant's contractor would apply pesticides to outdoor areas at the Premises, Subtenant must first obtain a written recommendation from a person holding a valid Agricultural Pest Control Advisor license issued by the California Department of Pesticide Regulation ("CDPR") and the pesticide application must be made only by or under the supervision of a person holding a valid, CDPR-issued Qualified Applicator certificate or Qualified Applicator license. City's current Reduced Risk Pesticide List and additional details about pest management on City property can be found at the San Francisco Department of the Environment website, http://sfenvironment.org/ipm."

11. Amendment of Section 34.13- Notification of Limitations on Contributions.

Section 34.13 of the Agreement is deleted in its entirety and replaced with the following:

"**Notification of Prohibition on Contributions**.

By executing this Lease, Subtenant acknowledges its obligations under section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who leases, or seeks to lease, to or from any department of the City any land or building from making any campaign contribution to (a) a City elected official if the lease must be approved by that official, (b) a candidate for that City elective office, or (c) a committee controlled by that elected official or a candidate for that office, at any time from the submission of a proposal for the lease until the later of either the termination of negotiations for the lease or twelve (12) months after the date the City approves the lease. Subtenant acknowledges that the foregoing restriction applies only if the lease or a combination or series of leases or other contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of one hundred thousand dollars ($100,000) or more. Subtenant further acknowledges that (i) the prohibition on contributions applies to each prospective party to the lease; any person with an ownership interest of more than 10 percent (10%) in Subtenant; any Subtenant listed in the lease; and any committee that is sponsored or controlled by Tenant; and (ii) within thirty (30) days of the submission of a proposal for the Lease, the City department with whom Subtenant is leasing is obligated to submit to the Ethics Commission the parties to the lease and any Subtenant. Additionally, Subtenant certifies that it has informed each such person of the limitation on contributions imposed by Section 1.126 by the time it submitted a proposal for the lease, and has provided the names of the persons required to be informed to the City department with whom it is leasing."

12. **New Sections 34.18 through 34.26.** The following new Sections 34.18 through 34.26 are hereby added to the end of the Agreement:

"34.18 Criminal History in Hiring and Employment Decisions.

(a) Unless exempt, Subtenant agrees to comply with and be bound by all of the provisions of San Francisco Administrative Code Chapter 12T (Criminal History in Hiring and Employment Decisions; "Chapter 12 T"), which are hereby incorporated as may be amended from time to time, with respect to applicants and employees of Subtenant who would be or are performing work at the Premises.

(b) Subtenant shall incorporate by reference the provisions of Chapter 12T in all Leases of some or all of the Premises, and shall require all Subtenants to comply

with such provisions. Subtenant's failure to comply with the obligations in this subsection shall constitute a material breach of this Lease.

(c) Subtenant and Subtenants shall not inquire about, require disclosure of, or if such information is received base an Adverse Action on an applicant's or potential applicant for employment, or employee's: (1) Arrest not leading to a Conviction, unless the Arrest is undergoing an active pending criminal investigation or trial that has not yet been resolved; (2) participation in or completion of a diversion or a deferral of judgment program; (3) a Conviction that has been judicially dismissed, expunged, voided, invalidated, or otherwise rendered inoperative; (4) a Conviction or any other adjudication in the juvenile justice system; (5) a Conviction that is more than seven years old, from the date of sentencing; or (6) information pertaining to an offense other than a felony or misdemeanor, such as an infraction.

(d) Subtenant and Subtenants shall 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, unresolved arrest, or any matter identified in subsection (c) above. Subtenant and Subtenants shall not require such disclosure or make such inquiry until either after the first live interview with the person, or after a conditional offer of employment.

(e) Subtenant and Subtenants shall state in all solicitations or advertisements for employees that are reasonably likely to reach persons who are reasonably likely to seek employment with Subtenant or Subtenants at the Premises, that the Subtenant or Subtenants will consider for employment qualified applicants with criminal histories in a manner consistent with the requirements of Chapter 12T.

(f) Subtenant and Subtenants shall post the notice prepared by the Office of Labor Standards Enforcement ("OLSE"), available on OLSE's website, in a conspicuous place at the Premises and at other workplaces within San Francisco where interviews for job opportunities at the Premises occur. The notice shall 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) Subtenant and Subtenants understand and agree that upon any failure to comply with the requirements of Chapter 12T, Sublandlord shall have the right to pursue any rights or remedies available under Chapter 12T or this Lease, including but not limited to a penalty of $50 for a second violation and $100 for a subsequent violation for each employee, applicant or other person as to whom a violation occurred or continued, termination or suspension in whole or in part of this Lease.

(h) If Subtenant has any questions about the applicability of Chapter 12T, it may contact Sublandlord for additional information. Sublandlord may consult with the Director of the City's Office of Contract Administration who may also grant a waiver, as set forth in Section 12T.8.

34.19. Local Hiring Requirements for Tenant Alterations and Improvements. "Subtenant Alterations and Improvements are subject to the San Francisco Local Hiring Policy for Construction ("**Local Hiring Policy**") (San Francisco Administrative Code §6.22(G)) unless the Tenant improvements are undertaken and contracted for by Subtenant and are estimated to cost less than $750,000 per building permit; or meet any of the other exemptions in San Francisco Administrative Code Section 6.22(G). Accordingly, Subtenant, as a condition of this Lease, agrees that, unless subject to an exemption or conditional waiver, Subtenant shall comply with the obligations in San Francisco Administrative Code Section 6.22(G), and shall require Subtenant's Subtenants to comply with those obligations to the extent applicable. The requirements are summarized below. Before starting any Tenant Improvement Work, Subtenant shall contact the City's Office of Economic Workforce and Development ("OEWD") to verify the Local Hiring Policy requirements that apply to the Tenant Improvement Work, and Subtenant shall comply with all such requirements. Subtenant's failure to comply with the obligations in this subsection shall constitute a material breach of this Lease and may subject Subtenant and its Sub-Subtenants to the consequences of noncompliance specified in the Local Hiring Policy, including but not limited to penalties.

(1) For each contractor and subcontractor performing Tenant improvements in amounts exceeding the Threshold Amount for a Covered Project, Subtenant and its Sub-Subtenants shall comply with the applicable mandatory participation levels for Project Work Hours performed by Local Residents, Disadvantaged Workers, and Apprentices set forth in Administrative Code §6.22(G)(4).

(2) For Covered Projects estimated to cost more than $1,000,000, prior to commencement of any work subject to the Local Hiring Policy, Subtenant and its Sub-Subtenants shall prepare and submit to Sublandlord and the City's Office of Economic and Workforce Development (OEWD) for approval a "local hire plan" for the project in accordance with Administrative Code §6.22(G)(6).

(3) Subtenant and its Sub-Subtenants shall comply with applicable recordkeeping and reporting requirements and shall cooperate in City inspections and audits for compliance with the Local Hiring Policy, including allowing access to employees of its contractors and subcontractors and other witnesses at the Premises.

(4) Subtenant agrees that (i) Subtenant shall comply with all applicable requirements of the Local Hiring Policy; (ii) the provisions of the Local Hiring Policy are reasonable and achievable by Subtenant and its Sub-Subtenants; and (iii) Subtenant and its Sub-Subtenants have had a full and fair opportunity to review and understand the terms of the Local Hiring Policy.

34.20. <u>Local Hiring Requirements for Special Events</u>.

Unless exempt, if Subtenant has a special event on the Premises, Subtenant must comply with all applicable provisions of the San Francisco Local Hiring Policy (San Francisco Administrative Code Chapter 82) in the performance of construction activities during the set-up, execution and strike of Events of four (4) or more consecutive or non-consecutive days. Before starting any Construction Work for Special Events covered under the Local Hiring Policy, Event Sponsor shall contact the City's Office of Economic Workforce and Development ("OEWD") to verify the Local Hiring Policy requirements that apply to the Special Event, and Event Sponsor shall comply with all such requirements. Failure to comply with the obligations in this subsection will constitute a material breach and may subject Event Sponsor to the consequences of noncompliance specified in the Local Hiring Policy, including but not limited to penalties.

(1) For construction work on events covered by the Local Hiring Policy that exceed $400,000, a budget of construction activities must be submitted with this application for review by OEWD.

(2) Contractors shall comply with the applicable mandatory participation levels for Project Work Hours performed by Local Residents, Disadvantaged Workers, and Apprentices as set forth in Section 6.22(G)(4).

(3) Contractors shall comply with applicable recordkeeping and reporting requirements and shall cooperate in City inspections and audits for compliance with the Local Hiring Policy, including allowing access to employees of its contractors and subcontractors and other witnesses at the Premises.

34.21. <u>San Francisco Packaged Water Ordinance.</u>

Subtenant agrees to comply with San Francisco Environment Code Chapter 24 ("Chapter 24"). Subtenant shall not sell, provide or otherwise distribute Packaged Water, as defined in Chapter 24 (including bottled water), in the performance of this Agreement or on City property unless Subtenant obtains a waiver from the City's Department of the Environment. If Subtenant violates this requirement, the City may exercise all remedies in this Agreement and the Director of the City's Department of the Environment may impose administrative fines as set forth in Chapter 24.

34.22. Vending Machines: Nutritional Standards and Calorie Labeling Requirements.

Subtenant 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"). Subtenant 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.

34.23. Well Protection.

(a) Standard Requirements. Landlord has adopted a Well Protection Plan for protection of soil vapor and groundwater wells associated with the Navy environmental cleanup program [a copy will be provided by staff on request]. Subtenant is responsible for compliance with the Well Protection Plan for any well located within the Premises. Subtenant must keep wells within the Premises visible and accessible at all times. Visibility is defined as no equipment, vehicles, soil, fill material, or other objects or structures placed over top of the well or within a five-foot

radius from the center of the well. Accessibility is defined as a five-foot wide path to the well that is free of obstacles. Accessibility must be maintained to support observation and sampling of the well by the Landlord and its agents and regulators. For wells located in indoor, unoccupied spaces, Subtenant must keep the building locked to the public to limit access. Any bollards protecting wells must be kept in good condition and free of damage. Subtenant shall avoid vehicle operation over existing wells to limit damage. Subtenant must report any well damage to wells within the Premises to Landlord within 24 hours. Damage is defined as broken or cracked well lid, broken or cracked well collar, or broken or cracked concrete associated with well construction. Subtenant is informed that the Navy or Landlord may enter the Premises to observe or sample wells.

(b) Building Demolition. If Subtenant demolishes a building containing interior wells, the Subtenant will notify Landlord who will notify the Department of Toxic Substances Control (DTSC) of demolition no later than 30 days prior to the start of demolition activities. Subtenant will notify demolition contractors of the presence of wells within the building before beginning demolition and the need to protect the wells during demolition in accordance with the Well Protection Plan. During demolition activities, wells within the building must be covered by a five-foot by five-foot trench steel plate of 0.25-inch minimum thickness painted a bright color prior to demolition activities. Contractors will keep the plate in place through placement of asphalt around the perimeter of the plate or through implementation of other methods that mitigate movement of the plate. The plate will remain in place atop the well through completion of demolition. Exterior wells within 50 feet of the external walls must be protected by surrounding the well with chain link fencing during demolition.

The Subtenant will instruct demolition contractors to leave the building slab intact where possible. If the building slab is required to be demolished during building demolition, slab demolition will be conducted following demolition of above-slab building components. An 8-foot by 8-foot box section of slab centered around each well will be saw-cut and the slab within the 8 by 8 foot box will be removed using hand tools only. Following slab demolition by hand, metal sleeves extending 2-3 feet above the ground surface will be placed to fit around the well covers and brightly painted. Additional protective measures detailed in previous section (Standard Requirements) will also be evaluated for implementation following building

demolition. Following completion of demolition activities, the structural integrity and condition of the wells will be evaluated by visual inspection and tagging the depth of the well. If wells have sustained damage to the point at which the well can no longer serve its purpose, the impacted wells must be properly decommissioned and reinstalled.

Wells located within buildings proposed for demolition that are deemed no longer essential by the Navy, DTSC, and the San Francisco Bay Regional Water Quality Control Board (Regional Water Board) must be properly decommissioned prior to the start of demolition activities. If the condition of the building in which the wells are located cannot support well decommissioning due to access restraints or health and safety hazards, steel plates will be placed over the wells as described above. In this case, well decommissioning shall be completed following completion of demolition.

(c) Subsurface/Utility Excavation. Subtenant is required to obtain a dig permit before any excavation or soil handling activities within the Premises. If Subtenant completes subsurface excavation activities in proximity to wells, a minimum of five feet between the edge of the well cover and the wall of the excavation must be maintained. Before the start of work, contractors will be made aware of all wells and protective measures, ensuring the five foot protective area and that equipment, haul trucks, and stockpiles are not stationed atop of wells. Excavation equipment is prohibited from accessing the excavation from the side with a well located five feet from the edge of the excavation. Additional protective measures detailed in the Standard Requirements section will also be evaluated for implementation during subsurface excavation. Following completion of excavation activities, contractors will assess the structural integrity and condition of wells within five feet of the excavation by visual inspection and tagging the depth of the well. If wells have sustained damage to the point at which the well can no longer serve its purpose, the impacted wells must be properly decommissioned and reinstalled. If the scope of work requires excavation within the five-foot minimum separation distance, the well will require abandonment prior to commencement of excavation and reinstallation, if needed, following completion of work.

(d) Staged Soil Management. Landlord has adopted a Contingency Plan for environmental management on former Navy properties [a copy will be provided by

staff on request]. Subtenant is responsible for compliance with the Contingency Plan within the Premises. Subtenant may not stockpile or manage soil, fill materials, or construction debris that may be impacted by environmental contaminants. If Subtenant (or a party acting by or through Subtenant) fails to comply with this requirement, Subtenant will be responsible, at no cost to Landlord, for corrective action to address the stockpile in the manner prescribed in the Contingency Plan. In accordance with plans approved by Landlord, Subtenant may temporarily stockpile construction debris (asphalt, concrete, brick, rock, lumber, etc.) as long as the debris is not mixed with soil, does not exhibit visual or olfactory indicators of contamination, and is not staged on lands currently subject to a CRUP or other environmental controls. Subtenant will place such stockpiles on plastic sheeting and cover the temporary stockpile in plastic sheeting and sand wattles surrounded by bright cones. Subtenant will immediately report to Landlord any illegal dumping of soil or other material within the Premises, unauthorized visitors or suspicious hauling vehicles. Landlord requests that Subtenants leasing space within Navy environmental cleanup Site 24 maintain security cameras and make video recording available to Landlord upon request in the event of illegal dumping.

(e) Import Soils and Fill Material. Subtenant is advised that the import of soil or fill materials within the Premises is prohibited unless performed in strict accordance with a process approved and overseen by the DTSC. Provisions of this process include analytical testing of any soil or fill material for potential environmental contaminants and comparison of results of allowable concentrations for import fill. If import of soils or fill materials are needed, Subtenant will notify Landlord for assistance performing the required sampling.

(f) Accidental Fuel Spills. Subtenant will report all spills of fuels or other potentially hazardous liquids to the California Office of Emergency Services State Warning Center and the Unified Program Agency or 911 and to Landlord. Landlord will notify DTSC and Regional Water Board within 48 hours of discovery. In the event of a spill within the Premises, Subtenant will contain or remove the spill source. Subtenant will use roll-off bins or 55-gallon drums to control standing liquid. Absorbent material and pumping will be implemented by Subtenant for active leaks. If removal of impacted soils is required due to a spill, Subtenant will obtain a USA ticket

and dig permit 72 hours before remediation activities and will perform the soil remediation in accordance with the Contingency Plan.

(g) Vapor Intrusion Assessment. Subtenant is advised that recorded environmental land use covenants and restrictions on some properties may require periodic indoor air sampling by Landlord to confirm acceptable indoor air quality. Subtenant will provide reasonable access to Landlord to perform this sampling if and when required.

(h) Site Reconnaissance. In accordance with the Contingency Plan, Landlord is required periodically to perform a site reconnaissance of leased spaces to observe general environmental conditions and confirm that environmental best practices are being utilized. Subtenant will notify Landlord if they observe any potential environmental contaminations issues, such as insufficient protection of groundwater and soil gas monitoring wells, handling of hazardous materials, or poor environmental housekeeping.

34.23. All-Gender Toilet Facilities.

If applicable, Subtenant 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 Subtenant has any question about applicability or compliance, Subtenant should contact the TIDA Director for guidance.

34.24. Local Hiring.

Subtenant further agrees to use good faith efforts to hire residents of the City and County of San Francisco at all levels of Subtenant's personnel needs and to contract with local businesses for Subtenant's purchase of supplies, materials, equipment or services.

34.25. <u>First Source Hiring Ordinance</u>.

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

34.26. <u>Charter Provisions</u>.

This Agreement is governed by and subject to the provisions of the Charter of the City and County of San Francisco."

13. **<u>Counterparts</u>.** This Seventh 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.

14. **<u>Force and Effect</u>.** Except as specifically amended herein, the terms and conditions of the Agreement shall remain in full force and effect.

[Remainder of page intentionally left blank]

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

AUTHORITY:

TREASURE ISLAND DEVELOPMENT AUTHORITY

By: _____

Robert P. Beck

Treasure Island Director

SUBTENANT:

The John Stewart Company, Inc.
a California corporation

By: _____

Its: _____

APPROVED AS TO FORM:

DAVID CHIU, City Attorney

By: _____

Heidi J. Gewertz

Deputy City Attorney

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

Treasure Island Development Authority
City and County of San Francisco

Resolution Approving a Seventh Amendment to the Sublease and Property Management Agreement for Treasure and Yerba Buena Islands Market Rate Rental Housing between the Treasure Island Development Authority and John Stewart Company to Extend the Term Until June 30, 2034.

SUMMARY OF PROPOSED ACTION:

This item seeks approval and authorization to execute a seventh amendment to the Sublease and Property Management Agreement for Treasure and Yerba Buena Islands Market Rate Rental Housing between the Treasure Island Development Authority and the John Stewart Company, a California corporation to extend the Term of the Agreement by an additional ten (10) years (the "Amendment").

BACKGROUND:

At its January 20, 1999, meeting the Treasure Island Development Authority (the "Authority") Board of Directors ("Authority Board") approved a Sublease, Development, Marketing and Property Management Agreement (the "Original Agreement") with the John Stewart Company ("JSCo") for the market rate rental housing on Treasure and Yerba Buena Islands. The Original Agreement was approved by the City's Board of Supervisors on February 22, 1999. The Authority Board and the Board of Supervisors also approved five subsequent amendments to the Original Agreement between August 2000 and October 2009. The market rate housing program managed by JSCo under the Original Agreement has operated under the title of The Villages at Treasure Island ("The Villages").

On April 21, 2011, the Authority Board approved the Disposition and Development Agreement (the "DDA") between the Authority and Treasure Island Community Development LLC ("TICD" or "master developer"). On June 7, 2011, the Board of Supervisors approved the DDA, which became effective on July 14, 2011. In adopting the DDA, the Board of Supervisors also approved Transition Housing Rules and Regulations for The Villages at Treasure Island (the "THRR") affording certain transitional housing benefits to the households residing in The Villages as of that date and establishing procedures for interim and permanent moves that would be required over the course of development.

On March 7, 2014, Authority staff issued a Request for Proposals ("RFP") for a new Sublease and Property Management Agreement for market rate rental housing on Treasure Island and Yerba Buena Island. The deadline for responses to the RFP was April 18, 2014, and only a single response – from JSCo – was received. Following approval by the Authority Board through Resolution No. 14-22-06/11on June 11, 2014, and the Board of Supervisors through Resolution No. 0340-14 on September 16, 2014, the Authority executed the Sublease and Property Management Agreement between the Authority and JSCo dated July 1, 2014, for reference (the "Agreement")

The Term of the Agreement will expire this June. Because the last RFP failed to attract proposals from any operators other than JSCo and because the property under

management will shrink as residents move off of the island or into new housing on the island, the Authority is seeking approval of the Board of Supervisors to amend the Agreement for a term exceeding ten (10) years.

The redevelopment of Treasure Island includes geotechnical improvements to the ground conditions and adaptations for sea level rise which will necessitate the demolition of all of the former Navy housing, including all residential units managed by JSCo. Over the term of the Agreement, new leasing activity has been limited; rather the property management role has been to ensure that properties are appropriately maintained and to serve and support the current residential community while adapting to the needs of the Navy's remediation efforts and the redevelopment program. In 2015, JSCo facilitated Interim Moves (as defined in the THRR) of residents occupying units on Yerba Buena Island to vacant units on Treasure Island, and in 2014 and 2016, JSCo facilitated Interim Moves of households from certain buildings on Treasure Island to other vacant units on Treasure Island. This summer, JSCo will be supporting the relocation of eligible households into new permanent rental units in the newly constructed Star View Court.

There are currently only 330 occupied units within The Villages. There are three separate schedules that will determine the remaining term of the residential leasing program for the existing residential units at Treasure Island:

- The schedule for completion of the Navy's remediation efforts and the transfer of the land on which the housing resides to TIDA;
- The schedule for the master developer's completion of infrastructure and lots for new vertical housing development, both for housing to be completed by market rate developers and for housing to be completed by the Authority; and
- The schedule for the Authority's completion of replacement housing for qualifying existing residents on lots prepared by the master developer and given to the Authority for this housing.

The schedule for the Navy clean-up and transfer of the residential area on Treasure Island (referred to by the Navy as Site 12) is not well-defined but is expected to extend beyond 2030. The Navy's projected work plan calls for the completion of a Record of Decision ("ROD") regarding the cleanup of Site 12 in 2028. That ROD will define the measures which the Navy will undertake to complete their work and, by extension, the time that will be required, but it will minimally be several additional years.

The master developer has completed the construction of infrastructure in the first two subphase areas on Yerba Buena and Treasure Island and new homes are under construction. New utility and roadway infrastructure in the third subphase area is scheduled to begin later this year.

The first Authority building, Maceo May Apartments, completed construction in February 2023 and Swords to Plowshares has relocated its operations from the former Navy housing area into that building. This summer Mercy Housing and Catholic Charities will complete construction of Star View Court which will accommodate the

existing Catholic Charities households on the island and as many as thirty households from The Villages. Additional properties to be completed in the next subphase area will accommodate the island's remaining affordable housing programs and residents – HealthRight 360 and HomeRise – along with additional eligible households from The Villages. By 2030, all affordable housing residents will be relocated from former Navy housing into new developments, and the premises of The Villages will be reduced to one hundred households or less.

Under the Agreement, JSCo will be responsible for, among other things, maintaining and repairing the housing portfolio; hiring third party contractors, as needed; performing tenant relocations and assisting in the relocation process; working with tenant community groups to enhance the overall TI/YBI community experience; securing vacant units and properties pending demolition; appearing before the Authority Board as to report on housing matters; managing, tracking, and regular reporting of rental revenue, revenue disbursement, and operating costs incurred.

The salient terms of the proposed Amendment include:

1.) **Effective Date:** Effective date of the Agreement shall be July 1, 2024 or, if later, the date of final Board of Supervisors approval of the Agreement.

2.) **Term:** The Amendment would extend the Expiration Date of the Agreement by 10 years, or through June 30, 2034. The Agreement as executed provides an Extension Option which allows JSCo to extend the Term for an additional three (3) years commencing on the Expiration Date and ending June 30, 2037. JSCo may exercise the Extension Option at any time by written notice to the Authority delivered not later than one hundred eighty (180) days before the Expiration Date.

The bulk of the Amendment consists of provisions intended to bring the Agreement current with City and County of San Francisco contractual requirements including, but not limited to, those addressing Local Hiring, Pesticide Prohibition, First Source Hiring, Prohibitions on Contributions, and Wages and Working Conditions provisions.

The TIDA Board of Directors unanimously approved Authority Board Resolution No. 24-04-0214 at its February 14, 2024 meeting, authorizing the Amendment subject to approval of the Board of Supervisors.

RECOMMENDATION:
Approve and Authorize the Seventh Amendment to the Sublease and Property Management Agreement for Treasure and Yerba Buena Islands Market-Rate Rental Housing between the Treasure Island Development Authority and the John Stewart Company.

Robert Beck, Treasure Island Director

SUBLEASE AND PROPERTY MANAGEMENT AGREEMENT

Between

THE TREASURE ISLAND DEVELOPMENT AUTHORITY
as Sublandlord

and

THE JOHN STEWART COMPANY, A CALIFORNIA CORPORATION
as Subtenant and Manager

For up to 556 Housing Units at Former Naval Station Treasure Island
San Francisco, California

July 1, 2014

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TREASURE ISLAND SUBLEASE AND PROPERTY MANAGEMENT AGREEMENT

THIS SUBLEASE AND PROPERTY MANAGEMENT AGREEMENT (the "**Agreement**"), dated July 1, 2014, is by and between the Treasure Island Development Authority, a California nonprofit public benefit corporation (the "**Authority**" or "**Sublandlord**") and the John Stewart Company, a California Corporation ("**Subtenant**"). From time to time, the Authority and Subtenant together shall be referred to herein as the "**Parties**".

This Agreement is made with reference to the following facts and circumstances:

A. Former Naval Station Treasure Island (the "**Base**" or "**Property**") was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510 and its subsequent amendments, and is currently owned by the United States of America, acting by and through the Department of Navy ("**Master Landlord**" or "**Navy**"). The United States Department of Defense designated the City and County of San Francisco ("**City**") as the Local Redevelopment Authority ("**LRA**") responsible for the conversion of the Base under the federal disposition process.

B. In 1997, the Base closed and the Authority was created by the City to replace the City as the LRA and to serve as a single entity responsible for the reuse and development of the Base.

C. Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "**Act**"), the California legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base, and (ii) with respect to those portions of the Base which are former tide or submerged lands, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property.

D. In 1998, the San Francisco Board of Supervisors ("**BOS**") approved the designation of the Authority as a redevelopment agency with powers over Treasure Island in Resolution No. 43-98, dated February 6, 1998. In 2012, by resolution No. 11-12, the BOS rescinded the designation of the Authority as a redevelopment agency under California Community Redevelopment Law, but such rescission did not affect the Authority's status as the LRA for Treasure Island or the tidelands trust trustee for the portions of Treasure Island subject to the tidelands trust, or any of the other powers or authority of the Authority. In 1999, the Navy and the Authority entered into a master lease dated March 17, 1999, with the associated estoppel certificate addressed to Subtenant (the "**Master Lease**"), as amended, a copy of which is attached hereto as Exhibit A. This Agreement shall be subject and subordinate to the Master Lease, as it may be amended from time to time. The Authority intends to negotiate a new master lease with the Navy. Upon completion, the Authority shall replace the Master Lease attached as Exhibit A with the new master lease and make any conforming changes to the section cross references in this Agreement.

E. The Authority began subleasing at market rates a portion of the former military housing now known as the Villages at Treasure Island through a lease with the John Stewart Company (the "**Original Villages Lease**"), and directly leasing space at the Base to a variety of commercial tenants. Upon the Effective Date of this Agreement, the Original Villages Lease will terminate.

F. There are approximately 1,000 units of housing on the Base, 904 on Treasure Island and 96 on Yerba Buena Island (the "**Base-Wide Housing Units**"). Approximately 578 of

the Base-Wide Housing Units, as shown on Exhibits B (the "**Rentable Units**") are currently leased to residential sub-subtenants of Subtenant ("**residential tenants**"), and will be managed and maintained under the terms and conditions of this Agreement in order to generate revenues for the operation and improvement of the Base.

G. Pursuant to the Federal Base Closure Community Redevelopment and Homeless Assistance Act of 1994, the Treasure Island Homeless Development Initiative ("**TIHDI**") and the City negotiated a Base Closure Homeless Assistance Agreement, as amended (the "**TIHDI Agreement**") and a revenue sharing and consent agreement (the "**TIHDI Sharing Agreement**"), under which TIHDI has the right to lease certain residential units at the Base (the "**TIHDI Units**") to assist homeless and formerly homeless individuals and families and to share in the collection of certain revenues at the Base in furtherance of its mission. Copies of these agreements are held by the Authority and have been delivered to Subtenant. Subtenant will be required to work in concert with TIHDI, as set forth in this Agreement.

H. In 2003, after a competitive bid process, the Authority Board selected Treasure Island Community Development, LLC ("**TICD**") as the proposed master developer of the Base. In 2011, the Authority and TICD entered into a Disposition and Development Agreement ("**TICD DDA**") and other transaction documents relating to the reuse and development of the Base (the "**Project**"). During the term of this Agreement, TICD and the Authority intend to implement the Project. Part of that implementation will require the relocation of residential tenants in accordance with the Transition Housing Rules and Regulations, as amended (the "**THRRs**"), attached hereto as Exhibit C.

I. On March 7, 2014, the Authority issued a Request for Proposals ("**RFP**"), soliciting interest from qualified entities to provide the services under this Agreement. Subtenant was selected, and following a duly noticed public hearing, this Agreement was approved by the Authority Board of Directors by Authority Board Resolution No. _____ and subsequently by the City's Board of Supervisors by Board of Supervisors Resolution No. _____

NOW THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the Authority and Subtenant hereby agree as follows:

1. PREMISES

1.1. Premises. Subject to the terms, covenants and conditions of this Agreement, the Authority hereby subleases to Subtenant, and Subtenant hereby accepts from the Authority, the premises, as more particularly described in Exhibit B (the "**Premises**"), together with reasonable rights of ingress and egress to and from the Premises. The Navy has issued a Finding of Suitability to Lease ("**FOSL**") all of the Premises, and TIHDI has consented to Subtenant's use of any TIHDI Units that are a part of the Premises as set forth in the TIHDI Sharing Agreement.

1.2. As Is Condition of Premises.

(a) Subtenant Investigation. Subtenant represents and warrants that Subtenant has conducted a thorough and diligent inspection and investigation, either independently or through Subtenant's agents, affiliates, subsidiaries, licensees, contractors, subcontractors, and each of the persons acting by, through or under each of them, and their respective, legal representatives, successors and assigns ("**Subtenant's Agents**") of the Premises and the suitability of the Premises for Subtenant's intended use. Subtenant has determined, based on its own investigation, that the Premises are suitable for its operations and intended uses. As part of its inspection of the Premises, Subtenant acknowledges that it has received, reviewed and understands of the Seismic Report and the Structural Report referenced in below and the Joint Inspection Report referenced in Section 6 of the Master Lease.

(b) As Is; Disclaimer of Representations. Without limiting any of the Authority's obligations herein, Subtenant acknowledges and agrees that the Premises are being subleased and accepted in their "AS IS, WITH ALL FAULTS" condition, without representation or warranty of any kind and subject to all applicable laws, statutes, ordinances, resolutions, regulations, proclamations, orders or decrees of any municipal, county, state or federal government or other governmental or regulatory authority with jurisdiction over the Premises, or any portion thereof, including the use, occupancy, management, operation and possession of the Premises ("**Laws**"). Subtenant acknowledges and agrees that the Premises, as renovated, must comply with the Federal Government's FEMA-178 seismic life safety standard as the same exist as of the date hereof Subtenant acknowledges and agrees that, except as expressly provided herein, neither the Authority nor any of the Authority's agents, affiliates, subsidiaries, licensees, contractors, boards, commissions, departments, agencies and other subdivisions and each of the persons acting by, through or under each of them, and their respective heirs, legal representatives, successors and assigns ("**Authority's Agents**") have made, and, without limiting any of its obligations hereunder, the Authority hereby disclaims, any representations or warranties, express or implied, concerning (i) the physical, geological, seismological or environmental condition of the Premises, including, without limitation, the matters described in the Seismic Report or the Structural Report, (ii) the quality, nature or adequacy of any utilities serving the Premises, (iii) the safety of the Premises, whether for the use of Subtenant, Subtenant's Agents, or any clients, customers, vendors, invitees, guests, or licensees of Subtenant, including residential tenants ("**Subtenant's Invitees**"), or (iv) any other matter whatsoever relating to the Premises or their use, including, without limitation, any implied warranties of merchantability or fitness for a particular purpose.

(c) Seismic Report and Structural Report. Subtenant expressly acknowledges for itself and Subtenant's Agents that it has received and read, and has had an adequate opportunity to review with expert consultants of its own choosing, the following: (i) that certain report dated August 1995, entitled "Treasure Island Reuse Plan: Physical Characteristics, Building and Infrastructure Conditions. "prepared for the Office of Military Base Conversion, Department of City Planning, and the Redevelopment Agency of the City and County of San Francisco (the "**Seismic Report**"), a copy of the cover page of which is attached hereto as Exhibit D-1; and (ii) that certain Treasure Island Study, Seismic Evaluation of the 1440 Series Housing prepared by SOH and Associates, dated May 20,1996, a copy of the cover page of which is attached hereto as Exhibit D-2 (the "**Structural Report**").

2. COMPLIANCE WITH MASTER LEASE

2.1. The Authority's Compliance with Master Lease. The Authority shall not do or permit to be done anything or fail to perform any obligation that would constitute a violation or a breach of any of the terms, conditions or provisions of the Master Lease or which would cause the Master Lease to be terminated or forfeited by virtue of any rights of termination reserved by or vested in the Master Landlord. The Authority shall not amend or modify the Master Lease in any material respect without Subtenant's prior written consent.

(b) The Authority intends to negotiate a new master lease with the Navy. Upon completion, the Authority shall replace the Master Lease attached as Exhibit A with the new master lease and make any conforming changes to the section cross references in this Agreement.

(c) The Authority shall keep Subtenant reasonably informed of any proposed material changes to the Master Lease during negotiations with the Navy and shall provide a copy of the final master lease before execution. If the new master lease contains revisions that materially negatively impact Subtenant, including a change that will likely impact Subtenant’s ability to

receive the Management Fee set forth in this Agreement, Subtenant shall notify the Authority of same and the parties shall meet and confer in good faith for a period of not less than 30 days to determine how to proceed in light of the proposed revisions to the Navy master lease. If the parties are not able to agree on how to proceed and the new master lease includes provisions that materially negatively impact Subtenant (as compared to the existing Master Lease), then the parties shall refer the matter to nonbinding mediation as set forth in Section 8.6. If the parties are not able to reach agreement following mediation (or if the agreement is not approved by the Authority's Board of Directors or Subtenant's Board of Directors), and the Authority is unwilling to make revisions reasonably requested by Subtenant to reflect Subtenant's reasonable concerns regarding the negative impacts of the master lease revisions on Subtenant, then Subtenant shall have the right to terminate this Agreement, without penalty, upon one hundred eighty (180) days written notice to the Authority.

2.2. Subtenant's Compliance with Master Lease. Subtenant shall not do anything, permit anything to be done by its Agents or Invitees or fail to perform any obligation that would constitute a violation or a breach of any of the terms, conditions or provisions of Sections 4, 6.3, 8.1, 9, 11, 12.2, 12.6, 13 (other than 13.9 and 13.12), or 18.1 through 18.1.5 of the Master Lease.

2.3. Automatic Termination. If the Master Lease terminates for any reason whatsoever, this Agreement shall automatically terminate and the Parties shall thereafter be relieved from all liabilities and obligations under this Agreement, except for liabilities and obligations which expressly survive termination of this Agreement and except as provided in Sections 21 and 22. As set forth in the Master Lease, the Navy has the right to remove some or all of the Premises, including Rental Units, from the Master Lease. Accordingly, for purposes of this Section, the Master Lease shall be treated as terminated for the period, and with respect to the Rentable Units, that the Navy requires to be terminated or evacuated pursuant to Section 15 of the Master Lease.

2.4. Purchase of Premises by Authority. If the Authority acquires all, or any portion of, the Premises from the Master Landlord, this Agreement shall automatically become a direct lease of such portion of the Premises from the Authority to the Subtenant on the same terms and conditions as set forth herein. The Authority shall use good faith efforts to enforce, for the benefit of Subtenant, to the extent of Subtenant's interest in the Premises under this Agreement, all representations, warranties, indemnities and similar rights given by the Master Landlord to the Authority in connection with such acquisition.

3. TERM

3.l. Term of Agreement. The Premises are subleased for a term (the "**Term**") commencing on the date (the "**Commencement Date**") which is the latest of the dates on which (a) the Parties hereto and the Master Landlord have duly executed and delivered this Agreement, (b) the effective date of an Authority Board resolution approving this Agreement, in its sole discretion, and (c) the effective date of a City Board of Supervisors resolution approving this Agreement, in its sole discretion. The Term shall expire on the date that is seven (7) years after the Commencement Date (the "Expiration Date"), unless sooner terminated or extended pursuant to the terms of this Agreement. The Authority shall deliver to Subtenant a notice substantially in the form of Exhibit E to confirm the actual Commencement Date and the Expiration Date, but the Authority's failure to do so shall not affect the commencement or expiration of the Term.

3.2 Extension Option. The Authority grants to Subtenant an option to extend the Term as to the entire Premises only (the "**Extension Option**") for an additional three (3) years (the "**Extension Term**") commencing on the Expiration Date. Subtenant may exercise the Extension Option at any time by written notice to the Authority delivered not later than one hundred eighty (180) days before the Expiration Date. If an event of default by Subtenant is

outstanding hereunder either at the time of Subtenant's exercise of the Extension Option or at any time before the first day of the Extension Term (or if any event shall have occurred which with the giving of notice or the passage of time or both would constitute such a default), then the Authority may elect by notice to Subtenant to reject Subtenant's exercise of the Extension Option, whereupon the previously delivered exercise notice shall be null and void. If Subtenant elects to exercise the Extension Option, then the lease for the Extension Term shall cover the entire Premises and shall be upon all of the terms, covenants and conditions of this Agreement, and all references to the Term shall then include the Extension Term.

4. WORK TO BE COMPLETED BY SUBTENANT

4. 1. Scope of the Work. The existing Rentable Units are shown in Exhibit B. The Authority shall have the right to add additional rentable units to the Premises at any time, and upon such addition, the Parties shall update Exhibit B to include the added units. Upon any such addition and upon any vacancy of a Rentable Unit, Subtenant shall promptly perform the standard work required to prepare the Rentable Unit for occupancy, and cause the Rentable Unit to be in a condition consistent with the other Rentable Units in the Premises (the "**Work**"). The standard work shall be generally approved by the Authority's Director of Island Operations (the "**Director**") from time to time, and shall be consistent with the Capital Budget (as defined in Section 4.2). Subtenant shall perform the Work in a good and workmanlike fashion and in accordance with applicable Laws. The Rentable Units shall at all times remain the property of the Authority during the Term and, as any improvements or renovations are completed, title to such improvements and renovations shall automatically vest in the Authority and be leased to Subtenant under this Agreement.

4.2. Cost of the Work. The estimated cost of the Work during each calendar year of the Term shall be shown in a budget prepared by Subtenant and approved by the Director (the "**Capital Budget**"). The Capital Budget for the first year of the Term is attached hereto as Exhibit F. Subtenant and the Director shall meet and confer to review the Capital Budget and the anticipated monthly renovation costs from time to time, and Subtenant shall inform the Director if it determines that the Capital Budget or the standard renovation cost must be increased to perform any Work. Subtenant must first obtain the written approval of the Director before performing any renovation that exceeds the standard renovation amounts approved by the Director, and before performing any Work during a calendar year that exceeds the amount set forth in Capital Budget for that year. Subtenant shall notify Director promptly upon any determination that the total cost of the Work paid to date together with the cost of Work reasonably anticipated to be incurred for the remainder of the year will exceed the total Capital Budget for that year.

4.3. Election Not to Proceed with Renovations. If Subtenant cannot perform any Work with respect to some or all of the Rentable Units or Buildings because the cost of the Work exceeds funds available under the Capital Budget, then Subtenant shall provide the Authority with written notice of such fact, which notice shall identify the Work that will not be performed and the estimated cost of such Work. In no event will Subtenant be required to perform Work for which funds are not available in the Capital Budget.

4.4. Construction of Other Alterations. Other than the Work, Subtenant may not and shall not be obligated to, construct, install, make or permit to be made any alterations, installations or additions ("**Alterations**") in, to or about the Premises, without the Director's prior written consent in each instance. Notwithstanding the foregoing, Alterations do not include and no such consent shall be required for maintenance and repair activities that are (i) required or contemplated hereunder, (ii) do not affect any structural portions of the Premises and (iii) are

within any cost limitations otherwise provided herein or in any Annual Operating Budget (as defined in Section 12.2). All Alterations shall be done in accordance with plans and specifications reasonably approved in advance by the Director in writing, by duly licensed and bonded contractors or mechanics approved by the Director, in a good and professional manner, in compliance with all applicable Laws (including the payment of prevailing wages), and subject to all other conditions that the Authority may reasonably impose. In no event shall the construction, installation or the making of any Alterations impair the use or operation of the Base, or any portion thereof, or the Authority's or Master Landlord's access thereto. Before the start of any Alterations, Subtenant shall procure all required permits and approvals and shall, upon request, promptly deliver copies of such documents to the Director. No material change from the plans and specifications approved by the Director may be made without the Director's prior consent. The Authority and the Authority's Agents shall have the right to inspect the work and construction at all times, provided such inspection and site visits shall not unreasonably disturb or interfere with the work or the residential tenants.

4.5. Ownership of Alterations. Except for Subtenant's Personal Property (as defined in Section 4.7), or as may be specifically provided to the contrary in this Agreement, all appurtenances, fixtures, improvements, equipment, additions, and other properly attached or affixed to or installed in the Premises at the Commencement Date or during the Term, including, without limitation, the Work and any other Alterations, shall be and remain the Authority's or the Master Landlord's property, as the case may be. Subtenant may not remove any such property at any time during or after the Term, unless replaced with property of at least comparable quality and utility, without the Director's prior written consent.

4.6. Subtenant's Personal Property. All furniture, furnishings and articles of movable personal property and equipment installed in the Premises by or for the account of Subtenant, that have not been paid for by the Authority through the use of Gross Revenues or otherwise, and that can be removed without structural or other material damage to the Premises (all of which are herein called "**Subtenant's Personal Property**") shall be and remain the property of Subtenant and may be removed by Subtenant subject to the provisions of Section 27. All property acquired with Gross Revenues, including any vehicles, will be transferred to the Authority upon the termination or expiration of this Agreement, and Subtenant agrees to provide a bill of sale or other evidence of the transfer of ownership upon request. The provisions of this Section shall survive the expiration or termination of this Agreement.

5. USE

5.1. Subtenant's Permitted Use. Subtenant shall use the Premises to operate, maintain, repair, and manage the Premises for residential housing in accordance with this Agreement, and for no other purposes.

5.2. No Unlawful Uses, Nuisances or Waste. Subtenant shall not use any portion of the Premises in any unlawful, illegal, offensive, noisy or hazardous manner (together, "**Nuisances and Hazards**") and shall use commercially reasonable efforts to prevent Subtenant's Invitees from committing any Nuisances and Hazards. Subtenant shall eliminate any Nuisances and Hazards relating to its activities and shall use commercially reasonable efforts to eliminate any Nuisances and Hazards related to the activities of Subtenant's Invitees.

5.3. Signs. Subtenant agrees that it will not erect or maintain, or knowingly permit to be erected or maintained, any signs, notices or graphics upon or about the Premises that are visible in or from any common areas of the Premises or from the exterior of the Rentable Units, without the Director’s prior written consent.

5.4. Zoning. The Authority represents and warrants that, to the best of its knowledge, there currently exist no zoning or other Laws that would materially adversely affect Subtenant's use of the Premises as contemplated under this Agreement.

5.5 Covenant of Quiet Enjoyment; Ingress and Egress. Subject to the requirements of the Master Lease and the Navy's ongoing remediation, the Authority covenants and agrees that it shall not directly or indirectly interfere with or deprive Subtenant or Subtenant's Agents or Invitees of (i) their quiet enjoyment of the Premises for the uses permitted under this Agreement or (ii) reasonable ingress and egress to and from the Premises.

6. SUBTENANT'S MARKETING RESPONSIBILITIES

6.1. Marketing. Subtenant shall market the Rentable Units in accordance with industry custom and the Management Plan, and as otherwise directed by the Authority.

7. SUBTENANT'S LEASING AND RELOCATION RESPONSIBILITIES

7.1. Leasing. After Subtenant has completed the Work with respect to any given Rentable Units, Subtenant shall use commercially reasonable efforts to promptly enter into Rental Agreements (as defined in Section 7.3) with qualified residential tenants for such Rentable Units in accordance with the Marketing Plan. The Director may instruct Subtenant to keep Rentable Units vacant at any time so as to provide for available Rental Units to implement tenant relocations under the THRRs or to cooperate with the Navy's remediation program.

7.2. Application Process and Screening. Subtenant shall screen prospective residential tenants applications by applying customary credit and tenancy standards, all in accordance with the Marketing Plan. As set forth in Section 34.1, Subtenant shall not discriminate in the leasing of Rentable Units on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes. In addition, in the operation of the Project and the rental of any Rentable Units, the Subtenant shall not discriminate against prospective residential tenants using Section 8 certificates or vouchers or other tenant-based rental assistance, or other sources of income. Subject to the terms of Section 6.2, Subtenant shall also insure that Resident Tenant selection is carried out objectively and in accordance with industry standards.

7.3. Rental Agreements. Subtenant shall enter into rental agreements with all residential tenants in substantially the form of the rental agreement attached hereto as Exhibit G, as the same may be amended from time to time with the approval of the Director (the "**Rental Agreements**").

(a) All Rental Agreements shall be on a month-to-month tenancy, and subject to termination without cost or liability upon any termination of the Master Lease. All new rental agreements shall include a waiver of relocation rights and, where applicable, an acknowledgment of a tenant's post-DDA status per the THRRs. The Rental Agreements shall also include a waiver of any claims against Subtenant, the City and the Authority for any failure in the delivery of utility services.

(b) Subtenant shall be responsible for enforcing and shall take commercially reasonable actions to enforce the terms and conditions of all Rental Agreements, including, without limitation, (i) the collection of all such rents when due, (ii) the preparation and delivery to residential tenants of any appropriate late payment, default or other notices, (iii) the

conducting of exit interviews and walk-throughs, and (iv) the prompt collection and timely disbursement of all security deposits. Without violating any privacy or other applicable Laws, Subtenant shall use commercially reasonable efforts to insure that all residential tenants comply with the terms and conditions of their respective Rental Agreements.

(c) Subject to Section 6.3, Subtenant shall receive complaints and use commercially reasonable efforts to resolve any complaints, disputes or disagreements by and between Subtenant and one or more residential tenants. Subtenant may retain counsel, collection agencies, and other such persons and firms as Subtenant shall deem appropriate (with the costs there of being included as an Operating Expense, subject to the overall Annual Operating Budget limitations) to enforce by legal action the rights and remedies of the Subtenant against any residential tenant in default in the performance of any of its obligations under a Rental Agreement, including, without limitation, taking action to terminate or evict any residential tenant where sufficient' cause for such termination or eviction exists under the terms of such residential tenant's Rental Agreement.

7.4. Rental Rates. The rental rates for all Rentable Units have been set by the Authority at the rates described on the Rental Rate Schedule attached hereto as Exhibit H (the "**Approved Rates**"). The Approved Rates shall increase each year in amount determined by the Authority, with such permitted increases being assessed under the Rental Agreements. The rental rates may not be changed from the Approved Rates without the prior written consent of the Authority, except upon any vacancy, the Director and Subtenant may agree in writing to increase or decrease the rental rate of any Rentable Unit by no more than fifteen percent (15%) of the rental rate for such Rentable Unit provided for in the Approved Rates.

7.5. Grievance Procedures. Subtenant shall notify applicants of their eligibility status and advise any rejected or ineligible applicant of their right to appeal by providing them with a copy of the Grievance and Appeal Procedure that is a part of the Marketing Plan.

7.6 Relocation of Tenants. Subtenant shall perform all work, in cooperation with the Authority, required to relocate residential tenants in accordance with the THRRs. All such relocations shall be done in close coordination with the Authority, and all costs incurred by Subtenant in connection with such relocations shall be approved Operating Expenses.

8. MANAGEMENT, MAINTENANCE AND REPAIR RESPONSIBILITIES

8.1. General Maintenance and Repair Obligations. Except as specifically provided herein, and to the extent consistent with the spending limitations imposed by any Annual Operating Budget, Subtenant assumes full and sole responsibility for the condition, operation, repair, maintenance and management of the Premises and shall keep the Premises in a good condition and in a manner otherwise reasonably acceptable to the Authority. Subject to Section 8.3 and the spending limitations set forth in any Annual Operating Budget, Subtenant shall make all routine repairs and replacements, interior and exterior, foreseen and unforeseen, that are necessary to maintain the Premises at all times in a clean, safe, attractive and sanitary condition and in good order and repair for safe and sanitary residential housing. Notwithstanding anything to the contrary contained herein, (a) Subtenant shall have no responsibility for maintaining, repairing or in any way managing any streets, curbs, or sidewalks included within and around the Premises (other than any incidental cleaning of sidewalks needed as a result of Subtenant's responsibility for the adjacent grass areas), except as may be mutually agreed to between the Subtenant and the Authority, (b) Subtenant shall have no responsibility for maintaining, pruning or clearing any trees or brush subject to Fire Department mandated tree trimming and brush clearance on Yerba Buena Island, and (c) upon the request of the Authority, and subject to the prior approval of the Director and Subtenant following a determination of the cost, Subtenant shall perform maintenance and repair on Treasure Island and Yerba Buena Island

inside or outside the Premises that would otherwise be the obligation of the Authority (the "**Added Work**"). For any Added Work performed by Subtenant, the Authority shall pay to Subtenant the actual cost incurred by Subtenant for the Added Work, together with a negotiated management fee, agreed to by the Parties in writing, to cover Subtenant's administrative expenses and insurance (which management fee will be paid in the same manner that the Management Fee is paid under Section 13.1(d).

8.2. Routine Maintenance and Repair. Without limiting the generality, but subject to the limitations of Section 8.1 and to the extent consistent with spending limitations imposed by any Annual Operating Budget, Subtenant's maintenance and repair responsibilities shall include without limitation cleaning, painting, plumbing, carpentry, grounds care and such other routine maintenance and repairs as may be reasonably necessary to meet the maintenance standards described in Section 8.1. In performing these functions, Subtenant shall:

(a) Receive and investigate all requests for maintenance and repair from residential tenants and cause such routine repairs to be promptly and professionally completed when appropriate and warranted in accordance with the standards set forth in this Agreement.

(b) Annually develop and implement a preventive maintenance schedule taking into account the remaining anticipated life of the Rental Units. The preventive maintenance schedule shall be presented to the Authority for its reasonable approval together with each year's Annual Operating Budget.

(c) Contract with qualified independent contractors, paying prevailing wages, for the maintenance and repair of items that is not performed by regular maintenance employees. Subtenant shall consult with the Director on which work items may be performed by Subtenant's maintenance employees and which work items should be performed by third party contractors.

(d) Inform all residential tenants of the procedures to obtain maintenance and repair services during and after normal office hours, and in cases of an emergency.

(e) Maintain a log book containing reports of all service requests and maintenance repairs provided, copies of which shall be subject to periodic inspection by the Authority.

(f) Purchase all materials, equipment, tools, and appliances, supplies and services necessary to ensure proper maintenance and repair of the Premises.

(g) Maintain all landscaping, grounds and common areas for the Premises.

(h) Provide pest control services within the Premises as needed and use commercially reasonable efforts to keep the Premises reasonably free of pests at all times.

(i) Contract for rubbish collection with an entity permitted by the City or the Authority and use commercially reasonable efforts to (i) ensure that the Premises are reasonably free from rubbish, debris and refuse at all times, and (ii) encourage maximum waste diversion consistent with City policies.

8.3. Unanticipated and Emergency Maintenance and Repairs. Subtenant shall perform all repairs that are necessary to avoid the suspension of necessary services to the Premises (other than utility services described in Section 10.1), or as otherwise needed to comply with the general maintenance and repair obligations described above, even though such repairs that are not included in an Annual Operating Budget, but only to the extent the costs of such repairs can be paid (and are paid) from funds in the Replacement Reserve Account and Subtenant receives the Director's prior consent as described in Section 11.3. Notwithstanding the foregoing, except

as provided in the next sentence, Subtenant shall make all repairs that are immediately necessary for the preservation or protection of the Premises or the safety of residential tenants or other persons in or on the Premises ("**Emergency Repairs**"), without the Authority's prior approval and without limitation as to cost and regardless of whether there are adequate funds available in the Replacement Reserve Account for such repairs; provided, however, that in each such instance Subtenant shall, before causing any such Emergency Repairs to be made, use commercially reasonable efforts to notify the Director of the emergency situation and obtain the Director's approval of such Emergency Repairs. Subtenant has no obligation to make or cause to be made any such repairs during the final year of the Term in excess of the greater of $100,000 and the amount in the Replacement Reserve. Subtenant's reasonable costs of any such Emergency Repairs shall automatically be reimbursed from the Replacement Reserve Account, to the extent of the amounts therein, and any excess shall be deemed an approved Operating Expense under Section 12.1. If Subtenant must advance funds under the preceding sentences, then Authority shall reimburse Subtenant therefore if and to the extent there are sufficient Gross Revenues through the remaining Term to do so.

8.4. Security. Subject to the spending limitations contained in any Annual Operating Budget, Subtenant shall provide private, on-site, licensed, qualified security personnel to the Premises that are reasonably satisfactory to Authority as budgeted in each Annual Operating Budget. Without limiting the Authority's rights under this Agreement, the Authority agrees that it will not sue Subtenant for any action taken or failed to be taken by such security personnel, except to the extent caused by the negligence or willful misconduct of Subtenant.

8.5. Subtenant's Responsibility for Utility Facilities. Subtenant's responsibility for the repair and maintenance of water, electric, gas and sewer utility facilities relating to the Premises are limited to those as set forth in Section 2(a) of Exhibit I.

8.6. Management Fee. For performance of its management, maintenance and repair obligations under this Agreement, provided that no Subtenant Default has occurred and is continuing, Subtenant shall be entitled to receive from available Gross Revenues (in the order of priority described in Section 13, a management fee (the "**Management Fee**"), payable on the tenth (10th) day of each month, equal to three percent (3%) of Gross Revenues, up to a maximum of Four Hundred Thousand Dollars ($400,000) per year, which maximum shall be revised annually on the anniversary of the Commencement Date to reflect increases in the Index described in Section 15.2. If, at any point, the number of Rentable Units is reduced to below Two Hundred Ten (210), Sublandlord and Subtenant shall meet and confer regarding establishing a new Management Fee structure or amount that is intended to maintain the benefit of the bargain of the parties (i.e., Subtenant receives a rational and fair fee in light of reduced number of units and revenues and will not reasonably be expected to advance its own funds to pay required Operating Expenses), given the totality of the circumstances that then exist and that led to the reduction in the number of Rental Units. If Sublandlord and Subtenant are unable to agree upon a new Management Fee, then either party may initiate mediation, as follows:

(a) Either or both of the parties may request the initiation of mediation by delivering a written request for mediation ("Mediation Request") to the other party. The Mediation Request must (1) include a brief summary of the issue and the proposed new Management Fee, and (2) list at least two neutral mediators who are acceptable to the requesting party for mediation. Within five business days after the requesting party’s delivery of a Mediation Request, the responding party must deliver a response to the Mediation Request ("Mediation Response"), which must (a) include a responding proposal for a new Management Fee and any other issues deemed relevant by the responding party, and (b) state whether any of the neutral mediators listed in the Mediation Request are acceptable and, if none are, then the Mediation Response must list at least 2 additional neutral mediators who are acceptable to the responding party. Within ten calendar days after delivery of the Mediation Response, the parties will attempt in

good faith to agree upon a neutral mediator to preside over the mediation. If the parties are not able to agree upon a neutral mediator within ten calendar days after delivery of the Mediation Response, the parties must apply to AAA or JAMS for selection of a neutral mediator. The mediator must be a person knowledgeable in real estate professional services and management, and must have no current involvement with either party, unless agreed to by the parties with full disclosure. The parties will share equally in the cost of any mediation.

(b) In consultation with the parties, the mediator will fix the date, time, and place of the mediation session. The mediation may be held at any convenient location agreeable to the parties and the mediator in San Francisco. Mediation must be completed within 30 days following selection of the mediator. Both parties must attend the mediation session. The mediator will work with both parties to present a fair Management Fee that maintains the benefit of the bargain in light of the reduced number of units. The recommendation of the mediator shall not be binding on the parties. Any communication between a party and the mediator must be in writing or held during the mediation session, and shall include the other party.

(c) If the parties reach agreement on the proposed new Management Fee structure or amount, then they shall each seek necessary approvals for an amendment to this Agreement to reflect the new Management Fee structure or amount. For the Authority, any such amendment shall be approved by the Authority's Board of Directors and shall not require approval of the City's Board of Supervisors or Mayor.

(f) If the parties are not able to reach agreement following mediation (or if the agreement is not approved by the Authority's Board of Directors or Subtenant's Board of Directors), then Subtenant shall have the right to terminate this Agreement, without penalty, upon one hundred eighty (180) days written notice to the Authority.

8.7. Base Repair and Maintenance. The Authority covenants to use good faith efforts to enforce the repair, maintenance and similar provisions of its sublease with TIHDI and to maintain the exterior of all other residential units and associated grounds on the Base, which the Navy leases to the Authority but are not Premises hereunder, to generally the same level as Subtenant is required to repair and maintain the Premises.

9. EMPLOYEES AND INDEPENDENT CONTRACTORS

9.1. On-Site Office. In performing its obligations under this Agreement, Subtenant shall establish and maintain at all times during the Term a management office (and separate property maintenance, storage and service space) at the Premises responsible for overseeing all of Subtenant's management, maintenance, leasing, and other operational obligations under this Agreement. The management office shall be located in Suite 161 at Building One on Treasure Island, and the property maintenance, storage and service space shall be located at Building 264 on Treasure Island and Subtenant shall pay rent for such spaces at the monthly rates set forth in the Authority's Subleasing Policy. The Authority shall have the right to relocate the management office, with not less than 30 days prior written notice, to alternative space in Building One that is reasonably comparable in size and quality, at no cost to Subtenant.

9.2. Personnel. In performing its obligations under this Agreement, Subtenant shall, consistent with the spending limitations contained in each Annual Budget, hire, employ and/or assign experienced, qualified residential real estate marketing, leasing, maintenance, repair, management and any other persons necessary or advisable for the proper operation of the Project, as determined by Subtenant in its reasonable discretion. Any such persons shall be employees or contractors of the Subtenant, and not the Authority or the City. Subtenant shall direct and supervise all employees, contractors or agents in the performance of their duties under this Agreement. Subtenant shall use due care in the selection of personnel it hires or employs to

perform Subtenant's management responsibilities under this Agreement. The number of employees, their job descriptions and salaries, shall be determined by Subtenant in its sole discretion based on the provisions of the management plan attached as Exhibit J (the "**Management Plan**") and consistent with any spending limitations imposed by any Annual Operating Budget. All such personnel shall be hired, supervised, and discharged by Subtenant and Subtenant shall pay all wages and other benefits properly payable to any employees hired in connection with the Project, maintain adequate payroll records, remit to the proper authorities all required income and social security withholding taxes, unemployment insurance and workers compensation payments, and such other amounts with respect other wages or benefits of employees of Subtenant working on or with the Project as may be required by Laws or this Agreement.

10. AUTHORITY'S SERVICE OBLIGATIONS

10.1. Utilities.

(a) Standard Utilities and Services. The Authority shall use good faith efforts to provide or cause to be provided to the Premises the gas, electricity, water, and sewage services and facilities described in Exhibit I (the "**Standard Utilities and Services**"), consistent with the Authority's obligations under the Caretaker Agreement with the Navy for so long as it remains in effect and subject to Subtenant's obligations under Section 8.5. Subtenant acknowledges that the utility systems on the Base are old, and that continuous service cannot be guaranteed. As such, the Authority shall have no liability under this Agreement for the failure of any utility service. All amounts due and owing for the Standard Utilities and Services shall be paid by Subtenant from Gross Revenues as an approved Operating Expense at the rates set forth in Exhibit I, as the same may be updated from time to time by the Authority (the "**Utility Fees**"). For any increase in Utility Fees, the Authority shall determine whether such increase will be passed through to residential tenants in the form of an increase in rent or as a separate utility charge, or paid out of available funds in the Operating Budget.

(b) Other Services. The Authority shall use good faith efforts to provide standard telephone, trash, disposal and cable services to the Premises. Any Subtenant costs for such services will be deemed approved Operating Expenses.

(c) Correction. Upon the loss of any service under this Section 10.1, the Authority shall use good faith efforts to promptly commence action to restore such services within 60 hours of notice of such failure. But failure to provide any such service shall not be an Authority default under this Agreement. Any claims by residential tenants at the Premises relating to failures of utility services, if successful, will be paid as an approved Operating Expense.

10.2 Street Services. The Authority shall be responsible for street, sidewalk and street lighting maintenance and repair to all current and future sidewalks (other than any incidental cleaning of sidewalks needed as a result of Subtenant's responsibility of the adjacent grass areas), curbs, streets and roads included within the Premises, including any required handicap accessibility, provided nothing in this Agreement shall obligate the Authority to comply with specific State or local codes or standards.

10.3 Police and Fire. The Authority shall provide to the Base a 24-hour security presence at an entry check point to the Premises on Treasure Island (whose actions shall be limited to those permitted by Law), and reasonable (taking into account the location and intended use of the Premises) police and fire services (the "**Public Protection Services**"). Subtenant agrees that it will not sue the Authority for any action taken or failed to be taken in connection with such Public Protection Services. The Authority shall be responsible for all maintaining,

pruning and clearing of any trees or brush on Yerba Buena Island required by Fire Department mandated tree trimming and brush clearance rules.

10.4 Other Portion of the Base Lease to the Authority. The Authority or its subtenants (but not Subtenant) shall be solely responsible for and shall take reasonable actions to secure and make safe those portions of the Base not comprising the Premises which are leased to the Authority by the Master Landlord, and shall make reasonable efforts to mitigate any attractive nuisances thereon.

10.5 Force Majeure. The time for the Authority's performance of its obligations under this Section 10 shall be extended by one day for each during which the Authority or its Agents are unable to perform such obligation due to any Force Majeure Event.

11. ACCOUNTS

11.1. General Operating Account. Subtenant shall credit to a separate general operating account (the "**General Operating Account**") all revenues from whatever source received from the operation of the Premises, including (i) all rent received from residential tenants, including late fees and interest charges, if any, (ii) the gross amounts of all deposits forfeited by residential tenants, (iii) all charges or collections made by Subtenant from residential tenants for the rendering of any service in connection with Premises, (iv) any and all ancillary or collateral fees collected from residential tenants or other third Parties related to Subtenant's use of the Premises (together, "**Gross Revenues**"), other than the security deposit payments to be deposited into the Security Deposit Account described in Section 11.2 .

11.2. Security Deposit Account. Subtenant shall deposit all security deposits collected in accordance with the Residential Agreements in a separate Security Deposit Account established for the benefit of the Authority, Subtenant and residential tenants. Funds deposited in the Security Deposit Account may only be disbursed to pay the costs permitted under the Rental Agreements, including any unpaid rent, damage, or unreasonable wear and tear caused by a residential tenant, or to reimburse the General Operating Account for payment of these costs, or to return to the residential tenant upon vacancy the portion of the security deposit to which it is entitled. In collecting, handling, and disbursing these funds, Subtenant shall comply with the requirements of applicable Law, including California Civil Code Section 1950.5 and Business and Professions Code Section 10145.

11.3. Replacement Reserve Account. Subtenant shall maintain a replacement reserve account (the "**Replacement Reserve Account**"). Subtenant shall deposit into the Replacement Reserve Account on a monthly basis from available Gross Revenues in the order of priority set forth in Section 13 an amount equal to $20 per Rentable Unit up to a maximum contribution of One Thousand Dollars ($1,000) per Rentable Unit or such alternative amount as determined by the Director from time to time following consultation with Subtenant. As funds are disbursed from the Replacement Reserve Account, Subtenant shall replenish the Replacement Reserve Account at the rate set forth above. Subtenant shall make disbursements from the Replacement Reserve Account to perform permitted repairs and maintenance to the Rentable Units and to perform any Emergency Repairs as set forth in this Agreement. Disbursements from the Replacement Reserve Account in excess of Twenty Five Thousand Dollars ($25,000) per calendar quarter shall require the prior written approval of the Director, which approval shall not be unreasonably withheld or delayed. The process by which Subtenant shall request and Director shall approve or disapprove disbursements from the Replacement Reserve Account shall be consistent with the HUD guidelines for repairs and replacement. Upon the termination of this Agreement, all funds remaining in the Replacement Reserve Account shall be paid to the Authority.

11.4 Criteria for Project Accounts. The General Operating Account, the Replacement Reserve Account and the Security Deposit Account shall be held in federally insured accounts reasonably acceptable to the Director.

12. PAYMENT OF OPERATING EXPENSES

12.1. Payment of Operating Expenses. Subtenant shall pay all Operating Expenses for the Premises, including Base Rent, from available Gross Revenues, or, if Gross Revenues are not available, up to a maximum at any one time of Five Hundred Thousand Dollars ($500,000) from its own funds, in the order of priority set forth in Section 13. To the extent included in an Annual Operating Budget approved by the Authority, "**Operating Expenses**" shall mean all direct, reasonable and customary operating and maintenance expenses incurred in the operation, leasing, marketing and maintenance of the Premises as required hereunder, including (i) reasonable salaries or other compensation due and payable to employees or agents of Subtenant described in any Management Plan, (ii) expenses for the repair and maintenance of the Premises, including common areas and or common facilities included in the Premises, (iii) reasonable and customary fees and expenses of legal and accounting professionals incurred by Subtenant in connection with the operation and maintenance of the Premises, including any evictions and relocations of residential tenants, and (iv) any other costs included in an Annual Operating Budget approved by the Authority. Notwithstanding the foregoing, "Operating Expenses" shall also include the following expenses even if such expenses are not included in an Annual Operating Budget approved by the Authority: (a) expenses incurred by Subtenant or the Authority as a result of environmental contamination of the Premises that are not paid by the Navy under the Section 330 Indemnity (as defined in Section 24.3), except to the extent such expenses are caused by the negligence or willful misconduct of Subtenant or the Authority, or their Agents, respectively, (b) all common area maintenance charges assessed by the Authority Agreement (the " **CAM Charges**"), (c) the Utility Fees, (d) all Taxes due and owing under Section 16, (e) payroll and withholding taxes and social security payments due and payable in connection with employees described in any Management Plan, (f) the costs of the insurance required under Section 25, except with respect the insurance described in Sections 25. 1(c) and (e) which must be approved in the Annual Operating Budget be included, (g) the costs of complying with Laws and regulatory requirements as provided below, (h) the actual costs of the liabilities or costs described herein as approved Operating Expenses including those expenses so described in Sections 6.3, 8.3, 8.6, 10.1, 12.1, 14.3, 17.1, 18.1(a), 18.2, 22. 1(d), and 24.3, and (i) Base Rent, as reduced by any off-set permitted under this Agreement. Additionally, with respect to cost and expense items that are incurred less frequently than monthly (e.g., property taxes and insurance), each month's Operating Expenses and Budget shall include one-twelfth (1/12) of the annual amounts expected to be expended on such items and Operating Expenses shall be adjusted to reflect the amount actually paid at the end of each year, or when otherwise directed by the Director.

(a) If, at any point, Subtenant must incur Operating Expenses in excess of One Hundred Thousand Dollars ($100,000) from its own funds, Subtenant and Authority shall meet and confer regarding potential actions to prevent Subtenant from needing to incur additional out-of-pocket expenses.

12.2. Annual Operating Budget. Subtenant shall prepare and submit an annual operating budget to the Authority for its approval by the first day of the eleventh full month of the Term or such other date as agreed to by the Director, and by the same date of each subsequent calendar year during the Term, covering the following l2-month period (upon approval, the "**Annual Operating Budget**"). The Annual Operating Budget shall set forth, on an annual and monthly basis, anticipated Gross Revenues, a detailed estimate of anticipated Operating Expenses, and a pro forma budget showing distributions in the order of priority shown

in Section 13. The Annual Operating Budget for the first year and any partial initial month of this Agreement is attached hereto as Exhibit F. Each subsequent Annual Operating Budget shall be in substantially the same form as the Annual Operating Budget approved for the prior year. Subtenant shall not, without the Director's prior written consent (and when given shall be deemed an amendment to the Operating Budget), incur costs in any calendar month that exceed the Operating Expense budget for such month by more than five percent (5%) (treating amounts paid less frequently than monthly, as accruing evenly over the appropriate period), or for any year, that exceed the Operating Expense budget for such year by more than five percent (5%).

12.3. Bids, Discounts, Rebates, and Commissions. Subtenant shall use commercially reasonable efforts to obtain contracts, materials, supplies, and services on the most advantageous terms available to Subtenant and shall, whenever practicable, solicit three (3) bids for each major item or service required. Subtenant shall secure and credit to the General Operating Accounts all discounts, rebates, or commissions obtainable with respect to purchases, service contracts, and all other transactions related to this Agreement.

12.4 No Authority Liability. Under no circumstance shall the Authority be liable for the payment of any Operating Expenses.

13. DISBURSEMENTS

13.1. Allocation of Gross Revenues. Subtenant shall, by the twentieth (20th) day of each month, disburse Gross Revenues not previously disbursed (calculated as of the last day of the prior month and, to the extent amounts are not or cannot be disbursed until the calculations for such month have been made hereunder, but are disbursed after such calculation is made, such disbursement shall be treated as made at the end of such month), in the manner and in the following order of priority:

(a) Base Rent. Gross Revenues shall first be disbursed to pay the Authority all Base Rent due and owing as provided in Sections 15.1 and 15.2 or used to reimburse Subtenant for advances made to pay such Base Rent during the current month.

(b) Operating Expenses. Then, to the extent available, Gross Revenues shall be disbursed, from time to time, to pay all Operating Expenses or to reimburse Subtenant for advances made to pay Operating Expenses incurred, together with interest on such advances at the Prime Rate as published in the Wall Street Journal as of the date of such advance, as provided in Section 12.

(c) Funding of Replacement Reserve Account. Then, to the extent available, remaining Gross Revenues in the amount required by Section 11.3 shall be deposited into the Replacement Reserve Account.

(d) Management Fee. Then, to the extent available and if a Subtenant Default has not occurred and is not continuing, remaining Gross Revenues shall be disbursed to pay Subtenant the Management Fee described in Section 8.6.

(f) Percentage Rent. Then, all Gross Revenues remaining after the payment of the expenses and the other fees and items described in Sections (a)-(d) above ("**Net Revenues**") shall be paid as follows: ninety-five percent (95%) shall be paid to the Authority as Percentage Rent, and the remaining five percent (5%) shall be retained by the Subtenant.

Notwithstanding anything to the contrary set forth above, during the last year of the Term, if and to the extent Subtenant has incurred any Operating Expenses which have not yet been reimbursed to Subtenant from Gross Revenues, then such reimbursements shall be made to

Subtenant from available Gross Revenues until reimbursed in full before any payment of Base Rent to Sublandlord.

14. BOOKS, RECORDS AND REPORTS

14.1. Books and Records. Subtenant shall establish and maintain books, records and systems of account reflecting all business operations of Subtenant under this Agreement, including, but not limited to, resident and project files, general ledgers, invoices, canceled checks, payroll records, and contracts (the "**Books and Records**").

14.2. Monthly Reports. Promptly after the close of each month but no later than 20 days after such date, Subtenant shall deliver to the Authority a monthly report on a form acceptable to Authority. Such report shall be certified as true and correct in all material respects by Subtenant and shall include: (i) a statement of Gross Revenues for the preceding month, specifically and separately identifying the sources of such revenue, (ii) an itemized statement of actual Operating Expenses, (iii) a statement of Net Revenues, (iv) a list of all Residential Leases that have been entered into during the preceding calendar month, including the building number of each of the Rentable Units rented, the classifications of the residential tenants and the applicable rental rate, and (v) such other information as the Authority may reasonably require.

14.3. Subtenant's Annual Audit. Annually during the Term of this Agreement, within sixty (60) days of the end of the Authority's fiscal year, Subtenant shall arrange for an audit of the Books and Records by an independent certified public accountant approved by the Director. Subtenant shall pay all costs and expenses associated with the annual audit, the reasonable costs of which shall be deemed Operating Expenses. Such audit shall cover the previous 12-month period. Subtenant acknowledges that a primary purpose of such audit shall be to enable Subtenant and the Authority to clearly and accurately determine the nature and amount of Gross Revenues, Operating Expenses and Net Revenues and to verify the amount of Percentage Rent due and payable to Authority and to otherwise determine the accuracy of the Books and Records. Subtenant shall deliver an original, signed copy of each such annual audit to the Director by the earlier of (a) thirty (30) days after the completion of such audit or (b) if possible using commercially reasonable efforts, 120 days after the end of the 12-month period covered by such audit.

14.4. Periodic Audits and Inspections of Records. After providing Subtenant with 48 hours prior written notice and only during regular business hours, and subject to any privacy or other limitations imposed by applicable Laws, the Authority, its representatives or an independent auditor may audit, examine and make excerpts, copies and transcripts from the Books and Records and all invoices, materials, payrolls, records or personnel and other data related to all other matters covered by this Agreement, whether funded in whole or in part under this Agreement. The Authority may perform such audit at any time and from time to time during the Term or for a period of five (5) years thereafter. If the Authority's audit shows that there is a deficiency in the payment of any Rent or other amounts to be credited to the Authority, the deficiency shall become immediately due and payable to the Authority. The costs of any periodic audit shall be paid by the Authority unless the audit shows that Subtenant understated Rent or other amounts due by more than five percent (5%) for the entire period being audited, in which case Subtenant shall pay all of the Authority's reasonable costs of the audit.

14.5 Transfer of Records and Accounts. Within five (5) working days after the termination or expiration of this Agreement, (i) all resident and project files, general ledgers, invoices, payroll records and contracts related to this Agreement, and all other Books and Records reasonably requested by the Authority, subject to any privacy or other limitation imposed by applicable Laws, shall be deemed to be the property of the Authority and shall be

delivered to the Authority, and (ii) all cash, bank accounts, and trust accounts that are property of the Authority must be accounted for in writing and turned over to the Authority.

15. RENT

15.1. Base Rent. Throughout the Term, beginning on the Commencement Date, Subtenant shall pay to the Authority, base rent in the amount of Six Hundred Thirty Two Thousand Eight Hundred and Six Dollars ($632,806) per year, subject to the adjustment set forth in Section 15.2 and offsets and adjustments as expressly provided in this Sublease (the "**Base Rent**"). Base Rent shall be payable in twelve (12) equal consecutive monthly payments on the first day of the Term (for any partial first-month and the first full month) and on or before the first business day of each month thereafter. Notwithstanding the foregoing, Subtenant shall have no obligation to pay the Authority Base Rent if and for so long as Master Landlord, the City or the Authority, after the receipt of written notice thereof and the expiration of the cure periods described in Section 21.2, materially hinders or prevents Subtenant from performing its obligations under this Agreement, except to the extent such hindrance or obstruction is caused by Subtenant.

15.2. Adjustments in Base Rent. On the first anniversary of the Commencement Date, and each anniversary thereafter (each, an "**Adjustment Date**"), the Base Rent payable hereunder shall be adjusted as follows (each adjustment a "**CPI Adjustment**"):

(a) The Consumer Price Index Urban Wage Earners and Clerical Workers (base years 1982-1984 = 100) for San Francisco-Oakland-San Jose area published by the United States Department of Labor, Bureau of Labor Statistics ("**Index**") published most immediately preceding the Adjustment Date ("**Adjustment Index**"), shall be compared with the Index published most immediately preceding the prior Lease Year ("**Prior Index**").

(b) If the Adjustment Index has increased over the Prior Index, the Base Rent payable on and after the Adjustment Date shall be set by multiplying the then Base Rent by a fraction, the numerator of which is the Adjustment Index and the denominator of which is the Prior Index. In no event shall the monthly Base Rent on or after the Adjustment Date be less than the monthly Base Rent in effect immediately before the Adjustment Date.

(c) If the Index is changed so that the base year differs from that used as of the date most immediately preceding the Commencement Date, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the Term, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised.

15.3 Percentage Rent. In addition to Base Rent, Subtenant shall pay to the Authority as percentage rent the amounts set forth in Sections 13.1(f) (collectively, the "**Percentage Rent**", and together with Base Rent and other dues due under this Agreement, "**Rent**"). Percentage Rent shall be due and payable to the Authority from available Gross Revenues in arrears (based on the amount of Percentage Rent due for the immediately preceding month) on the twentieth (20th) day of each month.

15.4 In-Kind Rent. Upon the Director's request, Subtenant may also pay to the Authority "In-Kind Rent" in the form of the renovations of and improvements to the Premises, to the extent such renovations or improvements are not paid from Gross Revenues. Any In-Kind Rent shall be deemed paid by Subtenant when Subtenant performs the work to the Director's satisfaction and provides appropriate evidence of the cost of such work, consistent with pre-

approved estimated amounts. Upon the Director's approval of the work and the cost amount, Subtenant shall receive a credit against Base Rent otherwise due and owing under this Agreement in the amount approved by the Director. All renovations and improvements made to the Premises as payment of In-Kind Rent shall immediately become the property of the Master Landlord, subject to the leasehold interest of the Authority, as set forth in the Master Lease, and shall also immediately, without further action on the part of either the Authority or the Subtenant, become part of the Premises.

15.5 Method of Payment of Rent. All Rent payable by Subtenant to the Authority shall be paid without prior demand and without any deduction, setoff or counterclaim whatsoever, except as specially provided in Section 15.8(a) and, except for In-Kind Rent, shall be paid in cash or by good cashier's or certified check to the Authority at the primary address for Authority specified in Section 33.1 or such other place as the Authority may designate in writing. If the Commencement Date occurs on a day other than the first day of a calendar month, or the Expiration Date occurs on a day other than the last day of a calendar month, then the Base Rent for such fractional month shall be prorated based on a thirty (30) day month.

15.6. Late Charge. If Subtenant fails to pay any Rent due and owing the Authority within ten (10) days after the due date, such unpaid amount will be subject to a late payment charge equal to five percent (5%) of the unpaid amount in each instance. The late payment charge has been agreed upon by the Authority and Subtenant, after negotiation, as a reasonable estimate of the additional administrative costs and detriment that the Authority will incur as a result of any such failure by Subtenant, the actual costs thereof being extremely difficult to determine. The late payment charge constitutes liquidated damages to compensate the Authority for its damages resulting from such failure and Subtenant shall promptly pay such amount to the Authority together with the unpaid amount.

15.7. Default Interest. If Subtenant fails to pay any Rent due and owing the Authority within ten (10) days after the due date, such unpaid amount shall also bear interest from the due date until paid at the rate of nine percent (9%) per year (the "**Default Rate**"). However, interest shall not be payable on late charges nor on any amounts if and to the extent such payment would cause the total interest to be in excess of that which is lawful to charge. Payment of interest shall not excuse or cure any default by Subtenant.

15.8. No Right to Repair and Deduct. Except as specifically provided in Section 15.8(a), Subtenant expressly waives the benefit of any existing or future Law that would otherwise permit Subtenant to terminate this Agreement because of the Authority's failure to keep the Premises or any Parties thereof in good order, condition or repair. Without limiting the foregoing, Subtenant expressly waives the provisions of California Civil Code Sections 1932, 1941 and 1942 or any similar Laws with respect to any right of Subtenant to terminate this Agreement.

(a) Permitted Offsets against Base Rent. Notwithstanding the foregoing, Subtenant may offset the following sums against its obligation to pay Base Rent:

(i) Any increase in the amount of the CAM Charge payable by Subtenant after the Effective Date of this Agreement. The Parties hereby 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 $50.37 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**%).**

(ii) Except to the extent paid by Authority pursuant to Section 22.2(c), after the expiration of any applicable notice and cure periods (except in the event of an emergency as determined by Subtenant where prior notice by Subtenant is impractical), the reasonable costs of providing the services the Authority is obligated to provide under Sections 10.1, 10.2 or 10.3; provided, however, nothing herein shall imply any duty of Subtenant to do any act that the Authority is obligated to perform under any provision of this Agreement, and Subtenant's performance of such obligations of the Authority shall not constitute a waiver of any of Subtenant's rights or remedies under Section 22.2.

(iii) If Subtenant is required by any third Parties with jurisdiction to (x) reduce the rental rates payable by the residential tenants from those set forth in any Rental Rate Schedule approved by the Authority and Subtenant (other than as provided in Section 7.4) for non-economic reasons or (y) provide rent preferences other than those set forth in the Marketing Plan, then the economic effect of such reductions and preferences, if any, shall be borne by the Authority by reducing Base Rent by the amount of such economic effect.

(iv) All costs directly related to a material breach by the Authority of its obligations under Section 18.2(b).

16. TAXES, ASSESSMENTS AND OTHER EXPENSES

16.1. Taxes and Assessments, Licenses, Permit Fees and Liens.

(a) Payment Responsibility. During the Term, Subtenant shall pay any and all real and personal property taxes, including, but not limited to, possessory interest taxes, general and special assessments, exercises, licenses, permit fees and other charges and impositions of every description levied on or assessed against the Premises, any Alterations, Subtenant's Personal Property, or Subtenant's use of the Premises (collectively, "**Taxes**"). Subtenant shall make all such payments directly to the charging authority when due and payable and prior to delinquency. However, with respect to real property or possessory interest Taxes levied on or assessed against the Premises for which the Authority receives the tax bill directly from the taxing authority, Subtenant shall reimburse the Authority for payment of such sums promptly upon written demand accompanied by (i) a copy of the relevant bill or tax statement and (ii) evidence of payment in full of such Taxes by the Authority. The amount of all such Taxes paid by the Subtenant shall automatically be deemed an approved Operating Expense.

(b) Taxability of Possessory Interest. Without limiting the foregoing, Subtenant recognizes and agrees that this Agreement may create a possessory interest subject to property taxation.

(c) No Tax Liens. Subtenant shall not allow or suffer a lien for any Taxes to be imposed upon the Premises or upon any equipment or other property of Subtenant located thereon and shall discharge the same prior to delinquency; provided however that Subtenant shall have the right to contest any such taxes so long as Subtenant posts with the taxing authority any bond or other security required thereby.

(d) Reporting Information. Subtenant agrees to provide such information as Authority may reasonably request to enable the Authority to comply with any possessory interest tax reporting requirements applicable to this Agreement.

16.2 Evidence of Payment. Subtenant shall, upon the Authority's request, furnish to the Authority official receipts or other evidence of the payment of Taxes.

17. LIENS AND ENCUMBRANCES

17.1. Mechanics Liens. Subtenant shall keep the Premises free from any liens arising out of any work performed, material furnished or obligations incurred by or for Subtenant. If Subtenant does not, within twenty (20) days following the imposition of any such lien, cause the lien to be released of record by payment or posting of a proper bond, the Authority shall have in addition to all other remedies provided herein and by law or equity the right, but not the obligation, to cause the same to be released by such means as it shall deem proper, including payment of the claim giving rise to such lien. All such sums paid by the Authority and all expenses it incurs in connection therewith (including, without limitation, reasonable attorneys' fees) shall be payable by Subtenant to the Authority upon demand. To the extent such expenses would otherwise constitute payment for the Work or Operating Expenses, such expenses (but not, for example, the Authority's attorneys' fees related to the release of any such mechanic's lien) shall be included as cost of the Work or Operating Expenses. The Authority shall have the right at all times to post and keep posted on the Premises any notices that the Authority reasonably deems proper for its protection and protection of the Premises from mechanics' and materialmen's liens.

17.2 Encumbrances by Subtenant. Subtenant shall not, without the prior written consent of the Authority, create any mortgage, deed of trust, assignment of rents, fixture filing, security agreement, or similar security instrument, or other lien or encumbrance or assignment or pledge of an asset (an "**Encumbrance**") as security in any manner against the Premises or Authority's or Subtenant's interest under this Agreement. If the Authority consents to any such Encumbrance, it shall, in connection therewith, enter into an agreement with the holder of such Encumbrance that includes customary and reasonable subordination, non-disturbance and attornment provisions and customary and reasonable mortgagee protection provisions.

18. COMPLIANCE WITH LAWS

18.1. Compliance with Laws. In performing its obligations under this Agreement and in its use of the Premises, Subtenant shall at all times use and maintain the Premises in compliance with all applicable Laws, including any applicable prevailing wage laws and disability access laws; provided, however, Subtenant is not responsible (a) for the streets, roads, sidewalks and curbs contained in and around the Premises complying with any law or (b) for any tree trimming or brush clearance within the Premises contained on Yerba Buena Island mandated by the Fire Department. Without limiting the Authority's obligations under this Agreement, or its responsibility for failure to satisfy those obligations, no occurrence or situation arising during the Term, nor any present or future Law, whether foreseen or unforeseen, and however extraordinary, shall give Subtenant the right to seek redress against the Authority for failing to comply with Laws. Subtenant waives any rights now or hereafter conferred upon it by any existing or future Law to compel the Authority to make repairs or improvements to comply with any Law. Nothing herein is intended to limit the Authority's responsibility for the consequences of its failure to comply with Laws or its obligations under this Agreement.

(a) Approved Expense. The costs of Subtenant's compliance with Section 18.1 shall be deemed an approved Operating Expense (except as expressly provided to the contrary in this Agreement).

(b) No Special Laws. Other than compliance with the FEMA-178 seismic standard as required in this Agreement (which the Parties acknowledge and agree is different than the seismic safety Laws applied by the City in the City), the Authority shall not directly or indirectly require Subtenant to comply with any Laws not otherwise applicable to comparable projects in the City. If the City imposes any Laws on the Project not otherwise applicable to comparable

projects in the City, the incremental costs of complying with such Laws shall be either an Operating Expense or an off-set against Base Rent.

(c) Streets and Trees. The Authority shall be responsible for (a) compliance with Laws regarding the maintenance and repair of streets, roads, sidewalks and curbs contained in and around the Premises and (b) maintaining, pruning and clearing of any trees and brush on Yerba Buena Island required by the Fire Department mandated tree trimming and brush clearance rules.

18.2. Regulatory Approvals.

(a) Responsible Party. Subtenant understands and agrees that Subtenant's use of the Premises and construction of the Work and any other Alterations may require authorizations, approvals or permits from governmental regulatory agencies with jurisdiction over the Premises. To the extent such approvals or permits are required, Subtenant shall be solely responsible for obtaining any and all such regulatory approvals. Subtenant shall not seek any regulatory approval not contemplated in this Agreement without first obtaining the written consent of Authority. Subtenant shall bear all costs (which costs shall be deemed approved Operating Expenses) associated with applying for, obtaining and maintaining any necessary or appropriate regulatory approval and, except as expressly set forth herein, shall be solely responsible for satisfying any and all conditions imposed by regulatory agencies as part of a regulatory approval. Any fines or penalties levied as a result of Subtenant's failure to comply with the terms and conditions of any regulatory approval shall be timely and promptly paid by Subtenant and shall be deemed Operating Expenses except to the extent such fines arise from Subtenant's negligence or willful misconduct. In any event, the Authority shall have no liability, monetary or otherwise, for any such fines or penalties.

(b) The Authority's Efforts. The Authority shall cooperate with Subtenant in Subtenant's efforts to obtain all required regulatory approvals and to expedite any required City approvals, including the issuance of all required certificates authorizing occupancy of Rentable Units. Notwithstanding the foregoing, Subtenant acknowledges and agrees that the Authority is entering into this Agreement in its capacity as a holder of leasehold and proprietary interests in the Premises and not as a regulatory agency with police powers. Nothing in this Agreement shall limit in any way Subtenant's obligation to obtain any required approvals from City departments, boards or commissions having jurisdiction over the Premises. This Section does not modify or limit Subtenant's obligation to comply with Section 18.1.

18.3. Compliance with Authority's Risk Management Requirements. Subtenant shall not take any action, and shall use commercially reasonable efforts to prevent residents from doing anything, that would create any unusual fire risk in or around the Premises. Subtenant shall use commercially reasonable efforts to protect the Authority from any potential premises liability with respect to any Work or Alteration performed by or for Subtenant. Subtenant shall comply with any and all requirements of any policies of insurance for the Premises.

19. DAMAGE OR DESTRUCTION

19.1. Damage or Destruction to the Premises Covered by Required Insurance. In the case of damage to or destruction of all or any portion of the Premises or damage to, destruction of (or other limitation on the use of) the roads or the bridge providing ingress and egress to the Premises that materially adversely affects the intended use of such Premises ("**Damage**") that is covered by the insurance required under Section 25 (the "**Required Insurance**"), except as provided in the next sentence, this Agreement shall continue and Subtenant shall use the proceeds of any such Required Insurance to, with reasonable promptness and diligence, restore, repair, replace or rebuild those portions of the Premises so damaged (the "**Damaged Premises**")

to comparable condition, quality and class as the Damaged Premises were in immediately before such casualty ("**Repair**"). Notwithstanding the foregoing, if (i) the Damage to the Premises or certain Rentable Units occurs during the last 2 years of the Term, (ii) certain of the Rentable Units have been Damaged to an extent such that such Rentable Units would need to be demolished and rebuilt, (iii) the Damage cannot reasonably be repaired within 12 months, or (iv) applicable Laws, such as the public trust for commerce, navigation and fisheries, prohibit the Repair, Subtenant may elect (by providing the Authority with written notice thereof within 30 days of the Damage) not to Repair such Damage, in which event this Agreement shall terminate with respect to such portion of the Damaged Premises or such Rentable Units and all applicable insurance proceeds shall be distributed as set forth in Section 19.1(a). In addition, the Authority may determine that any Damage shall not be Repaired for any reason, in which case the insurance proceeds shall also be distributed as set forth in Section 19.1(a).

(a) Insurance Distribution. If Subtenant is not required to Repair all or a portion of such Damaged Premises or the Authority determines not to authorize such Repair as set forth above, the proceeds of any Required Insurance allocable to such Damaged Premises shall be disbursed as follows: first, to Subtenant in an aggregate amount equal to any earned but undisbursed Management Fees and Marketing and Leasing Fees due to Subtenant, and then the remainder to the Authority.

19.2. Damage or Destruction to the Premises Not Covered by Required Insurance. In the case of Damage that is not covered by the Required Insurance, or to the extent that the costs to Repair the Damage would exceed the available insurance proceeds, Subtenant shall, to the extent funds are available in the Replacement Reserve Account, and subject to the Director's consent as provided in Section 11.3, use such funds to Repair any Damage. Notwithstanding the foregoing, nothing herein shall obligate Subtenant to expend any funds other than funds available in the Replacement Reserve Account or insurance proceeds to Repair Damage.

19.3. Rental Abatement. In the event of Damage, Subtenant's obligation to pay Base Rent to the Authority shall be proportionately reduced by an amount equal to the result obtained by multiplying the total amount of Base Rent then due and owing by a fraction, the denominator of which shall be the total number of Rentable Units and the numerator of which shall be the number of Rentable Units affected by the Damage (the "**Abatement**"); provided, however, the proceeds of any rental interruption insurance shall be treated as Gross Revenues hereunder. The Abatement shall continue until Subtenant completes the Repair (or the Damage of Access to the Premises is otherwise repaired). If Subtenant is not required to repair such Damage under Section 19.1 or 19.2 and this Agreement terminates with respect to such portion of the Premises or such affected Rentable Units, the Abatement shall continue for the remainder of the Term.

19.4. Waiver. The Parties understand and agree that the foregoing provisions of this Section 19 are intended to govern fully the rights and obligations of the Parties in the event of damage or destruction to the Premises or Alterations, and the Authority and Subtenant each hereby waives and releases any right to terminate this Agreement in whole or in part under Sections 1932.2 and 1933.4 of the Civil Code of California or under any similar Laws now or hereafter in effect, to the extent such rights are inconsistent with the provisions hereof.

20. ASSIGNMENT AND SUBLETTING

20.1 Restriction on Assignment and Subletting. The services to be performed by the Subtenant under this Agreement are personal in character. Accordingly, except as provided in Section 17.2, Subtenant shall not assign this Agreement nor any duties or obligations hereunder, either voluntarily or by operation of law, or sublet any portion of the Premises (other than the Rental Agreements), unless the Authority first approves such assignment or subletting by written

instrument, which approval may be given or withheld in the Authority's sole and absolute discretion. Any purported assignment or sublet in violation of these restrictions shall be void.

21. DEFAULT

21.1 Events of Subtenant Default. Any of the following shall constitute an event of default by Subtenant under this Agreement ("**Subtenant Defaults**"):

(a) Rent and Payment Responsibilities. Any failure to pay Rent, the CAM Charges, the Utilities Charges, Taxes, or any other sums due and payable by Subtenant, where such failure continues for a period often (10) days following receipt by Subtenant of written notice from the Authority.

(b) Covenants Conditions and Representations. Any failure of Subtenant to perform or comply with any other covenant, condition or representation of Subtenant made under this Agreement, provided that Subtenant shall have a period of thirty (30) days from the date of receipt by Subtenant of written notice from the Authority specifying such failure within which to cure such failure or, if such failure is not reasonably capable of cure within such 30-day period, Subtenant shall have a reasonable period to complete such cure if Subtenant takes action to cure such default within such period and thereafter diligently prosecutes the same to completion.

(c) Assignment; Insurance. Any attempt by Subtenant to assign any material rights or obligations under this Agreement without the Authority's consent as provided herein, or any failure by Subtenant to maintain any insurance required hereunder, which failure is not cured by Subtenant within seven (7) days of Subtenant's receipt of written notice of such failure.

(d) Bankruptcy. The appointment of a receiver to take possession of all or substantially all of the assets of Subtenant, or an assignment by Subtenant for the benefit of creditors, or any action taken or suffered by Subtenant under any insolvency, bankruptcy, reorganization, moratorium or other debtor relief act or statute, whether now existing or hereafter amended or enacted (provided that with respect to any receiver appointed or any involuntary proceeding commenced against Subtenant, a Subtenant Default shall not be deemed to have occurred unless Subtenant has failed to have such receiver discharged or such proceeding dismissed within seventy-five (75) days.

21.2. Authority Default. Any failure of the Authority to perform or comply with any covenant, condition or representation of the Authority made under this Agreement shall be deemed a default by the Authority (an "**Authority Default**"), provided that the Authority shall have a period of thirty (30) days from the date of receipt of written notice from Subtenant of such failure within which to cure such Authority Default, or, if such Authority Default is not reasonably capable of cure within such 30-day period, the Authority shall have a reasonable period to complete such cure if the Authority takes action to cure such Authority Default within such period and thereafter diligently prosecutes the same to completion.

22. REMEDIES

22.1 Authority's Remedies for Subtenant's Defaults. Upon the occurrence and continuing of a Subtenant Default, the Authority shall have the following rights and remedies in addition to all other rights and remedies available to Authority at law or in equity:

(a) Terminate Agreement and Recover Damages. The rights and remedies provided by California Civil Code Section 1951.2 (damages on termination for breach), including, but not limited to, the right to terminate Subtenant's right to possession of the Premises and to recover 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 rental loss for the same period that Subtenant proves could be reasonably avoided, as computed pursuant to subsection (b) of such Section 1951.2. The Authority's efforts to mitigate the damages caused by a Subtenant Default shall not waive any right that the Authority may have to recover unmitigated damages upon termination.

(b) Appointment of Receiver. The right, upon application by the Authority, to have a receiver appointed for Subtenant to take possession of the Premises and to apply any rentals collected from the Premises to the Rent owing by Subtenant hereunder and to exercise all other rights and remedies granted to Authority pursuant to this Agreement.

(c) Forfeiture. The right to cancel Subtenant's right to lease any portion of the Premises.

(d) Authority's Right to Cure Subtenant's Defaults. The Authority may (after the expiration of all applicable cure periods, except in the event of an emergency as reasonably determined by the Authority where prior notice by the Authority is impractical), remedy a Subtenant Default for Subtenant's account and at Subtenant's sole expense. Subtenant shall pay to the Authority, promptly upon demand, all sums reasonably expended by the Authority, or other reasonable costs, damages, expenses or liabilities incurred by the Authority, including reasonable attorneys'' fees, in remedying or attempting to remedy such Subtenant Default. To the extent the sums reasonably expended by the Authority under this Section are for costs of the Work or for Operating Expenses (but not, for example, the Authority's reasonable attorney's fees), such amounts paid by Subtenant to the Authority shall be deemed approved costs of the Work or Operating Expenses, as applicable. Subtenant's obligations under this Section shall survive the expiration or termination of this Agreement. Nothing herein shall imply any duty of the Authority to do any act that Subtenant is obligated to perform under this Agreement, and the Authority's cure or attempted cure of a Subtenant Default shall not constitute a waiver of such Subtenant Default or any rights or remedies of the Authority on account of such Subtenant Default.

22.2 Subtenant's Remedies for Authority Default. Upon the occurrence and continuing of an Authority Default, Subtenant shall have the right to termination this agreement or sue for specific performance. In addition, Subtenant may remedy such Authority Default for Authority's account and at Authority's sole expense, but only to the extent of funds then available in the General Operating Account and the Replacement Reserve Account. In no event shall the Authority be responsible for any costs above the amount in such accounts on the date that the Authority Default is determined (i.e., the date that any applicable cure period has expired). Nothing herein shall imply any duty of the Subtenant to do any act that Authority is obligated to perform under this Agreement, and the Subtenant's cure or attempted cure of a default shall not constitute a waiver of such Authority Default or any rights or remedies of the Subtenant on account of such Authority Default. In no event shall the Authority be liable for any damages relating to an Authority Default.

23. RELEASE AND WAIVER OF CLAIMS

23.1 Release and Waiver of Claims. Subtenant, on behalf of itself and Subtenant's Agents, covenants and agrees that the Authority shall not be responsible for or liable to Subtenant for, and, to the fullest extent permitted by law, Subtenant hereby waives all rights against the Authority and releases it from any and all claims, demands, losses, liabilities, damages, liens, injuries, penalties, fines, lawsuits and other proceedings, judgments and awards and costs and expenses, including, without limitation, reasonable attorneys' and consultants' fees and costs (collectively, "**Losses**"), whether direct or indirect, known or unknown, foreseen and unforeseen, arising from or related to (i) the suitability of the Premises for Subtenant's intended

use or (ii) the physical or environmental condition of the Premises and any related Alterations or improvements, including, without limitation, any and all Losses arising from or related to an earthquake or subsidence.

(a) Subtenant covenants and agrees never to file, commence, prosecute or cause to be filed, commenced or prosecuted against the Authority any claim, action or proceeding based upon any Losses of any nature whatsoever encompassed by the waivers and releases set forth in this Section. In executing these waivers and releases, Subtenant has not relied upon any representation or statement other than as expressly set forth herein.

(b) Subtenant had made such investigation of the facts pertaining to these waivers and releases it deems necessary and assumes the risk of mistake with respect to such facts. These waivers and releases are intended to be final and binding on Subtenant regardless of any claims of mistake.

(c) Subtenant expressly acknowledges and agrees that the Rent payable hereunder does not take into account any potential liability of the Authority for liabilities encompassed by the waivers and releases set forth in this Section. The Authority would not be willing to enter into this Agreement in the absence of the waivers and releases in this Section, and Subtenant expressly assumes the risk with respect thereto.

(d) In connection with the foregoing releases, Subtenant acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads:

> A general release does not extend to claims that the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

Subtenant acknowledges that the releases contained herein include all known and unknown, disclosed and undisclosed, and anticipated and unanticipated claims encompassed by the waivers and releases set forth in this Section. Subtenant realizes and acknowledges that it has agreed upon this Agreement 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. The waivers and releases contained herein shall survive any expiration or termination of this Agreement.

(e) Without limiting its rights under Section 27, Subtenant acknowledges that it will not be a displaced person at the time this Agreement is terminated or expires by its own terms, and, without limiting the foregoing, Subtenant fully releases, waives and discharges forever any and all claims against, and covenants not to sue, the Authority or its Agents for claims for relocation benefits or assistance from the Authority under federal and state relocation assistance laws (including, but not limited to, California Government Code Section 7260 et seq.).

23.2 Covenant by the Authority Not to Sue. The Authority shall not directly or indirectly bring an action or proceeding, whether in a court of law or otherwise, against Subtenant with regard to the environmental conditions existing at the Base except to the extent that such condition is caused by a violation of Law by Subtenant or by Subtenant introducing Hazardous Material (as defined herein) to the Base.

24. INDEMNIFICATION

24:1 Subtenant's Indemnity. Subtenant, on behalf of itself and Subtenant's Agents, shall indemnify, protect, reimburse, defend and hold harmless forever ("**Indemnify**" or "**Indemnity**" as the context requires) the Authority and the Authority's Agents from and against

any and all Losses caused by acts or omissions of Subtenant or Subtenant's Agents or Invitees with respect to the Premises, or relating to the rehabilitation, use or occupancy of the Premises, including, without limitation, any accident, injury or death to any of Subtenant's Agent's or Invitees occurring on or about the Premises, except to the extent that (i) such Indemnity is void or otherwise unenforceable under any applicable Laws, (ii) such Losses are caused by the Authority, or (iii) such Losses are included within the Section 330 Indemnity.

The foregoing Indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and the Authority's costs of investigating any Loss. Subtenant specifically acknowledges and agrees that it is obligated to defend the Authority from any claim which falls within this Indemnity even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is properly tendered to Subtenant by the Authority. Subtenant's obligations under this Section shall survive the expiration or sooner termination of this Agreement.

24.2 Authority's Indemnity. Subject to the provisions of Section 22.2, the Authority, on behalf of itself and the Authority's Agents, shall Indemnify Subtenant and Subtenant's Agents from and against any and all Losses caused by the sole negligence or willful misconduct of the Authority or the Authority's Agents except to the extent that (i) such Indemnity is void or otherwise unenforceable under any applicable Laws, or (ii) such Losses are included within the Section 330 Indemnity.

The foregoing Indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and Subtenant's costs of investigating any Loss. The Authority specifically acknowledges and agrees that it is obligated to defend Subtenant from any claim which falls within this Indemnity even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is properly tendered to the Authority by Subtenant. Subtenant's obligations under this Section shall survive the expiration or sooner termination of this Agreement.

24.3 Master Landlord's Section 330 Environmental Indemnity. The Parties hereby acknowledge and agree that pursuant to Section 330 of Public Law 102-484, as amended, Master Landlord shall hold harmless, defend and indemnify (the "**Section 330 Indemnity**") the Authority and Subtenant from and against any suit, claim, demand, action, liability, judgment, cost or fee, arising out of any claim for personal injury or property damage (including death, illness, loss of or damage to property or economic loss) that results from, or is in any manner predicated upon, the release or threatened release of any hazardous substance, pollutant, contaminant, petroleum product, or petroleum derivative from or on the Premises as a result of Department of Defense activities at the Base, as set forth in the Master Lease. If Subtenant or the Authority incurs costs or other expenses due to Master Landlord's failure to satisfy its obligations under the Section 330 Indemnity, such costs or expenses shall automatically be deemed an Operating Expense and any subsequent recovery from the Master Landlord as a result of such failure shall be a Gross Revenue.

25. INSURANCE

25.1 Subtenant's Insurance. Subtenant shall procure and maintain throughout the Term for the mutual benefit of the Authority and Subtenant, and pay the cost thereof (as an approved Operating Expense, subject to the limits set forth in Section 12.1 and, if the limit is exceeded but not approved, such insurance need not be obtained by Subtenant), the following insurance:

(a) Professional Liability Insurance. Professional Liability insurance with limits not less than $1,000,000 each claim and aggregate, including coverage for negligent acts, errors or

omissions arising out of professional services performed under this Agreement for architectural, engineering and geotechnical services, with any deductible not to exceed $25,000 each claim.

(b) Property Insurance. Property insurance on an ISO "special form" (excluding earthquake and flood) with any exposures for reconstruction loss of rents up to 12 months included in the aggregate limit. The loss of rents coverage shall have a deductible of no more than $5,000 per occurrence. The deductible will be no greater than $50,000 per occurrence for property related losses only. Any vacancy clause will be waived or extended to no less than 180 days. The limit of coverage will be full replacement cost or a stop loss limit that covers at least 35% of the total insurable value of all covered Rentable Units.

(c) Environmental Pollution Insurance. Environmental Impairment Liability Insurance, with limits not less than $5,000,000 each occurrence, including coverage for pollution or contamination, with any deductible not to exceed $50,000 each occurrence.

(d) Commercial General Liability Insurance. Commercial General Liability Insurance shall be written on an occurrence and on a site-specific basis with coverage equal to or better than the ISO form CG-OOI. Primary limits shall be $2,000,000 Combined Single Limit (CSL) per occurrence and $5,000,000 aggregate. A deductible, per claim, of no greater than $10,000 will be acceptable. Coverage should include within the policy limits: Personal Injury, Independent Contractors, Contractual liability, Products and Completed operations and a Severability of interests' clause. (Explosion, collapse and underground coverage shall not be excluded.) An excess policy increasing the total limit to $10,000,000 will be required. Said excess policy may be an umbrella or a following form excess contract.

(e) Workers Compensation Insurance. Worker's compensation insurance with statutory limits as required by California law, and Employers' Liability Limits not less than $1,000,000 each accident, injury, or illness.

(f) Automobile Liability Insurance. Automobile liability insurance with limits not less than $1,000,000 each occurrence combined single limit for bodily injury and property damage, including owned and non-owned and hired vehicles, if Subtenant uses or causes to be used automobiles in connection with its use of the Premises. Such insurance shall provide coverage at least as broad as provided under ISO F01111 Number CA-00-0l.

(g) Watercraft and Aircraft Insurance. Should Subtenant operate or cause to be operated any aircraft or watercraft in performance of its activities under this Agreement, insurance for such operations, in amount, form and with insurers reasonably satisfactory to the Authority, shall be obtained, paid for, and maintained by Subtenant throughout such operations.

(h) Employee Fidelity Bonds. Fidelity bond insurance coverage for on-site employees with a $1,000,000 limit and $1,000 deductible.

25.2. General Requirements. All insurance provided for under this Agreement shall be effected under valid enforceable policies issued by insurers with ratings comparable to A-, VIII or higher that are authorized to do business in the State of California.

(a) Should any of the required insurance be provided under a claims made form, Subtenant shall maintain such coverage continuously throughout the Term and, without lapse, for a period of five (5) years beyond the expiration or termination of this Agreement, to the effect that, should occurrences during the Term give rise to claims made during the one year period after expiration or termination of this Agreement, such claims shall be covered by such claims made policies.

(b) All insurance policies shall be endorsed to provide the following:

(i) The Authority and the City shall be named as an additional named insured and loss payee on liability and property coverages as its interest may appear, if necessary. Subtenant shall be first named insured.

(ii) Any other insurance carried by the Authority, which may be applicable, shall be deemed excess insurance and Subtenant's insurance shall be deemed primary for all purposes. Subtenant's policies shall also provide for severability of interest provisions.

(iii) Thirty-day written notice of cancellation, non-renewal or material change in coverage shall be given to the Authority. Ten-day notice will be acceptable for notice of non-payment.

(iv) Upon request, Subtenant shall deliver to the Authority certificates, binders, or other satisfactory evidence of the insurance coverages required under this Agreement.

(c) On or before the Commencement Date, Subtenant shall deliver to Authority certificates of insurance and additional insured policy endorsements in form and with insurers satisfactory to Authority, evidencing the coverages required hereunder, and Subtenant shall provide Authority with certificates thereafter at least ten (10) days before the expiration dates of expiring policies. In the event Subtenant shall fail to procure such insurance, or deliver such certificates, Authority may, at its option, after providing five (5) days' prior written notice of the Authority's intention to do so, procure the same for the account of Subtenant and the cost thereof shall be paid to Authority within five (5) days after delivery to Subtenant of an invoice for such cost.

25.3. No Limitation on Indemnities. Subtenant's compliance with the provisions of this Section shall in no way relieve or decrease either the Authority's or Subtenant's indemnification obligations herein or any of the Authority's or Subtenant's other obligations or liabilities under this Agreement.

25.4. Subtenant's Personal Property. Subtenant shall be responsible, at its expense, for separately insuring Subtenant's Personal Property.

25.5. Waiver of Subrogation. Notwithstanding anything to the contrary contained herein, the Authority and Subtenant (each a "**Waiving Party**") each hereby waives any right of recovery against the other party for any loss or damage sustained by such other party with respect to the Premises, whether or not such loss is caused by the fault or negligence of such other party, to the extent such loss or damage is covered by insurance which is required to be purchased by the Waiving Party under this Agreement or is actually covered by insurance obtained by a Waiving Party. Each Waiving Party agrees to cause its insurers to issue appropriate waiver of subrogation rights endorsements to all policies relating to the Premises; provided, the failure to obtain any such endorsement shall not affect the above waiver.

26. ACCESS BY AUTHORITY

26.1. Access to Premises by Authority.

(a) General Access. Without unreasonably interfering with the use and quiet enjoyment of the Premises by residential tenants, the Authority reserves for itself and the Authority's Agents, the right to enter the Premises and any portion thereof at all reasonable times for any purpose.

(b) Emergency Access. In the event of any emergency, as reasonably determined by the Authority, the Authority may, at its sole option and without notice, enter the Premises and alter or remove any Alterations or Subtenant's Personal Property on or about the Premises so long as such alteration or removal is reasonably related to and necessary for remedying or properly responding to such emergency. The Authority shall have the right to use any and all means the Authority reasonably considers appropriate to gain access to any portion of the Premises in an emergency. In such case, to the maximum extent permitted by law, the Authority shall not be responsible for any damage or injury to any such property, nor for the replacement of any such property and any such emergency entry shall not be deemed to be a forcible or unlawful entry onto or a detainer of, the Premises, or an eviction, actual or constructive, of Subtenant from all or part of the Premises.

(c) No Liability. The Authority shall not be liable in any manner, and Subtenant hereby waives any claims, for any Losses arising out of the Authority's entry onto the Premises, except for damage resulting from the negligence or willful misconduct of the Authority or the Authority's Agents, to the extent not contributed to by the acts, omissions or negligence of Subtenant, Subtenant's Agents or Subtenant's Invitees.

26.2 Access to Premises by Master Landlord. Subtenant acknowledges and agrees that Master Landlord shall have all of the rights of access to the Premises described in the Master Lease.

27. SURRENDER

27.1. Surrender of the Premises. Upon the expiration or earlier termination of this Agreement, Subtenant shall peaceably quit and surrender to the Authority the Premises together with the Work and Alterations in as good order and condition, subject to normal wear and tear and the provisions of Section 19 regarding casualty and taking into account the occupancy of the Rentable Unit, when surrendered. Normal wear and tear shall not include any damage or deterioration that would have been prevented had Subtenant properly performed its obligations under this Agreement. The Premises shall be surrendered free and clear of all liens and encumbrances arising out of Subtenant's acts other than liens and encumbrances approved by the Authority and rights of residential tenants in Rentable Units occupied at the end of the Term, if any. Immediately before the expiration or termination of this Agreement, Subtenant shall remove all of Subtenant's Personal Property as provided in this Agreement and repair any damage resulting from such removal. Subtenant's obligations under this Section shall survive the expiration or termination of this Agreement. Any items of Subtenant's Personal Property remaining in the Premises after the expiration or termination of this Agreement may, at the Authority's option, be deemed abandoned and disposed of in accordance with Section 1980 et seq. of the California Civil Code or in any other manner allowed by Law. The Authority agrees to assume all Rental Agreements at the end of the Term, entered into by Subtenant in conformity with this Agreement. In no event is Subtenant required to evict a residential tenant who has executed a Rental Agreement in conformity with this Agreement at the end of the Term.

28. HAZARDOUS MATERIALS

28.1 No Hazardous Materials. Except as shown on Exhibit K or in a Work Plan or the Management Plan approved by the Authority, Subtenant covenants and agrees that Subtenant shall not, and shall take commercially reasonable efforts to ensure that Subtenant's Invitees do not, cause or permit any Hazardous Material to be brought upon, kept, used, stored, generated or disposed of in, on or about the Premises or transported to or from the Premises in violation of Environmental Laws (as defined herein) without the prior written approval of the Authority. The Authority may from time to time reasonably request Subtenant to provide adequate information for the Authority to determine whether any Hazardous Material permitted hereunder is being

handled in compliance with all applicable federal, state or local Laws or policies relating to Hazardous Material (including, without limitation, its use, handling, transportation, production, disposal, discharge or storage) or to human health and safety, industrial hygiene or environmental conditions in, on, under or about the Premises ("**Environmental Laws**"), and Subtenant shall promptly provide all such information reasonably requested. The Authority and the Authority's Agents shall have the right to inspect the Premises for Hazardous Material and compliance with the provisions hereof at all reasonable times upon reasonable advance oral or written notice to Subtenant (except in the event of an emergency). As used herein "**Hazardous Material**" shall mean any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment, including, without limitation, any material or substance defined as a "hazardous substance," or "pollutant" or "contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (also commonly known as CERCLA), as amended, (42 U.S.C. Sections 9601 et seq.) or pursuant to Section 25281 of the California Health & Safety Code, any "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code, and any asbestos and asbestos containing materials and petroleum, including crude oil or any fraction thereof, and natural gas or natural gas liquids.

28.2 No Releases. Subtenant shall not, and Subtenant shall use commercially reasonable efforts to ensure that Subtenant's Invitees do not, cause any spilling, leaking, pumping, pouring, emitting, discharging, injecting, escaping, leeching or dumping ("**Release**") of Hazardous Material in, on, under or about the Premises. Subtenant shall immediately notify the Authority if and when Subtenant has actual knowledge that there has been a Release of Hazardous Material in, on or about the Premises and shall afford the Authority a full opportunity to participate in any discussions with governmental regulatory agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree, permit, approvals, or other compromise or proceeding involving Hazardous Material.

28.3 Subtenant's Environmental Indemnity. Without limiting Subtenant's general Indemnity contained in Section 24.1, if Subtenant fails to perform any of its obligations contained in Section 28.1 or 28.2, Subtenant shall Indemnify the Authority and the Authority's Agents from and against any and all Losses arising under or related to such failure, including, without limitation Losses related to (i) enforcement, investigation, remediation or other governmental regulatory actions, agreements or orders threatened, instituted or completed pursuant to any Environmental Laws, (ii) claims by any third party against the Authority or the Authority's Agents relating to damage, contribution, cost recovery compensation, loss or injury, (iii) investigation and remediation costs, fines, natural resource damages, the loss or restriction of the use or any amenity of the Premises or the Base and reasonable attorneys' fees and consultants' fees and costs, and (iv) all costs associated with the investigation and remediation of Hazardous Material and with the restoration of the Premises to its prior condition including, without limitation, fines and penalties imposed by regulatory agencies, and expressly excluding any Losses to the extent covered by the Section 330 Indemnity or caused by the Authority, its Agents or Invitees. All costs paid by Subtenant under this provision as a result of acts or omissions by Subtenant's Invitees shall be deemed an approved Operating Expense unless caused by Subtenant's gross negligence or willful misconduct.

28.4 No Hazardous Materials. The Authority covenants and agrees that the Authority and the Authority's Agents shall not, and shall take reasonable efforts to ensure that Authority's Invitees do not, cause or permit any Hazardous Material to be brought upon, kept, used, stored, generated or disposed of in, on or about the Premises or transported to or from the Premises in violation of Environmental Laws.

28.5 No Releases. The Authority and Authority's Agents shall not, and Authority shall use reasonable efforts to ensure that the Authority's Invitees do not, cause any Hazardous Material Release in, on, under or about the Premises. The Authority shall immediately notify the Subtenant if and when Authority has actual knowledge that there has been a Release of Hazardous Material on or about the Premises and shall afford the Subtenant a full opportunity to participate in any discussions with governmental regulatory agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree, permit, approvals, or other compromise or proceeding involving Hazardous Material.

28.6 Authority's Environmental Indemnity. Without limiting the Authority's general Indemnity contained in Section 24.2, if the Authority fails to perform any of its obligations contained in Section 28.4 or 28.5, the Authority shall Indemnify the Subtenant and the Subtenant's Agents from and against any and all Losses arising under or related to such failure, including, without limitation Losses related to (i) enforcement, investigation, remediation or other governmental or regulatory actions, agreements or orders threatened, instituted or completed pursuant to any Environmental Laws, (ii) claims by any third party against the Subtenant or the Subtenant's Agents relating to damage, contribution, cost recovery compensation, loss or injury, (iii) investigation and remediation costs, fines, natural resource damages, the loss or restriction of the use or any amenity of the Premises and reasonable attorneys' fees and consultants' fees and costs, and (iv) all costs associated with the investigation and remediation of Hazardous Material and with the restoration of the Premises or the Base to its prior condition including, without limitation, fines and penalties imposed by regulatory agencies, and expressly excluding any Losses to the extent covered by the Section 330 Indemnity or caused by the Subtenant, its Agents or Invitees.

28.7 Acknowledgment of Receipt of EBS and FOSL Reports. Subtenant and the Authority, respectively, hereby acknowledge for itself and its respective Agents that, before the execution of this Agreement, it has received and reviewed the Environmental Baseline Survey and the FOSLs described in the Master Lease.

29. RELOCATION COSTS

Without limiting the Authority's Indemnity under Section 24.2, the Authority shall be responsible for and shall Indemnify Subtenant and its Agents for any and all relocation costs payable to residential tenants arising under federal and state relocation assistance laws, including, but not limited to, California Government Code Section 7260 et seq.

30. CONVENIENCE STORE AND OTHER SERVICES

30.1. Good Faith Efforts. The Authority shall use good faith efforts to work with TIHDI and Subtenant to maintain existing commercial services on the Base, including a child-care center, cafe, and convenience store.

31. TRANSPORTATION SERVICES

31.1 Bus Service. The Authority shall use good faith efforts to have the City maintain at least the current level of municipal transportation bus service to and from the Base.

31.2 Public Transit Information. Subtenant shall make good faith efforts to establish and maintain during the Term a program to encourage maximum use of mass or public transportation by Subtenant's Agents and Invitees, including residential tenants.

32. WORKFORCE HIRING GOALS

In performing its rights and responsibilities under this Agreement, Subtenant shall comply with the following workforce hiring goals for qualified homeless or otherwise economically disadvantaged persons and San Francisco residents.

32.1 Subtenant's Workforce Hiring Goals. Subtenant, in connection with the Work, shall use good faith efforts to meet the work force hiring goals set forth in Section 32.2 (the "**Workforce Goals**"). For purposes of this Section 32, Subtenant's good faith efforts ("**Good Faith Efforts**") shall mean the following:

(a) Upon request, submitting a written plan describing how Subtenant intends to meet the Workforce Goals;

(b) Listing jobs available on the Premises with the TIHDl Job Broker at least two weeks before advertising for applicants elsewhere to the extent practical, considering the nature of the job involved;

(c) Considering for appropriate job openings all candidates who are qualified, screened and referred to it by the TIHDl Job Broker if referred before the opening being otherwise filled;

(d) Communicating with TIHDI about job openings by facsimile at the same time such job opening is communicated to any other agency or broker and providing information about jobs and about outcomes of referrals within a reasonable time upon request by the TIHDI Job Broker;

(e) Consulting with the TIHDI Job Broker once a month, as necessary, about how to meet Subtenant's Workforce Goals; and

(f) Meeting and conferring with the TIHDI Job Broker monthly, if necessary, to discuss and attempt to resolve any problems with Subtenant meeting its Workforce Goals.

(g) Upon request, working with the City’s First Source Hiring Administration on new job opportunities and otherwise complying with the City’s First Source Hiring Program as set forth in Administrative Code Chapter 83.

32.2 Workforce Hiring Goals.

(a) Construction Workforce. Without obligation (other than as expressly set forth herein), Subtenant shall give consideration for hiring on all construction projects on the Premises to qualified homeless or otherwise economically disadvantaged persons, and to qualified residents of San Francisco whose annual income, at the time of hire, is at or below fifty percent (50%) of median income for the City as determined by HUD.

(b) Subcontracting. Without obligation, Subtenant will consider subcontracting certain tasks to be performed by Subtenant under this Agreement to TIHDI member organizations, particularly for grounds keeping, janitorial, recycling and deconstruction activities. Subcontracts with TIHDl organizations will be included for purposes of determining Subtenant's Good Faith Efforts to meet the Work Force Goals.

(c) Nonconstruction Workforce. Without obligation, except as provided in this Section 32, the Subtenant shall use Good Faith Efforts to hire for nonconstruction work, (i) twenty-five percent (25%) of its nonconstruction workforce from homeless or economically disadvantaged persons, at the time of hiring, and (ii) fifty percent (50%) from San Francisco residents.

32.3. Hiring Plan. Upon request, Subtenant shall submit a hiring plan to the Authority to describe how Subtenant intends to meet its Workforce Goals, which description should include community outreach and recruiting efforts, hiring procedures, a projected schedule for meeting the Workforce Goals, and alternative courses of action if it appears that the Workforce Goals will not be met.

32.4. Reports. Upon the Authority's request, Subtenant shall prepare reports regarding the composition of Subtenant's work force reasonably satisfactory to the Authority.

32.5. Matters Subject to Enforcement Procedure. In addition to the initial preparation of the Hiring Plan, all matters related to implementing the Hiring Plan and the Workforce Goals are subject to the Enforcement Procedure described in Section 32.7.

32.6. Implementation of Enforcement Procedure. The Enforcement Procedure, as provided in Section 32.7, shall be the exclusive procedure for resolving any dispute concerning the interpretation or implementation of the Hiring Plan or any alleged deficiency in Subtenant's Good Faith Efforts. The Enforcement Procedure shall be implemented by the City department responsible for administering the City's workforce programs (the "**Workforce Office**"), which shall have the powers described below unless otherwise provided by law.

(a) All subcontracts related to the Agreement ("**Subcontracts**") shall incorporate the provisions of this Section 32 and the Authority shall have the right to enforce said obligations, requirements and agreements against the Subtenant or its subcontractors. Subtenant shall require, by contract, that each subcontractor participate in Enforcement Procedure proceedings in which it may be identified, and that each subcontractor shall be bound by the outcome of such Enforcement Procedure according to the decision of the Workforce Office.

32.7 Enforcement Procedure.

(a) Initiation and Process. If the Authority reasonably determines that Subtenant has failed to use Good Faith Efforts to meet the Workforce Goals, or for any other matter subject to this Enforcement Procedure, the Authority shall send a written Notice of Noncompliance to Subtenant describing the basis for its determination and suggesting a means to cure any deficiencies. If Subtenant does not, in the reasonable discretion of the Authority, cure the deficiency within thirty (30) days, the matter shall be submitted to the following Enforcement Procedure.

(i) Before the filing and service of a request to the Workforce Office (a "**Request**"), the parties to any dispute shall meet and confer in an attempt to resolve the dispute.

(ii) The Authority, Subtenant or any subcontractor may commence resolution of any dispute covered by the Enforcement Procedure by filing a Request and sending a copy to each involved entity including the Authority. The Request shall be filed and served either by hand delivery or by registered or certified mail. The Request shall identify the entities involved in the dispute and state the exact nature of the dispute and the relief sought. If the complaining party seeks a temporary restraining order and/or a preliminary injunction, the Request shall so state in the caption of the Request.

(iii) Service on the Subtenant of the Request or any notice provided for by this Section 32 shall constitute service of the Request or notice on all subcontractors who are identified as being in alleged noncompliance in the Request. The Subtenant shall promptly serve the Request or notice, by hand delivery or registered or certified mail, on all such subcontractors.

(iv) The TIHDI Job Broker shall have the right to present testimony or documentary evidence at Enforcement Procedure proceedings.

(v) After the filing and the service of a Request, the parties shall negotiate in good faith for a period of 10 business days in an attempt to resolve the dispute; provided that the complaining party may proceed immediately to the Enforcement Procedure, without engaging in such a conference or negotiations, if the facts could reasonably be construed to support the issuance of a temporary restraining order or a preliminary injunction ("**Temporary Relief**"). The Workforce Office shall determine whether the facts reasonably support the issuance of Temporary Relief.

(vi) If the dispute is not settled within 10 business days, a hearing shall be held within 90 days of the date of the filing of the Request, unless otherwise agreed by the Parties or ordered by the Workforce Office upon a showing of good cause; provided, that if the complaining party seeks Temporary Relief, the hearing on the motion shall be heard not later than ten (10) following the Request. The Workforce Office shall set the date, time and place for the Enforcement Procedure hearings. In the Enforcement Procedure proceedings hereunder, discovery shall be permitted in accordance with Code of Civil Procedure §1283.05.

(b) Workforce Office's Decision. The Workforce Office shall render a decision within 20 days of the date that the hearing; provided that where a temporary restraining order is sought, the Workforce Office shall render a decision not later than 24 hours after the hearing on the motion. The Workforce Office shall send the decision by certified or registered mail to the Authority, the Subtenant and the subcontractor, if any.

(i) The Workforce Office may enter a default award against any party who fails to appear at the hearing; provided said party received actual notice of the hearing. In a proceeding seeking a default award against a party other than the Subtenant, the Subtenant 'shall provide proof of service on the party as required by this Section. In order to obtain a default award, the complaining party need not first seek or obtain an order to arbitrate the controversy under Code of Civil Procedure §1281.2.

(ii) Except as otherwise provided in this Section 32, the Workforce Office shall have no power to add to, subtract from, disregard, modify or otherwise alter the terms of the Agreement, or to negotiate new agreements or provisions between the Parties.

(iii) The inquiry of the Workforce Office shall be restricted to the particular controversy that gave rise to the request for the Enforcement Procedure. A decision of the Workforce Office issued hereunder shall be final and binding upon the Authority, Subtenant, and subcontractors. The losing party shall pay the Workforce Office's fees and related costs of the Enforcement Procedure. Each party shall pay its own attorneys' fees provided that fees may be awarded to the prevailing party if the Workforce Office finds that the Request was frivolous or that the Enforcement Procedure action was otherwise instituted or litigated in bad faith.

(c) Remedies and Sanctions. Except as may otherwise be expressly provided herein, the Workforce Office 'may impose only the remedies and sanctions set forth below and only against a non-compliant party:

(i) Order specific, reasonable actions and procedures, in the form of a temporary restraining order, preliminary injunction or permanent injunction, to mitigate the effects of the failure to make Good Faith Efforts, and/or to require Subtenant and/or its subcontractors to make such Good Faith Efforts, including, but not limited to, orders enjoining the Subtenant from recruiting, screening or hiring (through new hires, transfers or otherwise) any person for employment at the Premises pending resolution of the alleged deficiency.

(ii) Require the Subtenant or Subcontractors to refrain from entering into new contracts related to work related to the Agreement, or from granting extensions or other modifications to existing contracts related to the Agreement, other than those minor modifications or extensions necessary to enable completion of the work covered by the existing contract, with any non-compliant subcontractor until such subcontractor provides assurances satisfactory to the Authority and the Subtenant of future Good Faith Efforts to comply with the Workforce Goals.

(iii) Direct the Subtenant or subcontractor to cancel, terminate, suspend or cause to be canceled, terminated or suspended, any contract or lease or portions thereof for failure of the subcontractor to make Good Faith Efforts to comply with the Workforce Goals, provided, however that Subcontracts may be continued upon the condition that a program for future compliance is approved by the Authority.

(iv) If the Subtenant or subcontractor is found to be in willful breach of its obligations to make Good Faith Efforts to achieve the Workforce Goals, impose financial penalties not to exceed $5,000 or 10 percent of the total monetary consideration contemplated by the contract at issue, whichever is less, for such breach on the party responsible for the willful breach; provided, however, no penalty shall be imposed pursuant to this paragraph for the first willful breach unless the breaching party has failed to cure after being provided notice and a reasonable opportunity to cure. The Subtenant or subcontractor may impose penalties for subsequent willful breaches whether or not the breach is subsequently cured. For purposes of this paragraph, "willful breach" means a knowing and intentional breach.

(v) Direct that the Subtenant or subcontractor produce and provide to the Authority any records, data or reports that are necessary to determine if a violation has occurred and/or to monitor the performance of the Subtenant or Subcontractor.

(vi) Issue such other relief deemed necessary to ensure that the Good Faith Efforts are made prospectively.

(d) Delays Due to Enforcement. If Subtenant does not timely perform its obligations under this Agreement with the Authority because of a Workforce Office's order against a party other than the Subtenant, or against the Subtenant so long as Subtenant has made reasonable efforts to comply with the Hiring Plan, such order shall be deemed a Force Majeure Event, and all times shall be extended as provided in this Agreement for Force Majeure Events; provided Subtenant makes good faith efforts to minimize any delays.

(e) Release. The Subtenant and its subcontractors hereby forever waive and release any and all claims against the Authority for Losses arising under or related to this Section 32.

(f) California Law Applies. California law, including the California Arbitration Act, Code of Civil Procedure §§1280 through 1294.2, shall govern all the Enforcement Proceedings.

32.8 Relationship to Other Employment Agreements. Nothing in this Agreement shall be interpreted to prohibit the continuation of existing workforce-training agreements or interfere with consent decrees, collective bargaining agreements or existing employment contracts. In the case of collective bargaining agreements, Subtenant will take primary responsibility for integrating the requirements of Subtenant's Workforce Goals with any such collective bargaining agreements. As necessary, Subtenant will attempt to negotiate equivalent first source hiring obligations with relevant unions.

32.9 Local Hire. Subtenant agrees to use good faith efforts to hire residents of the City and County of San Francisco at all levels of Subtenant's personnel needs and to contract with local businesses for Subtenant's purchase of supplies, materials, equipment or services.

33 GENERAL PROVISIONS

33.1 Notices. Except as otherwise expressly provided in this Agreement, any notice given hereunder shall be effective only in writing and given by delivering the notice in person, or by sending it first class mail or certified mail with a return receipt requested or reliable commercial overnight courier, with postage prepaid as follows:

Notice Address of Authority:	Treasure Island Development Authority One Avenue of Palms, Suite 241 San Francisco, CA Attn: Director Fax No.: 415-274-0299
with a copy to:	Office of the City Attorney City Hall, Room 234 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4682 Attn: RE/Finance Fax No.: (415) 554-4755
Notice Address of Subtenant:	The John Stewart Company Attn: Jack D. Gardner, President and CEO 1388 Sutter Street, 11th Floor San Francisco, CA 94109 Fax No.: (415) 614-9175
With a Copy to:	Orrick, Herrington & Sutcliffe, LLP Attn: Justin Cooper, Esq. The Orrick Building 405 Howard Street San Francisco, CA Fax No.: (415) 773-5759
Notice Address of Master Landlord:	United States Navy BRAC Program Management Office West ATTN: Treasure Island Real Estate 1455 Frazee Road, Suite 900 San Diego, CA 92108

Any Party hereunder may designate a new address for notice hereunder by notice given to the other in accordance with the provisions of this Section at least five (5) days prior to the effective date of such change. Any notice hereunder shall be deemed to have been given two (2) days

after the date when it is mailed if sent by first class or certified mail, one day after the date it is made if sent by overnight courier, or upon the date personal delivery is made. For convenience of the Parties, copies of notices may also be given by telefacsimile; however, neither party may give official or binding notice by facsimile. Subtenant shall promptly provide City with copies of any and all notices received regarding any alleged violation of laws or insurance requirements or any alleged unsafe condition or practice.

33.2 No Implied Waiver. No failure by the Authority to insist upon the strict performance of any obligation of Subtenant under this Agreement or to exercise any right, power or remedy arising out of a breach thereof, irrespective of the length of time for which such failure continues, no acceptance of full or partial Rent during the continuance of any such breach, and no acceptance of the keys to or possession of the Premises before the expiration of the Term by any Agent of the Authority, shall constitute a waiver of such breach or of the Authority's right to demand strict compliance with such term, covenant or condition or operate as a surrender of this Agreement. No express written waiver of any default or the performance of any provision hereof shall affect any other default or performance, or cover any other period of time, other than the default, performance or period of time specified in such express waiver. One or more written waivers of default or the performance of any provision hereof shall not be deemed to be a waiver of a subsequent default or performance. The consent of the Authority given in any instance under the terms of this Agreement shall not relieve Subtenant of any obligation to secure the consent of the Authority in any other or future instance under this Agreement. The provisions of this Section 33.2 shall be mutual to the extent applicable.

33.3 Approvals and Consents. Unless otherwise expressly provided in this Agreement, whenever approval, consent or satisfaction is required of the Authority or Subtenant under this Agreement, it shall not be unreasonably withheld, conditioned or delayed. The reasons for any disapproval of consent hereunder shall be stated in reasonable detail in writing. Approval by a Party of any act or request by the other Party shall not be deemed to waive or render unnecessary approval to or of any similar or subsequent acts or requests. Whenever approval or consent of the Authority is required under this Agreement, such approval shall mean the approval of the Director. If the Director determines that action or approval is required by the Authority’s Commission, the Director shall submit such matter to the Authority’s Commission at the next regularly-scheduled meeting for which an agenda has not yet been finalized and for which the Authority can prepare and submit a staff report in keeping with the Authority’s standard practices.

33.3 Amendments. The terms of this Agreement may not be changed, waived, or terminated except by a written instrument signed by the Parties.

33.4 Due Authorization and Execution. The person signing for the Authority represents and warrants that the Authority is a non-profit, public benefit corporation, and an instrumentality of the State of California and the City and County of San Francisco, and that he or she has the right and authority to execute this Agreement. If Subtenant signs as a corporation, a partnership, a limited liability company, or similar entity, Subtenant hereby covenants and warrants that Subtenant is a duly authorized and existing entity, that Subtenant has and is qualified to do business in California, that Subtenant has the full right and authority to enter into this Agreement, and that each and all of the persons signing on behalf of Subtenant are authorized to do so. Upon the Authority's request, Subtenant shall provide Authority with evidence reasonably satisfactory to the Authority confirming the foregoing representations and warranties. Without limiting the generality of the foregoing, Subtenant and the Authority each represents and warrants to the other that it has full power to make the waivers and releases, indemnities and the

disclosure set forth herein, and that it has received independent legal advice from its attorney as to the advisability of entering into an Agreement containing those provisions and their legal effect.

33.5 Joint and Several Obligations. The word "Subtenant" as used herein shall include the plural as well as the singular. If there is more than one Subtenant or one entity that makes up Subtenant, the obligations and liabilities under this Agreement imposed on Subtenant shall be joint and several.

33.6 Interpretation of Agreement. The recitals and the captions preceding the articles and sections of this Agreement and in the table of contents have been inserted for convenience of reference only and such captions shall in no way define or limit the scope or intent of any provision of this Agreement. This Agreement has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein and shall be interpreted to achieve the intents and purposes of the Parties, without any presumption against the party responsible for drafting. Provisions in this Agreement relating to number of days shall be calendar days, unless otherwise specified, provided that if the last day of any period to give notice, reply to a notice or to undertake any other action occurs on a Saturday, Sunday or a bank or City holiday, then the last day for undertaking the action or giving or replying to the notice shall be the next succeeding business day. Use of the word "including" or similar words shall not be construed to limit any general term, statement or other matter in this Agreement, whether or not language of non-limitation, such as "without limitation" or similar words, are used.

33.7 Successors and Assigns. Subject to the provisions of Section 20, the terms, covenants and conditions contained in this Agreement shall bind and inure to the benefit of the Authority and Subtenant and, except as otherwise provided herein, their representatives and successors and assigns.

33.8 Brokers. Neither party has had any contact nor dealings regarding the leasing of the Premises or any communication in connection therewith, through any licensed real estate broker or other person who could claim a tight to a commission or finder's fee in connection with the Agreement contemplated herein. If any broker or finder perfects a claim for a commission or finder's fee based upon any such contact, dealings or communication, the patty through whom the broker or finder makes a claim shall be responsible for such commission or fee and shall Indemnify the other party from any and all Losses incurred by the indemnified party in defending against the same. The provisions of this Section shall survive the expiration or termination of this Agreement.

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

33.10 Governing Law. This Agreement shall be construed and enforced in accordance with the Laws of the State of California.

33.11 Entire Agreement. This Agreement, including the exhibits, contain the entire agreement between the Parties and supersede all prior or written or oral negotiations, discussions, understandings and agreements. The execution of this Agreement by the Authority shall be deemed to constitute approval of each exhibit hereto. The Parties further intend that this Agreement shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative or other legal

proceeding involving this Agreement. Subtenant and the Authority hereby acknowledge that neither the other nor the other's Agents have made any representations or warranties with respect to the Premises or this Agreement except as expressly set forth herein, and no rights, easements or licenses are or shall be acquired by either Subtenant or the Authority by implication or otherwise unless expressly set forth herein.

33.12 Attorneys' Fees. If either the Authority or Subtenant fails to perform any of its obligations under this Agreement or in the event a dispute arises concerning the meaning or interpretation of any provision of this Agreement, the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all reasonable costs and expenses incurred by the other party in enforcing or establishing its rights hereunder (whether or not such action is prosecuted to judgment), including court costs and reasonable attorneys' fees. For purposes of this Agreement, reasonable fees of attorneys of the Office of the City Attorney shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's services were rendered who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the Authority.

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

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

33.15 Survival of Indemnities. Termination of this Agreement shall not affect the right of either party to enforce any and all indemnities and representations and warranties given or made to the other party under this Agreement, nor shall it affect any provision of this Agreement that expressly states it shall survive termination hereof.

33.16 Relationship of Parties. The Authority is not, and none of the provisions in this Agreement shall be deemed to render the Authority, a partner in Subtenant's business, or joint venturer or member in any joint enterprise with Subtenant. This Agreement is not intended nor shall it be construed to create any third party beneficiary rights in any third party, including residential tenants and TIHDI, unless otherwise expressly provided.

33.17 Non-Liability of Parties' Officials and Employees. No elective or appointive board, commission, member, officer or employee of either of the Parties or their Agents shall be personally liable in the event of any default, breach or for any amount which may become due, or for any obligation under this Agreement.

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

34. SPECIAL PROVISIONS

34.1. Non-Discrimination in Contracts and Benefits Ordinance.

(a) Covenant Not to Discriminate. In the performance of this Agreement, Subtenant agrees not to discriminate against any employee, any City employee working with Subtenant, or applicant for employment with Subtenant, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person’s race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender

identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

(b) Subleases and Other Subcontracts. Subtenant shall include in all subleases and other subcontracts (not including the Rental Agreements) relating to the Premises a non-discrimination clause applicable to such Subtenant or other subcontractor in substantially the form of subsection (a) above. In addition, Subtenant shall incorporate by reference in all subleases and other subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all subtenants and other subcontractors to comply with such provisions. Subtenant's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

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

(d) CMD Form. As a condition to this Agreement, Subtenant shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form CMD-12B-101) with supporting documentation and secure approval of the form. Subtenant hereby represents that prior to execution of this Agreement, (i) Subtenant executed and submitted to the CMD Form CMD-12B-101 with supporting documentation, and (ii) CMD approved such form.

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

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

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

Francisco Environment Code, Subtenant shall not provide any items to the Work or Alterations, or otherwise in the performance of this Agreement, which are tropical hardwoods, tropical hardwood wood products, virgin redwood, or virgin redwood wood products. If Subtenant fails to comply in good faith with any of the provisions of Chapter 8 of the San Francisco Environment Code, Tenant may be liable for liquidated damages as set forth in Chapter 8.

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

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

34.6 Prohibition on Alcohol Advertising. Subtenant acknowledges and agrees that no advertising of alcoholic beverages is allowed on the Premises, except in areas that are operated as a restaurant, a concert or sports venue, or places where the sale, production or consumption of alcohol is permitted. For purposes of this section, "alcoholic beverage" shall be defined as set forth in California Business and Professions Code Section 23004, and shall not include cleaning solutions, medical supplies and other products and substances not intended for drinking. This advertising prohibition includes the placement of the name of a company producing, selling or distributing alcoholic beverages or the name of any alcoholic beverage in any promotion of any event or product. This advertising prohibition does not apply to any advertisement sponsored by a state, local, nonprofit or other entity designed to (a) communicate the health hazards of alcoholic beverages, (b) encourage people not to drink alcohol or to stop drinking alcohol, or (c) provide or publicize drug or alcohol treatment or rehabilitation services.

34.7 Holding Over. If Subtenant retains possession of any portion of the Premises after the expiration or the earlier termination of this Agreement, then unless the Authority expressly agrees to the holdover in writing, Subtenant shall pay the Authority, on a month-to-month basis Base Rent equal to one hundred and fifty percent (150%) of the latest Base Rent payable by Subtenant hereunder prior to such expiration, together with an amount estimated by the Authority for any additional charges payable under this Agreement, and shall otherwise be on the terms and conditions herein specified so far as applicable (except for those pertaining to the Term and any Extension Options). Any failure by Subtenant to surrender, discontinue using, or, if required by the Authority, any failure to remove any property or equipment following written demand for the same by the Authority, shall constitute continuing possession for purposes hereof. Subtenant acknowledges that the foregoing provisions shall not serve as permission for the Subtenant to hold over, nor serve to extend the term of this Agreement beyond the end on the term hereof. Any holding over without the Authority's consent shall constitute a default by Subtenant and entitle the Authority to exercise any or all of its remedies as provided herein, notwithstanding that the Authority may elect to accept one or more payments of Rent, and whether or not such amounts are at the holdover rate specified above or the rate in effect at the end of the Term of this Agreement. Any holding over after the expiration of the Term with the express consent of the Authority shall be construed to automatically extend the Term of this

Agreement on a month-to-month basis at a Base Rent equal to the latest Base Rent payable by Subtenant hereunder prior to such expiration, together with an amount estimated by the Authority for any additional monthly charges payable under this Agreement, and shall otherwise be on the terms and conditions herein specified so far as applicable (except for those pertaining to the Term and any Extension Options). Subtenant's obligations under this Section shall survive the expiration or termination of this Agreement.

34.8 Prevailing Wages. Subtenant agrees that any person performing labor in the erection, construction, renovation, alteration, improvement, demolition, excavation, installation or repair (not including maintenance) of any building, structure, improvement, infrastructure, road, park, utility or similar facility on the Premises, provided by or through Subtenant under this Agreement, shall be paid not less than the highest prevailing rate of wages, and shall be subject to hours and days of labor requirements that are established under San Francisco Administrative Code Section 6.22(E) and 6.22(F). Subtenant shall require that all contracts and subcontracts for such work contain the requirements of San Francisco Administrative Code Sections 6.22(E), subsections (4) – (8), and 6.22(F), and shall reference the Authority's rights as set forth in this Section, including but not limited to the Authority's (and Subtenant's) right to withhold funds and impose penalties against any contractor or subcontractor that fails to pay prevailing wages as required in this Section. Subtenant shall also require any contractor to electronically submit, for itself and for all subcontractors, certified payroll reports and statements of compliance in the manner specified by the Authority for all persons performing labor as set forth above. Subtenant shall have all rights and remedies, including the right to withhold payments or assess penalties, against any contractor and subcontractor as set forth in Section 6.22(E) (8) for failure to pay prevailing wages as set forth in this Section. In addition, Sublandlord and Subtenant shall jointly collaborate on any such remedial action to ensure compliance with this Section, including the assessment of penalties and, when warranted, the termination of any contractor or subcontractor.

34.9 Pesticide Prohibition. Subtenant shall comply with the provisions of Section 308 of Chapter 3 of the San Francisco Environment Code (the "Pesticide Ordinance") which (a) prohibit the use of certain pesticides on City or Authority property, (b) require the posting of certain notices and the maintenance of certain records regarding pesticide usage and (c) require Subtenant to submit to the Authority an integrated pest management ("IPM") plan, if applicable, that (i) lists, to the extent reasonably possible, the types and estimated quantities of pesticides that Subtenant may need to apply to the Premises during the terms of this Agreement, (ii) describes the steps Subtenant will take to meet the City's IPM Policy described in Section 300 of the Pesticide Ordinance and (iii) identifies, by name, title, address and telephone number, an individual to act as the Subtenant's primary IPM contact person. In addition, Subtenant shall comply with the requirements of Sections 303(a) and 303(b) of the Pesticide Ordinance. Nothing herein shall prevent Subtenant from seeking a determination from the Commission on the Environment that it is exempt from complying with certain portions of the Pesticide Ordinance.

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

34.11 Drug Free Workplace. Subtenant acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, possession or use of a controlled substance is prohibited on City and Authority premises. Subtenant agrees that any violation of this prohibition by Subtenant, its Agents or assigns shall be deemed a material breach of this Agreement.

34.12 Requiring Health Benefits for Covered Employees. Unless exempt, Subtenant agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of Chapter 12Q are incorporated herein by reference and made a part of this Agreement as though fully set forth. The text of the HCAO is available on the web at http://www.sfgov.org/olse/hcao. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12Q.

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

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

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

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

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

(f) Subtenant 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.

(g) Subtenant shall keep itself informed of the current requirements of the HCAO.

(h) Subtenant shall provide reports to the Authority in accordance with any reporting standards promulgated by the City under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

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

(j) the Authority may conduct random audits of Subtenant to ascertain its compliance with HCAO. Subtenant agrees to cooperate with the Authority when it conducts such audits.

34.13 Notification of Limitations on Contributions. Through its execution of this Agreement, Subtenant acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City or the Authority for the selling or leasing of any land or building to or from the City or the Authority whenever such transaction would require approval by a City elective officer, the board on which that City elective officer serves, or a board on which an appointee of that individual serves, from making any campaign contribution to (a) the City elective officer, (b) a candidate for the office held by such individual, or (c) a committee controlled by such individual or candidate, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Subtenant acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of $50,000 or more. Subtenant further acknowledges that the prohibition on contributions applies to each Subtenant; each member of Subtenant's board of directors, and Subtenant’s chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Subtenant; any subcontractor listed in the contract; and any committee that is sponsored or controlled by Subtenant. Additionally, Subtenant acknowledges that Subtenant must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Subtenant further agrees to provide to City the name of each person, entity or committee described above.

34.14 Preservative-Treated Wood Containing Arsenic. Subtenant may not purchase preservative-treated wood products containing arsenic in the performance of this Agreement unless an exemption from the requirements of Environment Code Chapter 13 is obtained from the Department of Environment under Section 1304 of the Environment Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniac copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Subtenant 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 Subtenant from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

34.15 Resource Efficient City Buildings and Pilot Projects. Subtenant acknowledges that the City and County of San Francisco has enacted San Francisco Environment Code Sections 700 to 707 relating to resource-efficient City buildings and resource-efficient pilot projects. Subtenant hereby agrees that it shall comply with all applicable provisions of such code sections.

34.16 Food Service Waste Reduction. Subtenant agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in the San Francisco Environment Code, Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Sublease as though fully set forth. This provision is a material term of this Sublease. By entering into this Sublease, Subtenant agrees that if it breaches this provision, Sublandlord will suffer actual damages that will be impractical or extremely difficult to determine; further, Subtenant agrees that the sum of One Hundred Dollars ($100.00) liquidated damages for the first breach, Two Hundred Dollars ($200.00) liquidated damages for the second breach in the same year, and Five Hundred Dollars ($500.00) liquidated damages for subsequent breaches in the same year is a reasonable estimate of the damage that Sublandlord will incur based on the violation, established in light of the circumstances existing at the time this Sublease was made. Such amounts shall not be considered a penalty, but rather agreed monetary damages sustained by Sublandlord because of Subtenant's failure to comply with this provision.

34.17 Estoppel Certificates. At any time and from time to time, within ten (10) days after Sublandlord's request, Subtenant will execute, acknowledge and deliver to Sublandlord a statement certifying the following matters: (a) the Commencement Date and Expiration Date of this Sublease; (b) that this Sublease is unmodified and in full force and effect (or if there have been modifications, that this Sublease is in full force and effect as modified and the date and nature of such modifications); (c) the dates to which the Rent has been paid; (d) that there are no Events of Default under this Sublease (or if there are any Events of Default, the nature of such Event of Default); and (e) any other matters reasonably requested by Sublandlord. Sublandlord and Subtenant intend that any such statement delivered pursuant to this paragraph may be relied upon by any assignee of Sublandlord's interest in the Master Lease or this Sublease, any mortgagee or any purchaser or prospective purchaser of the building or land on which the Premises are located. Subtenant irrevocably appoints Sublandlord, as Subtenant's agent, to execute and deliver in the name of Sublandlord any such instrument if Subtenant fails to do so, which failure shall also be an Event of Default under this Sublease.

[Remainder of page left intentionally blank]

Authority and Subtenant have executed this Agreement as of the date first written above.

DATED:

SUBTENANT:

THE JOHN STEWART COMPANY, a California Corporation

By: _____
Its: President

AUTHORITY:

THE TREASURE ISLAND DEVELOPMENT, a California nonprofit public benefit corporation

By _____
Its: Treasure Island Director

Approved as to Form:

DENNIS J. HERRERA, City Attorney

_____
Charles Sullivan, Deputy City Attorney

SUBLEASE AND PROPERTY MANAGEMENT AGREEMENT

EXHIBIT A

MASTER LEASE

THIRTEENTH AMENDMENT
TO LEASE AGREEMENT N6247499RP00B05
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this 7 day of May 2007, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 17 March 1999, entered into Lease Agreement N6247499RP00B05 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following paragraphs to Lease N6247499RP00B05 are hereby amended to reflect the following changes;

1. Paragraph 1 **LEASED PREMISES**, Delete the following:

   Use of the vacant lot on 13th Street bordered by Avenue E and Avenue H, as shown on Lease Exhibit A-7, attached hereto.

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA

WILLIAM R. CARSILLO
Title REAL ESTATE CONTRACTING OFFICER
DEPARTMENT OF THE NAVY

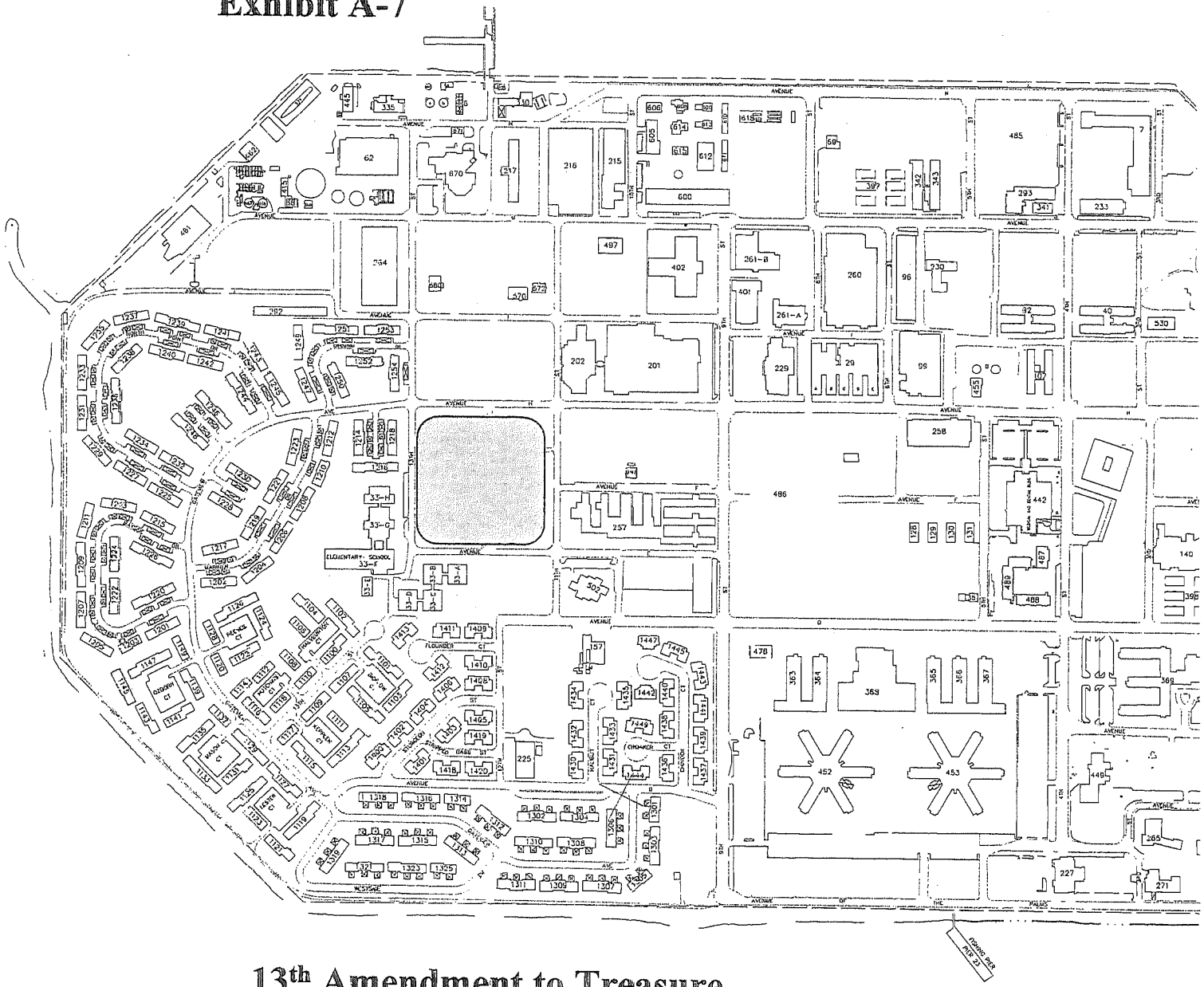
TREASURE ISLAND DEVELOPMENT AUTHORITY

Title

APPROVED AS TO FORM:

Eileen M. Malley
CITY ATTORNEY

Exhibit A-7



13th Amendment to Treasure Island Housing Master Lease (John Stewart)

TWELFTH AMENDMENT
TO LEASE AGREEMENT N6247498RP00B05
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this _____day of_____2005, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 17 March 1999, entered into Lease Agreement N6247499RP00B05 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following paragraphs to Lease N6247498RP00P99 are hereby amended to reflect the following changes;

1. Paragraph 1 **LEASED PREMISES**, Add the following:

   Use of the vacant lot on 13th Street bordered by Avenue E and Avenue H, as shown on Lease Exhibit A-7, attached hereto.

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA

_____

WILLIAM R. CARSILLO
REAL ESTATE CONTRACTING OFFICER
DEPARTMENT OF THE NAVY

Title_____

TREASURE ISLAND DEVELOPMENT AUTHORITY

Jannet Sabai

Title Deputy Executive Director, SFRA, for TIDA

APPROVED AS TO FORM:

_____

CITY ATTORNEY

LOT ADDED BY
LEASE MOD-12
Lot
Lot
PUC Storage
218
PUC Shop Area
204
TMA (JS)
Lease
TBD
Cherry Blossom Road
W Shop Ave
401
402
403
201
202
217
670
1100
1200
1202
1204
1206
1208
1210
1212
1214
1216
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7th

AMENDMENT
TO MULTIPLE LEASE AGREEMENTS
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this 1st day of May 2002, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, on respective dates, entered into Lease Agreements, as shown in Enclosure (1), under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreements.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following language shall be inserted into Paragraph (3) Consideration of all leases listed in Enclosure (1):

Paragraph 3. CONSIDERATION add the following:

3.3 Common Service Charges will not apply as of October 1, 2000.

All other terms and conditions of the Lease Agreements shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Leases as of the day and year first above written.

UNITED STATES OF AMERICA

Cindy J. Wilcman

Title Real Estate Contracting Officer

APPROVED AS TO FORM:

CITY ATTORNEY

TREASURE ISLAND DEVELOPMENT AUTHORITY

Title

Enclosure (1) To Multiple Lease Amendment For Common Service Charges

Lease Number	Description	Amendment Number
N6247499RP00B19	TIHDI	Amendment No. 5
N6247498RP00P22	FIRE FIGHTING	Amendment No. 3
N6247400RP41B03	CEL SITE	Amendment No. 2
N6247499RP00B08	POLICE ACADEMY	Amendment No. 1
N6247499RP00B28	DELANCEY STREET	Amendment No. 1
N6247498RP00Q01	MARINA	Amendment No. 3
N6247498RP00P99	SOUTH WATERFRONT	Amendment No. 7
N6247499RP42P12	LAND & STRUCTURES	Amendment No. 10
N6247498RP00Q03	EVENT VENUES	Amendment No. 7
N6247499RP00B05	JOHN STEWART	Amendment No. 11
N6247400RP00B20	QUARTERS 230	Amendment No. 1

TENTH AMENDMENT
TO LEASE AGREEMENT N6247499RP00B05
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 17 March 1999, entered into Lease Agreement N6247499RP00B05 under the terms of which the Lessee leases certain real property located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; Lease N6247499RP00B05 is hereby amended as follows;

Paragraph 1, Leased Premises:

DELETE:

Paragraph 1 in its entirety

INSERT:
Subject to the terms and conditions of this Lease, Government does hereby lease, rent, and demise to Lessee, and Lessee does hereby hire and rent from Government, 650 housing units (974,425 square feet of building space) listed below, located on Treasure Island, all comprising the approximate square footage of land and acreage as shown on Exhibit A-6, attached hereto, together with all improvements and all personal property described in Exhibit B attached hereto, and all rights of ingress and egress to such real property (together, the "Leased Premises").

HOUSING

BUILDING NO.	SQUARE FOOT	NO. OF UNITS	BUILDING NO.	SQUARE FOOT	NO. OF UNITS
Treasure Island			**Treasure Island**		
1102	10,240	8	1238	9,240	6
1106	5,160	4	1239	11,880	8
1108	5,160	4	1240	9,240	6
1109	8,070	6	1241	9,240	6
1110	4,992	4	1242	9,240	6
1111	5,160	4	1243	8,704	6
1112	4,992	4	1245	9,240	6
1113	11,020	8	1247	9,240	6

BUILDING NO.	SQUARE FOOT	NO. OF UNITS	BUILDING NO.	SQUARE FOOT	NO. OF UNITS
Treasure Island			Treasure Island		
1114	5,160	4	1249	9,240	6
1115	10,240	8	1250	9,240	6
1116	7,680	6	1253	9,240	6
1118	5,160	4	1301	6,936	4
1120	5,160	4	1302	10,404	6
1122	7,680	6	1303	10,404	6
1124	7,680	6	1304	10,404	6
1126	11,020	8	1305	6,936	4
1128	4,992	4	1306	10,404	6
1129	10,630	8	1307	10,404	6
1131	7,680	6	1308	10,404	6
1133	11,020	8	1309	10,404	6
1135	10,240	8	1310	10,404	6
1137	4,992	4	1311	10,404	6
1141	7,680	6	1312	10,404	6
1143	7,680	6	1313	10,404	6
1145	8,460	6	1314	6,936	4
1147	11,020	8	1315	10,404	6
1149	4,992	4	1316	10,404	6
1201	9,240	6	1318	10,404	6
1202	9,240	6	1325	6,936	4
1203	5,220	4	1400	9,390	6
1204	9,240	6	1402	9,390	6
1205	8,704	6	1404	9,390	6
1208	9,240	6	1418	9,390	6
1210	6,720	4	1420	9,390	6
1211	9,240	6	1430	9,390	6
1212	9,240	6	1431	9,390	6
1213	9,240	6	1436	9,390	6
1214	9,240	6	1437	9,390	6
1215	9,240	6	1438	9,390	6
1216	11,880	8	1439	9,390	6
1217	9,240	6	1444	9,390	6
1218	9,240	6	1449	9,390	6
1219	9,240	6	113	2,244	2
1221	9,240	6	115	2,244	2
1223	9,240	6	300	11,392	8
1224	9,240	6	301	11,392	8
1225	9,240	6	302	11,904	8
1226	11,880	8	303	5,952	4
1227	9,240	6	304	5,952	4
1228	9,240	6	324	6,388	4
1230	9,240	6	325	6,696	4
1232	9,240	6	326	3,348	2

BUILDING NO.	SQUARE FOOT	NO. OF UNITS	BUILDING NO.	SQUARE FOOT	NO. OF UNITS
Treasure Island			**YBI**		
1233	9,240	6	327	3,194	2
1234	9,240	6	328	6,696	4
1235	8,704	6	329	3,194	2
1237	9,240	6	331	3,194	2
			TOTAL	**974,425**	**650**
YBI					
60	2,416	2			
66	9,344	8			
105	2,783	2			
106	2,523	2			
109	2,523	2			
111	2,244	2			

Paragraph 34, Special Provisions:

34.6 Lessee acknowledges presence of a 5000-gallon underground fuel storage tank cleaned and closed in place on the Southside of Building 66. Lessee acknowledges some petroleum containing soil may remain in the subsurface. Lessee is permitted to install and maintain a groundcover of vegetation or hard surface such as rock or concrete on hillside and common areas adjacent to Building 66.

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA

WILLIAM R. CARSILLO
REAL ESTATE CONTRACTING OFFICER
DEPARTMENT OF THE NAVY

Title Real Estate Contracting Officer

Date 2/27/02

TREASURE ISLAND DEVELOPMENT AUTHORITY

Title

Date

APPROVED AS TO FORM:

CITY ATTORNEY

ANNEMARIE CONR
Executive Direct
Treasure Island Deve
Authority Proj

NINTH AMENDMENT
TO LEASE AGREEMENT N6247499RP00B05
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 17 March 1999, entered into Lease Agreement N6247499RP00B05 under the terms of which the Lessee leases certain real property located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; Lease N6247499RP00B05 is hereby amended as follows;

Paragraph 34, Special Provisions:

INSERT:

34.6. Lessee shall not enter, permit entry to or sublease Buildings 1102, 1106 or 1233 without the prior written approval of the Government.

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth below duly executed this amendment to the Lease.

UNITED STATES OF AMERICA

WILLIAM R. CARSILLO
REAL ESTATE CONTRACTING OFFICER
Title DEPARTMENT OF THE NAVY

Date 2/26/02

TREASURE ISLAND DEVELOPMENT AUTHORITY

Title

Date 2-4-02

APPROVED AS TO FORM:

ANNEMARIE CONROY
Executive Director
Treasure Island Development
Authority Project

CITY ATTORNEY

EIGHTH AMENDMENT
TO LEASE AGREEMENT N6247499RP00B05
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this 1st day of August 2001, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 17 March 1999, entered into Lease Agreement N6247499RP00B05 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; Lease N6247499RP00B05 is hereby amended to reflect the following corrections;

Paragraph 1 Leased Premises:

DELETE:

Paragraph 1in its entirety.

INSERT:

1. **<u>LEASED PREMISES:</u>**

Subject to the terms and conditions of this Lease, Government does hereby lease, rent, and demise to Lessee, and Lessee does hereby hire and rent from Government, 642 housing units (965,081 square feet of building space) listed below, located on Treasure Island, all comprising the approximate square footage of land and acreage as shown on Exhibit A-5, attached hereto, together with all improvements and all personal property described in Exhibit B attached hereto, and all rights of ingress and egress to such real property (together, the "Leased Premises").

HOUSING

BUILDING NO.	SQUARE FOOT	NO. OF UNITS	BUILDING NO.	SQUARE FOOT	NO. OF UNITS
Treasure Island			**Treasure Island**		
1102	10,240	8	1238	9,240	6
1106	5,160	4	1239	11,880	8
1108	5,160	4	1240	9,240	6
1109	8,070	6	1241	9,240	6
1110	4,992	4	1242	9,240	6
1111	5,160	4	1243	8,704	6
1112	4,992	4	1245	9,240	6
1113	11,020	8	1247	9,240	6
1114	5,160	4	1249	9,240	6
1115	10,240	8	1250	9,240	6
1116	7,680	6	1253	9,240	6
1118	5,160	4	1301	6,936	4
1120	5,160	4	1302	10,404	6
1122	7,680	6	1303	10,404	6
1124	7,680	6	1304	10,404	6
1126	11,020	8	1305	6,936	4
1128	4,992	4	1306	10,404	6
1129	10,630	8	1307	10,404	6
1131	7,680	6	1308	10,404	6
1133	11,020	8	1309	10,404	6
1135	10,240	8	1310	10,404	6
1137	4,992	4	1311	10,404	6
1141	7,680	6	1312	10,404	6
1143	7,680	6	1313	10,404	6
1145	8,460	6	1314	6,936	4
1147	11,020	8	1315	10,404	6
1149	4,992	4	1316	10,404	6
1201	9,240	6	1318	10,404	6
1202	9,240	6	1325	6,936	4
1203	5,220	4	1400	9,390	6
1204	9,240	6	1402	9,390	6
1205	8,704	6	1404	9,390	6
1208	9,240	6	1418	9,390	6
1210	6,720	4	1420	9,390	6
1211	9,240	6	1430	9,390	6
1212	9,240	6	1431	9,390	6
1213	9,240	6	1436	9,390	6
1214	9,240	6	1437	9,390	6
1215	9,240	6	1438	9,390	6
1216	11,880	8	1439	9,390	6
1217	9,240	6	1444	9,390	6
1218	9,240	6	1449	9,390	6

HOUSING (continued)

BUILDING NO.	SQUARE FOOT	NO. OF UNITS	BUILDING NO.	SQUARE FOOT	NO. OF UNITS
Treasure Island			**YBI**		
1219	9,240	6	113	2,244	2
1221	9,240	6	115	2,244	2
1223	9,240	6	300	11,392	8
1224	9,240	6	301	11,392	8
1225	9,240	6	302	11,904	8
1226	11,880	8	303	5,952	4
1227	9,240	6	304	5,952	4
1228	9,240	6	324	6,388	4
1230	9,240	6	325	6,696	4
1232	9,240	6	326	3,348	2
1233	9,240	6	327	3,194	2
1234	9,240	6	328	6,696	4
1235	8,704	6	329	3,194	2
1237	9,240	6	331	3,194	2
YBI					
60	2,416	2	**TOTAL**	**965,081**	**642**
105	2,783	2			
106	2,523	2			
109	2,523	2			
111	2,244	2			

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA

Title Real Estate Contracting Officer

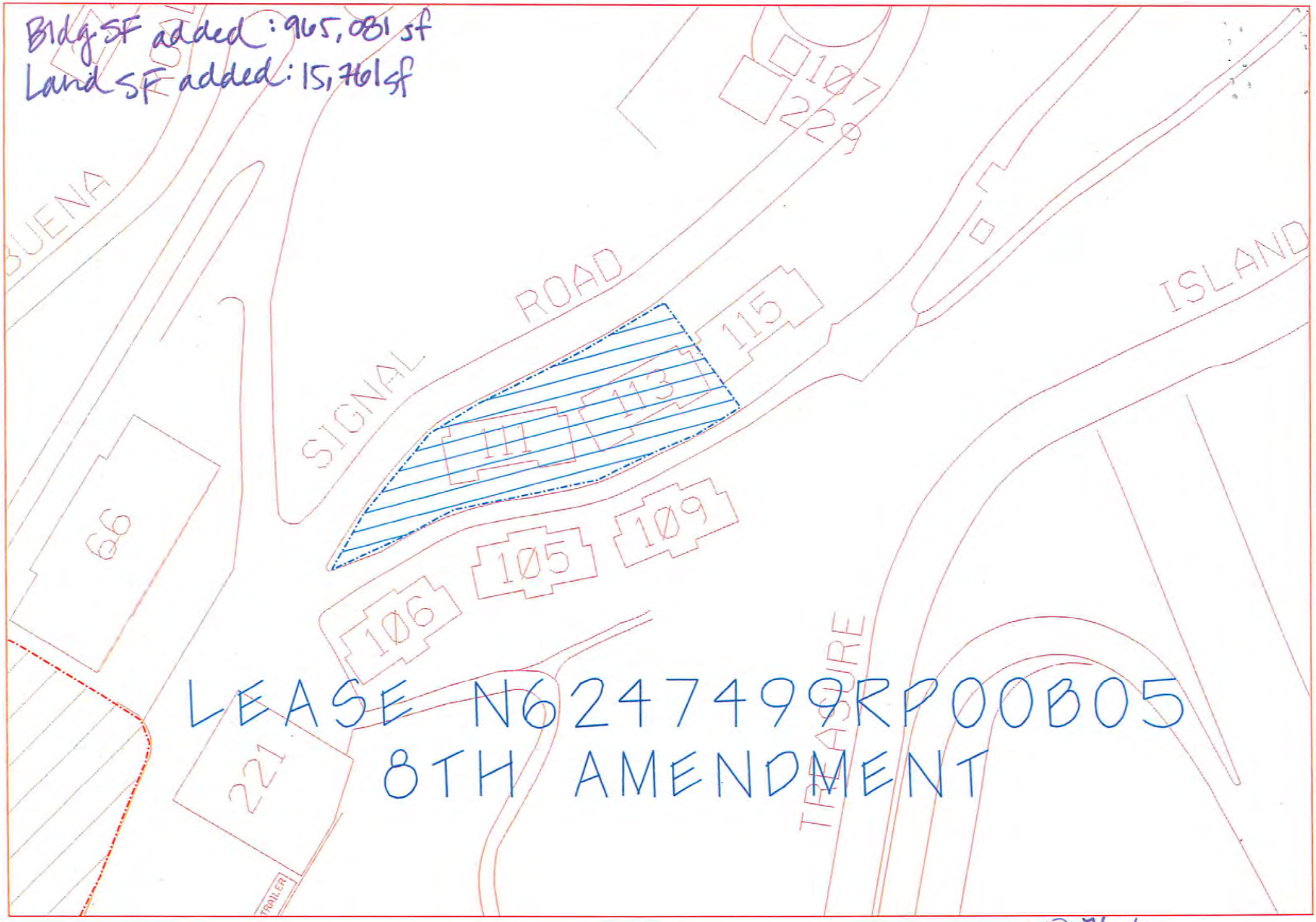
TREASURE ISLAND DEVELOPMENT AUTHORITY

Title ANNEMARIE CONROY Executive Director Treasure Island Development Authority Project

APPROVED AS TO FORM:

CITY ATTORNEY

Bldg SF added: 965,081 sf
Land SF added: 15,761 sf



LEASE N62474 99RP00B05
8TH AMENDMENT

ajw 7/30/01

SEVENTH AMENDMENT
TO LEASE AGREEMENT N6247499RP00B05
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this 16th day of August 2000, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 17 March 1999, entered into Lease Agreement N6247499RP00B05 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; Lease N6247499RP00B05 is hereby amended to reflect the following corrections;

Paragraph 1 Leased Premises:

DELETE:

Paragraph 1in its entirety.

INSERT:

1. **LEASED PREMISES:**

Subject to the terms and conditions of this Lease, Government does hereby lease, rent, and demise to Lessee, and Lessee does hereby hire and rent from Government, 638 housing units (960,593 square feet of building space) listed below, located on Treasure Island, all comprising the approximate square footage of land and approximate acreage as shown on Exhibit A-2, attached hereto, together with all improvements and all personal property described in Exhibit B attached hereto, and all rights of ingress and egress to such real property (together, the "Leased Premises").

HOUSING

BUILDING NO.	SQUARE FOOT	NO. OF UNITS	BUILDING NO.	SQUARE FOOT	NO. OF UNITS
Treasure Island			Treasure Island		
1102	10,240	8	1238	9,240	6
1106	5,160	4	1239	11,880	8
1108	5,160	4	1240	9,240	6
1109	8,070	6	1241	9,240	6
1110	4,992	4	1242	9,240	6
1111	5,160	4	1243	8,704	6
1112	4,992	4	1245	9,240	6
1113	11,020	8	1247	9,240	6
1114	5,160	4	1249	9,240	6
1115	10,240	8	1250	9,240	6
1116	7,680	6	1253	9,240	6
1118	5,160	4	1301	6,936	4
1120	5,160	4	1302	10,404	6
1122	7,680	6	1303	10,404	6
1124	7,680	6	1304	10,404	6
1126	11,020	8	1305	6,936	4
1128	4,992	4	1306	10,404	6
1129	10,630	8	1307	10,404	6
1131	7,680	6	1308	10,404	6
1133	11,020	8	1309	10,404	6
1135	10,240	8	1310	10,404	6
1137	4,992	4	1311	10,404	6
1141	7,680	6	1312	10,404	6
1143	7,680	6	1313	10,404	6
1145	8,460	6	1314	6,936	4
1147	11,020	8	1315	10,404	6
1149	4,992	4	1316	10,404	6
1201	9,240	6	1318	10,404	6
1202	9,240	6	1325	6,936	4
1203	5,220	4	1400	9,390	6
1204	9,240	6	1402	9,390	6
1205	8,704	6	1404	9,390	6
1208	9,240	6	1418	9,390	6
1210	6,720	4	1420	9,390	6
1211	9,240	6	1430	9,390	6
1212	9,240	6	1431	9,390	6
1213	9,240	6	1436	9,390	6
1214	9,240	6	1437	9,390	6
1215	9,240	6	1438	9,390	6
1216	11,880	8	1439	9,390	6
1217	9,240	6	1444	9,390	6
1218	9,240	6	1449	9,390	6

HOUSING (continued)

BUILDING NO.	SQUARE FOOT	NO. OF UNITS	BUILDING NO.	SQUARE FOOT	NO. OF UNITS
Treasure Island			**YBI**		
1219	9,240	6	300	11,392	8
1221	9,240	6	301	11,392	8
1223	9,240	6	302	11,904	8
1224	9,240	6	303	5,952	4
1225	9,240	6	304	5,952	4
1226	11,880	8	324	6,388	4
1227	9,240	6	325	6,696	4
1228	9,240	6	326	3,348	2
1230	9,240	6	327	3,194	2
1232	9,240	6	328	6,696	4
1233	9,240	6	329	3,194	2
1234	9,240	6	331	3,194	2
1235	8,704	6			
1237	9,240	6			
			TOTAL	**960,593**	**638**
YBI					
60	2,416	2			
105	2,783	2			
106	2,523	2			
109	2,523	2			
115	2,244	2			

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA

Title WILLIAM R. CARSILLO
REAL ESTATE CONTRACTING OFFICER
DEPARTMENT OF THE NAVY

TREASURE ISLAND DEVELOPMENT AUTHORITY

Title ANNEMARIE CONROY
Executive Director
Treasure Island Development
Authority Project

APPROVED AS TO FORM:

CITY ATTORNEY

SIXTH AMENDMENT
TO LEASE AGREEMENT N6247499RP00B05
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this 1st day of August 2000, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 17 March 1999, entered into Lease Agreement N6247499RP00B05 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; Lease N6247499RP00B05 is hereby amended to reflect the following corrections;

Paragraph 1 Leased Premises:

DELETE:

Paragraph 1in its entirety.

INSERT:

1. **LEASED PREMISES:**

Subject to the terms and conditions of this Lease, Government does hereby lease, rent, and demise to Lessee, and Lessee does hereby hire and rent from Government, 668 housing units (988,906 square feet of building space) listed below, located on Treasure Island, all comprising approximately 2,727,992 square feet of land (62.63 acres), areas as shown on Exhibit A and Exhibit A-3, attached hereto, together with all improvements and all personal property described in Exhibit B attached hereto, and all rights of ingress and egress to such real property (together, the "Leased Premises").

HOUSING

BUILDING NO.	SQUARE FOOT	NO. OF UNITS	BUILDING NO.	SQUARE FOOT	NO. OF UNITS
1101	10,240	8	1233	9,240	6
1102	10,240	8	1234	9,240	6
1103	8,460	6	1235	8,704	6
1104	8,460	6	1237	9,240	6
1105	10,112	8	1238	9,240	6
1106	5,160	4	1239	11,880	8
1107	8,070	6	1240	9,240	6
1108	5,160	4	1241	9,240	6
1109	8,070	6	1242	9,240	6
1110	4,992	4	1243	8,704	6
1111	5,160	4	1245	9,240	6
1112	4,992	4	1247	9,240	6
1113	11,020	8	1249	9,240	6
1114	5,160	4	1250	9,240	6
1115	10,240	8	1253	9,240	6
1116	7,680	6	1301	6,936	4
1118	5,160	4	1302	10,404	6
1120	5,160	4	1303	10,404	6
1122	7,680	6	1304	10,404	6
1124	7,680	6	1305	6,936	4
1126	11,020	8	1306	10,404	6
1128	4,992	4	1307	10,404	6
1129	10,630	8	1308	10,404	6
1131	7,680	6	1309	10,404	6
1133	11,020	8	1310	10,404	6
1135	10,240	8	1311	10,404	6
1137	4,992	4	1312	10,404	6
1141	7,680	6	1313	10,404	6
1143	7,680	6	1314	6,936	4
1145	8,460	6	1315	10,404	6
1147	11,020	8	1316	10,404	6
1149	4,992	4	1318	10,404	6
1201	9,240	6	1325	6,936	4
1202	9,240	6	1400	9,390	6
1203	5,220	4	1401	9,390	6
1204	9,240	6	1402	9,390	6
1205	8,704	6	1404	9,390	6
1208	9,240	6	1411	9,390	6
1210	6,720	4	1413	9,390	6
			1418	9,390	6

HOUSING (continued)

BUILDING NO.	SQUARE FOOT	NO. OF UNITS	BUILDING NO.	SQUARE FOOT	NO. OF UNITS
1211	9,240	6	1420	9,390	6
1212	9,240	6	1430	9,390	6
1213	9,240	6	1431	9,390	6
1214	9,240	6	1436	9,390	6
1215	9,240	6	1437	9,390	6
1216	11,880	8	1438	9,390	6
1217	9,240	6	1439	9,390	6
1218	9,240	6	1444	9,390	6
1219	9,240	6	1449	9,390	6
1221	9,240	6	300	11,392	8
1223	9,240	6	301	11,392	8
1224	9,240	6	302	11,904	8
1225	9,240	6	303	5,952	4
1226	11,880	8	304	5,952	4
1227	9,240	6			
1228	9,240	6			
1230	9,240	6	**TOTAL**	**988,906**	**660**
1232	9,240	6			

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA

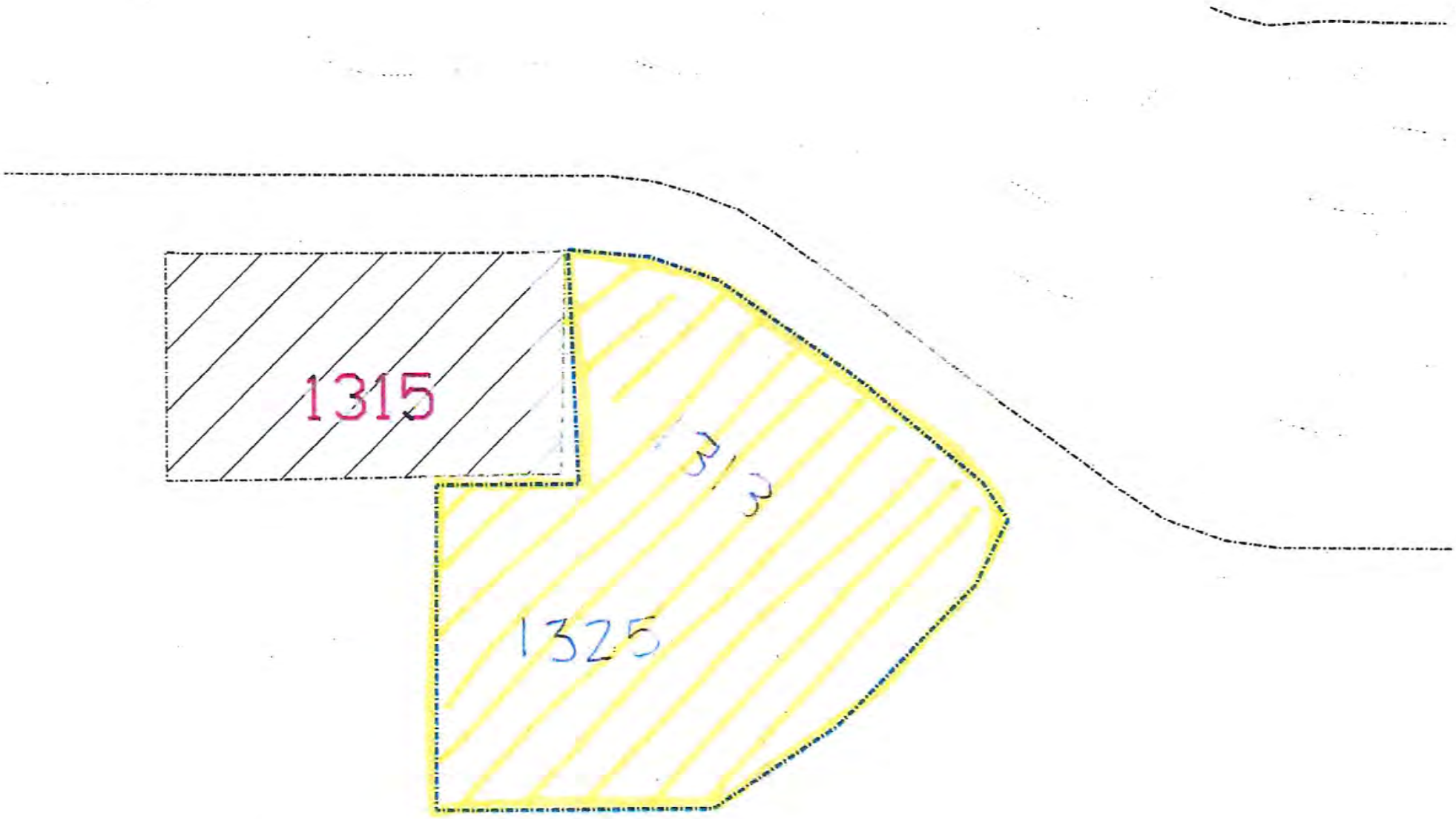
Title WILLIAM R. CARSILLO
REAL ESTATE CONTRACTING OFFICER
DEPARTMENT OF THE NAVY

TREASURE ISLAND DEVELOPMENT AUTHORITY

Title ANNEMARIE CONROY
Executive Director
Treasure Island Development Authority Project

APPROVED AS TO FORM:

CITY ATTORNEY



Amendment No. 6
John Stewart/TIDA Lease
N62474 99RP00B05

57,866 sf land

FIFTH AMENDMENT
TO LEASE AGREEMENT N6247499RP00B05
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this _____day of_____2000, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 17 March 1999, entered into Lease Agreement N6247499RP00B05 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; Lease N6247499RP00B05 is hereby amended to reflect the following corrections;

Paragraph 1 Leased Premises:

DELETE:

Paragraph 1in its entirety.

INSERT:

1. **LEASED PREMISES:**

Subject to the terms and conditions of this Lease, Government does hereby lease, rent, and demise to Lessee, and Lessee does hereby hire and rent from Government, 652 housing units (983,470 square feet of building space) listed below, located on Treasure Island, all comprising approximately 2,677,126 square feet of land (61.47 acres), areas as shown on Exhibit A and Exhibit A-2, attached hereto, together with all improvements and all personal property described in Exhibit B attached hereto, and all rights of ingress and egress to such real property (together, the "Leased Premises").

HOUSING

BUILDING NO.	SQUARE FOOT	NO. OF UNITS	BUILDING NO.	SQUARE FOOT	NO. OF UNITS
1101	10,240	8	1233	9,240	6
1102	10,240	8	1234	9,240	6
1103	8,460	6	1235	8,704	6
1104	8,460	6	1237	9,240	6
1105	10,112	8	1238	9,240	6
1106	5,160	4	1239	11,880	8
1107	8,070	6	1240	9,240	6
1108	5,160	4	1241	9,240	6
1109	8,070	6	1242	9,240	6
1110	4,992	4	1243	8,704	6
1111	5,160	4	1245	9,240	6
1112	4,992	4	1247	9,240	6
1113	11,020	8	1249	9,240	6
1114	5,160	4	1250	9,240	6
1115	10,240	8	1253	9,240	6
1116	7,680	6	1301	6,936	4
1118	5,160	4	1302	10,404	6
1120	5,160	4	1303	10,404	6
1122	7,680	6	1304	10,404	6
1124	7,680	6	1305	6,936	4
1126	11,020	8	1306	10,404	6
1128	4,992	4	1307	10,404	6
1129	10,630	8	1308	10,404	6
1131	7,680	6	1309	10,404	6
1133	11,020	8	1310	10,404	6
1135	10,240	8	1311	10,404	6
1137	4,992	4	1312	10,404	6
1141	7,680	6	1314	6,936	4
1143	7,680	6	1315	10,404	6
1145	8,460	6	1316	10,404	6
1147	11,020	8	1318	10,404	6
1149	4,992	4	1400	9,390	6
1201	9,240	6	1401	9,390	6
1202	9,240	6	1402	9,390	6
1203	5,220	4	1404	9,390	6
1204	9,240	6	1411	9,390	6
1205	8,704	6	1413	9,390	6
1208	9,240	6	1418	9,390	6
1210	6,720	4			

HOUSING (continued)

BUILDING NO.	SQUARE FOOT	NO. OF UNITS	BUILDING NO.	SQUARE FOOT	NO. OF UNITS
1211	9,240	6	1420	9,390	6
1212	9,240	6	1430	9,390	6
1213	9,240	6	1431	9,390	6
1214	9,240	6	1436	9,390	6
1215	9,240	6	1437	9,390	6
1216	11,880	8	1438	9,390	6
1217	9,240	6	1439	9,390	6
1218	9,240	6	1444	9,390	6
1219	9,240	6	1449	9,390	6
1221	9,240	6	300	11,392	8
1223	9,240	6	301	11,392	8
1224	9,240	6	302	11,904	8
1225	9,240	6	303	5,952	4
1226	11,880	8	304	5,952	4
1227	9,240	6	305	11,904	8
1228	9,240	6			
1230	9,240	6	**TOTAL**	**983,470**	**658**
1232	9,240	6			

EXHIBIT D

INSERT:

Finding of Suitability to Lease Revision 2 of Reuse Zone 4, February 29, 2000

Categorical Exclusion, Lease For City of San Francisco To Use The Former Treasure Island Family Housing Area For Interim Housing At The Naval Station Treasure Island, San Francisco, California February 24, 2000

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA
AUTHORITY

_____

Title WILLIAM R. CARSILLO
REAL ESTATE CONTRACTING OFFICER
DEPARTMENT OF THE NAVY

APPROVED AS TO FORM:

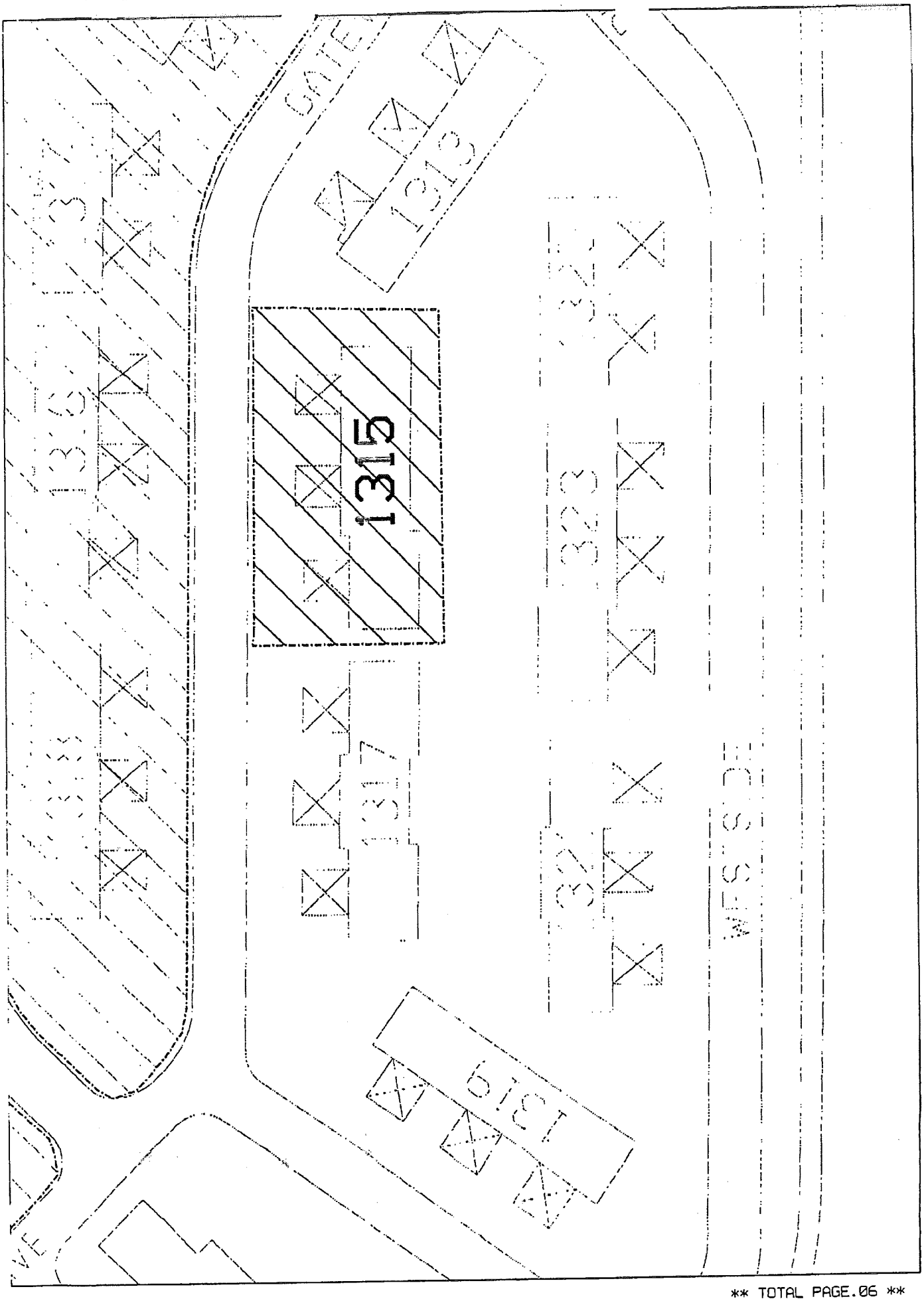
_____

CITY ATTORNEY

TREASURE ISLAND DEVELOPMENT

_____

Title_____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WESTSIDE

FOURTH AMENDMENT
TO LEASE AGREEMENT N6247499RP00B05
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this 1st day of May 2000, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 17 March 1999, entered into Lease Agreement N6247499RP00B05 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; Lease N6247499RP00B05 is hereby amended to reflect the following corrections;

Paragraph 1 Leased Premises:

DELETE:

Paragraph 1in its entirety.

INSERT:

1. **LEASED PREMISES:**

Subject to the terms and conditions of this Lease, Government does hereby lease, rent, and demise to Lessee, and Lessee does hereby hire and rent from Government, 652 housing units (973,066 square feet of building space) listed below, located on Treasure Island, all comprising approximately 2,655,846 square feet of land (60.97 acres), areas as shown on Exhibit A and Exhibit A-2, attached hereto, together with all improvements and all personal property described in Exhibit B attached hereto, and all rights of ingress and egress to such real property (together, the "Leased Premises").

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA
AUTHORITY

WILLIAM R. CARSILLO
Title REAL ESTATE CONTRACTING OFFICER
DEPARTMENT OF THE NAVY

TREASURE ISLAND DEVELOPMENT

Title Deputy Director

APPROVED AS TO FORM:

CITY ATTORNEY

HOUSING

BUILDING NO.	SQUARE FOOT	NO. OF UNITS	BUILDING NO.	SQUARE FOOT	NO. OF UNITS
1101	10,240	8	1233	9,240	6
1102	10,240	8	1234	9,240	6
1103	8,460	6	1235	8,704	6
1104	8,460	6	1237	9,240	6
1105	10,112	8	1238	9,240	6
1106	5,160	4	1239	11,880	8
1107	8,070	6	1240	9,240	6
1108	5,160	4	1241	9,240	6
1109	8,070	6	1242	9,240	6
1110	4,992	4	1243	8,704	6
1111	5,160	4	1245	9,240	6
1112	4,992	4	1247	9,240	6
1113	11,020	8	1249	9,240	6
1114	5,160	4	1250	9,240	6
1115	10,240	8	1253	9,240	6
1116	7,680	6	1301	6,936	4
1118	5,160	4	1302	10,404	6
1120	5,160	4	1303	10,404	6
1122	7,680	6	1304	10,404	6
1124	7,680	6	1305	6,936	4
1126	11,020	8	1306	10,404	6
1128	4,992	4	1307	10,404	6
1129	10,630	8	1308	10,404	6
1131	7,680	6	1309	10,404	6
1133	11,020	8	1310	10,404	6
1135	10,240	8	1311	10,404	6
1137	4,992	4	1312	10,404	6
1141	7,680	6	1314	6,936	4
1143	7,680	6	1316	10,404	6
1145	8,460	6	1318	10,404	6
1147	11,020	8	1400	9,390	6
1149	4,992	4	1401	9,390	6
1201	9,240	6	1402	9,390	6
1202	9,240	6	1404	9,390	6
1203	5,220	4	1411	9,390	6
1204	9,240	6	1413	9,390	6
1205	8,704	6	1418	9,390	6
1208	9,240	6			
1210	6,720	4			

HOUSING (continued)

BUILDING NO.	SQUARE FOOT	NO. OF UNITS	BUILDING NO.	SQUARE FOOT	NO. OF UNITS
1211	9,240	6	1420	9,390	6
1212	9,240	6	1430	9,390	6
1213	9,240	6	1431	9,390	6
1214	9,240	6	1436	9,390	6
1215	9,240	6	1437	9,390	6
1216	11,880	8	1438	9,390	6
1217	9,240	6	1439	9,390	6
1218	9,240	6	1444	9,390	6
1219	9,240	6	1449	9,390	6
1221	9,240	6	300	11,392	8
1223	9,240	6	301	11,392	8
1224	9,240	6	302	11,904	8
1225	9,240	6	303	5,952	4
1226	11,880	8	304	5,952	4
1227	9,240	6	305	11,904	8
1228	9,240	6			
1230	9,240	6	**TOTAL**	**973,066**	**652**
1232	9,240	6		- 11904	8
					644

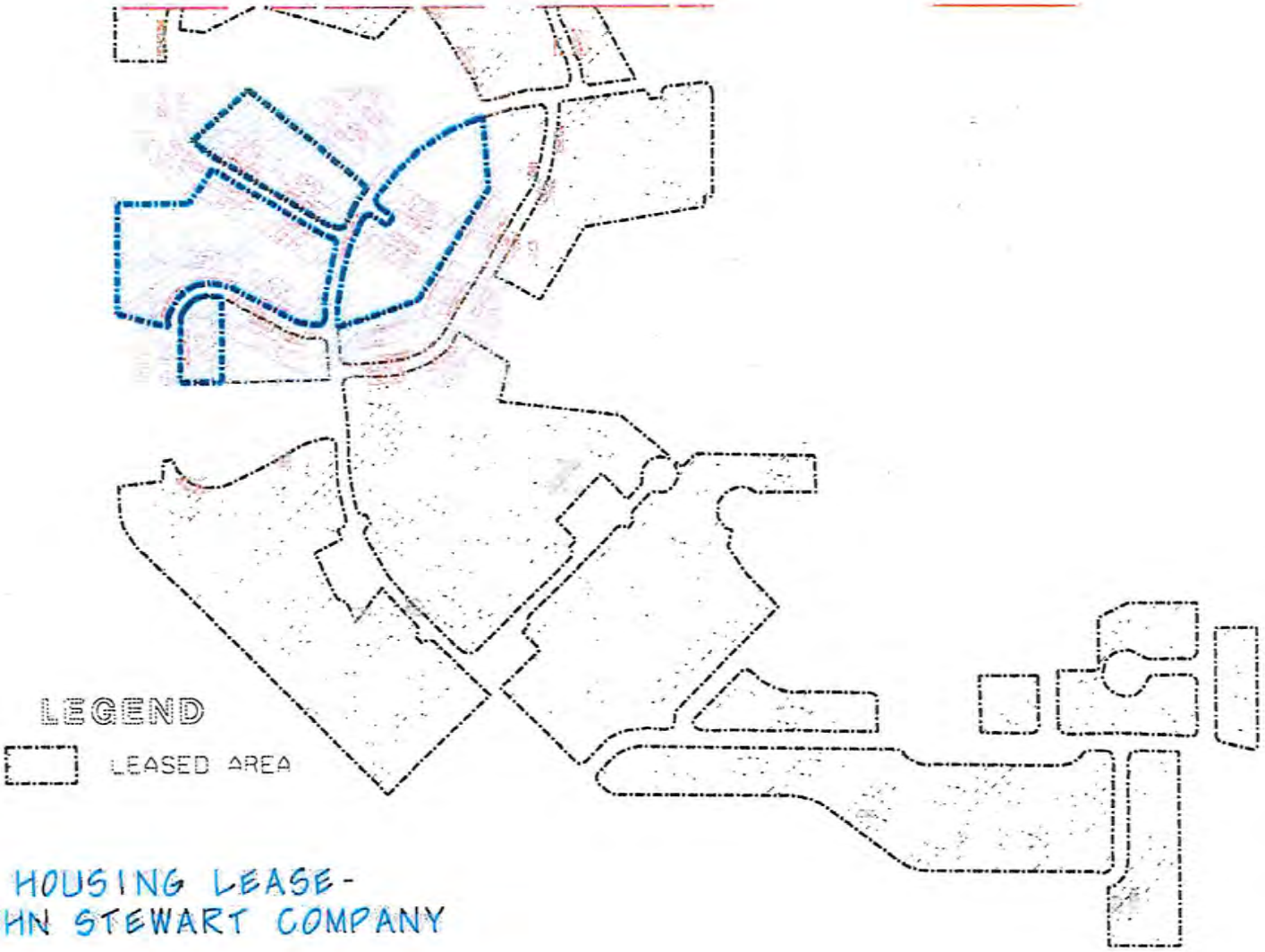
EXHIBIT D

INSERT:

Finding of Suitability to Lease Revision 2 of Reuse Zone 4, February 29, 2000

Categorical Exclusion, Lease For City of San Francisco To Use The Former Treasure Island Family Housing Area For Interim Housing At The Naval Station Treasure Island, San Francisco, California February 24, 2000

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

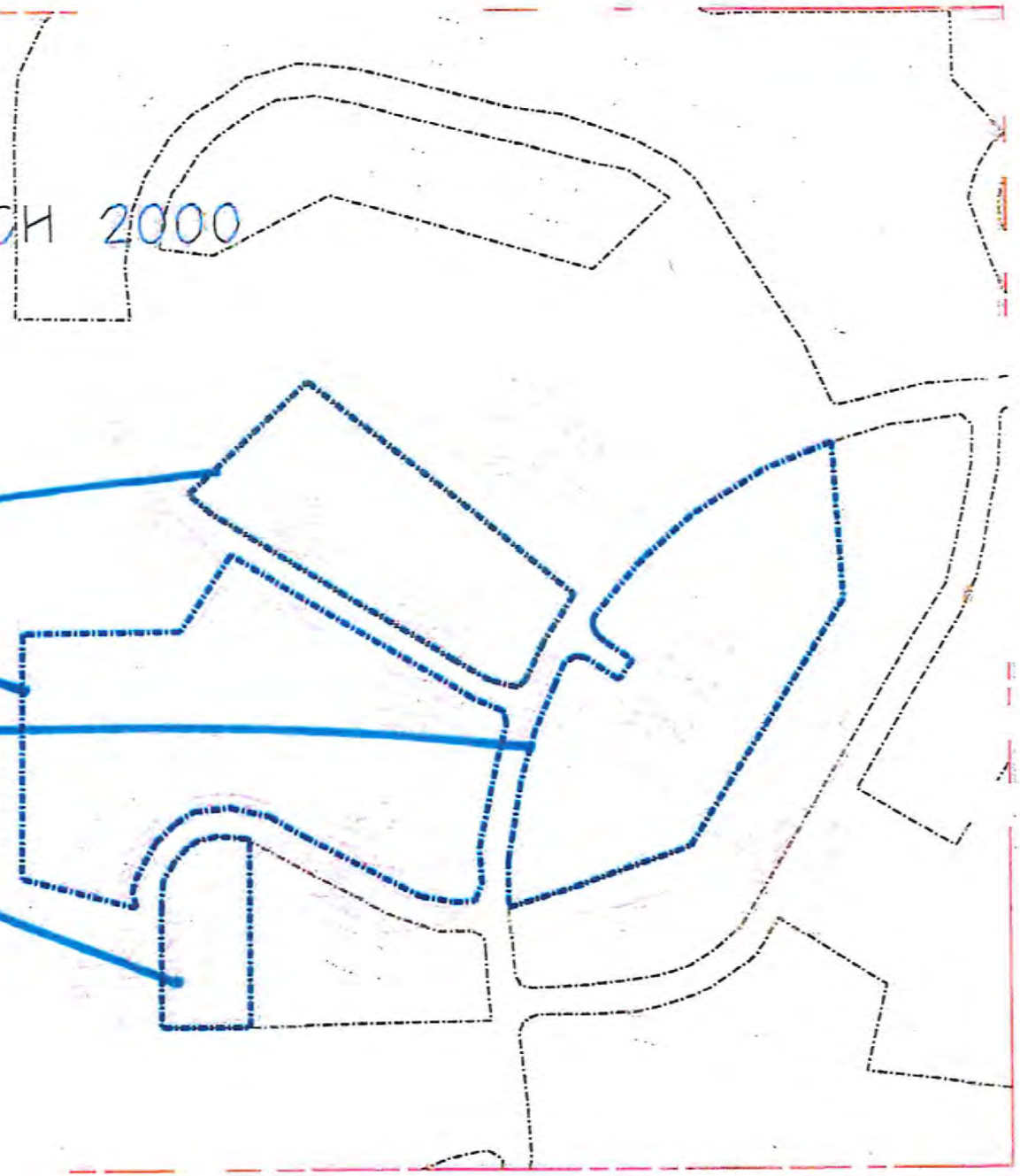


HOUSING LEASE-
JOHN STEWART COMPANY

EXHIBIT A-2 15 MARCH 2000
SHEET 1 OF 2

EXHIBIT A-2 15 MARCH 2000

SHEET 2 OF 2



62,004.81 sf
129,954.31 sf
96,740.46 sf
19,442.19 sf

308,141.77 sf

(7.07 acres)

THIRD AMENDMENT
TO LEASE AGREEMENT N6247499RP00B05
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this 28th day of February 2000, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 1 September 1999, entered into Lease Agreement N6247499RP00B05 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; Lease N6247499RP00B19 is hereby amended to reflect the following:

1. EXHIBIT D

INSERT:

Finding of Suitability to Lease Revision 3 of Reuse Zone 4, February 2000

Record of Categorical Exclusion for the Lease of Family Housing on Treasure Island, Buildings 1307, 1309 and 1311, 3 Feb 2000

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA

Title WILLIAM R. CARSILLO
REAL ESTATE CONTRACTING OFFICER
ENGINEERING FIELD ACTIVITY, WEST

TREASURE ISLAND DEVELOPMENT AUTHORITY

Title Deputy Director

APPROVED AS TO FORM:

CITY ATTORNEY

SECOND AMENDMENT
TO LEASE AGREEMENT N6247499RP00B05
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this 24th day of February 2000, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 17 March 1999, entered into Lease Agreement N6247499RP00B05 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; Lease N6247499RP00B05 is hereby amended to reflect the following corrections;

Paragraph 1 Leased Premises:

DELETE:

Paragraph 1in its entirety.

INSERT:

1. **LEASED PREMISES:**

Subject to the terms and conditions of this Lease, Government does hereby lease, rent, and demise to Lessee, and Lessee does hereby hire and rent from Government, 592 housing units (880,666 square feet of building space) listed below, located on Treasure Island, all comprising approximately 2,347,704 square feet of land (53.90 acres), areas as shown on Exhibit A and Exhibit A-1, attached hereto, together with all improvements and all personal property described in Exhibit B attached hereto, and all rights of ingress and egress to such real property (together, the "Leased Premises").

HOUSING

BUILDING NO.	SQUARE FOOT	NO. OF UNITS	BUILDING NO.	SQUARE FOOT	NO. OF UNITS
1101	10,240	8	1237	9,240	6
1102	10,240	8	1238	9,240	6
1103	8,460	6	1239	11,880	8
1104	8,460	6	1240	9,240	6
1105	10,112	8	1241	9,240	6
1106	5,160	4	1242	9,240	6
1107	8,070	6	1243	8,704	6
1108	5,160	4	1245	9,240	6
1109	8,070	6	1247	9,240	6
1110	4,992	4	1249	9,240	6
1111	5,160	4	1250	9,240	6
1112	4,992	4	1253	9,240	6
1113	11,020	8	1301	6,936	4
1114	5,160	4	1302	10,404	6
1115	10,240	8	1303	10,404	6
1116	7,680	6	1304	10,404	6
1118	5,160	4	1305	6,936	4
1120	5,160	4	1306	10,404	6
1122	7,680	6	1307	10,404	6
1124	7,680	6	1308	10,404	6
1126	11,020	8	1309	10,404	6
1128	4,992	4	1310	10,404	6
1129	10,630	8	1311	10,404	6
1131	7,680	6	1312	10,404	6
1133	11,020	8	1314	6,936	4
1135	10,240	8	1316	10,404	6
1137	4,992	4	1318	10,404	6
1141	7,680	6	1400	9,390	6
1143	7,680	6	1401	9,390	6
1145	8,460	6	1402	9,390	6
1147	11,020	8	1404	9,390	6
1149	4,992	4	1411	9,390	6
1201	9,240	6	1413	9,390	6
1202	9,240	6	1418	9,390	6

HOUSING (continued)

BUILDING NO.	SQUARE FOOT	NO. OF UNITS	BUILDING NO.	SQUARE FOOT	NO. OF UNITS
1203	5,220	4	1420	9,390	6
1204	9,240	6	1430	9,390	6
1205	8,704	6	1431	9,390	6
1208	9,240	6	1436	9,390	6
1210	6,720	4	1437	9,390	6
1212	9,240	6	1438	9,390	6
1214	9,240	6	1439	9,390	6
1216	11,880	8	1444	9,390	6
1217	9,240	6	1449	9,390	6
1218	9,240	6	300	11,392	8
1219	9,240	6	301	11,392	8
1221	9,240	6	302	11,904	8
1223	9,240	6	303	5,952	4
1226	11,880	8	304	5,952	4
1233	9,240	6	305	11,904	8
1235	8,704	6			
			TOTAL	880,666	592

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA
AUTHORITY

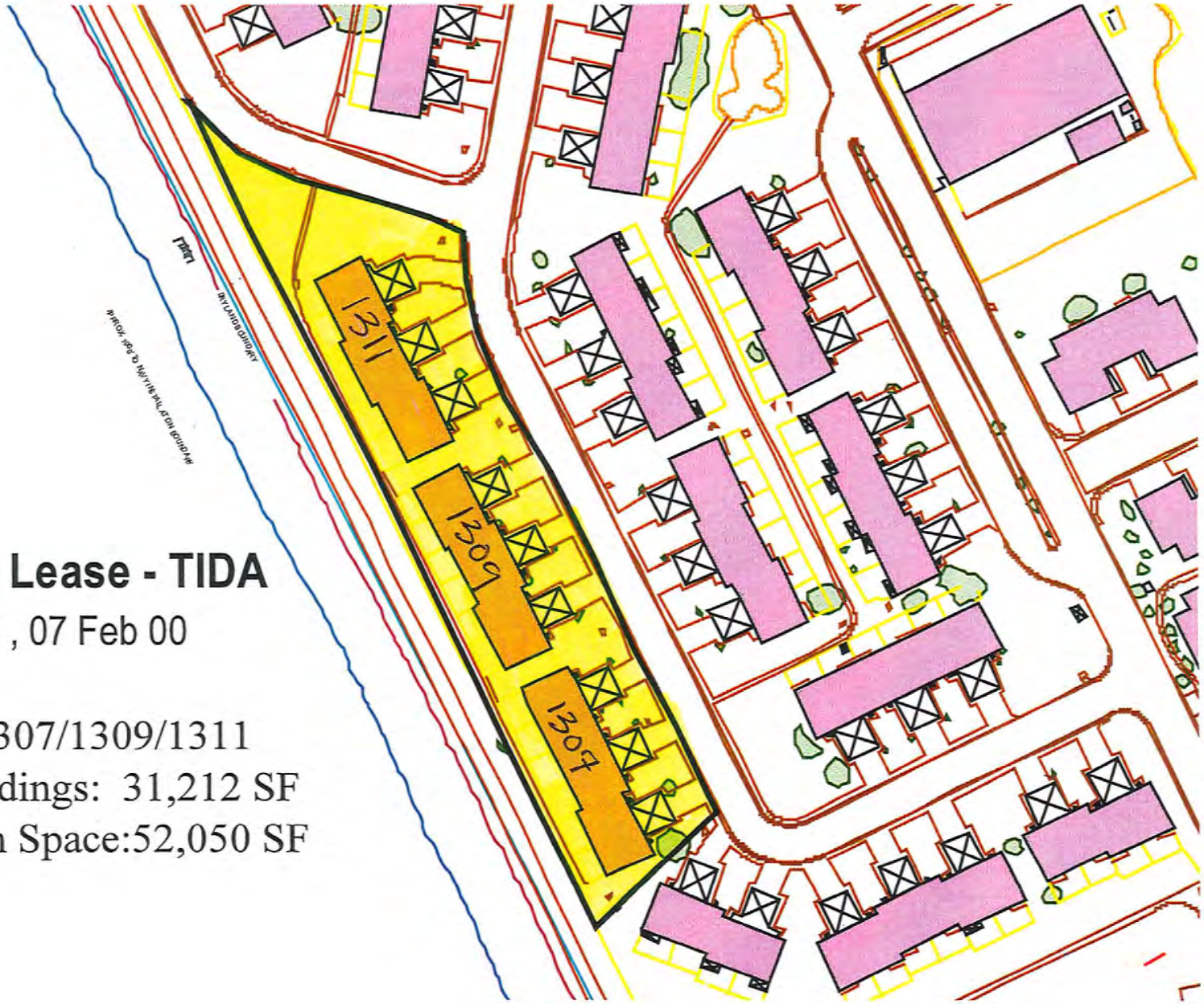
Title WILLIAM R. CARSILLO
REAL ESTATE CONTRACTING OFFICER
ENGINEERING FIELD ACTIVITY, WEST

TREASURE ISLAND DEVELOPMENT

Title Deputy Director

APPROVED AS TO FORM:

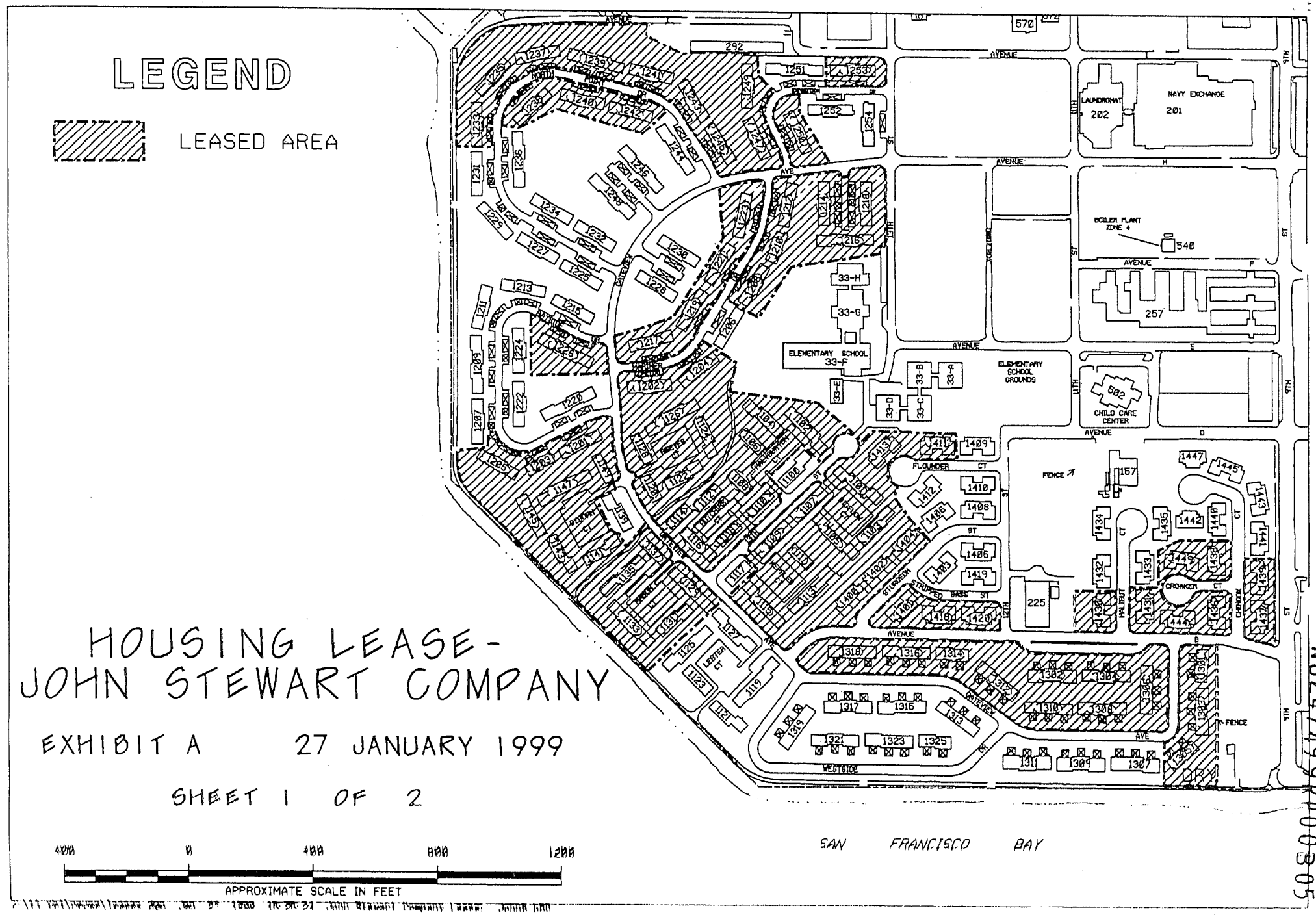
CITY ATTORNEY



Housing Lease - TIDA

Exhibit A-1 , 07 Feb 00

1307/1309/1311
Buildings: 31,212 SF
Open Space:52,050 SF

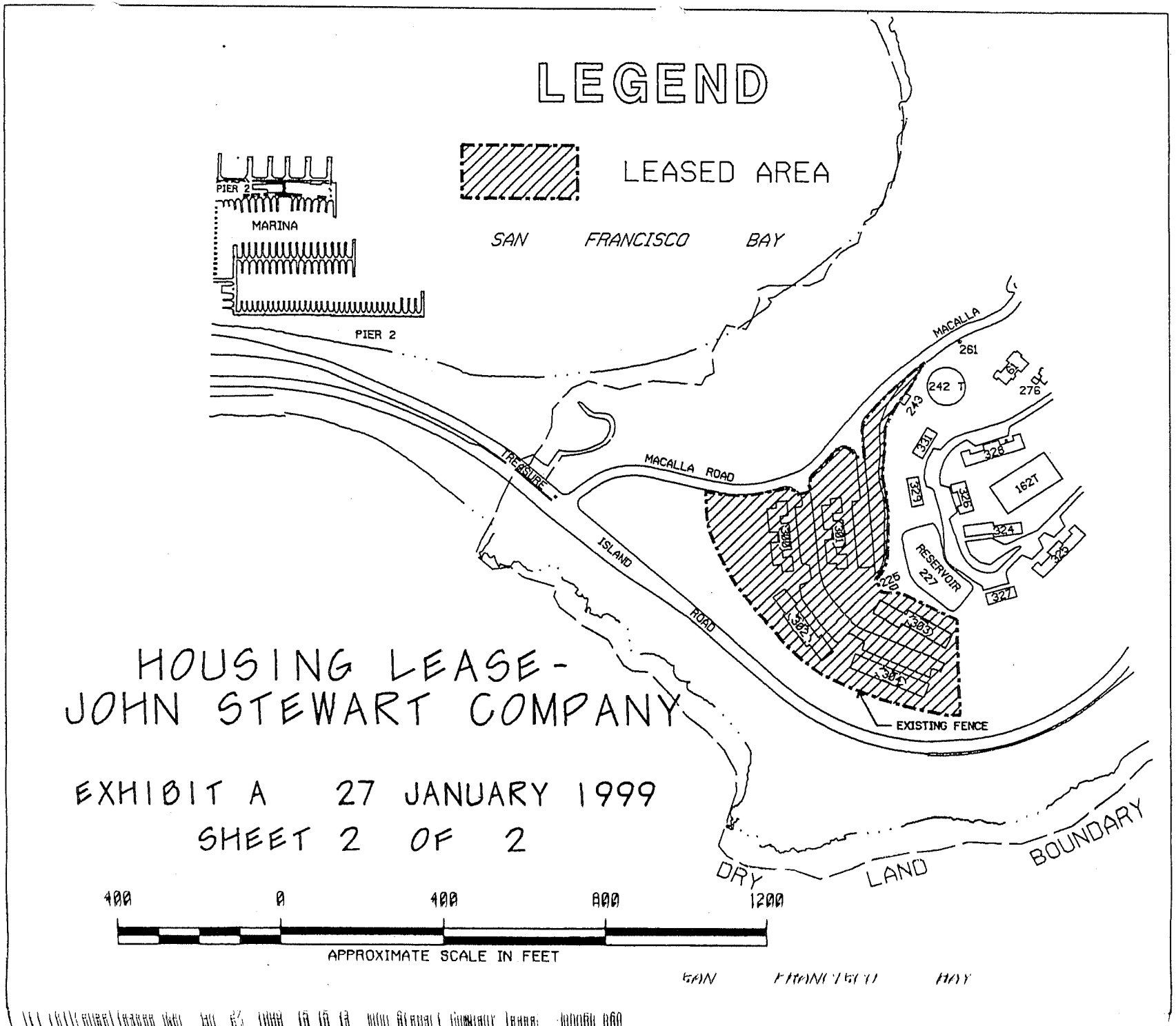


HOUSING LEASE-
JOHN STEWART COMPANY

EXHIBIT A 27 JANUARY 1999

SHEET 1 OF 2

N62474 99 P00305



HOUSING LEASE-
JOHN STEWART COMPANY

EXHIBIT A 27 JANUARY 1999

SHEET 2 OF 2

N62474996P00805

FIRST AMENDMENT
TO LEASE AGREEMENT N6247499RP00B05
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this 19th day of August 1999, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 17 March 1999, entered into Lease Agreement N6247499RP00B05 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; Lease N6247499RP00B05 is hereby amended to reflect the following corrections;

Paragraph 1 Leased Premises:

Line 3:

Delete: (843,502 square feet of building space)

Insert: (849,454 square feet of building space)

Housing, TI Units:

Delete:	1310	10,040	Insert:	1310	10,404

Housing, YBI Units:

Delete:	302	11,392	Insert:	302	11,904

TOTAL:

Delete:	843,502	Insert:	849,454

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA

Beverly Freitas

BEVERLY FREITAS
BRAC REAL ESTATE
Title REAL ESTATE CONTRACTING OFFICER

CITY AND COUNTY OF SAN FRANCISCO

ANNEMARIE CONROY
Executive Director
Treasure Island Development
Authority Project

Title

APPROVED AS TO FORM:

CITY ATTORNEY

All correspondence in connection with
this contract should include reference to:

N6247499RP00B05

LEASE

BETWEEN

THE UNITED STATES OF AMERICA

AND

TREASURE ISLAND DEVELOPMENT AUTHORITY

FOR

TREASURE ISLAND HOUSING

NAVAL STATION TREASURE ISLAND

All correspondence in connection with
this contract should include reference to:

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Paragraphs

1. Leased Premises
2. Term
3. Consideration
4. Use Of Leased Premises
5. Subletting
6. Joint Inspection and Inventory Report
7. Environmental Baseline Survey and Findings of Suitability to Lease
8. Alterations
9. Access by Government
10. Utilities and Services
11. Non-Interference with Government Operations
12. Protection and Maintenance Services
13. Environmental Protection Provisions
14. Termination
15. Environmental Contamination
16. Non-Environmental Indemnification by Lessee
17. Insurance
18. Labor Provision
19. Submission of Notices
20. Audit
21. Amendments
22. Failure to Insist on Compliance
23. Disputes
24. Covenant Against Contingent Fees
25. Officials Not to Benefit
26. Liens
27. Taxes
28. Subject to Existing and Future Easements and Rights-of-Way
29. Ingress-Egress and Parking
30. Administration
31. Surrender
32. Interest
33. Availability of Funds
34. Special Provisions
35. List of Exhibits

All correspondence in connection with
this contract should include reference to:

N6247499RP00B05

LEASE
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE, made as of this 17th day of MARCH, 1999 is by and between THE UNITED STATES OF AMERICA, acting by and through the Department of the Navy, herein called "**Government**", and TREASURE ISLAND DEVELOPMENT AUTHORITY, a non-profit public benefit corporation, herein called "**Lessee**";

WITNESSETH:

WHEREAS, Government has declared certain real and personal property, as more particularly described as the Leased Premises in Paragraph 1, surplus at the Naval Station Treasure Island, San Francisco, California, (the "Installation"), and Lessee has identified an immediate need to use such real and personal property; and

WHEREAS, the Secretary of the Navy, pursuant to the provisions of 10 U.S.C. § 2667 (f)(1), has determined that this Lease will facilitate state and local economic adjustment efforts pending final disposition of the Leased Premises; and

WHEREAS, the Secretary of the Navy, pursuant to 10 U.S.C. § 2667 (f)(2) has determined that a public interest will be served as a result of this Lease, the fair market value of the Lease is either unobtainable or not compatible with such public benefit, and consequently, consideration for this Lease will be at less than fair market value; and

WHEREAS, the Secretary of the Navy, after consultation with the Environmental Protection Agency Administrator has determined that the Leased Premises is suitable for lease, and the uses contemplated for the Lease are consistent with protection of human health and the environment; and

WHEREAS, Lessee is recognized by the Secretary of the Defense, through the Office of Economic Adjustment, as the local redevelopment authority with the responsibility for the redevelopment of the Installation; and

WHEREAS, Lessee is a municipal corporation, created and organized under the laws of the State of California, with the power to acquire, lease and dispose of federal military installations, and Lessee desires to enter into this Lease to further reuse efforts at the Installation.

NOW THEREFORE, in consideration of the terms, covenants, and conditions set forth in this Lease, Government and Lessee hereby agree as follows:

All correspondence in connection with this contract should include reference to:

N62474999RP00B05

1. **LEASED PREMISES:**

Subject to the terms and conditions of this Lease, Government does hereby lease, rent, and demise to Lessee, and Lessee does hereby hire and rent from Government, 574 housing units (843,502 square feet of building space) listed below, located on Treasure Island, all comprising approximately 2,295,654 square feet of land (52.70 acres), areas as shown on Exhibit A, attached hereto, together with all improvements and all personal property described in Exhibit B attached hereto, and all rights of ingress and egress to such real property (together, the "Leased Premises").

HOUSING

BUILDING NO.	SQUARE FOOT	NO. OF UNITS	BUILDING NO.	SQUARE FOOT	NO. OF UNITS
TI UNITS:					
1101	10,240	8	1137	4,992	4
1102	10,240	8	1141	7,680	6
1103	8,460	6	1143	7,680	6
1104	8,460	6	1145	8,460	6
1105	10,112	8	1147	11,020	8
1106	5,160	4	1149	4,992	4
1107	8,070	6	1201	9,240	6
1108	5,160	4	1202	9,240	6
1109	8,070	6	1203	5,220	4
1110	4,992	4	1204	9,240	6
1111	5,160	4	1205	8,704	6
1112	4,992	4	1208	9,240	6
1113	11,020	8	1210	6,720	4
1114	5,160	4	1212	9,240	6
1115	10,240	8	1214	9,240	6
1116	7,680	6	1216	11,880	8
1118	5,160	4	1217	9,240	6
1120	5,160	4	1218	9,240	6
1122	7,680	6	1219	9,240	6
1124	7,680	6	1221	9,240	6
1126	11,020	8	1223	9,240	6
1128	4,992	4	1226	11,880	8
1129	10,630	8	1233	9,240	6
1131	7,680	6	1235	8,704	6
1133	11,020	8	1237	9,240	6
1135	10,240	8	1238	9,240	6

HOUSING (continued)

BUILDING NO.	SQUARE FOOT	NO. OF UNITS	BUILDING NO.	SQUARE FOOT	NO. OF UNITS
1239	11,880	8	1314	6,936	4
1240	9,240	6	1316	10,404	6
1241	9,240	6	1318	10,404	6
1242	9,240	6	1400	9,390	6
1243	8,704	6	1401	9,390	6
1245	9,240	6	1402	9,390	6
1247	9,240	6	1404	9,390	6
1249	9,240	6	1411	9,390	6
1250	9,240	6	1413	9,390	6
1253	9,240	6	1418	9,390	6
1301	6,936	4	1420	9,390	6
1302	10,404	6	1430	9,390	6
1303	10,404	6	1431	9,390	6
1304	10,404	6	1436	9,390	6
1305	6,936	4	1437	9,390	6
1306	10,404	6	1438	9,390	6
1308	10,404	6	1439	9,390	6
1310	10,040	6	1444	9,390	6
1312	10,404	6	1449	9,390	6
YBI UNITS					
300	11,392	8	303	11,904	8
301	11,392	8	304	11,904	8
302	11,392	8			
			TOTAL	843,502	574

2. **TERM:**

The term of this Lease shall be for a period of fifteen (15) years beginning on **17 MARCH 1999** and ending on **16 MARCH 2014**, unless sooner terminated in accordance with the provisions of Paragraph 14, Termination.

3. **CONSIDERATION:**

3.1 As consideration for this Lease, Lessee agrees to (i) actively market the Installation and attempt to sublease those portions of the Leased Premises which are suitable for subleasing, (ii) provide protection and maintenance to the extent described in Paragraph 12 for those portions

of the Leased Premises which are or have been during the term of this Lease used or occupied by Lessee or subleased by Lessee to another and (iii) pay Government the Common Services Charge described in Paragraphs 3.1.2 and 3.1.3 below.

3.1.1 As additional consideration, subject to annual appropriations by Lessee's Board of Supervisor's, Lessee shall apply any Revenue (as defined herein) received from subleasing the Premises as follows: first, to reimburse itself for marketing and property management expenses incurred by Lessee; and second, for expenses incurred by Lessee for improvements to the Installation. If sufficient funds for the purposes described in this Paragraph 3.1.1 are not appropriated for any reason in any fiscal year of Lease after the fiscal year in which the Term of this Lease commences, then Government may terminate this Lease, without liability, upon thirty (30) calendar days written notice.

"Revenue" as referred to herein means rental income and any other miscellaneous income derived from the subletting of the Leased Premises less (i) sales tax, use and occupancy tax, franchise tax and any other taxes, building fees, planning fees and inspection fees related to the use and occupancy of the Leased Premises, and (ii) Lessee's cost of operating, maintaining, protecting and repairing the Leased Premises including, without limitation, any Common Services Charges paid to Government pursuant to this Paragraph 3.1.

3.1.2 Lessee shall be responsible for paying the cost of services incurred by Government and provided for the benefit of Lessee and Sublessees as described and in the amount set forth in Paragraph 3.1.3 (the "Common Services Charge"). Lessee shall pay Government the Common Services Charge on the first day of each month.

3.1.3 The Common Services Charge will be calculated as follows:

(1) $0.025 per square foot per month of occupied building space used or occupied by Lessee; or if subleased by Lessee to another, $0.025 per square foot per month of building space used or occupied by residential tenants of any Sublessee;

(2) $0.003 per square foot per month of land area used or occupied by Lessee or subleased by Lessee to another.

The Common Services Charge may be revised by Government and Lessee on an annual basis, or at other times only upon mutual agreement of Government and Lessee or as required by Paragraph 3.1.4 below.

"Common Services" for the purpose of the Common Services Charge shall include, but are not limited to: fire fighting; general perimeter security (this does not include security of those portions of Leased Premises which are (1) used or occupied by Lessee, (2) subleased by Lessee to another); causeway operations, maintenance and repair; maintenance and repair of roads, streets, sidewalks, curbs and gutters; operation, maintenance and repair of street lighting, street

signals and signage; operation, maintenance and repair of storm sewer; pest control, and general administration of these services. Nothing in this Lease commits Government to continue to provide Common Services referenced herein.

3.1.4 If and to the extent Government reduces, modifies or ceases to provide all or portion of the Common Services described herein or to the extent Lessee assumes the responsibility for such Common Services pursuant to a cooperative agreement or other agreement with Government, the Common Services Charge shall be proportionately reduced, to an amount mutually agreed upon by Government and Lessee, so that at all times during the term of this Lease the amount of the Common Services Charge shall accurately and in substantially the same proportion as provided herein reflect the costs of Government in providing such Common Services.

3.1.5 If the Government expects to incur any unanticipated costs which are specifically attributable to an action or inaction of the Lessee, its Sublessees, or assigns, the Lessee and the Government shall meet and confer on ways to avoid or mitigate such costs and, if the costs can not be entirely avoided, the Lessee and Government shall mutually determine the amount that Lessee shall pay from revenue in addition to the Common Services Charge to defray those costs that cannot be avoided or mitigated. If the Lessee and Government are unable to reach agreement on a way to avoid or mitigate the unanticipated costs or the amount of compensation that the Lessee shall pay to the Government to defray such costs, their dispute shall be resolved in accordance with the provisions of Paragraph 23 of this Lease.

3.2 Consistent with standard accounting practices for tax purposes, Lessee shall keep adequate records and books of account showing the actual cost to it of all items of labor, material, equipment, supplies, services and other items of cost incurred by it directly in the performance of any item of work or service in the nature of marketing and management; the repair, restoration, protection and maintenance of Leased Premises which is required by Paragraph 12; or otherwise approved or directed by Government. Lessee shall provide Government with access to such records and books of account and proper facilities for inspection thereof at all reasonable times.

4. USE OF LEASED PREMISES:

4.1 The Leased Premises may be used and operated by Lessee for residential purposes Lessee understands and acknowledges that this is not and does not constitute a commitment by Government with regard to the ultimate disposal of Leased Premises, in whole or in part, to Lessee or any agency or instrumentality thereof, or to any Sublessee. The Lease may be terminated by Government or Lessee as provided by the terms of the Lease pursuant to Paragraph 14, and Lessee and Government agree to and acknowledge such terms.

4.2 Lessee shall not undertake any activity that may affect an identified historic or archeological property, including excavation, construction, alteration or repairs of Leased

Premises, without the approval of Government. Buried cultural materials may be present on the Leased Premises. If such materials are encountered, Lessee shall stop work immediately and notify Government.

5. **SUBLETTING:**

5.1 Lessee is authorized to sublease property included in this lease without obtaining Navy approval of the sublease, provided the sublease incorporates the terms of this lease (except for rental terms which may be different in amount or expressed differently) and does not include any provisions that are inconsistent with this lease. A copy of the sublease must be provided to the Navy Local Representative.

5.1.1 In the event that the terms and conditions of the proposed sublease do not comply with or do not incorporate the terms of this Lease, then prior Government approval is required. Any proposed sublease which involves the use of hazardous or toxic materials, including those of an explosive, flammable, or pyrotechnic nature, as provided in 10 U.S.C. 2692, shall require prior Government approval. Such consent shall not be unreasonably withheld or delayed.

5.1.2 Each sublease shall contain the environmental protection provisions set forth in Paragraph 13 herein. Under no circumstances shall Lessee assign this Lease.

5.1.3 Rental agreements for occupancy of individual units by residential tenants do not require the consent of the Government and are not required to attach or incorporate by reference any provisions of this Lease, and copies thereof need not be provided to the Government, the EPA or applicable state equivalent.

5.2 Any sublease granted by Lessee shall contain a copy of this Lease as an attachment and be subject to all terms and conditions of this Lease and shall terminate immediately upon the expiration or any earlier termination of this Lease, without any liability on the part of Government to Lessee or any Sublessee. Under any sublease made, with or without consent, the Sublessee shall be deemed to have assumed all of the obligations of Lessee under this Lease, except that the Sublessee shall not be required to assume any obligation of Lessee which is not set forth in a sublease approved by the Government under Paragraph 5.1.1 above. No sublease shall relieve Lessee of any of its obligations hereunder.

5.3 Upon its execution, a copy of the sublease shall immediately be furnished to the Navy Local Representative. Should a conflict arise between the provisions of this Lease and a provision of the sublease, the provisions of this Lease shall take precedence. Any sublease shall not be taken or construed to diminish or enlarge any of the rights or obligations of either of the parties under this Lease.

5.4 The Government shall give the Sublessee the same ability to cure any default as has been provided to the Lessee and will accept such cure from the Sublessee within the same period of time as is permitted the Lessee.

6. JOINT INSPECTION & INVENTORY REPORT:

6.1 Joint Inspection. Representatives of the Lessee and Government shall conduct a joint inspection of all portions of the Leased Premises to be (1) beneficially used or occupied by the Lessee; (2) assigned by the Lessee to another; or (3) subleased by Lessee to another for any purpose. Such inspections shall be completed before any such use begins and may include a representative of the Sublessee if appropriate. Based on the joint inspection, a complete inventory of Government property located on the Leased Premises and a report of the condition of the Leased Premises, including the condition of improvements, appurtenances and personal property thereon, has been prepared and is attached to this Lease as Exhibit C.

6.2 No Warranty by Government. All facilities and property delivered to the Lessee shall be delivered "as is, where is," and, as such, the Government makes no warranty as to such facilities and property either as to their usability generally or as to their fitness for any particular purpose. As provided in Paragraph 12 of this Lease, Lessee shall, at no expense to Government, maintain those portions of the Leased Premises which Lessee uses or subleases, and will from time to time make or cause to be made all necessary and proper repairs, replacements, and renewals which shall thereupon become part of the Leased Premises. During the term of this Lease, Government shall have no responsibility, financial or otherwise, except as otherwise described herein with respect to protection and maintenance of the Leased Premises.

6.3 In accordance with 32 CFR §175.7(h), governing the disposition of personal property at closing military bases, Personal Property shall be identified throughout the Installation for use in connection with redevelopment of the Installation. At no expense to Government, and only with Government approval, Personal Property may be relocated from other buildings to the Leased Premises in order to facilitate redevelopment, including exclusive use thereof by the Sublessee during the Term of this Lease. Each inventory, upon completion, shall be identified by building or facility number, and signed and dated by both parties to this Lease and attached to this Lease as part of the Joint Inspection Report attached hereto as Exhibit C.

7. ENVIRONMENTAL BASELINE SURVEY AND FINDINGS OF SUITABILITY TO LEASE:

An Environmental Baseline Survey for Lease (EBSL) and a Finding of Suitability to Lease (FOSL) are attached to this Lease as Exhibit D and made part of this Lease. The EBSL sets forth the existing environmental conditions of the Leased Premises as represented by the baseline survey which has been conducted by Government. The FOSL sets forth the basis for the Government's determination that Leased Premises are suitable for leasing. Lessee is hereby made aware of the information contained in the FOSL attached hereto as Exhibit D and shall comply with applicable restrictions set forth therein.

8. **ALTERATIONS:**

8.1 Lessee shall not construct, make or permit its Sublessees to construct or make any substantial alterations, additions, excavations, improvements to, installations upon or otherwise modify or alter the Leased Premises in any way, including those which may adversely affect the remediation of hazardous materials on the Installation (together, "Alterations") without the prior written consent of Government. Such consent may not be unreasonably withheld or delayed.

8.2 Upon termination of this Lease, as directed by Government, Lessee shall, at the option of the Government either:

8.2.1 Promptly remove all alterations, additions, betterments and improvements made or installed and restore the Leased Premises to the same or as good condition as existed on the date of entry under this Lease, reasonable wear and tear and acts of God excepted; or

8.2.2 Abandon such additions or alterations in place, at which time title to such alterations, improvements and additions shall vest in Government.

8.2.3 In either event all personal property and trade fixtures of Lessee or any third person may be removed from the Leased Premises and Lessee shall repair any damage to the Leased Premises resulting from such removal.

9. **ACCESS BY GOVERNMENT:**

In addition to access required under Paragraph 13, at all reasonable times throughout the term of this Lease, Government shall be allowed reasonable access to the Leased Premises for any purpose. Government will give Lessee or any Sublessee at least twenty-four (24) hour prior notice of its intention to enter the Leased Premises, unless it determines the entry is immediately required for safety, environmental, operations or security purposes. Lessee shall have no claim on account of any entries against Government or any officer, agent, employee, contractor or subcontractor of Government. All keys to the buildings and facilities occupied by Lessee or any Sublessee shall be made available to Government upon request. The Government agrees to not unreasonably disturb tenants of Sublessee in possession of portions of the Leased Premises in the Government's exercise of its right of access to the Leased Premises under the Lease.

10. **UTILITIES AND SERVICES:**

Procurement of utilities (i.e., electricity, water, gas, sewer, telephone and trash removal) will be the responsibility of Lessee. Lessee agrees to obtain needed utility services from any private or municipal supplier who should, during the term of Lease, become able to deliver such services to Leased Premises. In the event that Government shall furnish Lessee with any utilities or services maintained by Government which Lessee may require in connection with its use of Leased Premises, Lessee shall pay Government the cost incurred in providing such utilities or services in the amounts set forth in Exhibit E attached hereto, which rates shall be determined by Government and Lessee in accordance with applicable laws and regulations. In the event that

Government provided utility services shall be made available to Lessee, Lessee, at no cost to Government, shall install metering devices for utilities serving the Leased Premises prior to delivery of utility services by the Government. The volume of Government provided utilities used by Lessee shall be determined by such metering devices. It is expressly agreed and understood that Government in no way warrants the continued availability, maintenance or adequacy of any utilities or services furnished to Lessee.

11. NON-INTERFERENCE WITH GOVERNMENT OPERATIONS:

Lessee shall not conduct operations nor make any alterations that would interfere with or otherwise restrict operations, environmental clean-up or restoration actions by Navy, Environmental Protection Agency (EPA), applicable state equivalent, or their contractors. Environmental clean-up, restoration or testing activities by these parties shall take priority over Lessee's use of Leased Premises in the event of any conflict. However, Government and Lessee agree to coordinate to minimize potential conflicts between necessary remediation of environmental contamination, including investigation and remedial actions, and Lessee's and any Sublessee's use of Leased Premises.

12. PROTECTION AND MAINTENANCE SERVICES:

12.1 Except as otherwise specifically provided herein, Lessee shall furnish or cause to be furnished all labor, supervision, materials, supplies and equipment necessary to the operation, maintenance and repair of the following building systems and appurtenances located in or on the Leased Premises: structural (including roof), fencing, plumbing, electrical, heating and cooling systems; exterior utility systems (including fire hydrants and mains); pavement and grounds maintenance (including grass cutting, shrub trimming and tree removal); pest and weed control; security and fire protection within Leased Premises; refuse collection, removal and disposal; and utilities maintenance necessary for the protection of Leased Premises. Government shall not be required to furnish any services or facilities to Lessee or to make any repair, restoration, replacement, or alteration in or to Leased Premises. Lessee hereby assumes the full and sole responsibility for the protection, maintenance and repair of Leased Premises set forth in this paragraph. For specifics as to such protection and maintenance required to be provided by Lessee hereunder, the following provisions shall apply:

12.1.1 The degree of maintenance and repair services to be furnished by Lessee hereunder shall be that which is sufficient to assure weather tightness, structural stability (excluding any seismic retrofit and/or modification to foundations resulting from extraordinary natural occurrences such as earthquakes, floods and landslides), protection from fire hazards or erosion, and elimination of safety and health hazards which arise during the term of the Lease and which are not caused by the actions of Government or its employees, contractors or agents, so that the Leased Premises being serviced will remain in the condition in which they existed at the commencement of the Lease as documented in the Joint Inspection and Inventory Report prepared pursuant to Paragraph 6, ordinary wear and tear and acts of God excepted. Prior to use and occupancy, Lessee shall correct the safety and health hazards described on Exhibit F.

12.2 During term of this Lease, debris, trash and other useless materials placed on the Leased Premises during the term of this Lease shall be promptly removed from the Leased Premises. Upon termination or expiration of this Lease, the Leased Premises shall be left without containers, Lessee's equipment, and other undesirable materials placed on the Leased Premises during the term of this Lease (except by Government) and in as clean condition as received by Lessee.

12.3 Lessee shall provide or cause to be provided all security services necessary to assure security and safety within the Leased Premises. Any crimes or other offenses, including traffic offenses and crimes and offenses involving damage to or theft of Government property, shall be reported to the appropriate authorities for their investigation and disposition and to Government as property owner.

12.4 Lessee shall take or cause to be taken, all reasonable and necessary fire protection precautions at the Leased Premises. Such precautions may include, but are not limited to, the maintenance of any sprinkler system that exists on the effective date of this Lease and/or the provision of portable fire extinguishers for fire protection of Leased Premises.

12.5 Lessee is responsible for the repair and maintenance of all interior utility systems and those exterior utility systems, distribution lines, connections and equipment which solely support the Leased Premises. This responsibility extends from the Leased Premises to the point of connection with the utility system which serves users other than Lessee.

12.6 Lessee shall ensure only trained and qualified persons are utilized in performance of the maintenance and protection services specified in this paragraph.

13. **ENVIRONMENTAL PROTECTION PROVISIONS:**

13.1 Lessee, Sublessees and contractors shall comply with all applicable Federal, state and local laws, regulations and standards that are or may become applicable during the term of this Lease to Lessee's activities on the Leased Premises.

13.2 Lessee or any Sublessee shall be solely responsible for obtaining, at no cost to Government, any environmental permits required for its operations under the Lease, independent of any existing permits held by the Government. Nothing in this Lease shall require Lessee to become a secondary discharger or co-permittee on any existing environmental permit held by Government relating to the operation of the Installation, including, without limitation, any environmental permits associated with the operation of the Installation's sewage treatment plant. Any and all environmental permits required for any of Lessee's or Sublessees' operations or activities will be subject to prior concurrence of the Commanding Officer, Engineering Field Activity West, Naval Facilities Engineering Command. Lessee acknowledges that the Government will not consent to being named a secondary discharger or co-permittee for any operations or activities of the Lessee or any Sublessee under the Lease. In the event the Government is named as a secondary discharger or co-permittee for any activity or operation of

the Lessee or any Sublessee, Government shall have the right to take reasonable actions necessary to prevent, suspend, or terminate such activity or operation, including terminating this Lease, without liability or penalty.

13.3 Government's rights under this Lease specifically include the right for Government officials to inspect upon reasonable notice the Leased Premises for compliance with environmental, safety and occupational health laws and regulations, whether or not Government is responsible for enforcing them. Such inspections are without prejudice to the right of duly constituted enforcement officials to make such inspections. Government will give Lessee or Sublessee twenty-four (24) hours prior notice of its intention to enter Leased Premises unless it determines the entry is immediately required for safety, environmental, operations or security purposes. Lessee shall have no claim on account of any entries against the United States or any officer, agent, employee, contractor or subcontractor thereof.

13.4 Government and its officers, agents, employees, contractors and subcontractors have the right, upon reasonable notice to Lessee and any Sublessee, to enter upon the Leased Premises for the purposes enumerated in this subparagraph:

13.4.1 to conduct investigations and surveys, including, where necessary, drilling, soil and water sampling, testpitting, testing soil borings and other activities related to the Installation Restoration Program (IRP);

13.4.2 to inspect field activities of Government and its contractors and subcontractors in implementing the IRP;

13.4.3 to conduct any test or survey related to implementation of the IRP or environmental conditions at Leased Premises or verify any data submitted to EPA or applicable state equivalent by Government relating to such conditions;

13.4.4 to construct, operate, maintain or undertake any other response or remedial action as required or necessary under the IRP, including but not limited to monitoring wells, pumping wells and treatment facilities.

13.5 Lessee agrees to comply with the provisions of any health or safety plan in effect under the IRP during the course of any of the above described response or remedial actions. Any inspection, survey, investigation or other response or remedial action will, to the extent practicable, be coordinated with representatives designated by Lessee and any Sublessee. Lessee and Sublessee shall have no claim on account of such entries against the United States or any officer, agent, employee, contractor or subcontractor thereof. In addition, Lessee shall comply with all applicable Federal, state and local occupational safety and health regulations.

13.6 Lessee further agrees that if the Leased Premises are subject to ongoing environmental remediation by Government, during such period, Lessee shall provide to EPA and applicable state equivalent by certified mail a copy of any sublease of the Leased Premises

within fourteen (14) calendar days after the effective date of such sublease. Lessee may delete the financial terms and any other proprietary information from the copy of any agreement of assignment or sublease furnished pursuant to this condition.

13.7 Lessee shall strictly comply with the hazardous waste permit requirements under the Resource Conservation and Recovery Act or its applicable state equivalent. Except as specifically authorized by Government in writing, Lessee must provide at its own expense such hazardous waste management facilities as required by its use of the Leased Premises, complying with all laws and regulations. Government hazardous waste management facilities will not be available to Lessee. Any violation of the requirements of this condition shall be deemed a material breach of this Lease.

13.8 DOD component accumulation points for hazardous and other waste will not be used by Lessee or any Sublessee. Neither will Lessee or Sublessee permit its hazardous wastes to be commingled with hazardous waste of DOD Component.

13.9 Before beginning operations on the Leased Premises, Lessee shall have a Government-approved plan for responding to hazardous waste, fuel and other chemical spills. Such plan shall be independent of the Installation plan and, except for initial fire response and/or spill containment, shall not rely on the use of Installation personnel or equipment. Should Government provide to the Leased Premises any personnel or equipment whether for initial fire response and/or spill containment, or otherwise on request of Lessee, or because Lessee was not, in the reasonable opinion of Government, conducting timely cleanup actions, Lessee agrees to reimburse Government for its reasonable and actual costs in association with such response or cleanup upon receipt of an invoice for such costs.

13.10 Lessee shall not conduct or permit its Sublessees to conduct any subsurface excavation, digging, drilling or other disturbance of the surface without the prior written approval of Government, which consent shall not be unreasonably withheld or delayed; provided however, that such prior written approval shall not be required for activities consistent with residential use of the Leased Premises, including without limitation, routine landscaping, gardening, and the like.

13.11 To the extent required by law and regulation, Government shall abate, remove or otherwise remedy all friable, accessible and damaged asbestos containing material (ACM), lead based paint (LBP) and polychlorinated biphenyls (PCBs) from Leased Premises. The presence of known ACM, LBP or PCBs shall be fully identified in an Environmental Baseline Survey (EBS) and/or Supplemental Environmental Baseline Survey (SEBS), attached as an Exhibit.

13.11.1 Except as provided in Paragraph 13.11.2, and except to the extent required by law and regulation, Government is not responsible for any removal or containment of asbestos containing materials (ACM). If Lessee intends to make any improvements or repairs that require the removal of asbestos, an appropriate asbestos disposal plan must be incorporated

into the plans and specifications and submitted to Government. The asbestos disposal plan will identify the proposed disposal site for the asbestos, or in the event the site has not been identified, will provide for disposal at a licensed facility authorized to receive it.

13.11.2 Without limiting or derogating from the Government's responsibility set forth in Paragraph 13.11 above, Government shall be responsible for the removal or containment of the ACM identified as requiring abatement shown on Exhibit G attached hereto as damaged or deteriorated ACM. Government agrees to abate these listed items of damaged or deteriorated ACM. Government may choose the most economical means of abating any damaged or deteriorated ACM, which may include removal, repair or containment (encapsulation), or a combination of removal, repair and containment. The forgoing obligation of Government does not apply to any ACM other than that identified in Exhibit G and ACMs for which the Government has obligations under Paragraph 13.11 above. Notwithstanding Paragraph 13.11.1 above, in an emergency, Lessee will notify Government as soon as practicable of its emergency ACM responses. Lessee shall be responsible for monitoring the condition of existing ACM on Leased Premises for deterioration or damaged and accomplishing repairs or abatement pursuant to the applicable conditions of this Lease.

13.12 Subject to the Government's indemnity in Paragraph 13.13, Lessee shall indemnify and hold harmless Government from any costs, expenses, liabilities, fines or penalties resulting from discharges, emissions, spills, storage or disposal arising from Lessee's occupancy, use or operations, or any other action by Lessee or any Sublessee during the term of this Lease giving rise to Government liability under Federal, state or local environmental laws. Lessee's obligations hereunder shall apply whenever Government incurs costs or liabilities as a result of Lessee's activities or activities of any Sublessee as provided hereunder. However, this indemnity does not extend to those damages which are due to the fault or negligence of Government or its contractors, to any suit, claim, demand or action, liability, judgment, cost or other fee for which the Government has agreed to provide indemnification pursuant to Paragraph 13.13. This provision shall survive the expiration or termination of this Lease.

13.13 Pursuant to Section 330 of P.L. 102-484, as amended, and subject to the provisions of this Paragraph 13.13 of the Lease, Government shall hold harmless, defend and indemnify, in full, the Treasure Island Development Authority, any other person or entity that acquires ownership or control from the Government; or any successor, assignee, transferee, lender, or Lessee of the Leased Premises including but not limited to the John Stewart Company, Sublessee of the Lessor (the "Sublessee") (collectively and individually "Indemnitee(s)"), from and against any suit, claim, demand, action, liability, judgment, cost or fee, arising out of any claim for personal injury or property damage (including death, illness, loss of or damage to property or economic loss) that results from, or is in any manner predicated upon, the release or threatened release of any hazardous substance, pollutant, contaminant, petroleum or petroleum derivative from or on the Leased Premises, as a result of Department of Defense activities at the Leased Premises.

13.13.1 In any case in which Government determines that it may be required to indemnify an Indemnitee(s) for any suit, claim, demand, action, liability, judgment, cost or other fee arising out of any claim for personal injury or property damage, Government may settle or defend on behalf of that Indemnitee(s), the claim for personal injury or property damage.

13.13.2 If any Indemnitee(s) does not allow Government to settle or defend the claim, such Indemnitee(s) will not be afforded indemnification with respect to that claim.

13.13.3 Government will not indemnify the Indemnitee(s) unless such Indemnitee(s):

13.13.3.1 Notifies Government in writing within 90 days after such an indemnification claim accrues. If Indemnitee(s) is served with a complaint or written notice of a claim by Federal, State or local regulators, Indemnitee(s) will provide Government with a copy of such document no later than 15 days following service of the complaint. A claim for indemnification accrues when the Indemnitee(s) receives written notice of any suit, claim, demand, action, liability, judgment, cost or other fee, which relates to personal injury or property damage, that the Indemnitee(s) knows or may be deemed reasonably to have known, may have been caused or contributed to by Department of Defense activities. Indemnitee(s) right to indemnification shall not expire due to late notice unless Government's ability to defend or to settle is materially and adversely affected;

13.13.3.2 Furnishes Government copies of pertinent papers the Indemnitee(s) receives; and

13.13.3.3 Furnishes, to the extent it is in the possession or control of Indemnitee(s), evidence or proof of any claim, loss, or damage covered by Paragraph 13.13; and

13.13.3.4 Provides, upon request of Government, reasonable access to the records and personnel of the Indemnitee(s) for purposes of defending or settling the claim or claims.

13.13.4 Government will not indemnify an Indemnitee(s) to the extent such Indemnitee(s) caused or contributed to any release or threatened release of any hazardous substance, pollutant, contaminant, petroleum or petroleum derivative from or on the Leased Premises. Government is entitled to contribution from Indemnitee(s) to the extent Government shows that such Indemnitee(s) caused or contributed to any release. However, the availability of contribution shall not affect the requirement of Government to defend an Indemnitee(s), unless such Indemnitee(s) is solely responsible for the release or threatened release giving rise to the claim for the indemnity, in which case the Government's duty to defend will not exist as to that claim.

13.14 Pursuant to Section 42 USC Section 9620(h)(3) of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), as amended, and the CERCLA lead agent authority of the Department of Defense created by 42 USC Section 9604

and Section 9615 of CERCLA, Section 2.d. of Executive Order 12580 (52 FR 2923; January 29, 1987), and the National Contingency Plan (40 CFR Section 300.5), and subject to the Environmental Protection provisions of this Lease, Government, in consultation with U.S. EPA, has determined that the Leased Premises are suitable for lease, that the uses contemplated for the lease of the Leased Premises are consistent with protection of human health and the environment, and that there are adequate assurances that Government will take all response actions necessary to protect human health and the environment that have not been taken as of the date of this Lease.

Further, Government herein provides assurances that, in accordance with and to the extent required at the Leased Premises by applicable Federal, State and local laws, Government will timely:

13.14.1 assess, inspect, investigate, study and remove or remediate, as appropriate, the release or threatened release of a hazardous substance, pollutant or contaminant, from, on or under the Leased Premises; and

13.14.2 settle or defend any claim, demand, or order made by Federal, State or local regulators or third parties in connection with any release or threatened release of a hazardous substance, pollutant or contaminant, from, on the Leased Premises.

13.15 The Lessee and any Sublessee(s) shall:

13.15.1 Notify Government in writing within 90 days after learning of any previously unidentified condition at the Leased Premises that suggests a response action is necessary, or, within 90 days after receiving notice of a claim by Federal, State or local regulators, or other third parties, of the existence of any condition at the Leased Premises that suggests a response action is necessary. If Lessee or any Sublessee is served with a complaint or written notice of a claim by Federal, State or local regulators, the served party shall provide Government with a copy of such document not later than 15 days following service of such document;

13.15.2 Furnish Government copies of pertinent papers the Lessee and any Sublessee(s) receives; and

13.15.3 Provide, upon request of Government, reasonable access to the records and personnel of the Lessee and any Sublessee(s) for purposes of defending or resolving the need for additional response action.

13.16 For purposes of 42 USC Section 9620(h)(3), the Lessee's and any Sublessee(s)'s status as an operator during the lease term will not make it a potentially responsible party or relieve Government of its obligations under Paragraph 13.14 and 42 USC Section 9620(h).

13.17 In accordance with and to the extent required by applicable Federal, State and local laws, Government will timely:

13.17.1 access, inspect, investigate, study and remove or remediate, as appropriate, the release or threatened release of petroleum or a petroleum derivative, from or on the Leased Premises, caused by Department of Defense activities at the Leased Premises; and

13.17.2 settle or defend any claim, demand, or order made by Federal, State or local regulators or third parties in connection with a release or threatened release of petroleum or a petroleum derivative, from or on the Leased Premises, caused by Department of Defense activities at the Leased Premises.

13.18 The Lessee and any Sublessee(s), upon learning of any previously unidentified release or threatened release of petroleum or a petroleum derivative from or on the Leased Premises, that may have been caused by Department of Defense activities at the Leased Premises, will notify Government by following the notification procedures set forth in Paragraph 13.15 above.

13.19 For the purpose of the provisions of Paragraphs 13.13 through 13.18, the following terms have the meanings indicated below:

13.19.1 "release", "threatened release", "hazardous substance", "pollutant", "contaminant", "removal", "remedial action", and "response" have the meanings given such terms under CERCLA and U. S. EPA regulations implementing CERCLA.

13.19.2 "Department of Defense activities" means the Department of Defense's: construction, installation, placement, operation, maintenance, misuse, abandonment or failure to maintain the buildings and equipment and land at the Leased Premises; or failure to satisfy any otherwise legally applicable obligation to investigate or remediate any environmental conditions existing at the Leased Premises. "Department of Defense activities" does not mean the release or threatened release of a hazardous substance, pollutant, contaminant, petroleum or a petroleum derivative, to the extent that Government shows that the release or threatened release is caused or contributed to by the Indemnitee(s).

13.19.3 "Action...arising out of any claim for...property damage" includes, but is not limited to, any judicial, administrative or private cost recovery proceeding brought against an Indemnitee(s) (i) for response costs arising under CERCLA, (ii) for costs incurred to enjoin or abate the presence of migration of contamination from or on the Leased Premises Resource, Conservation and Recovery Act ("RCRA"), or (iii) for costs incurred to comply with the requirements of similar Federal or State laws and regulations (or the laws of any political subdivision of the state) which arise from the environmental conditions at the Leased Premises.

13.19.4 "Environmental condition(s)" means any hazardous substance, pollutant or contaminant, including hazardous waste or hazardous constituent, petroleum or petroleum derivative disposed of, released or existing in environmental media such as soil, subsurface soil, air, groundwater, surface water or subsurface geological formations at levels above background.

13.20 Nothing in these provisions shall diminish or waive any rights which parties might otherwise have under common law or any Federal or State law or regulation, with the exception of Paragraph 13.13 of this Lease including applicable references in Paragraph 13.19, which shall be deemed to fully set forth the parties', including the Sublessee(s'), statutory rights under Section 330 of P.L. 102-484, and Paragraph 13.14 of this Lease including applicable references in Paragraph 13.19, which shall be deemed to fully set forth the parties' including any Sublessee(s)'s, statutory rights under 42 USC Section 9620(h)(3); provided that nothing in this Lease shall limit the right, if any, that an Indemnitee, Lessee or Sublessee may have to enforce, in a federal district court proceeding, statutory rights under Section 330 of P.L. 102-484 and 42 USC Section 9620(h)(3).

13.21 Any Indemnitee may implement or enforce the terms of Paragraphs 13.13 and 13.14 of this Lease in its own right at its own discretion without obtaining permission from or joining any of the other Indemnitee(s).

13.22 The provisions of Paragraphs 13.13 and 13.14 of this Lease shall survive expiration or termination of the Lease only to the extent a claim is made during or after the lease period by an Indemnitee(s) or by the Lessee or Sublessee(s) under the terms of this Paragraph 13.

13.23 Prior to taking any action or reaching any final settlement under Paragraphs 13.13 or 13.14 of this Lease that could adversely impact Lessee's or Sublessee(s)'s use of the Leased Premises, Government shall consult with Lessee and Sublessee(s) to minimize any such impact.

13.24 Nothing in Paragraphs 13.13 or 13.14 of this Lease creates rights of any kind in any person or entity other than: (i) the Government and (ii) Indemnitees, Lessee and Sublessees.

14. **TERMINATION:**

14.1 Government shall have the right to terminate this Lease, in whole or in part, without liability, upon thirty (30) calendar days written notice:

14.1.1 If, at any time after January 1, 2003, continued use of the Leased Premises by Lessee under this Lease is inconsistent with the final decision on disposal of the Leased Premises documented in a Record of Decision under the National Environmental Policy Act; or

14.1.2 In the event of a national emergency as declared by the President or the Congress of the United States and Government makes a determination that such national emergency requires termination of this Lease; or

14.1.3 If, at any time after January 1, 2003, (a) Government has complied with all applicable legal requirements to convey fee title to the Premises, (b) Government has satisfied in full all of its obligations under this Lease, (c) Government tenders to Lessee a conveyance of fee

ownership of the Premises after negotiating in good faith with respect to establishing reasonable terms, conditions of, and consideration for such conveyance, and (d) Lessee fails to accept such conveyance within one hundred eighty (180) calendar days of written notice of such tender; or

14.1.4 In the event of a breach by Lessee of any of the terms and conditions hereof. In the event of a breach involving the performance of any obligation, Lessee shall be afforded thirty (30) calendar days from the receipt of Government's written notice of intent to terminate to complete performance of the obligation or otherwise cure the subject breach and avoid termination of this Lease, unless Government determines that a shorter period is required for safety, environmental, operations or security purposes. In the event that Government shall elect to terminate this Lease on account of the breach by Lessee of any of the terms and conditions, Government shall be entitled to recover and Lessee shall pay to Government:

14.1.4(a) The costs incurred in resuming possession of the Leased Premises.

14.1.4(b) The costs incurred in performing any obligation on the part of the Lessee to be performed hereunder, but only after notice to Lessee and the expiration of all applicable cure periods.

14.1.4(c) An amount equal to the aggregate of any maintenance obligations and charges assumed hereunder and not paid or satisfied, which amounts shall be due and payable at the time when such obligations and charges would have accrued or become due and payable under this Lease.

14.2 Lessee shall have the right to terminate this Lease upon thirty (30) calendar days written notice to Government in the event of breach by Government of any of the terms and conditions hereof. In the event of a breach involving the performance of any obligation, Government shall be afforded thirty (30) calendar days from the receipt of Lessee's notice of intent to terminate to complete performance of the obligation or otherwise cure the subject breach and avoid termination of this Lease. Lessee shall also have the right to terminate this Lease in the event of damage to or destruction of all of the improvements on Leased Premises or such a substantial portion thereof as to render Leased Premises incapable or impracticable of use for the purposes for which it is leased hereunder, provided:

14.2.1 Government either has not authorized or directed the repair, rebuilding or replacement of the improvements or has made no provision for payment for such repair, rebuilding or replacement by application of insurance proceeds or otherwise; and

14.2.2 That such damage or destruction was not occasioned by the fault or negligence of Lessee or any of its officers, agents, servants, employees, subtenants, licensees or invitees, or by any failure or refusal on the part of Lessee to fully perform its obligations under this Lease.

14.2.3 If Government requires Lessee or any Sublessee to vacate all or a substantial portion of Leased Premises pursuant to any provision of this Lease for a period in excess of thirty (30) calendar days, Lessee may terminate this Lease by written notice to Government given at any time while Lessee shall continue to be denied use of all or a substantial portion of Leased Premises. Lessee shall thereafter surrender possession of Leased Premises within fifteen (15) calendar days of such notice.

14.3 If (i) this Lease is terminated pursuant to Paragraph 14.1.2, and (ii) at the time of termination there remains in effect a sublease of the Leased Premises which has been approved by the Government, then the Lessee and the Sublessee shall have the right to re-enter the Leased Premises if and when the reason for such termination ends upon the terms and conditions of this Lease and any approved sublease (except, however, the term of the Lease and sublease shall be extended by the time during which the Lease and sublease had been terminated).

15. **ENVIRONMENTAL CONTAMINATION:**

In the event environmental contamination is discovered on the Leased Premises which creates, in Government's determination, an imminent and substantial endangerment to human health or the environment which necessitates evacuation of the Leased Premises, and notwithstanding any other termination rights and procedures contained in this Lease, Lessee shall vacate or require any Sublessee to vacate Leased Premises immediately upon notice from Government of the existence of such a condition. Exercise of this right by Government shall be without liability, except that Lessee shall not be responsible for the payment of consideration, the amount of deduction to be determined on a daily pro-rata basis, during the period Leased Premises is vacated, and Lessee shall have the right to terminate this Lease if, as provided in Paragraph 14.3 above, Lessee or any Sublessee is deprived of the beneficial use and occupancy of the Leased Premises for a period in excess of thirty (30) days. Government's exercise of this right herein to order the Leased Premises immediately vacated does not alone constitute a termination of the Lease, but such right may be exercised in conjunction with any other termination rights provided in this Lease or by law.

16. **NON-ENVIRONMENTAL INDEMNIFICATION BY LESSEE:**

The Lessee shall hold harmless, indemnify, and defend the Government from and against any suit, claim, demand or action, liability, judgment, cost or other fee arising out of any claim for injury or damage that results from, or is any manner predicated upon activities of the Lessee on the Leased Property during the term of the Lease. This indemnification applies to any fines, claims, demands and causes of action of every nature whatsoever which may be made upon, sustained or incurred by Government by reasons of any breach, violation, omission or non-performance of any term, covenant or condition hereof on the part of Lessee or the employees, agents, servants, guests, invitees and Sublessees of Lessee. This indemnification also applies to claims arising out of the furnishing of any utilities or services by Government or any interruption therein or failure thereof, whether or not the same shall be occasioned by the negligence or lack of diligence of Lessee, its officers, agents, servants, employees or Sublessees. However, this indemnity does not extend to those damages which are due to the fault or negligence of

Government or its contractors, or to any matters covered in Paragraph 13, including: (i) any matters covered in the Government's indemnity in Paragraph 13.13; (ii) any suit, claim, demand or action, liability, judgment, cost of other fee arising from any environmental condition at the Leased Premises or any ACM or LBP incorporated into, at or from the Leased Premises; or (iii) any breach, violation, omission or non-performance by Indemnitee(s) of any term, covenant or condition contained in Paragraph 13. This covenant shall survive the termination of this Lease.

17. **INSURANCE:**

17.1 At the commencement of this Lease, Lessee shall obtain, from a reputable insurance company or companies, liability insurance or shall maintain a program of self-insurance. The insurance shall provide an amount not less than a minimum combined single limit of $10 million, for any number of persons or claims arising from any one incident with respect to bodily injuries or death resulting therefrom, property damage or both, suffered or alleged to have been suffered by any person or persons resulting from the operations of Lessee, Sublessees, contractors and invitees under the terms of this Lease. Lessee shall provide Government certificates of its self-insurance or require its insurance company to furnish Government a copy of the policy or policies, or if acceptable to Government, certificates of insurance evidencing the purchase of such insurance. The minimum amount of liability insurance coverage is subject to revision by Government every three years or upon renewal or modification of this Lease.

17.2 As to those structures and improvements on Leased Premises constructed by or owned by Government, Lessee shall procure and maintain at Lessee's cost a standard fire and extended coverage insurance policy or policies or a program of self-insurance on the Leased Premises in an amount sufficient to demolish damaged or destroyed structures and improvements, remove debris and clear the Leased Premises. Should Lessee elect to purchase commercial insurance in lieu of self-insurance, Lessee shall procure such insurance from a reputable company or companies. In that event, the insurance policy shall provide that in the event of loss thereunder, the proceeds of the policy or policies, at the election of Government, shall be payable to Lessee to be used solely for the demolition of damaged or destroyed structures and improvements, removal of debris and clear the Leased Premises or for repair, restoration, or replacement of the property damaged or destroyed. Any balance of the proceeds not required for such purposes shall be paid to Government. If Government does not elect, by notice in writing to the insurer within thirty (30) calendar days after the damage or destruction occurs, to have the proceeds paid to Lessee for the purposes herein above set forth, then such proceeds shall be paid to Government, provided however that the insurer, after payment of any proceeds to Lessee in accordance with the provision of the policy or policies, shall have no obligation or liability with respect to the use or disposition of the proceeds by Lessee. Nothing herein contained shall be construed as an obligation upon Government to repair, restore or replace Leased Premises or any part thereof. If and for so long as there remains in effect a sublease of the Leased Premises which has been approved by the Government, the Government agrees that all proceeds of casualty insurance policies carried by Sublessee shall be paid to Sublessee and Sublessee shall be entitled to all proceeds in excess of that used to demolish damaged or destroyed structures and improvements, remove debris and clear the Leased Premises or to repair, restore or replace the property damaged or destroyed until Sublessee has

received an amount equal to the total costs of the renovation work performed by the Sublessee (plus a return thereon as provided in the sublease). Any proceeds in excess of the amount paid to Sublessee shall be paid to the Government.

17.3 If and to the extent required by law, Lessee shall provide workmen's compensation or similar insurance or self-insurance in form and amounts required by law.

17.4 During the entire period this Lease shall be in effect, Lessee shall require its contractors or Sublessees or any contractor performing work at Lessee's or Sublessee's request on Leased Premises to carry and maintain the insurance required below:

17.4.1 Comprehensive general liability insurance, including, but not limited to, contractor's liability coverage and contractual liability coverage, of not less than $3 million, per occurrence with respect to personal injury or death, and $5 million, per occurrence with respect to property damage.

17.4.2 Workman's compensation or similar insurance in form and amounts required by law.

17.5 Should Lessee purchase commercial insurance in lieu of self-insurance, all insurance which this Lease requires Lessee or Sublessee to carry and maintain or cause to be carried or maintained shall be in such form, for such periods of time, and with such insurers as Government may reasonably require or approve. In that event, all policies or certificates issued by the respective insurers for public liability and property insurance will name Government as an additional insured, provide that any losses shall be payable notwithstanding any act or failure to act or negligence of Lessee or Government or any other person, provide that no cancellation, reduction in amount, or material change in coverage thereof shall be effective until at least thirty (30) calendar days after receipt by Government of written notice thereof; provide that the insurer shall have no right of subrogation against Government; and be reasonably satisfactory to Government in all other respects. In no circumstances will Lessee be entitled to assign to any third party, rights of action which Lessee may have against Government.

17.6 Lessee and Sublessees shall deliver or cause to be delivered promptly to Government a certificate of insurance or self-insurance evidencing the insurance required by this Lease and shall also deliver no later than thirty (30) calendar days prior to expiration of any such policy, a certificate of insurance evidencing each renewal policy covering the same risks.

18. **LABOR PROVISION:**

During the term of this Lease, Lessee agrees as follows:

18.1 Lessee will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. Lessee shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be

limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rate of pay or other forms of compensation and selection for training, including apprenticeship. Lessee agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by Government setting forth the provisions of this nondiscrimination clause.

18.1.1 Lessee shall, in all solicitations or advertisements for employees placed at Leased Premises by or on behalf of Lessee, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

18.1.2 Lessee shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice to be provided by Government, advising the labor union or worker's representative of Lessee's commitments under this equal opportunity clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

18.1.3 Lessee shall comply with all provisions of Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, and of the rules, regulations and relevant orders of the Secretary of Labor.

18.1.4 Lessee shall furnish all information and reports required by Executive order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, and of the rules, regulations and relevant orders of the Secretary of Labor or pursuant thereto, and will permit access to his books, records and accounts by Government and the Secretary of Labor for purposes of investigating to ascertain compliance with such rules, regulations and orders.

18.1.5 In the event of Lessee's noncompliance with the equal opportunity clause of this Lease or with any of said rules, regulations or orders, this Lease may be canceled, terminated or suspended in whole or in part, after the expiration of all applicable cure periods, and Lessee may be declare ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, as amended by Executive order 11375 of October 13, 1967, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, or by rule, regulation or order of the Secretary of Labor, or otherwise provided by law.

18.1.6 Lessee will include the above provisions in every sublease unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, so that such provisions will be binding upon each Sublessee. Lessee will take such action with respect to any Sublessee as Government may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event

Lessee becomes involved, or is threatened with litigation with Sublessee as a result of such direction by Government, Lessee may request the United States to enter into such litigation to protect the interest of the United States.

18.2 This Lease, to the extent that it is a contract of a character specified in the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) and is not covered by the Walsh-Healy Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and exceptions of said Contract Work Hours and Safety Standards Act and to all other provisions and exceptions of said law.

18.2.1 Lessee shall not require or permit any laborer or mechanic in any workweek in which he is employed on any work under this Lease to work in excess of 40 hours in such work week on work subject to the provisions of the Contract Work Hours Standards Act unless such laborer or mechanic receives compensation at a rate not less than one and one-half times his basic rate of pay for all such hours worked in excess of 40 hours in such work week. The "basic rate of pay", as used in this clause, shall be the amount paid per hour, exclusive of Lessee's contribution or cost for fringe benefits and any cash payment made in lieu of providing fringe benefits or the basic hourly rate contained in the wage determination, whichever is greater.

18.2.2 In the event of any violation of the provision of Paragraph 18.2.1, Lessee shall be liable to any affected employee for any amounts due, and to the United States for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic employed in violation of the provisions of paragraph 18.2.1 in the sum of ten $10.00 for each calendar day on which such employee was required or permitted to be employed on such work in excess of the standard workday of 8 hours or in excess of the standard work week of 40 hours without payment of the overtime wages required by Paragraph 18.2.1.

18.3 In connection with the performance of work required by this Lease, Lessee agrees not to employ any person undergoing a sentence of imprisonment at hard labor.

19. **SUBMISSION OF NOTICES:**

Notices shall be sufficient under this Lease if made in writing and to the addressees as

Lessee: City and County of San Francisco
Ms. Annemarie Conroy
San Francisco Mayor's Office
Treasure Island Project
410 Palm Ave. Bldg. 1, Room 237
Treasure Island
San Francisco, CA 94130

All correspondence in connection with
this contract should include reference to:

N62474 99RP00B05

Government: Commanding Officer (Code 624)
Engineering Field Activity – West (Bldg. 208/2)
Naval Facilities Engineering Command
900 Commodore Drive
San Bruno, CA 94066-5000

The individuals so designated above shall be representatives of the parties and the points of contact during the period of this Lease.

20. **AUDIT:**

This Lease shall be subject to audit by any and all cognizant Government agencies. Lessee shall make available to such agencies for use in connection with such audits all records which it maintains with respect to this Lease and copies of all reports required to be filed hereunder.

21. **AMENDMENTS:**

This Lease shall not be amended or modified unless in writing and signed by both parties. No oral statements or representation made by, for or on behalf of either party shall be a part of this Lease. Should a conflict arise between the provisions of this Lease and any exhibit hereto, or any other agreement between Government and Lessee, the provisions of this Lease shall take precedence.

22. **FAILURE TO INSIST ON COMPLIANCE:**

The failure of Government or Lessee to insist, in any one or more instances, upon performance of any of the terms, covenants or conditions of this Lease shall not be construed as a waiver or relinquishment of Government's or Lessee's right to the future performance of any such terms, covenants or conditions and Government's and Lessee's respective obligations in respect of such future performance shall continue in full force and effect.

23. **DISPUTES:**

23.1 This lease is subject to the Contract Disputes Act of 1978, as amended (41 U.S.C. 601-613) (the Act).

23.2 Except as provided in the Act, all disputes arising under or relating to this Lease shall be resolved under this clause.

23.3 "Claim", as used in this clause, means a written demand or written assertion by Lessee or Government seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of lease terms, or other relief arising under or relating to this Lease. A claim arising under this Lease, unlike a claim relating to this Lease, is a claim that can be resolved under a lease clause that provides for the relief sought by the claimant. However, a written demand or written assertion by Lessee seeking the payment of money exceeding

$100,000 is not a claim under the Act until certified as required by subparagraph 23.4 below. A voucher, invoice or other routine request for payment that is not in dispute when submitted, is not a claim under the Act. The submission may be converted to a claim under the Act, by complying with the submission and certification requirements of this clause, if it is disputed either as to liability or amount or is not acted upon in a reasonable time.

23.4 A claim by Lessee shall be made in writing and submitted within six (6) years after accrual of the claim, to the Naval Facilities Engineering Command, Engineering Field Activity West (ATTN.: Code 64), 900 Commodore Drive, San Bruno, CA 94066-5006 herein called "Command", for a written decision. A claim by the Government against Lessee shall be subject to a written decision by the Command.

23.4.1 Lessee shall provide the certification specified in subparagraph 23.4.3 of this clause when submitting any claim:

(a) Exceeding $100,000; or
(b) Regardless of the amount claimed, when using:
(1)Arbitration conducted pursuant to 5 U.S.C. 575-580; or
(2) Any other alternative means of dispute resolution (ADR) technique that the agency elects to use in accordance with the Administrative Dispute Resolution Act (ADRA).

23.4.2 The certification requirement does not apply to issues in controversy that have not been submitted as all or part of a claim.

23.4.3 The certification shall state as follows: "I certify that the claim is made in good faith; that the supporting data are accurate and complete to the best of my knowledge and belief; that the amount requested accurately reflects the contract adjustment for which Lessee believes Government is liable; and that I am duly authorized to certify the claim on behalf of Lessee."

23.4.4 The certification may be executed by any person duly authorized to bind Lessee with respect to the claim.

23.5 For Lessee claims of $100,000 or less, the Command, must, if requested in writing by Lessee, render a decision within 60 calendar days of the request. For Lessee-certified claims over $100,000, the Command, must, within 60 calendar days, decide the claim or notify Lessee of the date by which the decision will be made.

23.6 The Command's, decision shall be final unless Lessee appeals or files a suit as provided in the Act.

23.7 At the time a claim by the Lessee is submitted to Command or a claim by Government is presented to Lessee, the parties, by mutual consent, may agree to use ADR. When using arbitration conducted pursuant to 5 U.S.C. 575-580, or when using any other ADR

technique that the agency elects to employ in accordance with the ADRA, any claim, regardless of amount, shall be accompanied by the certification described in Paragraph 23.4.3 of this clause, and executed in accordance with Paragraph 23.4.4 of this clause.

23.8 Government shall pay interest on the amount found due and unpaid by Government from (1) the date the Command receives the claim (properly certified if required), or (2) the date payment otherwise would be due, if that date is later, until the date of payment. With regard to claims having defective certifications, as defined in FAR 33.201, interest shall be paid from the date that the Command initially receives the claim. Simple interest on claims shall be paid at the rate, fixed by the Secretary of the Treasury, as provided in the Act, which is applicable to the period during which the Command receives the claim and then at the rate applicable for each 6-month period as fixed by the Treasury Secretary during the pendency of the claim.

23.9 Lessee shall proceed diligently with the performance of Lease, pending final resolution of any request for relief, claim, appeal or action arising under Lease, and comply with any decision of the Command.

24. **COVENANT AGAINST CONTINGENT FEES:**

Lessee warrants that no person or agency has been employed or retained to solicit or secure this Lease upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established commercial agencies maintained by Lessee for the purpose of securing business. For breach or violation of this warranty, Government shall have the right to annul this Lease without liability or in its discretion, to require Lessee to pay the full amount of such commission, percentage, brokerage or contingent fee.

25. **OFFICIALS NOT TO BENEFIT:**

No member of or delegate to Congress or Resident Commissioner, shall be admitted to any share or part of this Lease or to any benefit to arise therefrom, but this provision shall not be construed to extend to this Lease if made with a corporation for its general benefit.

26. **LIENS:**

Lessee shall promptly discharge or cause to be discharged any valid lien, right in rem, claim or demand of any kind, except one in favor of Government, which at any time may arise or exist with respect to the Leased Property or materials or equipment furnished therefor, or any part thereof, and if the same shall not be promptly discharged by Lessee, or should Lessee or Sublessee be declared bankrupt or make an assignment on behalf of creditors, or should the leasehold estate be taken by execution, Government reserves the right to take immediate possession without any liability to Lessee or any Sublessee. Lessee and any Sublessee shall be responsible for any costs incurred by Government in securing clear title to its property.

27. **TAXES:**

Lessee shall pay or cause to be paid to the proper authority, when and as the same become due and payable, all taxes, assessments and similar charges which, at any time during the term of this Lease, may be imposed upon Lessee with respect to its operations of the Leased Premises. Title 10 United States Code, Section 2667(e) contains the consent of Congress to the Taxation of Lessee's interest in Leased Premises, whether or not the Leased Premises are in an area of exclusive federal jurisdiction. Should Congress consent to taxation of Government's interest in the property, this Lease will be renegotiated.

28 **SUBJECT TO EXISTING AND FUTURE EASEMENTS AND RIGHTS-OF-WAY:**

This Lease is subject to all outstanding easements and rights-of-way for location of any type of facility over, across, in and upon Leased Premises or any portion thereof and to the right of Government to grant such additional easements and rights-of-way over, across, in and upon Leased Premises as it shall determine to be in the public interest; provided that any such additional easement or right-of-way shall be conditioned on the assumption by the grantee thereof of liability to Lessee for such damages as Lessee shall suffer for property destroyed or property rendered unusable on account of the grantee's exercise of its rights thereunder. There is hereby reserved to the holders of such easements and rights-of-way as are presently outstanding or which may hereafter be granted, to any workers officially engaged in the construction, installation, maintenance, operation, repair or replacement of facilities located thereon, and to any Federal, state or local official engaged in the official inspection thereof, such reasonable rights of ingress and egress over Leased Premises as shall be necessary for the performance of their duties with regard to such facilities.

29. **INGRESS-EGRESS AND PARKING:**

Lessee and any Sublessees will be granted reasonable access to Leased Premises under this Lease. Such access will be coordinated with Government. Lessee and any Sublessees agree to adhere to all base rules and regulations regarding installation security, ingress, egress, safety and sanitation as may be prescribed from time to time by Government.

30. **ADMINISTRATION:**

Except as otherwise provided for under this Lease, Government shall, under the direction of the Command, have complete charge of the administration of this Lease, and shall exercise full supervision and general direction thereof insofar as the interests of Government are affected.

31. **SURRENDER:**

Upon the expiration of this Lease or its earlier termination in accordance with the terms of this Lease, Lessee shall quietly and peacefully remove itself and its property from Leased Premises and surrender the possession thereof to Government. Government may, in its discretion, declare

any property which has not been removed from Leased Premises upon expiration or termination provided for above, as abandoned property upon giving to Lessee an additional 30 calendar days notice after the termination date.

32 **INTEREST:**

32.1 Notwithstanding any other provision of this Lease, unless paid within thirty (30) calendar days from the due date, all amounts that become payable by Lessee to Government under this Lease (net any applicable tax credit under the Internal Revenue Code) shall bear interest from the date due. The rate of interest will be the Current Value of Funds rate published by the Secretary of Treasury pursuant to 31 U.S.C. 3717 (Debt Collection Act of 1982).

32.1.1 Amounts shall be, subject to applicable cure periods, due upon the earliest of:

32.1.1(a) the date fixed pursuant to this Lease,

32.1.1(b) the date of the first written demand for payment, consistent with this Lease, including demand consequent upon default termination,

32.1.1(c) the date of transmittal by Government to Lessee of a proposed supplemental agreement to confirm completed negotiations fixing the amount,

32.1.1(d) if this Lease provides for revision of prices, the date of written notice to Lessee stating the amount of refund payable in connection with a pricing proposal or in connection with a negotiated pricing agreement not confirmed by Lease supplement.

33. **AVAILABILITY OF FUNDS:**

33.1 The Government's obligations under this Lease are subject to the availability of funds appropriated for such purposes. Nothing in this Lease shall be interpreted to require obligations or payments by Government which are in violation of the Anti-Deficiency Act (31 USC 1341).

34. **SPECIAL PROVISIONS:**

34.1 Notwithstanding anything to the contrary contained in this Lease, there shall be no obligation for the payment or expenditure of money by Lessee under this Lease unless the Controller of the City and County of San Francisco first certifies, pursuant to Section 3.105 of the Charter of the City and County of San Francisco, that there is a valid appropriation from which the expenditure may be made and that unencumbered funds are available from the appropriation to pay the expenditure. Without limiting the foregoing, if in any fiscal year of City after the fiscal year in which the Term of this Lease commences, sufficient funds for the payment of any payments required under this Lease are not appropriated for any reason, then either party may terminate this Lease upon thirty (30) calendar days written notice and Lessee shall quietly

and peacefully remove itself and its property from Leased Premises and surrender possession thereof to the Government. Notwithstanding the foregoing, this Paragraph 34.1 shall not in any way limit or otherwise impair Lessee's indemnification obligation arising under Paragraphs 13.12 and 16 of this Lease.

34.2 Article 1.5 of the San Francisco Planning Code ("Code") requires the provision of bicycle storage at all properties leased by the City at no cost to the landlord, here the Government, and only if funds are available. In the event public and/or private donations, grants or other funds become available, at any time during this Lease, Lessee shall have the right to request that the Government amend this Lease to include space sufficient for the installation and operation of bicycle storage facilities. In the event of storage locker installation, the storage lockers shall be considered a trade fixture. Government, at no cost to Government, shall reasonably cooperate with City regarding the implementation of this Code.

34.3 The date on which this Lease shall become effective (the "Effective Date") is the date upon which (i) Lessee's Mayor and Board of Supervisors enact a resolution approving this Lease in accordance with all applicable laws and (ii) this Lease is duly executed by the parties hereto.

34.4 EBSL, FOSL and NEPA Documentation are attached as Exhibit "D". These documents contain restrictions to the Lease that must be strictly adhered to and are made a part hereof.

34.5 Sublease termination and tenant removal or relocation shall be at no cost to the Government. The government shall not be required to pay or reimburse the Lessee, its sublessee or any premises subtenants for any relocation costs relating to tenant removal or relocation. Lessee, sublessee and premises subtenants shall have no claim against the United States or any officer, agent, employee, contractor or subcontractor thereof on account of any sublease termination and subtenant removal or relocation.

35. **LIST OF EXHIBITS:**

The following exhibits are a part of this Lease:

Exhibit A - Leased Premises
Exhibit B - Inventory of Personal Property
Exhibit C - Joint Inspection Report
Exhibit D - EBS, FOSL and NEPA Documentation
Exhibit E - Utility Rates Schedule
Exhibit F - Safety and Health Hazards to be Corrected
Exhibit G - Government's Obligations to Abate Asbestos

All correspondence in connection with
this contract should include reference to:
N6247499RP00B05

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth below duly executed this Lease as of the day and year first above written.

WITNESS

THE UNITED STATES OF AMERICA

By: _____
Real Estate Contracting Officer

BEVERLY FREITAS
BRAC REAL ESTATE
REAL ESTATE CONTRACTING OFFICER

Date: 3/17/99

TREASURE ISLAND DEVELOPMENT AUTHORITY

_____ By: _____

_____ Title: _____

_____ Date: 3/17/99

APPROVED AS TO FORM

_____
CITY ATTORNEY

All correspondence in connection with
this contract should include reference to:
N6247499RP00B05

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth below duly executed this Lease as of the day and year first above written.

WITNESS

THE UNITED STATES OF AMERICA

By: _____
Real Estate Contracting Officer

BEVERLY FREITAS
BRAC REAL ESTATE
REAL ESTATE CONTRACTING OFFICER

Date: 3/17/99

TREASURE ISLAND DEVELOPMENT AUTHORITY

By: _____

Title: _____

Date: 3/17/99

APPROVED AS TO FORM

CITY ATTORNEY

All correspondence in connection with this contract should include reference to:
N62477499RP00B05

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth below duly executed this Lease as of the day and year first above written.

WITNESS

THE UNITED STATES OF AMERICA

_____ By: Beverly Freitas
BEVERLY FREITAS
BRAC REAL ESTATE
REAL ESTATE CONTRACTING OFFICER
Real Estate Contracting Officer

_____ Date: 3-17-99

TREASURE ISLAND DEVELOPMENT AUTHORITY

_____ By: Annemarie Conroy
ANNEMARIE CONROY
Executive Director
Treasure Island Development
Authority Project

_____ Title: _____

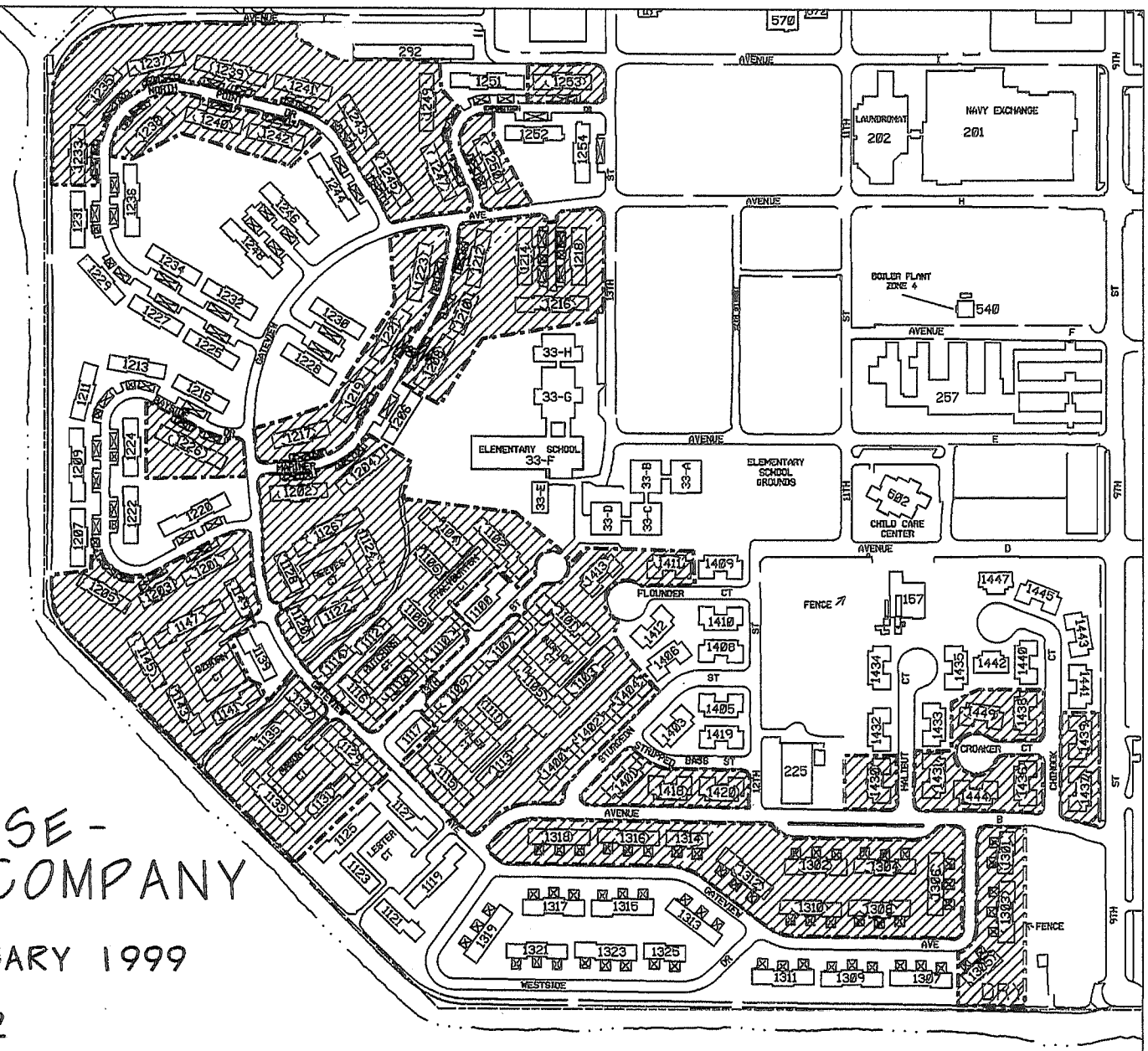
_____ Date: 3-17-99

APPROVED AS TO FORM

Michael Cohen 3-17-99
CITY ATTORNEY

LEGEND

LEASED AREA



HOUSING LEASE-
JOHN STEWART COMPANY

EXHIBIT A 27 JANUARY 1999

SHEET 1 OF 2

400 0 400 800 1200

APPROXIMATE SCALE IN FEET

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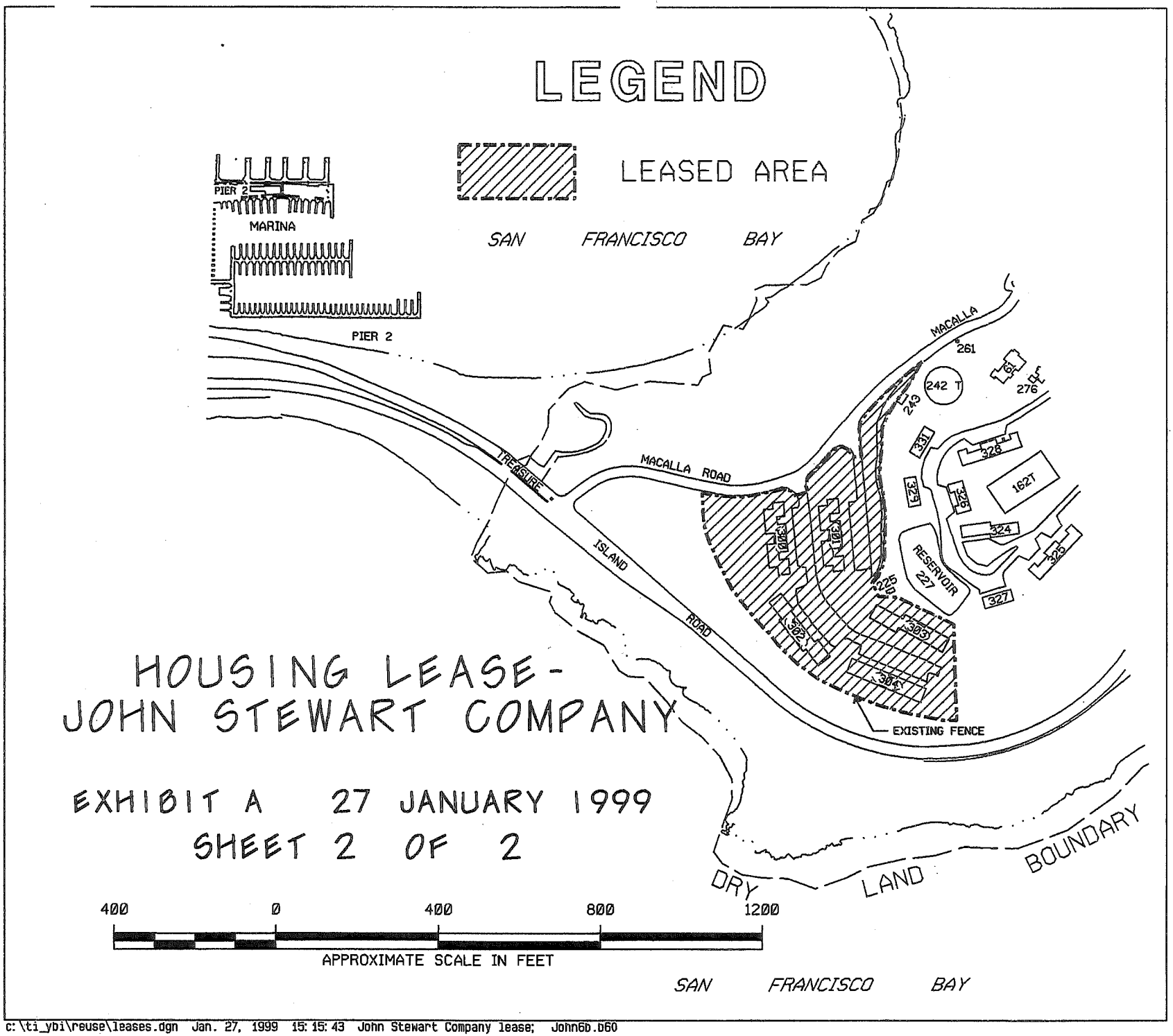

HOUSING LEASE-
JOHN STEWART COMPANY

EXHIBIT A 27 JANUARY 1999
SHEET 2 OF 2

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N624749RP00805

All correspondence in connection with
this contract should include reference to:

EXHIBIT B

N6247499RP00B05

INVENTORY OF PERSONAL PROPERTY

To be completed at time of move-in by both parties.

All correspondence in connection with
this contract should include reference to:

EXHIBIT C

N6247499RP00R05

JOINT INSPECTION REPORT

To be completed at time of move-in by both parties.

All correspondence in connection with
this contract should include reference to:

EXHIBIT D

N62474992D00B05

EBS, FOSL AND NEPA DOCUMENTATION

Environmental Baseline Survey:

Site-Specific Environmental Baseline Survey for Reuse Zone 3, September 1997
Final Site-Specific Environmental Baseline Survey Reuse Zone 4, November 1998

Finding of Suitability to Lease:

Finding of Suitability to Lease Reuse Parcel T099, May 21, 1997
Finding of Suitability to Lease Reuse Zone 3A, September 1997
Finding of Suitability to Lease Reuse Zone 3B, September 1997
Finding of Suitability to Lease Revision 1 Area of Reuse Zone 4, November 1998

National Environmental Policy Act Documentation:

Record of Categorical Exclusion for the Lease of the "300 Series" (60 Units) Family Housing on Yerba Buena Island, 4 Dec 1998

Record of Categorical Exclusion for the Lease of Family Housing on Treasure Island, 4 Dec 1998

All correspondence in connection with
this contract should include reference to:

N6247499RP00R05

EXHIBIT E

UTILITIES AGREEMENT
SUPPORTING LEASE OF HOUSING LEASE
NAVAL STATION TREASURE ISLAND

ARTICLE 10, UTILITIES

(a) Portions of the Government's utilities systems serving the Station are located within the Premises and are reserved for use by the Government hereunder. The Lessee agrees to allow the Government or its utility suppliers reasonable access to the Premises for such operation, maintenance, repair and replacement of these utilities systems as may be required. In executing operation, maintenance, repair or replacement of these systems, the Government agrees to take all reasonable steps to limit interference with the use of the Premises by the Lessee or its approved Sublessees or assignees.

(b) Prior to commencement of the term of this Lease, the Government and the Lessee will agree upon the terms and conditions for delivery of utility services by the Government to the Lessee which agreement will be appended as Exhibit "E" to this Lease. Conditions will include the following:

(1) Sewage discharge by the Lessee to the Government owned sewer system must meet all requirements of any applicable waste water discharge permit or contract issued by or between the Government and Bay Area Water Quality Management Board for discharge of sewage from the Station.

(2) Storm water discharged from the Premises must meet the requirements of permits issued to the Government in accordance with the National Pollution Discharge Elimination System (NPDES) for discharge of storm water from the Station. In addition, the Lessee agrees to participate in any storm water quality management program required by applicable local, State, or Federal regulations.

(c) The Lessee may, at its own cost, replace, remove, or relocate utility systems on the Premises in order to use the Premises, so long as there is no unreasonable interference with use by the Government of the utility systems and provided the Government has approved the replacement, removal or relocation in advance. Government approval shall not be unreasonably denied or delayed.

All correspondence in connection with
this contract should include reference to:

N6247499RP00B05

BACKGROUND

This exhibit implements the agreement stipulated in ARTICLE 10, of the Lease between the Lessee and the Government.

AGREEMENT

Pursuant to the requirements stipulated in ARTICLE 10 of said Lease, the Lessee and the Government hereby agree to the following with respect to Government-owned utility systems and to Government-provided utility services:

1. General

All utility services delivered at the premises shall be obtained from the City and County of San Francisco (CCSF) in accordance with provisions of Cooperative Agreement N624749720003 entered into by the Navy and CCSF. The Lessee agrees to conform to conditions of service which may be laid out by CCSF in addition to the general requirements of paragraphs 2.0 through 7.0, below. Assistance in obtaining service from CCSF can be obtained by contacting:

San Francisco Public Utilities Commission
410 Palm Ave., Building 1
Treasure Island
San Francisco, CA 94130

Attn.: Chuck Swanson, Utilities Project Manager
Phone: 415 274 0333

2.0 Metering

Electric, natural gas and water service will be authorized by the Government only after installation of meters which fully and exclusively measure consumption on the Premises. Prior to commencement of service the Lessee will insure that any additional metering which may be required has been installed by the San Francisco Public Utilities Commission (SFPUC), as the representative of the CCSF, or in accordance with SFPUC requirements and with written SFPUC authorization. Unless otherwise stipulated by the SFPUC, the volume of sewer discharge from the Premises will be assumed to equal water consumption as measured by applicable meters.

3.0 Commencement of Service

Service will commence after the Lessee, or any Sublessee authorized by the Government, has established an account with the SFPUC and has made any advance service deposit which the SFPUC may require.

All correspondence in connection with
this contract should include reference to:

N6247499RP00B05

4.0 **Rates**

Until further notice by the Government, the following rates are in effect:

Utility	Unit	Charge Per Unit
Electricity	MWH (million watt-hours)	$142.75
Natural Gas	MFC (1,000 cubic feet)	$ 6.00
Water	KGAL (thousand gallons)	$ 5.40
Sewer	KGAL	$ 5.75

5.0 **Billing and Payment**

Monthly bills for utilities services will be issued by the SFPUC to the Lessee or to a Government authorized Sublessee as agreed upon between the Lessee and the SFPUC. Payment to the SFPUC is due within 10 working days of receipt of the bill. Adjustments to billed amounts may requested only after receipt of the billed amount by the SFPUC and may be granted by the SFPUC only after an error in the originally presented bill is clearly established and documented.

6.0 **Service to Sublessees**

As stated in paragraph 5.0, above, payment for utility service may be made directly to the SFPUC by a Government authorized Sublessee, rather than by the Lessee, subject to agreement by the SFPUC. In the event any such agreement is made, the Lessee will insure that the applicable sublease contains provisions sufficient to bind the Sublessee to all conditions of service given here as well as to any additional conditions of service which may be imposed by the SFPUC.

7.0 **Failure by Sublessees to Make Payment**

Any Government authorized Sublessee obligated to make payment for utility services directly to the SFPUC will be considered in arrears if payment of any bill is not received within 30 working days of presentation to the Sublessee by the SFPUC. In any such case, the liability for payment will immediately revert to the Lessee and will remain with the Lessee for the remainder of the term of this Lease.

All correspondence in connection with
this contract should include reference to:

Exhibit F

N6247499RP00B05

SAFETY AND HEALTH HAZARDS TO BE CORRECTED

No safety and/or health hazards to be corrected.

All correspondence in connection with
this contract should include reference to:

Exhibit G

N6247499RP00B05

GOVERNMENT'S OBLIGATIONS TO ABATE ASBESTOS

No asbestos abatement to be performed by Government.

COMPREHENSIVE LONG-TERM ENVIRONMENTAL ACTION NAVY (CLEAN II)
Northern and Central California, Nevada, and Utah
Contract Number N62474-94-D-7609
Contract Task Order No. 0126

Prepared For

DEPARTMENT OF THE NAVY
Amelia Duque, Engineer-in-Charge
Engineering Field Activity West
Naval Facilities Engineering Command
San Bruno, California

FINAL FINDING OF SUITABILITY TO LEASE REVISION 3 AREA OF REUSE ZONE 4

PORTIONS OF PARCELS T100 AND T101 NAVAL STATION TREASURE ISLAND, SAN FRANCISCO, CALIFORNIA

February 2000

Prepared By

TETRA TECH EM INC.
135 Main Street, Suite 1800
San Francisco, CA 94105

and

URIBE & ASSOCIATES
2930 Lakeshore Avenue, Suite 200
Oakland, CA 94610

for Nicole Pierce
Ms. Anjana Wicke, Tetra Tech EM Inc. Project Manager

Lynne T. S
Ms. Lynne Srinivasan, Uribe & Associates Project Manager

1.0 PURPOSE

a. The purpose of this finding of suitability to lease (FOSL) is to document environmental findings that may affect the proposed lease of the Revision 3 area (portions of Parcels T100 and T101) of Reuse Zone 4 at Naval Station Treasure Island (NAVSTA TI) in San Francisco, California. Reuse Zone 4 has been divided into three subareas; the FOSL for the Revision 1 area was finalized in November 1998 and the FOSL for the Revision 2 area was submitted for regulatory agency review in draft form in July 1999. The Revision 3 area is described in Section 2.0 and the three subareas of Reuse Zone 4 are shown on Figure 1. The property will be leased to the City of San Francisco for residential use. The U.S. Department of the Navy (Navy) owns the land and buildings at the property.

b. This FOSL is the result of a thorough analysis of the information contained in the following documents:

- "Final Basewide Environmental Baseline Survey Report for Naval Station Treasure Island," ERM-West, Inc., May 1995 (basewide EBS).
- "Final Environmental Baseline Survey Sampling Work Plan for Naval Station Treasure Island," ERM-West, Inc., April 1996.
- "Asbestos Management Plan, Naval Support Activity Treasure Island, San Francisco, California," Navy Public Works Center (PWC), Norfolk, Virginia, May 1996.
- "Lead Management Plan, Naval Support Activity Treasure Island," Navy PWC Norfolk, Virginia, May 1996.
- "Base Realignment and Closure (BRAC) Cleanup Plan, Naval Station Treasure Island," Department of the Navy, Naval Facilities Engineering Command, Engineering Field Activity West (EFA WEST), PRC Environmental Management, Inc. (PRC), March 1997.
- "Draft Final Onshore Remedial Investigation Report Naval Station Treasure Island," EFA WEST, Tetra Tech EM Inc. (TtEMI), September 1997.
- "Draft Corrective Action Plan, Sites 04/19, 06, 14/22, 15, 16, 20, and 25, Naval Station Treasure Island," TtEMI, November 1997.
- "Environmental Baseline Survey Sampling and Analysis Screening Level Report, Naval Station Treasure Island, California," TtEMI and Uribe & Associates (U&A), November 1997.

- "Asbestos Building Survey Report for Residential Housing Units at Treasure Island and Yerba Buena Island," Volume II, Supervisor of Shipbuilding, Portsmouth Shipyard (SSPORTS) Environmental Detachment, Vallejo, California, August 1998.

- "Final Site-Specific Environmental Baseline Survey (SSEBS) for Reuse Zone 4, Naval Station Treasure Island, San Francisco, California," TtEMI and U&A, November 1998.

- "Draft Remedial Investigation Report, Site 12 Operable Unit, Naval Station Treasure Island, San Francisco, California," TtEMI, June 1999.

- "Recommendation for the Use of Monitored Natural Attenuation for Total Petroleum Hydrocarbons (TPH) in Building 1311/1313 Area, Site 12, Naval Station Treasure Island," TtEMI, October 1999.

Some of these documents have not yet been finalized and may not have been agreed upon by the regulatory agencies.

2.0 PROPERTY DESCRIPTION

The Revision 3 area of Reuse Zone 4 is defined below and shown on Figure 1, presented at the end of this document. Table 1, which follows the figure, is a description of the property and the associated buildings.

The Revision 3 area of Reuse Zone 4, which is located in the northwestern portion of NAVSTA TI, encompasses approximately 2.9 acres and consists of portions of Parcels T100 and T101 (see Figure 1). There are three buildings within the Revision 3 area of Reuse Zone 4 (listed in Table 1). Open space in the Revision 3 area consists of asphalt roadways and parking areas, concrete walkways, and landscaped areas. Historical information regarding the Revision 3 area of Reuse Zone 4 can be found in the final site-specific environmental baseline survey (SSEBS) for Reuse Zone 4, cited in Section 1.b of this FOSL.

The Revision 3 area is bounded by an unleased portion of Parcel T102 to the north; previously leased portions of Parcels T100 and T101 to the east and south; and the San Francisco Bay to the west. A portion of Installation Restoration (IR) Site 12, the Old Bunker Area, is located within the Revision 3 area on Parcels T100 and T101.

Parcel T100 comprises 7.56 acres, approximately 1.5 acres of which are included in the Revision 3 area of Reuse Zone 4. The portion of Parcel T100 located in the Revision 3 area comprises one multi-unit residential building (Building 1307) and its associated carports and trash enclosures. Parcel T101

comprises 3.66 acres, approximately 1.4 acres of which are included in the Revision 3 area of Reuse Zone 4. The portion of Parcel T101 located in the Revision 3 area comprises two multi-unit residential buildings (Building 1309 and 1311) and their associated carports and trash enclosures. The 1300-series residential buildings were built in 1974. The remaining portion of the two parcels that is included in the Revision 3 area consists of open space, including asphalt roadways and parking areas, concrete walkways, and landscaped areas.

3.0 REGULATORY COORDINATION

The California Department of Toxic Substances Control (DTSC); the California Regional Water Quality Control Board, San Francisco Bay Region; and the U.S. Environmental Protection Agency (EPA) were notified at the initiation of this FOSL and have been provided with draft versions of the FOSL to facilitate their consultative role in document development. Regulatory agency comments received during the development of the FOSL were reviewed and incorporated, as appropriate. Because a formal response to regulatory agency comments has not yet been submitted, these comments are included as an appendix to this document.

EPA and DTSC disagree with the U.S. Department of Defense (DOD) guidelines on lead-based paint, presented in Section 6.3 of this FOSL. EPA and DTSC contend that lead contamination in soil resulting from lead-based paint must be addressed as a Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) release.

4.0 NATIONAL ENVIRONMENTAL POLICY ACT COMPLIANCE

Title 32 of the Code of Federal Regulations (CFR) Part 775.6 (19) provides that, under normal circumstances, the granting of leases where there is no substantial change in land use is categorically excluded from further documentation requirements under the National Environmental Policy Act (NEPA). A copy of the categorical exclusion statement shall accompany this FOSL and/or the leasing real estate instrument.

5.0 ENVIRONMENTAL CONDITION OF THE PROPERTY

As outlined in the final SSEBS for Reuse Zone 4 (cited in Section 1.b of this FOSL), Parcels T100 and T101 are classified as environmental condition of property (ECP) area type 6. ECP area type 6 parcels

are areas where hazardous substances have been identified, but the required response action has not yet been implemented.

6.0 LEASE NOTIFICATIONS AND RESTRICTIONS

The documents listed in Section 1.b of this FOSL were evaluated to identify environmental factors that require specific restrictions under the lease to preclude threats to human health or the environment, or that require notification to the lessee. The factors that were considered are listed in Table 2, at the end of this FOSL. The factors that require either restrictions or notifications are identified in Table 2 and are discussed in Sections 6.1 through 6.4. The Navy has concluded that the remaining factors listed in Table 2 pose no significant threat to human health or the environment and, therefore, require neither restrictions in the lease nor notifications to the lessee. All required lease restrictions must also be made part of all subleases within the Revision 3 area of Reuse Zone 4, and all references to lessees and leases in this document also apply to all authorized sublessees and subleases.

6.1 INSTALLATION RESTORATION PROGRAM SITES AND AREAS OF CONCERN

IR Site 12. IR Site 12 is located within the Revision 3 area and is being investigated under CERCLA. A baseline human health risk assessment (BHHRA) was performed using a residential exposure scenario as part of the remedial investigation (RI) for IR Site 12. The results of the risk assessment are presented in the draft RI report for the Site 12 Operable Unit, cited in Section 1.b of this FOSL. For Area 2 of IR Site 12 (which includes the Revision 3 area), the potential carcinogenic risk associated with exposure to compounds detected in soils is within the target risk range (10^{-4} to 10^{-6}); also, the hazard indices for residential exposure to noncarcinogenic compounds in soil at Area 2 are less than 1, indicating that there is no potential risk to human health. The results of the lead assessment indicate that the blood-lead levels for exposure to soils are lower than the lead concentration of concern (10 micrograms per deciliter).

The draft RI recommended the evaluation of alternatives to address TPH-contaminated soil and groundwater near Building 1311. In June 1999, soil and groundwater samples were collected near Building 1311 in the Revision 3 area. Elevated concentrations of TPH in this area were detected at depths of 5 feet below ground surface or deeper. Measured natural attenuation parameters indicated that biodegradation processes are actively degrading petroleum products in soil and are expected to biodegrade petroleum products in groundwater. Groundwater results indicate that elevated TPH concentrations occur inland, at locations to the north and east of Building 1311. None of the shoreline

monitoring wells in the Revision 3 area exhibited concentrations exceeding the 1.4 milligrams per liter criterion established for IR Site 12. Data from shoreline monitoring wells indicate that TPH concentrations are decreasing with time. Currently, the monitored natural attenuation alternative is being discussed with the regulatory agencies. However, compounds present in soil and groundwater at IR Site 12 are not expected to pose a risk to human health or the environment in the Revision 3 area.

Notification. The Navy and recognized regulatory agencies will be allowed unrestricted access to enter the leased property to conduct investigations and surveys, collect samples, perform remediation, use or inspect monitoring wells, or engage in other activities associated with the IR program and other environmental programs.

If remedial activities are deemed necessary, a site-specific health and safety plan will be developed. Although the lessee may be required to relocate during remedial activities, it is possible that the lease area may remain accessible to, and be occupied by, the lessee during any remedial activities. Potential access restrictions may include requiring the lessee to enter the leased premises via a specific route. Noise, traffic, and other nuisances associated with construction may be expected.

Restrictions. The lessee will be restricted from conducting excavation, drilling, or other ground-disturbing activities other than minor repairs of the pavement and routine landscaping activities at the Revision 3 area of Reuse Zone 4 without prior written Navy approval and Navy coordination with applicable federal and state regulatory agencies, as necessary.

Use of groundwater at NAVSTA TI is prohibited. The lessee will be prohibited from installing any groundwater wells at the subject property or otherwise using groundwater.

The lessee may not damage existing or future groundwater monitoring wells, and the lessee will be financially responsible for repairing any damage done to the wells.

The lessee may not interfere with the ongoing IR and other environmental program activities.

6.2 ASBESTOS-CONTAINING MATERIALS

This section summarizes the most recent asbestos surveys conducted at the Revision 3 area of Reuse Zone 4 by the Supervisor of Shipbuilding, Portsmouth Shipyard (SSPORTS) Environmental Detachment,

Vallejo, California in 1998. No damaged, friable, and accessible asbestos-containing material (ACM) was identified in the 1300-series housing units included in the Revision 3 area. As a result of the findings of this survey, Buildings 1307, 1309, and 1311 are available for occupancy.

ACM may also be present in insulation around the steam pipes. Pipes are likely located in the walls and crawl spaces within the buildings, as well as in the ground leading to the buildings. Because of access difficulties, it is unlikely that any asbestos-wrapped steam lines would pose a threat to human health.

Notifications. No notifications are required with respect to ACM at the Revision 3 area of Reuse Zone 4.

Restrictions. The lessee will be required to conduct routine evaluations of the condition of existing ACM and comply with all applicable federal, state, and local laws relating to asbestos. Before reconstruction or remodeling, the lessee must submit plans to the Navy to prevent an inadvertent disturbance of potential ACM, including ACM potentially present around inaccessible steam pipes. For the purposes of this lease, the lessee will agree that during its use and occupancy of the property, it will bear all costs for managing the ACM properly. The Navy will also require the lessee to (1) obtain written Navy approval before any construction or modification to any building or structure and (2) submit an ACM management plan to the Navy within 30 days of leasing the property.

6.3 LEAD-BASED PAINT

Lead-based paint hazards are defined in the Federal Residential Lead-Based Paint Hazard Reduction Act of 1992 (Title X of Public Law [PL] 102-550), as codified in 42 U.S. Code (USC) Sections 4822, 4851 - 4856 and 15 USC Section 2688 (Act), as "any condition that causes exposure to lead . . . that would result in adverse health effects." Lead exposure is especially harmful to young children and pregnant women. The Act provides for regulation of the abatement of lead hazards from lead-based paint, lead-contaminated dust, and lead-contaminated soil for target housing only. The Act defines "target housing" as any housing constructed prior to 1978, except housing for the elderly or persons with disabilities, and any 0-bedroom dwelling. In addition, Title 35 of the CFR Part 745, requires that any seller or lessor must disclose known lead-based paint or lead-based paint hazards on residential housing built before 1978.

The Navy is required by the Act and subsequent DOD BRAC guidelines to survey and abate lead-based paint hazards on target housing constructed before 1960. The DOD guidelines also stipulate that lead-based paint surveys be conducted at target housing constructed between 1960 and 1978. No survey or abatement is required to be conducted at housing constructed after 1978. If a nonhousing structure is identified by the reuse plan for future use as housing, the Navy would consider the structure to be target housing and would take the appropriate measures depending on the age of the structure. One exception to the DOD policy is that inspection and/or abatement of target housing is not required if the building is scheduled for demolition.

The Navy disagrees with DTSC's position that soils surrounding structures constructed after 1978 should be evaluated to assess whether lead exists in soils at levels that may cause a risk to future users.

If any work is conducted on structures coated with lead-based paint, regulations for air exposure to workers under the Occupational Safety and Health Act (OSHA) would apply. Also, lead-contaminated residues generated during paint removal are regulated under the Resource Conservation and Recovery Act if found to be a characteristic hazardous waste, or under the California Hazardous Waste Management Regulations if they fail the waste extraction test or exceed the total threshold limit concentration for lead (1,000 parts per million lead) as described in the California Code of Regulations, Title 22, Chapter 11, Section 66261.24(a).

Although EPA and DTSC have no objections to the DOD working out an arrangement with the lessee and sublessee to remediate any contamination, it is the Agencies' opinion that the ultimate responsibility for potential contamination from lead-based paint and other CERCLA hazardous substances lies with the DOD.

Residential Facilities

The term "residential" includes any house, apartment, or structure intended for human habitation. In addition, Navy practice is to treat structures that would typically accommodate children under 6 years of age for extended periods of time, such as a child care facility, elementary school, or playground, in the same manner as target housing, although the law does not specifically address them as such.

Disclosure. The Navy conducted a lead-based paint survey for 18 residential buildings in the 1300-series housing area in Reuse Zone 4. Lead-based paint was identified on some of the interior and

exterior surfaces of the 1300-series housing. The results are presented in the lead management plan cited in Section 1.b of this FOSL. Because the houses in the Revision 3 area were built between 1960 and 1978, these surveys, along with full disclosure to the lessee of lead-based paint information, fulfill the requirements of Title X.

Nonresidential Facilities

Under the Act, federal agencies are subject to all federal, state, and local requirements with respect to lead-based paint and lead-based paint hazards (15 USC Section 2688). Currently, there are no federal, state, or local requirements for surveying and abating lead-based paint in nonresidential facilities. However, the EPA and DTSC consider a release to soil of lead-based paint from any DOD building or structure to be a CERCLA hazardous substance release. The Navy's policy for lead-based paint cleanup in nonresidential areas is to respond to the presence of lead-based paint under CERCLA "in the same manner and to the same extent, both procedurally and substantively, as any non-government entity." If a regulatory agency requires DOD to engage in lead-based paint response actions not required of the public sector, there is a violation of CERCLA 120(a)(1). In addition, DTSC insists that lead-based paint contamination in soil be addressed at DOD installations, but not at other sites within California. For the Navy to comply with this request would be a violation of CERCLA Section 120 (a)(4), which requires the Navy to comply with state removal and remedial action laws only to the extent the state law is uniformly applied within that state. In the event that EPA or states develop and issue regulations for lead-based paint in nonresidential areas, the Navy will honor its CERCLA 120(h) responsibilities to "take any additional remedial action necessary after the date of transfer."

Disclosure. In August 1998, the DTSC collected soil samples surrounding seven nonresidential buildings and the elementary school at NAVSTA TI. Average lead concentrations in soil samples collected near each building were less than the EPA recommended action level for lead in soil.

Notifications. A lead hazard information pamphlet will be distributed to the lessee in accordance with the Residential Lead-Based Paint Hazard Reduction Act and 24 CFR Part 35, and a notice, in accordance with 24 CFR Section 35.88, about the presence of lead-based paint hazards will also be issued to the lessee.

Buildings built before 1978 may contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards if not managed properly. Lead exposure is especially harmful to young children and

pregnant women. The lessee is hereby informed and does acknowledge that buildings in the 1300-series housing area contain lead-based paint that may result in lead-based paint hazards. Soil adjacent to the buildings may contain lead concentrations resulting from lead-based paint.

The lessee is responsible for managing all lead-based paint and potential lead-based paint in compliance with all applicable laws and regulations.

Restrictions. Construction, alteration, or modification (including paint stripping or sanding) is prohibited without prior testing of the paint for lead and notification of and approval by the Navy prior to the initiation of the activity.

The lessee shall not permit the use of these premises for residential habitation unless the lessee, at its own expense, has eliminated any hazards of lead-based paint in accordance with all applicable laws, rules and regulations, and in accordance with "Guidelines for Evaluation and Control of Lead Based Paint Hazards in Housing," promulgated by the Department of Housing and Urban Development pursuant to Title X of U.S. Public Law 102-550. Throughout the term of the lease, the lessee shall be responsible for monitoring the condition of the lead-based paint and eliminating any hazard that may develop during the term of the lease.

6.4 HAZARDOUS WASTE MANAGEMENT (BY LESSEE)

The lessee is not anticipated to use any regulated quantities of hazardous materials on the property.

Notifications. No notifications are required with respect to hazardous waste management at the Revision 3 area of Reuse Zone 4.

Restrictions. Throughout the term of the lease, the lessee will be required to comply with all applicable laws and regulations pertaining to the use, treatment, storage, disposal, and transport of hazardous materials.

7.0 SUMMARY OF LEASE NOTIFICATIONS AND RESTRICTIONS

The notifications and restrictions contained in this section are based upon findings summarized in Sections 6.1 through 6.4.

7.1 NOTIFICATIONS

The specified portions of Parcels T100 and T101 may be used pursuant to the proposed lease, with the following notifications specified in the lease:

a) The Navy and recognized regulatory agencies will be allowed unrestricted access to enter the leased property to conduct investigations and surveys, collect samples, perform remediation, use or inspect monitoring wells, or engage in other activities associated with the IR program and other environmental programs.

b) If remedial activities are deemed necessary, a site-specific health and safety plan will be developed. Although the lessee may be required to relocate during remedial activities, it is possible that the lease area may remain accessible to, and be occupied by, the lessee during any remedial activities. Potential access restrictions may include requiring the lessee to enter the leased premises via a specific route. Noise, traffic, and other nuisances associated with construction may be expected.

c) A lead hazard information pamphlet will be distributed to the lessee in accordance with the Residential Lead-Based Paint Hazard Reduction Act and 24 CFR Part 35, and a notice, in accordance with 24 CFR Section 35.88, about the presence of lead-based paint hazards will also be issued to the lessee.

d) Buildings built before 1978 may contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards if not managed properly. Lead exposure is especially harmful to young children and pregnant women. The lessee is hereby informed and does acknowledge that buildings in the 1300-series housing area contain lead-based paint that may result in lead-based paint hazards. Soil adjacent to the buildings may contain lead concentrations resulting from lead-based paint.

e) The lessee is responsible for managing all lead-based paint and potential lead-based paint in compliance with all applicable laws and regulations.

7.2 RESTRICTIONS

The specified portions of Parcels T100 and T101 may be used pursuant to the proposed lease, with the following use restrictions specified in the lease:

a) The lessee will be restricted from conducting excavation, drilling, or other ground-disturbing activities other than minor repairs of the pavement and routine landscaping activities at the Revision 3 area of Reuse Zone 4 without prior written Navy approval and Navy coordination with applicable federal and state regulatory agencies, as necessary.

b) Use of groundwater at NAVSTA TI is prohibited. The lessee will be prohibited from installing any groundwater wells at the subject property or otherwise using groundwater.

c) The lessee may not damage existing or future groundwater monitoring wells, and the lessee will be financially responsible for repairing any damage done to the wells.

d) The lessee may not interfere with the ongoing IR and other environmental program activities.

e) The lessee will be required to conduct routine evaluations of the condition of existing ACM and comply with all applicable federal, state, and local laws relating to asbestos. Before reconstruction or remodeling, the lessee must submit plans to the Navy to prevent an inadvertent disturbance of potential ACM, including ACM potentially present around inaccessible steam pipes. For the purposes of this lease, the lessee will agree that during its use and occupancy of the property, it will bear all costs for managing the ACM properly. The Navy will also require the lessee to (1) obtain written Navy approval before any construction or modification to any building or structure and (2) submit an ACM management plan to the Navy within 30 days of leasing the property.

f) Construction, alteration, or modification (including paint stripping or sanding) is prohibited without prior testing of the paint for lead and notification of and approval by the Navy prior to the initiation of the activity.

g) The lessee shall not permit the use of these premises for residential habitation unless the lessee, at its own expense, has eliminated any hazards of lead-based paint in accordance with all applicable laws, rules and regulations, and in accordance with "Guidelines for Evaluation and Control of Lead Based Paint Hazards in Housing," promulgated by the Department of Housing and Urban Development pursuant to Title X of U.S. Public Law 102-550. Throughout the term of the lease, the lessee shall be responsible for monitoring the condition of the lead-based paint and eliminating any hazard that may develop during the term of the lease.

h) Throughout the term of the lease, the lessee will be required to comply with all applicable laws and regulations pertaining to the use, treatment, storage, disposal, and transport of hazardous materials.

i) The lessee will be responsible for obtaining all necessary permits and licenses for its own operation. Any violation of permit conditions will be grounds to require the lessee to cease operations or to terminate the lease.

j) Uses by the lessee are limited to a type and nature described in the lease document.

8.0 FINDING OF SUITABILITY TO LEASE

Based on the foregoing information and analysis, I find that the subject property (as identified in Section 2.0) is suitable to lease and may be used pursuant to the proposed lease, with the specified use restrictions in the lease, with acceptable risk to human health in the environment, and without interference with the environmental restoration process.

G. J. Buchanan 2/3/00

Date

G. J. BUCHANAN
CAPTAIN, CEC, USN
Commanding Officer
Engineering Field Activity, West
Naval Facilities Engineering Command

FIGURE

EFA, WEST INTERNAL TRANSMITTAL/REVIEW ROUTING SLIP

DOCUMENT ATTACHED: FINDING OF SUITABILITY TO LEASE (FOSL) – REVISION 3, AREA OF REUSE ZONE 4

Activity: NAVAL STATION TREASURE ISLAND

The attached report has been reviewed and based upon the information provided, this office is satisfied that the report is adequate and has no further comments.

MARVIN NORMAN, ENVIRONMENTAL COUNSEL, Code 09C MN — Date 2/3/00

The attached report has been reviewed and based upon the information provided, this office is satisfied that the report is adequate and has no further comments.

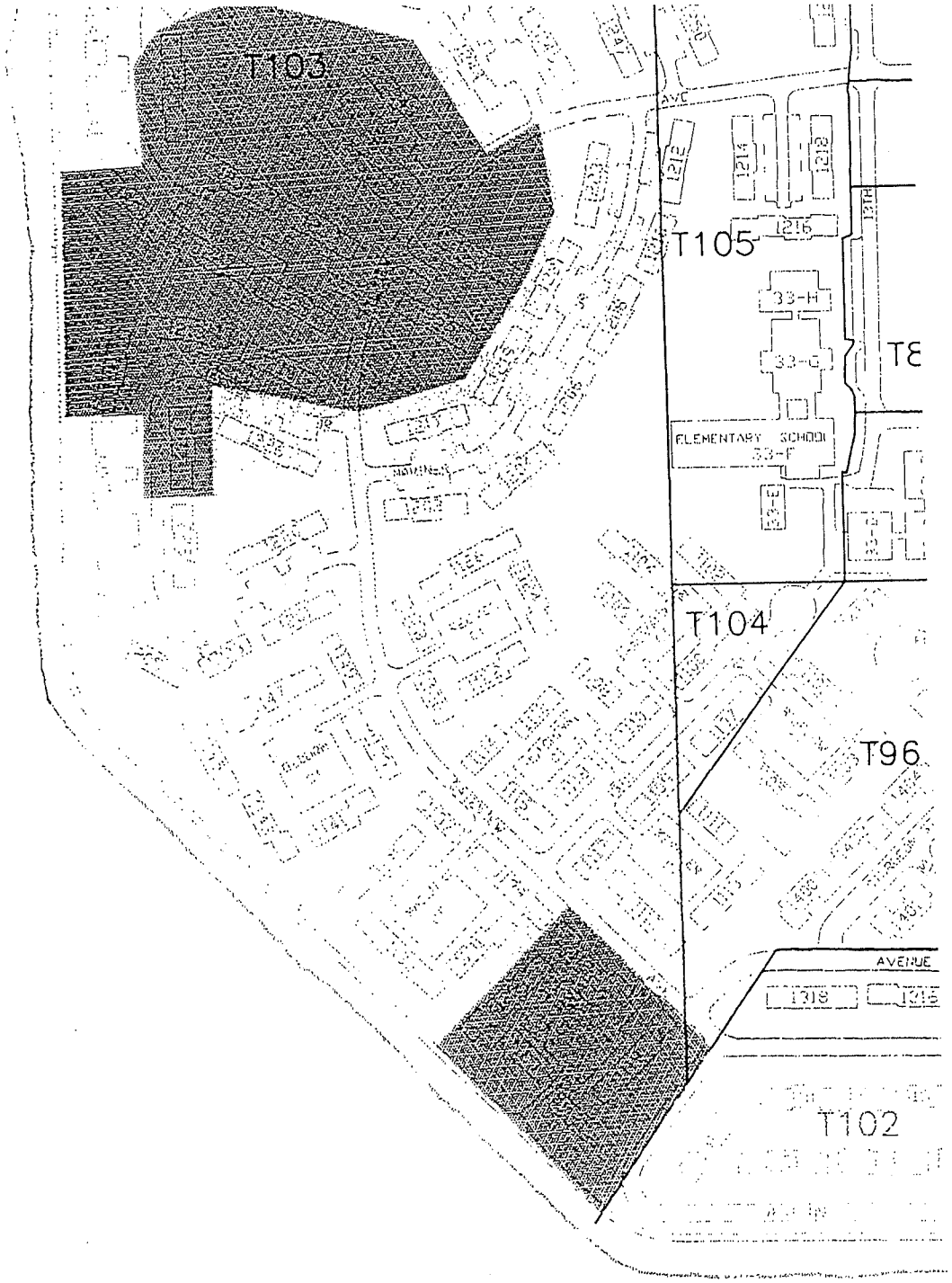
AMY JO WILEMAN, REAL ESTATE SPECIALIST — Date 2/3/00

The attached report has been reviewed and based upon the information provided, this office is satisfied that the report is adequate and has no further comments.

JAMES SULLIVAN, BRAC ENVIRONMENTAL COORDINATOR, Code 622A — Date 2/2/00

The attached report has been reviewed and based upon the information provided, this office is satisfied that the report is adequate and has no further comments.

TERRY GREINER, CLOSURE LIAISON — Date 2/2/00


T103
T105
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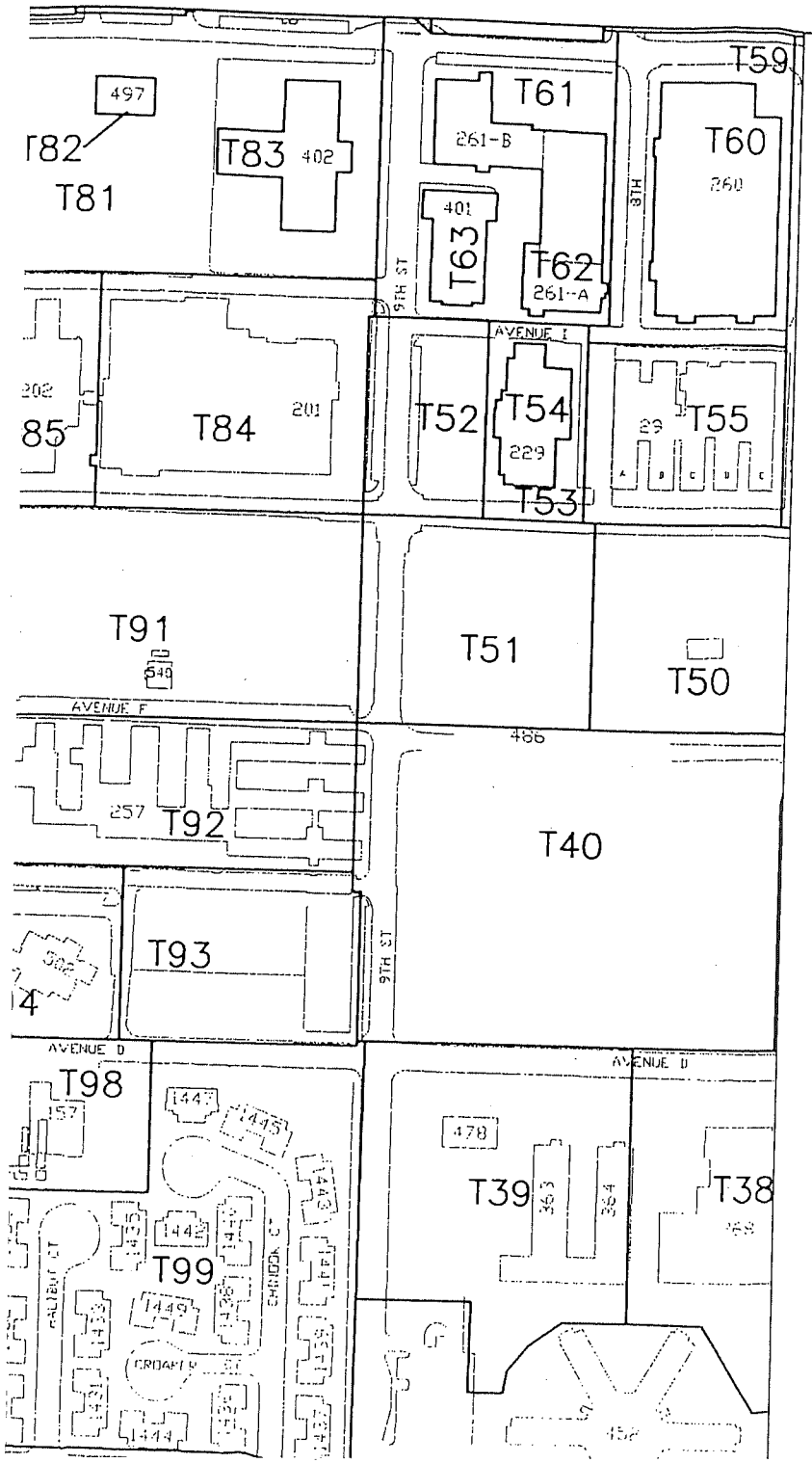

LEGEND:

- HOUSING UNITS RESTRICTED FROM LEASE
- AREA INCLUDED IN REVISION 1 FOS.
- AREA INCLUDED IN REVISION 2 FOS.
- AREA INCLUDED IN REVISION 3 FOS.

TABLES

TABLE 1

PROPERTY DESCRIPTION, REVISION 3 AREA OF REUSE ZONE 4
NAVAL STATION TREASURE ISLAND

Parcel	Acres	Building Number	Year Built	Building/Parcel Description
Portion of T100	Approx. 1.5	1307	1974	Multi-unit residential building
Portion of T101	Approx. 1.4	1309 and 1311	1974	Multi-unit residential buildings

TABLE 2

ENVIRONMENTAL FACTORS AND RESOURCES CONSIDERED FOR THE REVISION 3 AREA OF REUSE ZONE 4

Environmental Factors Considered	Lease Restriction or Notification Required?
Hazardous Substances (Notification)	No
Installation Restoration (IR) Program and Areas of Concern	Yes
Medical/Biohazardous Wastes	No
Oil/Water Separators	No
Unexploded Ordnance	No
Petroleum Products and Derivatives	No
Radioactive and Mixed Wastes	No
Storage Tanks	No
Other Environmental Factors	No
Asbestos	Yes
Drinking Water Quality	No
Indoor Air Quality	No
Lead-Based Paint	Yes
Lead-Based Paint (Low-Priority Facilities)	No
Polychlorinated Biphenyls	No
Radon	No
Air Conformity/Air Permits	No
Energy (Utilities such as Natural Gas, Electric, and Coal)	No
Flood Plains	No
Hazardous Waste Management (Lessee)	Yes
Historic Property (Archeological/Native American, Paleontological)	No
Occupational Safety and Health Administration	No
Outdoor Air Quality	No
Prime/Unique Farmlands	No
Sanitary Sewer Systems (Wastewater)	No
Sensitive Habitat	No
Septic Tanks (Wastewater)	No
Solid Wastes	No
Threatened/Endangered Species	No
Transportation	No
Wetlands	No

APPENDIX

REGULATORY AGENCY COMMENTS

Department of Toxic Substances Control

Edwin F. Lowry, Director
700 Heinz Avenue, Suite 200
Berkeley, California 94710-2721

Gray Davis
Governor

Winston H. Hickox
Agency Secretary
California Environmental
Protection Agency

January 7, 2000

Commanding Officer
Engineering Field Activity West
Attn: Code 6224, Ms. Amelia Duque
Naval Facilities Engineering Command
900 Commodore Drive
San Bruno, California 94066-5006

DRAFT FINDING OF SUITABILITY TO LEASE REVISION 3 AREA OF REUSE ZONE 4 AT NAVAL STATION TREASURE ISLAND

Dear Ms. Duque:

The Department of Toxic Substances Control (DTSC) has reviewed the Draft Finding of Suitability to Lease for Reuse Zone 4, Revision 3, at Naval Station Treasure Island, submitted to DTSC on December 23, 1999. Following are DTSC's comments.

FOSL Specific Comments

1. Page 4, Section 6.0, Lease Notifications and Restrictions

The first notification in this section indicates that future tenants may remain in their units if and when remedial actions are performed.

DTSC staff find this statement misleading and although it may be possible for tenants to remain in their units while remedial activities occur, DTSC believes that this can not be determined until the potential remedial impacts are evaluated in a site specific health and safety plan that is based on a thorough understanding of the nature and extent of contaminants being addressed. Therefore, the Navy needs to modify this notification to indicate that the potential for occupancy during remedial actions will be based on a site specific health and safety plan if and when a remedial action is determined necessary at some point in the future. The notification also needs to indicate that if remedial actions are determined necessary in the future, that it may require the relocation of tenants during the time the remedial action is performed.

2. Page 5, Section 6.2, Asbestos-Containing Materials

This section indicates that steam pipes insulated with asbestos may be present in the ground leading to the buildings in Reuse Zone 4. This statement is inconclusive and prior to leasing this area, DTSC believes that the Navy needs to determine whether or not pipes insulated with asbestos exists in the ground in Reuse Zone 4. If steam pipes insulated with asbestos are present in the soil, then the condition of the asbestos as well as the potential for release to the environment and associated human exposure needs to be determined. If it is determined that a release of asbestos has occurred, then that release may need to be addressed prior to the leasing of the housing.

3. Page 9, Section 7.1, Notifications

Please add the language discussed in DTSC's comment number one of this letter to notification "b" in this section.

4. Page 9, Section 7.2, Restrictions

In restriction "e" the Navy needs to clarify if it intends for the lessee to manage all of the existing asbestos containing materials including the potential steam lines that may exist in the ground. Again, DTSC believes that prior to leasing, the Navy needs to determine if asbestos insulated steam lines exist in the ground and if they have resulted in a release of asbestos to the environment. If a release has occurred, it may need to be addressed prior to leasing Reuse Zone 4.

If you have any questions regarding this letter, please contact me at (510) 540-3783.

Sincerely,

David Rist

David Rist
Hazardous Substances Scientist
Office of Military Facilities

cc: See next page.

cc: Mr. James B. Sullivan
Caretaker Site Office
Treasure Island
410 Palm Ave., Room 161
San Francisco, California 94130-0410

Ms. Martha Walters
Mayor's Office at Treasure Island
770 Golden Gate Avenue
San Francisco, California 94102

Mr. Chris Maxwell
California Regional Water Quality Control Board
2101 Webster Street, Suite 500
Oakland, California 94612

Mr. James Ricks Jr. (SFD-8-2)
U. S. Environmental Protection Agency, Region IX
75 Hawthorne Street
San Francisco, California 94105

California Regional Water Quality Control Board

San Francisco Bay Region

Winston H. Hickox
Secretary for Environmental Protection

Internet Address: http://www.swrcb.ca.gov
1515 Clay Street, Suite 1400, Oakland, California 94612
Phone (510) 622-2300 ∃ FAX (510) 622-2460

Gray Davis
Governor

Date: December 28, 1999
File No. 2169.6013 (CRM)

Commanding Officer
Engineering Field Activity, West
Naval Facilities Engineering Command
900 Commodore Drive
San Bruno, CA 94066-2402
Attention: Mr. Ernesto Galang

Subject: Comments Regarding Draft Finding of Suitability to Lease (FOSL) for Revision 3 Area of Reuse Zone 4 at Naval Station Treasure Island, San Francisco

Dear Mr. Galang:

Thank you for the opportunity to review the draft FOSL for Revision 3 of Reuse Zone 4 at Naval Station Treasure Island, received on December 23, 1999. In review of the draft document, Board staff is providing the following suggestions for modifications.

Page 1, item b – The agencies have provided numerous written comments regarding the technical documents referenced in this section of the FOSL. Several of these comments have yet to be resolved. If the FOSL was developed based on a "thorough analysis" of the information contained in the referenced documents, we believe it would also be appropriate to reference the applicable written comments provided by the agencies. We would hope that the Navy has also "thoroughly analyzed" the agency's written comments in developing the draft FOSL. Board staff's specific concern is related to the Navy's previous proposal for monitored natural attenuation in the area of Buildings 1311 and 1313.

Page 4, 2nd paragraph – Board staff has only approved the 1.4 mg/L total petroleum hydrocarbon (TPH) criterion for ecological risk at Site 12. The language should be modified to reflect that this criterion has not been approved for all of Naval Station Treasure Island.

Page 4, 2nd paragraph – It would be appropriate to add that any active remedial measures necessary to address TPH contamination are not expected to be disruptive to the reuse proposal.

If you have questions regarding these comments, please feel free to call me at (510) 622-2377.

Sincerely,

Chris Maxwell
Associate Engineering Geologist
Ground Water Protection and Waste
Containment Division

mydocuments\treasureisland\fosl3rev

cc: Mr. James Ricks, Jr. (SFD-8-2)
U.S. Environmental Protection Agency
75 Hawthorne Street
San Francisco, CA 94105

Mr. David Rist
Department of Toxic Substances Control
Northern California Region
700 Heinz Avenue, Suite 200
Berkeley, CA 94710

Mr. James B. Sullivan
Caretaker Site Office, Treasure Island
410 Palm Avenue, Room 161
San Francisco, CA 94130-0410

Ms. Martha Walters
San Francisco Redevelopment Agency
770 Golden Gate Avenue
San Francisco, CA 94102

Thornton, Wendy L

From: Ricks.James@epamail.epa.gov
Sent: Thursday, January 27, 2000 12:47 PM
To: ThorntonWL@efdsw.navfac.navy.mil
Cc: BloomMS@efdsw.navfac.navy.mil; jbsullivan@efawest.navfac.navy.mil
Subject: EPA Review Comments - NSTI Rev.3 Area of Reuse Zone 4

pic10183.pcx pic24162.pcx

Hi everyone,

Forwarding another e-copy of FOSL comments. Also, is efdsw experiencing telephone line difficulties? I am unable to get through...receiving constant busy signal on each attempt. Thanks.

———————— Forwarded by James Ricks/R9/USEPA/US on 01/27/2000 12:39 PM ————————

James Ricks
01/27/2000 12:38 PM

To: ThortonWL@efdsw.navfac.navy.mil
cc: John Hamill/R9/USEPA/US@EPA
Subject: EPA Review Comments - NSTI Rev.3 Area of Reuse Zone 4

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image moved (Embedded image moved to file: pic24162.pcx)
to file:
pic10183.pcx)

Post-it® Fax Note 7671 | Date 1/31/00 | # of pages ▶ 2
To Nicole Pérez | From A. Weke
Co./Dept. | Co.
Phone # | Phone # 415 222-8224
Fax # 510 832 2237 | Fax #

Hi Wendy,

Attached, please find an "unofficial" e-copy of subject review comments. I will follow-up with an official copy on EPA letterhead tomorrow. There will be not be any changes between the two versions. Again, I apologize for the delay and thanks for your cooperation and assistance. Should you have any questions regarding these comments or require additional information, please contact John Hamill @ 415-744-2246

Review Comments

1. Page 3 - NEPA. Issue NEPA Process. Please note that the NEPA document must be finalized prior to that of the FOSL.

2. Page 4 - Under "Notification." Issue: Unrestricted Access. Please clearly identify the specific regulatory agencies that will be allowed unrestricted access to enter the leased property to conduct investigations, surveys, etc. As currently discussed, stating that "recognized regulatory agencies" will have this access appears ambiguous and may inadvertently create confusion.

3. Page 6 - Second Paragraph. Issue: EPA Policy on Structures Requiring

Surrounding Soil Evaluation for Lead. It is not EPA's position that the soils surrounding structures constructed after 1978 should be evaluated to access whether lead exists in soils. On the contrary, the Agency's position is that structures constructed prior to 1978 and that are expected to be used for residential or child-use purposes are required to have their surrounding soils evaluated to determine whether or not lead exists in soils.

4. Page 7 - Under "Disclosure," Issue: Lead Levels in Soil. Please ensure that the FOSL clearly states what the average lead levels in soil were and clarify the discussion relative to EPA's recommended action level for lead in soil. The threshold that triggers an action and, therefore, a level of concern for the Agency for residential areas is 400ppm and a PRG for non-residential areas of 1000ppm.

3 February 2000

RECORD OF CATEGORICAL EXCLUSION FOR THE LEASE OF FAMILY HOUSING ON TREASURE ISLAND BUILDINGS 1307, 1309 AND 1311 TO THE CITY OF SAN FRANCISCO FOR USE AS RESIDENTIAL HOUSNG AT FORMER NAVAL STATION TREASURE ISLAND SAN FRANCISCO, CALIFORNIA

1. Categorical Exclusion Process. This Categorical Exclusion was prepared by the Caretaker Site Office, Treasure Island (CSO TI), pursuant to the National Environmental Policy Act of 1989 (NEPA), the Council on Environmental Quality Regulations for Implementing the Procedural Provisions of the National Environmental Policy Act (40 CFR Parts 1500-1508), and the Navy's Environmental and Natural Resources Program Manual (OPNAVINST 5090.1B, 1 Nov 1994, CH-1, 2 Feb 1998). Categorical Exclusions may be used for those actions which, after consideration by the Navy, have been found not to have a significant effect on the human environment individually or cumulatively, under normal circumstances. The purpose of this document is to demonstrate that this action meets the criteria as a Categorical Exclusion, where there is no substantial change in land use.

2. Description of Proposed Action, and Purpose and Need. Pursuant to the Base Realignment and Closure Act BRAC III, the Navy is expediting interim licenses, leases, uses and transfers of buildings and parcels of land at closing bases, in order to facilitate prompt reuse opportunities by the affected local community. The proposed action is one such interim lease.

The proposed action at Naval Station Treasure Island is the lease of former Navy Family Housing for use as residential housing. **This site consists of units at Treasure Island which have been evaluated in the Finding of Suitability to Lease Reuse Zone 4 Revision 3 (February 2000),** The housing will be used in an "as is" condition except for minor pre-occupancy renovations and seismic upgrades. The proposed action is acceptable to and desired by the local city that will inherit jurisdiction over the closing base, the City of San Francisco.

The existing and historic use of the buildings is as residential housing.

The reason for selecting the proposed facilities at the closing base is: There is no other federal residential housing available for lease to the City of San Francisco. This vacant housing also needs to be utilitized to prevent damage by vandalism or deterioration if left vacant. It will also assist the City in the marketing of the overall Naval Station property for fast-track reuse and job creation by providing early income from housing rental revenues.

The proposed action is consistent with existing land use because there will be no significant change in use from military housing to civilian housing. It is anticipated it will be generally consistent with ultimate Reuse Plan, and in any case such long-term reuse compatibility will be evaluated in more comprehensive NEPA documentation to be prepared based on the overall disposal and reuse plans.

The proposed action would not result in significant adverse changes in impacts upon local socioeconomic resources because the housing activities will be confined to the housing area. The action is in an already developed area. The proposed action would not result in significant visual or aesthetic characteristics changes.

No alternatives are considered for this action nor are any required given the lack of expected significant environmental effects. Given the Navy's determination to expedite the interim use of closing bases, No Action is not required to be considered nor was it needed to be considered as an alternative needing evaluation in this Categorical Exclusion. No action would mean a continuation of the status quo of the facility.

3. **Applicable Categorical Exclusion(s).** The Categorical Exclusion deemed appropriate to this proposed action is number (s), which states as follows:

(s) "Granting of leases, permits and easements where there is no substantial change in land use or where subsequent land use would otherwise be categorically excluded."

This Categorical Exclusion applies because the lease of housing is consistent with the existing historic building nature of land use in this area of Treasure Island. Evaluation supporting the lack of environmental effects follows in succeeding paragraphs.

4. **Impact Evaluation Factors.** OPNAVINST 5090.1B section 2-4.2 lists available Categorical Exclusions. Section 2-4.1 specifies that, even if a proposed action fits a Categorical Exclusion listed in section 2-4.2, it may not be used if the proposed action might result in certain specified impacts.

a. Public health or safety.

The proposed action will not result in significant increases in impacts upon existing utilities, police and fire protection, or traffic and parking because the number of housing residents is expected to be consistent with the historical level of residential activity at this site.

The City of San Francisco will be responsible for obtaining utilities services.

Executive Order 12898, Environmental Justice. The Executive Order requires a Federal Agency to identify and address, as appropriate, disproportionately high and adverse human health or environmental effects it its actions on minority and low-income populations. The proposed action will have no high or adverse effect on minority or low-income populations because the Treasure Island site is remote from all civilian populated areas. The action would result in the creation of an unknown number of jobs and an unknown change in the tax base. Pursuant to Executive Order 12898 (11 Feb 94) on Environmental Justice in Minority Populations and Low Income Populations, the proposed action would not have a disproportionately adverse effect on such populations.

b. Potential for significant environmental affects on wetlands, endangered or threatened species, historical or archeological resources, or hazardous waste sites.

The proposed action would not affect wetlands since there are no wetlands on Treasure Island or Yerba Buena Island.

The proposed action is in an existing developed area of Treasure Island. The proposed action would not affect endangered or threatened species since there are no habitats in this area. (Draft Final Site 12 Remedial Investigation Report, U.S. Navy, June 1, 1999)

The proposed action will not affect historical, archeological, or paleontological resources on or eligible for listing on the National Register of Historic Places, or affected Native American concerns.

Based on the Basewide Environmental Baseline Survey dated 19 May 1995 and the Site Specific EBS/FOSL of May 1997, September 1997 and August 1998, the only significant hazardous material issues are from lead based paints and asbestos.

The 1307/1309/1311 area remains a CERCLA site (Navy Installation Restoration Site 12) however no remedial actions are planned at this time within the Zone 4 Revision 3 area. The Navy is continuing to monitor Total Petroleum Hydrocarbons (TPH) in groundwater. A CERCLA Record of Decision (ROD) is expected in 2001 which will close out the CERCLA process.

The Navy has abated damaged, friable or accessible asbestos material in living spaces. Residents in units contructed prior to 1978 will also be provided disclosure of the presence of lead based paints.

The use restrictions include:

- Prohibition of excavation without the prior consent and oversight of the Navy, except for routine landscaping activities.

- Prohibition of installation of any groundwater wells or otherwise using groundwater without prior consent and oversight from the Navy.

- Prohibition of damage to any existing or future Navy groundwater monitoring wells.

- The leasee will maintain asbestos containing material and lead painted surfaces in a safe condition. The lessee shall not permit the use of these premises for residential habitation until the lessee has eliminated any hazards.

The proposed action does not involve effects that are highly uncertain, involve such risks, or are scientifically controversial since only residential public activities are involved.

The proposed action would not result in significant increased noise levels since the types of residential activities would be similar to previous Navy operations.

c. Precedents or decisions in principle for future actions with significant effects.

The proposed action would not establish precedents of future significant effects because there are no unusual aspects to the use of residential property.

d. Federal, State of California or local law or requirements imposed for protection of the environment.

The proposed action would not threaten or violate environmental protection laws or requirements because it does not involve any unusual hazardous actions.

Clean Air Act: The proposed action would not result in new, added or significantly different affects on air quality. There will be no substantial change in land or facility use that would significantly change or add to existing air emission sources. This discussion in the Categorical Exclusion constitutes the Record of Non-Applicability. The action is therefore not considered to require a formal Air Quality Conformity Evaluation pursuant to the Clean Air Act Amendments.

Coastal Zone Management Act Compliance: Housing units are located within 100 foot line of the shoreline, but there will be no significant physical changes made to the site. As a result, no further coastal consistency documentation is considered necessary.

5. Public Concerns Summary.

No formal scoping process was conducted nor was any deemed necessary given the limited scope of the proposed action. There are no known or expected public concerns that would result from this proposed action.

6. Conclusion.

Based on the above project description and analysis, the proposed action fits the specified Categorical Exclusion, and would not result in any significant adverse environmental impact nor would it be environmentally controversial. We therefore conclude that this proposed license or lease is categorically excluded from NEPA under OPNAVINST 5090.1B paragraph 2-4.2, and that additional environmental documentation is not required.

7. Preparer. This Categorical Exclusion was prepared by the Caretaker Site Office Treasure Island, San Francisco, California, (415) 743-4717, FAX (415) 743-4717 or Internet jbsullivan@efawest.navfac.navy.mil.

James B. Sullivan Base Closure Environmental Coordinator

Signature 3 Feb 2000 Date

-end of Categorical Exclusion-

SUBLEASE AND PROPERTY MANAGEMENT AGREEMENT

EXHIBIT B

DESCRIPTION OF PREMISES, MAP AND LIST OF RENTABLE UNITS

List of Rentable Units –
Treasure Island &Yerba Buena Island
Market-Rate Housing

20 Building on Yerba Buena Island; 20 buildings; 80 units total.

60 Yerba Buena Road
66 Yerba Buena Road
105 Forest Road
106 Forest Road
109 Forest Road
111 Forest Road
113 Forest Road
115 Forest Road
300 Nimitz Drive
301 Macalla Drive
302 Nimitz Drive
303 Nimitz Drive
304 Nimitz Drive
324 Yerba Buena Road
325 Yerba Buena Road
326 Yerba Buena Road
327 Yerba Buena Road
328 Yerba Buena Road
329 Yerba Buena Road
331 Yerba Buena Road

1100s on Treasure Island: 22 Buildings; 126 units total.

1108 Halyburton Court
1109 Keppler Court
1111 Keppler Court
1112 Hutchins Court
1113 Keppler Court
1114 Hutchins Court
1115 Keppler Court
1118 Hutchins Court
1120 Reeves Court
1122 Reeves Court
1124 Reeves Court
1128 Reeves Court
1129 Mason Court

1131 Mason Court
1133 Mason Court
1135 Mason Court
1137 Mason Court
1141 Ozbourn Court
1143 Ozbourn Court
1145 Ozbourn Court
1147 Ozbourn Court
1149 Ozbourn Court

1200s on Treasure Island: 30 Buildings; 178 units total.

1201 Bayside Drive
1202 Mariner Drive
1203 Bayside Drive
1204 Mariner Drive
1205 Bayside Drive
1208 Mariner Drive
1210 Mariner Drive
1212 Mariner Drive
1420 Gateview Court (Previously 1214 Gateview Court)
1215 Bayside Drive
1217 Mariner Drive
1440 Gateview Court (Previously 1218 Gateview Court)
1219 Mariner Drive
1221 Mariner Drive
1224 Bayside Drive
1227 Northpoint Drive
1390 Gateview Court (Previously 1228 Gateview Court)
1232 Northpoint Drive
1234 Northpoint Drive
1237 Northpoint Drive
1238 Northpoint Drive
1239 Northpoint Drive
1240 Northpoint Drive
1241 Northpoint Drive
1242 Northpoint Drive
1245 Northpoint Drive
1247 Exposition Drive
1249 Exposition Drive
1250 Exposition Drive
1253 Exposition Drive

1300s on Treasure Island: 17 Buildings; 94 units total.

1301 Gateview Avenue
905 Avenue B (Previously 1302 Avenue B)
1303 Gateview Avenue
901 Avenue B (Previously 1304 Avenue B)
1305 Gateview Avenue
1306 Gateview Avenue
1307 Gateview Avenue
1308 Gateview Avenue
1309 Gateview Avenue
1310 Gateview Avenue
1311 Gateview Avenue
1312 Gateview Avenue
1313 Gateview Avenue
1314 Gateview Avenue
1315 Gateview Avenue
1316 Gateview Avenue
1325 Westside Drive

1400s on Treasure Island: 13 Buildings; 78 Units total.

1400 Sturgeon Street
1402 Sturgeon Street
1404 Sturgeon Street
1418 Striped Bass Street
1420 Striped Bass Street
1430 Halibut Court
1431 Halibut Court
1436 Chinook Court
1437 Chinook Court
1438 Chinook Court
1439 Chinook Court
1444 Croaker Court
1449 Croaker Court

Exhibit B - Map
Treasure Island
Residential Neighborhood

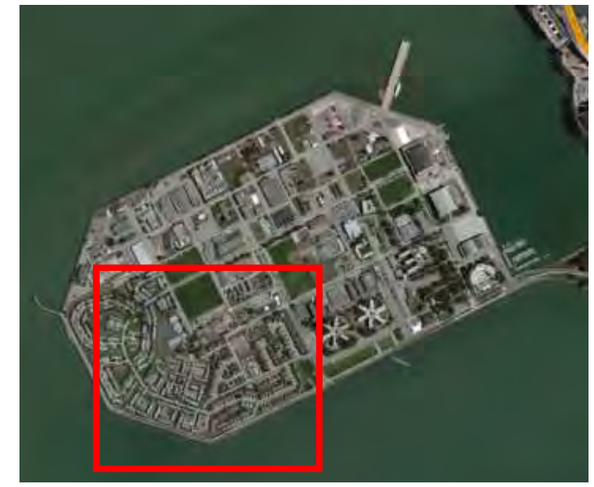

Exhibit B - Map
Yerba Buena Island Residential Neighborhood

SUBLEASE AND PROPERTY MANAGEMENT AGREEMENT

EXHIBIT C

TRANSITION HOUSING RULES AND REGULATIONS

TREASURE ISLAND DEVELOPMENT AUTHORITY

TRANSITION HOUSING RULES AND REGULATIONS

FOR THE VILLAGES AT TREASURE ISLAND

TREASURE ISLAND DEVELOPMENT AUTHORITY

BOARD OF DIRECTORS

First Modification - February 28, 2013

TRANSITION HOUSING RULES AND REGULATIONS

FOR THE VILLAGES AT TREASURE ISLAND

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TRANSITION HOUSING RULES AND REGULATIONS

FOR THE VILLAGES AT TREASURE ISLAND

I. GENERAL

A. Background

These Transition Housing Rules and Regulations for The Villages at Treasure Island ("**Transition Housing Rules and Regulations**") reflect the decision of the Treasure Island Development Authority Board of Directors ("**TIDA Board**") to implement certain recommendations made by the Board of Supervisors of the City and County of San Francisco ("**City**") in Resolution No. 699-06 (the "**Term Sheet Resolution**"). Definitions used in these Transition Housing Rules and Regulations are provided in **Appendix 4** for reference.

During World War II, Naval Station Treasure Island ("**NSTI**") was used as a center for receiving, training, and dispatching service personnel.

After the war, NSTI was used primarily as a naval training and administrative center. In 1993, Congress and the President selected NSTI for closure and disposition by the Base Realignment and Closure Commission acting under Public Law 101-510, 10 U.S.C. § 2687 and its subsequent amendments ("**BRAC**"). The Department of Defense subsequently designated the City as the Local Reuse Authority responsible for the conversion of NSTI to civilian use under the federal disposition process.

The City opted to negotiate for the transfer of NSTI under the Base Closure Community Redevelopment and Homeless Assistance Act of 1994 (Pub. Law 103-421) (the "**Base Redevelopment Act**") amending BRAC, under which certain portions of NSTI would be set aside for homeless assistance programs in a manner that balances the economic development needs of the redevelopment process. A consortium of nonprofit organizations is providing a variety of services to the formerly homeless (currently, Catholic Charities, Community Housing Partnership, Rubicon Programs, Swords for Ploughshares, and Walden House), organized as the Treasure Island Homeless Development Initiative ("**TIHDI**"), to coordinate the homeless assistance programs to be provided under the Base Redevelopment Act.

In anticipation of base closure and following a public planning process, the Mayor, the Board of Supervisors, and the Planning Commission endorsed a Draft Base Reuse Plan for NSTI in 1996 outlining opportunities, constraints, policy goals, and recommendations for the redevelopment of NSTI. The City entered into an agreement with TIHDI in 1996 to develop and implement the homeless component under the Base Reuse Plan, which includes the right to temporary use of former military housing at NSTI and permanent housing through the base redevelopment process. The City formed Treasure Island Development Authority ("**TIDA**") as a redevelopment agency under California redevelopment law and designated TIDA as the City's

Local Reuse Authority for NSTI as authorized under the Treasure Island Conversion Act of 1997 (Assembly Bill No. 699, Stats. 1997, ch. 898).

TIDA initiated formal negotiations with the Navy in 1997, the same year the Navy formally closed base operations at NSTI. Also in 1997, the Navy contracted with the City (and subsequently, TIDA) to manage the property pending negotiations for its transfer and redevelopment. As part of managing NSTI on behalf of the Navy, TIDA began subleasing at market rates a portion of the former military housing now known as The Villages at Treasure Island ("**The Villages**") through a master lease with The John Stewart Company, and directly leasing space to a variety of commercial tenants. The master leases, the Residential Leases for Villages units, and commercial leases are interim pending the Navy's transfer of NSTI to TIDA for redevelopment and reuse.

TIDA selected Treasure Island Community Development, LLC ("**TICD**") in 2003 for exclusive negotiations for the master redevelopment of NSTI. The Board of Supervisors adopted the Term Sheet Resolution in 2006, endorsing the Development Plan and Term Sheet for the Redevelopment of Naval Station Treasure Island (as updated and endorsed by the TIDA Board of Directors and the Board of Supervisors in 2010, the "**Development Plan**"), conditioned on completion of environmental review under the California Environmental Quality Act ("**CEQA**"), an extensive community review process, and endorsement by the Treasure Island/Yerba Buena Island Citizen's Advisory Board and the TIDA Board. The Development Plan will serve as the basis for a Development and Disposition Agreement between TIDA and TICD (as amended, the "**DDA**"), which will govern their respective rights and obligations for the redevelopment of certain portions of NSTI if approved by the TIDA Board and the Board of Supervisors after completion of CEQA review. In the Term Sheet Resolution, the Board of Supervisors recommended that the TIDA Board create a transition program setting forth terms by which existing residents of NSTI could have the opportunity to rent at reduced rents or buy newly-constructed units on Treasure Island.

Consistent with Assembly Bill No. 699, the Development Plan specifies that all of the former military housing on the NSTI (except certain historic buildings) eventually will be demolished. As outlined in the Development Plan, TIDA and TICD intend to phase redevelopment so that new housing can be built on NSTI before demolishing most of the existing residential structures as follows.

- Redevelopment of Yerba Buena Island is planned as part of the first phase of the redevelopment project, requiring demolition of existing Yerba Buena Island housing to be among TICD's first development activities. Transitioning Households on Yerba Buena Island affected by the early phases of redevelopment will be offered Existing Units on Treasure Island through Interim Moves.

- Demolition of the housing on Treasure Island is proposed to occur in the later phases of the redevelopment project. But some Transitioning Households may be asked to make Long-Term Moves in earlier phases as new housing becomes available for occupancy.

B. Purpose

These Transition Housing Rules and Regulations:

- are designed to ensure that eligible Villages Households who satisfy all qualifications of Transitioning Households under **Section II.A** (Determination of Household Eligibility for Transition Benefits) receive housing opportunities consistent with the Term Sheet Resolution;

- describe benefits below ("**Transition Benefits**") that are available only to Transitioning Households;

- specify the eligibility criteria for Transitioning Households to receive Transition Benefits; and

- outline the procedures by which Transitioning Households will be offered Transition Benefits, including the opportunity to occupy new housing to be built on TI.

C. Limits of Applicability

The Transition Benefits under these Transition Rules and Regulations:

- apply only to Transitioning Households required to move to accommodate redevelopment of NSTI in accordance with the DDA;

- do not apply if TIDA must relocate Villages and TIHDI residents due to disaster or other event affecting living conditions on NSTI, except as specifically set forth herein; and

- do not apply to:

  - Villages Households that do not satisfy all qualifications of Transitioning Households under **Section II.A** (Determination of Household Eligibility for Transition Benefits); or

  - residents in housing managed by TIHDI member organizations, who will have the opportunity to move to new supportive housing that TIHDI will develop under the proposed Amended and Restated Base Closure Homeless Assistance Agreement; or

  - TIDA's commercial tenants.

D. Overview and Program Framework

Two types of moves affecting Transitioning Households are anticipated as NSTI is redeveloped:

- **Interim Moves**, in which a Transitioning Household moves from one Existing Unit in The Villages to another Villages Existing Unit on Treasure Island following receipt of a Notice to Move. An example of this would be a move from an Existing Unit in an area proposed for redevelopment in an early phase to an Existing Unit on Treasure Island. *Most Transitioning Households will not be asked to make an Interim Move.*

- **Long-Term Moves**, in which a Transitioning Household moves from one of the Existing Units to a newly-constructed Dwelling on Treasure Island. All Transitioning Households (including those that previously made an Interim Move) will have the opportunity to make this move.

Key elements of these Transition Housing Rules and Regulations are:

- All Transitioning Households that receive a Notice to Move for either an Interim Move or a Long-Term Move will be eligible for Transition Benefits under these Transition Housing Rules and Regulations.

- NSTI residents who move off-Island before they receive a Notice to Move and an offer of Transition Benefits are not Transitioning Households and will not be eligible for Transition Benefits.

- All Transitioning Households will have the opportunity to remain on Treasure Island. No eligible Transitioning Household will be required to move before receiving an offer of Transition Benefits.

- Transitioning Households will have an opportunity to select one of the three Transition Benefit Options described in these Transition Housing Rules and Regulations:

  - the Transition Unit Option to move into rental housing on Treasure Island (See **Article V** (Description of Transition Unit Option));

  - the In-Lieu Payment Option for a lump sum payment upon moving off-Island (See **Article VI** (Description of In-Lieu Payment Option)); or

  - the Unit Purchase Assistance Option for down payment assistance in the purchase of a newly-constructed Dwelling on NSTI (See **Article VII** (Description of Unit Purchase Assistance Option)).

- Moving assistance will be provided to Transitioning Households that:
  - make Interim Moves to other Existing Units on Treasure Island; or
  - select the Transition Unit Option and make Long-Term Moves from their Existing Units to new Transition Units.
- A Premarketing Window to purchase newly-constructed Dwellings on NSTI will be available to:
  - all Transitioning Households in Existing Units before they have selected a Transition Benefit; and
  - Post-Transition Tenants that selected the In-Lieu Payment Option and received an In-Lieu Payment.
- Any resident of The Villages who moves onto NSTI after the DDA Effective Date will be a Post-DDA Tenant under these Transition Housing Rules and Regulations. Post-DDA Tenants who by definition do not qualify for an exception under **Section II.A.1** (Defined Terms for Determining Eligibility) are ineligible for Transition Benefits, but will be offered transition advisory services when required to move.

E. Effective Date

These Transition Housing Rules and Regulations will be effective on the date the DDA becomes effective (the "**DDA Effective Date**"), if the DDA is approved by the TIDA Board and the Board of Supervisors after completion of CEQA review.

II. ELIGIBILITY

A. Determination of Household Eligibility for Transition Benefits

The first step in determining whether a Villages Household is eligible for Transition Benefits is determining the status of the Household, based on the criteria below.

Only Transitioning Households are eligible for Transition Benefits. Transition Benefits are offered to each Transitioning Household as a Household and not to individual members of the Household.

1. Defined Terms for Determining Eligibility. TIDA will determine the members of a Transitioning Household based on the following definitions:

a. "**Existing Unit**" means a Dwelling located on NSTI that is occupied by a Transitioning Household as its primary Dwelling before receipt of a First Notice to Move or an Interim Notice to Move.

b. "**Good Standing**" means that TIDA does not have grounds for eviction as described in **Section XII.A** (Eviction).

c. "**Household**" means an individual, or two or more individuals, related or unrelated, who live together in an Existing Unit as their primary Dwelling, or one or more families occupying a single Existing Unit as their primary Dwelling, including: (i) all adult Household members who are named in the Residential Lease; (ii) minor children in the Household; and (iii) the spouse or registered domestic partner of a Household member. Under these Transition Housing Rules and Regulations, all occupants of a single Existing Unit constitute a single Household, and a Household may include both Post-DDA Tenants and members of a Transitioning Household.

d. "**Post-DDA Tenant**" means a resident who moves onto NSTI after the DDA Effective Date, except as follows: (i) a spouse or registered domestic partner of a member of a Transitioning Household; (ii) a minor child of a member of a Transitioning Household; and (iii) a live-in caregiver for a member of a Transitioning Household who has been approved by TIDA or its agent to reside in the Existing Unit. Persons in categories (i) and (ii) above will only be considered a member of a Transitioning Household if the Household notified TIDA in writing of the new Household member, and requested that the Person's name be added to the Residential Lease at the time that the Household member joined the Household, or, if that Person became a member of the Household after TIDA's most recent notice of annual change in base rent under the Residential Lease.

e. "**Residential Lease**" means the lease agreement, including any addenda, under which a Transitioning Household or a Post-DDA Tenant lawfully occupies an Existing Unit, or under which an employer provides employee housing for employees working on NSTI.

f. "**Transitioning Household**" means a Villages Household consisting of residents who: (i) lawfully occupied an Existing Unit in The Villages as its primary Dwelling on the DDA Effective Date as evidenced by each adult resident's signature on the Residential Lease and each minor child identified as an occupant in the Residential Lease; (ii) continue to live in an Existing Unit until the Household receives a First Notice to Move for a Long-Term Move or accepts an In-Lieu Payment or Down Payment Assistance; and (iii) remain in Good Standing under its Residential Lease until the Household receives a First Notice to Move for a Long Term Move or accepts an In-Lieu Payment or Down Payment Assistance. A Transitioning Household specifically excludes the following: (A) any Person or Household in Unlawful Occupancy of the Existing Unit; (B) any Post-DDA Tenant in the Household; (C) any Person who occupies an Existing Unit under an arrangement with a business entity that has entered into a Residential Lease with TIDA; and (D) any Person who occupies the Existing Unit solely for the purpose of obtaining Transition Benefits.

g. "**Unlawful Occupancy**" means: (i) a Person or Household has been ordered to move by a valid court order; (ii) the Person's or Household's tenancy has been lawfully terminated, if the termination was not undertaken for the purpose of evading the obligations of these Transition Housing Rules and Regulations; or (iii) a Person is not listed on

the Residential Lease, except for a: (x) spouse or registered domestic partner of a member of a Transitioning Household; (y) minor child of a member of a Transitioning Household; or (z) live-in caregiver for a member of a Transitioning Household who has been approved by TIDA or TIDA's agent to reside in the unit, provided that Persons in categories (x) and (y) have met the requirements to be considered a Post-DDA Tenant.

h. **"Force Majeure Household**" means a Household that is not a Post DDA Household and is not in Unlawful Occupancy is required by TIDA or any other agency to move from an Existing Unit off of NSTI as a result of a natural disaster or other condition that makes the Existing Unit uninhabitable prior to the Household receiving a First Notice to Move.

2. TIDA Records of Eligibility. Based on information available to TIDA, including information provided by Villages Households during and in follow-up to interviews under **Section III.B** (Interview Households and Offer Advisory Services), TIDA will maintain records indicating which members of each Villages Household constitute an eligible Transitioning Household and which members are Post-DDA Tenants or otherwise not qualified for Transition Benefits.

B. Ineligible Residents

1. Post-DDA Tenants. Post-DDA Tenants are ineligible for Transition Benefits. A Post-DDA Tenant may be a resident in an Existing Unit in which other residents constitute a Transitioning Household. Post-DDA Tenants will be eligible only for transition advisory services under these Transition Housing Rules and Regulations.

2. Unlawful Occupancy. A resident in Unlawful Occupancy of an Existing Unit is ineligible for Transition Benefits or advisory services under these Transition Housing Rules and Regulations.

III. TRANSITION NOTICES AND PROCEDURES

A. First Notice to Move

1. Delivery of First Notice to Move. TIDA will deliver a First Notice to Move to each affected Household before the Household is required to move to facilitate the ongoing redevelopment of NSTI.

2. Time of Notice. The First Notice to Move will be delivered: (a) no less than 90 days before the date by which an Interim Move must occur; and (b) no less than 120 days before the date by which a Long-Term Move must occur.

3. Contents of Notice. The First Notice to Move will state:

a. whether the move will be an Interim Move or a Long-Term Move;

b. TIDA's intent to terminate the Residential Lease for the Existing Unit on a specified date, by which the Household will be required to move;

c. whether TIDA records: (i) list any or all of the members of the Household as an eligible Transitioning Household; or (ii) indicate that any members of the Household are Post-DDA Tenants or are otherwise ineligible for Transition Benefits;

d. if TIDA records indicate that any members of the Household are or may be a Transitioning Household: (i) additional information or verifications necessary to determine eligibility as a Transitioning Household; (ii) a general description of the Transition Benefits that a Transitioning Household may receive under these Transition Housing Rules and Regulations; (iii) additional steps a Transitioning Household must take to secure Transition Benefits, such as setting up an interview to provide TIDA with the information necessary to complete income certification requirements and determine the composition of the Transitioning Household; and (iv) the time-frame for setting up the informational interview to establish the Transitioning Household's housing needs and certify Household Income;

e. if TIDA records indicate that the entire Household (or any member of the Household) is not a Transitioning Household but is a Post-DDA Tenant, information regarding advisory services available to Post-DDA Tenants and on the Household's opportunity to present information demonstrating its eligibility as a Transitioning Household;

f. contact information for questions about the notice or process; and

g. that the notice and all future notices will be translated into a language understood by the Household if the Household notifies TIDA that the Household does not include an adult fluent in English.

B. Interview Household and Offer Advisory Services

1. Schedule Interview. After the First Notice to Move is delivered, TIDA will contact each Household to set up interviews. TIDA will provide sufficient advance notice and scheduling flexibility to enable each adult in the Household (except those in Unlawful Occupancy of the Existing Unit) to be interviewed, so that TIDA can obtain required information and provide advisory services described below.

2. Advisory Services for Transitioning Households:

a. The interviews will enable TIDA to: (i) describe and explain any applicable eligibility requirements for the specific Transition Benefits available to the Transitioning Household under these Transition Housing Rules and Regulations; (ii) advise and assist the Transitioning Household in evaluating its housing needs; (iii) identify any special needs for that Transitioning Household; (iv) assist each Transitioning Household to complete applications for Transition Benefits; and (v) ensure that no Transitioning Household will be required to move from an Existing Unit without an opportunity to relocate to a Transition Unit, except in the case of: (A) an Interim Move; (B) a major disaster as defined in § 102(2) of the federal Disaster Relief Act of 1974; (C) a state of emergency declared by the President of the United States or the Governor of the State of California; or (D) any other emergency that requires the Household to move immediately from the Existing Unit because continued occupancy of the

Existing Unit by the Household constitutes a substantial danger to the health or safety, or both, of the Household.

b. For Long-Term Moves only: (i) the Transitioning Household must begin the process of determining Household Income; and (ii) to qualify for an income-restricted Transition Unit under **Sections V.E.1**, **V.E.2**, or **V.E.3** (Calculation of Base Monthly Rental Cost), Household Income of the entire Transitioning Household must be certified, subject to third-party verification. For all Households, TIDA will use the then-current Tenant Income Certification Form published by the California Tax Credit Allocation Committee to determine Household Income. A copy of the current form is attached as **Appendix 1**.

c. If all adult members of a Transitioning Household do not consent to be interviewed or do not provide all of the required information requested during or within 30 days after the interview, TIDA will be entitled to rely solely on the limited information provided in response to the interview and contained in its records relating to the Household when making its determination about eligibility for Transition Benefits.

3. Advisory Services for Post-DDA Tenants. The interviews will enable TIDA to offer the following advisory services to Post-DDA Tenants: (a) assist in evaluating their housing needs and any special needs; (b) provide references to providers of special needs services and other housing in San Francisco; and (c) provide a Household with the opportunity to present information to TIDA to support a claim of eligibility for Transition Benefits.

C. Second Notice to Move

1. Time and Contents of Second Notice to Move. No less than 60 days before a Household is required to move, TIDA will deliver a Second Notice to Move. The Second Notice to Move will state:

a. TIDA's determination of whether the Household is an eligible Transitioning Household;

b. which members of the Household, if any, are Post-DDA Tenants, in Unlawful Occupancy, or otherwise ineligible for Transition Benefits;

c. the actual date by which the move must be complete (the "**Move Date**"); and

d. the options available to the Transitioning Household under these Transition Rules and Regulations.

D. Selection of a Transition Benefit

After receipt of the Second Notice to Move, each Transitioning Household will be required to make certain decisions about Transition Benefits.

1. Transition Benefit Options for Long-Term Moves. For Long-Term Moves, the Second Notice to Move will offer each Transitioning Household a choice of:

a. the Transition Unit Option to move into a Transition Unit in a specifically identified new building on TI, with the number of bedrooms, initial rent, and long-term rent protection as described in **Article V** (Description of Transition Unit Option);

b. the In-Lieu Payment Option to receive an In-Lieu Payment, calculated in accordance with **Article VI** (Description of In-Lieu Payment Option); or

c. the Unit Purchase Assistance Option to receive Down Payment Assistance calculated in accordance with **Article VII** (Description Unit Purchase Assistance Option), but only if new for-sale units are then available for purchase and the Transitioning Household can demonstrate that it can close escrow on the purchase of and move into a new Dwelling on NSTI before the Move Date.

2. Options for Interim Moves. For Interim Moves, the Second Notice to Move will offer each Transitioning Household a choice of the following options:

a. the right to occupy an Existing Unit on Treasure Island with the number of bedrooms and initial rent calculated in accordance with **Article IV** (Interim Moves); or

b. the option to receive an In-Lieu Payment in accordance with **Article VI** (In-Lieu Payment Option).

3. Written Notice to TIDA of Selection. For both Long-Term Moves and Interim Moves, the Transitioning Household's selection may be made by delivering written notice to TIDA, signed by each adult member of the Transitioning Household at any time up to 45 days before the Move Date.

4. Transitioning Household Entitled to Single Transition Benefit. Each Transitioning Household receiving a Long Term Move Notice is entitled to only one of the Transition Benefits described in **Article V** (Transition Unit Option), **Article VI** (In-Lieu Payment Option), and **Article VII** (Unit Purchase Assistance Option). As a condition to receipt of the selected Transition Benefit, each member of the Transitioning Household will be required to waive all other Transition Benefits under these Transition Housing Rules and Regulations.

E. Complete the Move

1. Eligibility for Moving Assistance. Moving assistance to cover the costs of moving the Household will be provided to every Transitioning Household that makes an Interim Move from an Existing Unit on NSTI to another Existing Unit on TI and/or a Long-Term Move from an Existing Unit on NSTI to a Transition Unit. Moving assistance is not provided to: (a) Transitioning Households that receive the In-Lieu Payment Option or Down Payment Assistance; (b) Post-DDA Tenants; (c) Persons in Unlawful Occupancy of their Existing Unit; or (d) other Persons ineligible for Transition Benefits.

2. Actual Costs. A Transitioning Household will be compensated for Actual Reasonable Moving Expenses incurred in moving the Household for an Interim Move to an Existing Unit or a Long-Term Move to a Transition Unit. Costs that may be included in a claim for Actual Reasonable Moving Expenses are listed in **Article VIII.B** (Moving Assistance).

3. Moving Allowance Alternative. A Transitioning Household that is eligible to be reimbursed for Actual Reasonable Moving Expenses may elect instead to receive a Moving Expense Allowance that will be determined according to a schedule established by TIDA, based on a moving expense allowance determined in accordance with established federal Highway Administration schedules maintained by the California Department of Transportation. The current schedule is shown in **Appendix 3**.

F. Early Transition Benefits

1. Limited Circumstances. Under certain circumstances, Transitioning Households may be eligible to receive certain Transition Benefits before receipt of a Notice to Move.

a. The In-Lieu Payment Option may be available earlier, if, and only if, TIDA provides written notice to Transitioning Households offering an early opportunity to receive an In-Lieu Payment, which may be conditioned on the Household moving out of its Existing Unit by a specified date ("**Notice of Early In-Lieu Payment Option**").

b. The Unit Purchase Assistance Option is available at any time a Transitioning Household completes the purchase of a new Dwelling on NSTI, unless the Transitioning Household has previously lost its status as a Transitioning Household by accepting an In-Lieu Payment or moving into a Transition Unit.

IV. INTERIM MOVES

A. Required Interim Moves

Some Transitioning Households will be required to make an Interim Move from one Existing Unit to another Existing Unit on TI.

An Interim Move will be required for those Transitioning Households that reside in areas proposed for redevelopment in an early phase of development. Although not currently anticipated, Interim Moves also may be required in later phases of development. Transitioning Households required to make an Interim Move will receive a First Notice to Move not less than 90 days before the Move Date and a Second Notice to Move not less than 60 days before the Move Date.

B. Benefits for Interim Moves

Transitioning Households required to make an Interim Move may elect to move to an Existing Unit on TI under the following terms:

1. Size. The offered Dwelling will have at least the same number of bedrooms as the Existing Unit unless the Transitioning Household elects to move to a smaller unit. The Transitioning Household may be offered a Dwelling that has a greater number of bedrooms if the available Dwellings with the same number of bedrooms as the Existing Unit will result in a reduction in total square footage from the Existing Unit by 10% or more.

2. Rent. The initial monthly rent for Transitioning Households making an Interim Move to an Existing Unit on TI will be determined as set forth below. In each case, the initial monthly rent will be subject to annual increases calculated by the Rent Board Adjustment.

a. If the offered Dwelling has the same or a greater number of bedrooms as the Existing Unit, the initial monthly rent for the offered Dwelling will be the lesser of: (a) the rent the Transitioning Household is paying for its Existing Unit on the date of the First Notice to Move; or (b) the market rent that TIDA would otherwise charge for the offered Dwelling on the date of the First Notice to Move.

b. If Transitioning Household has elected to move to an offered Dwelling with fewer bedrooms than its Existing Unit, the initial monthly rent on the offered Dwelling will be the lesser of: (a) the monthly rent for the Existing Unit on the date of the First Notice to Move, reduced by 10% for each reduction in bedroom count, or (b) the market rent that TIDA would otherwise charge for the offered Dwelling on the date of the First Notice to Move. For example, if a Transitioning Household occupies an Existing Unit with four bedrooms on the DDA Effective Date, but elects in an Interim Move to move into an offered Dwelling with two bedrooms, the initial monthly rent under (a) would be 80% of the monthly rent on the Existing Unit on the date of the First Notice to Move.

3. Unit Selection. The Notice to Move for an Interim Move will provide information on the process for Transitioning Households electing to move to an Existing Unit on TI to select a Dwelling.

4. Status as Transitioning Household. The Transitioning Household will retain its status as a Transitioning Household following an Interim Move, and will continue to be eligible for Transition Benefits as long as the Household continues to meet the eligibility requirements stated in **Section II.A.1.d** (Determination of Household Eligibility for Transition Benefits).

C. Option to Elect In-Lieu Payment

Instead of making an Interim Move, Transitioning Households may elect the In-Lieu Payment Option in accordance with **Article VI** (Description of In-Lieu Payment Option).

V. DESCRIPTION OF TRANSITION UNIT OPTION

A. Transition Unit Option

1. Time of Option. The Transition Unit Option is available for Transitioning Households only after TIDA delivers a Notice to Move for a Long-Term Move.

2. Benefits. Transitioning Households will have the opportunity to rent a newly-constructed Transition Unit on Treasure Island. Transitioning Households that elect to move into the offered Transition Unit will be eligible for Actual Reasonable Moving Expenses or a Moving Expense Allowance.

3. Designated Unit. TIDA will designate at least one Transition Unit for each Transitioning Household selecting the Transition Unit Option.

4. Loss of Status. A Transition Unit will be offered to each Transitioning Household unless it has lost its status as a Transitioning Household by its prior receipt of Transition Benefits for a Long-Term Move or it no longer meets the eligibility requirements stated in **Section II.A** (Determination of Household Eligibility for Transition Benefits).

5. Leases for Income-Restricted Units. Leases for Households with Section 8 vouchers, Tax Credit Eligible Households and others occupying Transition Units assisted with state, federal, or local housing funds will be subject to applicable regulations and requirements of such funding programs.

6. Loss of Option. TIDA's obligation to provide a Transitioning Household selecting the Transition Unit Option with a Transition Unit will be deemed to be satisfied if the Transitioning Household is offered and refuses to accept the Transition Unit offered.

B. Standards Applicable to Transition Units

1. Size. Except as provided below, a Transition Unit offered to a Transitioning Household under the Transition Unit Option must contain the same number of bedrooms as in the Existing Unit. Exceptions include:

a. Program regulations of certain government housing programs (e.g. tenant-based Section 8) may limit the number of bedrooms that participating Transitioning Households can be offered.

b. In determining the size of a Transition Unit, Post-DDA Tenants, Persons in Unlawful Occupancy and other Persons ineligible for Transition Benefits are excluded as Persons in the Transitioning Household, but Post-DDA Tenants will be allowed to move into a Transitioning Household's Transition Unit.

c. If the Transitioning Household is smaller when it moves into the Transition Unit than it was when its eligibility was established, TIDA will offer a Transition Unit with one bedroom per Person remaining in the Transitioning Household up to a maximum of four bedrooms.

2. Decent, Safe and Sanitary. The Dwelling must be "**Decent, Safe and Sanitary**," which means it:

a. conforms with all applicable provisions for existing structures that have been constructed under state or local building, plumbing, electrical, housing and occupancy codes, and similar ordinances or regulations;

b. has a continuing and adequate supply of potable water;

c. has a kitchen or an area set aside for kitchen use that: (i) contains a sink in good working condition connected to hot and cold water and to an adequate sewage system; and (ii) has utility service connections and adequate space for the installation of a stove and a refrigerator;

d. has an adequate heating system in good working order that will maintain a minimum temperature of 70 degrees in all habitable rooms, and all rooms must be adequately ventilated;

e. has a bathroom, well lit and ventilated and affording privacy to a person within it, containing a lavatory basin and a bathtub or stall shower, properly connected to an adequate supply of hot and cold running water, and a flush closet, all in good working order and properly connected to a sewage disposal system;

f. has an adequate and safe wiring system for lighting and other electrical services;

g. is structurally sound, weather tight, in good repair, and adequately maintained;

h. has a safe unobstructed means of egress leading to safe open space at ground level that conforms to building and fire codes;

i. has at least one room that has not less than 150 square feet of floor area, and other habitable rooms, except kitchens, that have an area of not less than 70 square feet;

j. has sleeping room(s) that include at least 70 square feet of habitable floor space for the first occupant and 50 square feet of habitable floor space for each additional occupant; and

k. is available to the Transitioning Household regardless of race, color, sex, marital status, religion, or national origin in a manner consistent with Title VIII of the Civil Rights Act of 1968 and any other applicable local, state, or federal nondiscrimination laws.

C. **Required Information for Option**

1. Relevant Household Information. Transitioning Households must provide all of the following information to receive the Transition Unit Option:

a. Household Income;

b. Household composition and size, including: (i) the full names of all Household members and relationship of Household members to each other; (ii) age and number of any children and elderly members of the Household; (ii) whether any members of the Transitioning Household are disabled; (iii) whether any members of the Transitioning Household are Adult Students; and (iv) special needs (social and public services, special schools, and other services, need for in-home care); and

2. Time to Provide Information. To the extent all required information is not provided at the interview, Transitioning Households wishing to obtain Transition Benefits will have 30 days after the interview to provide all required information to TIDA.

D. Calculation of Household Income

A Transitioning Household's annual Household Income will be determined using the current Tenant Income Certification Form (see **Appendix 1**).

Households will be required to verify Household Income with third-party documentation such as W-2 forms, pay check stubs, tax returns or other forms of verification. Monthly Household Income will be determined based on the most recent 12 month period preceding the First Notice to Move.

E. Calculation of Base Monthly Rental Cost

The Transitioning Household will be offered a Transition Unit at an initial rent not exceeding the Base Monthly Rental Cost as determined below:

1. Adjustments for Changes in Bedroom Count. If the size of the Transitioning Household changed after the Effective Date, and the Transition Unit contains fewer bedrooms than the Household's Existing Unit as provided in **Section V.B(1)(c)** (Standards Applicable to Transition Units), for purposes of determining the Base Monthly Rental Cost the monthly rent for the Existing Unit will "**Adjusted for Changes in Bedroom Count**," according to the following calculation: (a) calculate the Existing Unit's monthly rent by adding any annual Rent Board Adjustments to the rent for the Existing Unit on the DDA Effective Date; (b) multiply (a) by the product of 10% times the reduction in bedroom count and (c) deduct the applicable Utility Adjustment. For example, if a Transitioning Household originally rented an Existing Unit with four bedrooms but due to changes in the Transitioning Household's size received a unit with two bedrooms, the monthly rent would be reduced by 20% and adjusted for the applicable Utility Allowance based on the new unit bedroom count.

2. Households Participating in Governmental Housing Programs

a. Tax Credit Eligible Households: Base Monthly Rental Cost for Tax Credit Eligible Households will be the lesser of: (i) the Existing Unit's monthly rent on the DDA Effective Date, plus annual Rent Board Adjustments, then Adjusted for Changes in the Bedroom Count (as defined below), if applicable, less Utility Adjustment; (ii) 30% of the Transitioning Household's Average Monthly Income; or (iii) the maximum allowable rent under applicable tax credit regulations less Utility Adjustment. Tax Credit Eligible Households will be offered a

Transition Unit in housing financed with low income housing tax credits and may be required to certify Household Income annually while occupying the rent-restricted unit.

b. Households with Section 8 Vouchers: Base Monthly Rental Cost for Households with Section 8 vouchers will be the fair market rent for a Dwelling for the Household size under Section 8 program regulations, less Utility Adjustments.

3. Low Income Household (defined in Calif. Health & Safety Code § 50079.5): Base Monthly Rental Cost for Low Income Households that do not include Adult Students will be the lesser of: (a) the Existing Unit's monthly rent on the DDA Effective Date, plus annual Rent Board Adjustments, then Adjusted for Changes in the Bedroom Count, if applicable, less Utility Adjustment; or (b) the maximum rent for a Low Income Household allowed by Health and Safety Code § 50053, less Utility Adjustment.

4. Moderate Income Household (defined in Calif. Health & Safety Code § 50079.5): Base Monthly Rental Cost for Moderate Income Households that do not include Adult Students will be the lesser of: (a) the Existing Unit's monthly rent on the DDA Effective Date, plus annual Rent Board Adjustments, then Adjusted for Changes in the Bedroom Count, if applicable, less Utility Adjustment; or (b) the maximum rent for a Moderate Income Household allowed by Health and Safety Code § 50053, less Utility Adjustment.

5. All Other Transitioning Households: Base Monthly Rental Costs for all other Households, consisting of: (i) Transitioning Households that are not Tax Credit Eligible Households, Households with Section 8 vouchers, Low Income Households, or Moderate Income Households; (ii) Transitioning Households that include an Adult Student; and (iii) Transitioning Households that do not provide the required Household information within 30 days after their interview under **Section III.B** (Interview Household and Offer Advisory Services) will be the lesser of: (a) the Existing Unit's monthly rent on the DDA Effective Date, plus annual Rent Board Adjustments, then Adjusted for Changes in the Bedroom Count, if applicable, less the Utility Adjustment; or (b) the market rent that would otherwise be charged for the Transition Unit.

F. Lease Terms for Transition Unit; Occupancy Verification

1. Lease Terms. The following will apply to each Transitioning Household accepting a Transition Unit, except for Tax Credit Eligible Households and Households with Section 8 vouchers (whose leases will comply with applicable federal regulations):

a. The Transitioning Household will enter into a lease containing the following key terms: (i) an initial period of 12 months, with automatic renewal on a month-to-month basis; (ii) a limitation on annual rent increases to the Rent Board Adjustment; (iii) a statement that the Transitioning Household may remain in the Transition Unit as long as the Household remains in Good Standing under its lease, and a description of the events that will cause the Household to be in default of its lease; and (iv) a prohibition against subleasing.

b. Each lease for a Transition Unit will require the Transitioning Household to: (i) identify each occupant of the Household by name; (ii) acknowledge that subleasing is not permitted and that subleasing will be a default under the lease; (iii) acknowledge that at least one member of the Transitioning Household must maintain the Transition Unit as his or her primary Dwelling; (iv) cooperate fully with any subsequent occupancy verification; and (v) comply with all other terms of the lease.

2. Right to Verify Occupancy by Transitioning Household. TIDA, or any subsequent owner or property management company for the Transition Unit, will have the right to verify occupancy of the Transition Unit at any time. If a Transitioning Household does not cooperate with an occupancy verification request or any member of the Household is discovered to have provided knowingly false responses: (a) the entire Transitioning Household will lose the right to continue to rent at the Base Monthly Rental Cost; (b) rent will be increased to the then-current market rate; and (c) future rent increases will not be limited to the Rent Board Adjustment. In addition, TIDA, or any subsequent owner or property management company for the Transition Unit will have the right to charge and collect the additional rent it would have charged, had the rents not been reduced under these Transition Rules and Regulations.

3. Termination of Lease for Transition Unit. If the Transition Unit is no longer occupied by any members of the Transitioning Household, the Transitioning Household's lease for the Transition Unit will terminate.

VI. DESCRIPTION OF IN-LIEU PAYMENT OPTION

A. In-Lieu Payment Option

1. Time. A Transitioning Household may elect to receive an In-Lieu Payment in response to a written offer from TIDA. TIDA currently anticipates offering the In-Lieu Payment Option at the following times:

a. when TIDA delivers a Notice to Move for an Interim Move to a Transitioning Household;

b. when TIDA delivers a Notice of Early In-Lieu Payment Option, currently anticipated to occur during a specified period between TIDA's approvals of Major Phase 2 and Major Phase 4; and

c. when TIDA delivers a Notice to Move for a Long-Term Move to a Transitioning Household.

2. Calculation of Payment. The amount of the In-Lieu Payment will be calculated using the schedule for Relocation Payments for No Fault Evictions published and updated annually by the San Francisco Rent Board (as of the date of the calculation, the "**Rent Board Schedule**"). The 2010 In-Lieu Payment Schedule, based on the 2010 Rent Board Schedule, adjusted for up to four adults, is attached as **Appendix 2**. The Transitioning Household's In-Lieu Payment will be the product of the payment per adult tenant in the Rent

Board Schedule times the number of adults in the Transitioning Household, up to a maximum of four, plus any of the following applicable adjustments:

a. if the Transitioning Household includes elderly or disabled Persons, the product of the payment per elderly or disabled Person under the Rent Board Schedule times the number of elderly or disabled persons in the Transitioning Household; and

b. if the Transitioning Household includes any minor children, an additional lump sum equal to the payment for minors under the Rent Board Schedule.

c. In determining the number of adults in a Transitioning Household, Post-DDA Tenants and, Persons in Unlawful Occupancy and other Persons ineligible for Transition Benefits are excluded as Persons in the Transitioning Household.

3. Effect of Election. Transitioning Households that elect to receive the In-Lieu Payment:

a. will no longer be eligible for the Transition Unit Option or the Unit Purchase Assistance Option

b. will not receive moving assistance;

c. will be required to vacate their Existing Units by the date specified in the Notice to Move or Notice of Early In-Lieu Payment Option to receive the In-Lieu Payment; and

d. upon written request to TIDA, will be placed on the Premarketing Notice List if not already listed.

VII. DESCRIPTION OF UNIT PURCHASE ASSISTANCE OPTION

Transitioning Households that elect to receive the Unit Purchase Assistance Option will be entitled to Down Payment Assistance.

A. Down Payment Assistance

1. Amount of Payment. A Transitioning Household electing the Unit Purchase Assistance Option will receive "**Down Payment Assistance**" described in this Section. The amount of Down Payment Assistance will be equal to the amount the Transitioning Household would have received had it chosen an In-Lieu Payment, based on the Rent Board Schedule and the number of eligible members in the Transitioning Household, up to four Persons, when the Household enters into the purchase contract for the new Dwelling on NSTI.

2. Conditions to Payment. A Transitioning Household electing to purchase a new Dwelling on NSTI will receive Down Payment Assistance only if: (a) the Household meets all applicable eligibility criteria to purchase the new Dwelling; (b) its purchase offer for the new

Dwelling is accepted; and (c) the purchase closes escrow. No Household is guaranteed that its offer to purchase a new Dwelling on NSTI will be accepted, and the purchased Dwelling need not be similar in size, bedroom count, and amenities to the Existing Unit previously occupied by the Household.

3. Escrow and Closing. Down Payment Assistance will be paid at closing into escrow. TIDA will verify the Transitioning Household's eligibility for and amount of the Down Payment Assistance to lenders and sellers of Dwellings during escrow upon request. If escrow does not close, the escrow officer will be instructed to return any Down Payment Assistance funds on deposit to TIDA.

4. Termination of Status. A Transitioning Household that elects to receive the Down Payment Assistance and closes its purchase on a new for-sale Dwelling on NSTI:

a. will no longer be eligible for the Transition Unit Option or the In-Lieu Payment Option

b. will not receive moving assistance;

c. will be required to vacate its Existing Unit by the date specified in the Notice to Move; and

d. will be removed from the Premarketing Notice List.

VIII. ADDITIONAL ASSISTANCE

A. Premarketing Assistance

1. Definitions. The following definitions will apply to the Assistance described in this **Section VIII.A** (Premarketing Assistance):

a. "**Post-Transition Household**" means a Transitioning Household that previously received an In-Lieu Payment.

b. "**Post-Transition Tenant**" means a Person who was a member of a Transitioning Household that previously received an In-Lieu Payment.

c. "**Premarketing Notice List**" means that email contact list that TIDA will maintain to provide notice of a Premarketing Window.

d. "**Premarketing Window**" means a specific and limited time period of no less than 30 days before the Dwellings in each new for-sale housing development on NSTI are offered for sale to the general public.

e. "**Sunset Date**" means the date that is seven years after the date that a Transitioning Household or a Post-Transition Tenant is placed on the Premarketing Notice List.

2. Early Notice. Transitioning Households, Post-Transition Households, and Post-Transition Tenants on the Premarketing Notice List will have the opportunity to make purchase offers on Dwellings in each new for-sale housing development on NSTI during the Premarketing Window.

a. If the purchase offer of a Transitioning Household that is not a Post-Transition Household is accepted: (i) the Transitioning Household also may select the Unit Purchase Assistance Option to receive Down Payment Assistance under **Section VII.A** (Down Payment Assistance); and (ii) TIDA will remove the Transitioning Household from the Premarketing Notice List after close of escrow. Post-Transition Households are not eligible for Down Payment Assistance.

b. If the purchase offer of a Post-Transition Tenant or Post Transition Household is accepted and escrow closes, TIDA will: (i) remove the Post-Transition Tenant or Post Transition Household from the Premarketing Notice List; and (ii) have no further obligation to the Post-Transition Tenant or Post Transition Household under these Transition Housing Rules and Regulations. Post-Transition Tenants are not eligible for Down Payment Assistance.

c. A Transitioning Household whose purchase offer is not accepted may stay on the Premarketing Notice List for subsequent notices of Premarketing Windows until the earliest of: (i) the date escrow closes on a subsequent purchase offer; (ii) the date the Transitioning Household moves into a Transition Unit; or (iii) the Sunset Date.

d. Post-Transition Households and Post-Transition Tenants whose purchase offers are not accepted may stay on the Premarketing Notice List for subsequent notices of Premarketing Windows until the earlier of: (i) the date escrow closes on a subsequent purchase offer; or (ii) the Sunset Date.

3. Notice List.

a. Each Transitioning Household and Post-Transition Household must: (i) provide TIDA with the names of Household members, the designated Household contact's name, and an email address for notices; and (ii) notify TIDA of any changes to Household information to remain on the Premarketing Notice List.

b. Each Post-Transition Tenant must: (i) provide TIDA with an email address for notices; and (ii) notify TIDA of any changes in the email notice address to remain on the Premarketing Notice List.

c. TIDA will have no obligation to: (i) verify that email notices that are sent are actually delivered; or (ii) update contact information of Transitioning Households, Post-Transition Households, or Post-Transition Tenants that do not notify TIDA that their email addresses have changed. TIDA will remove Transitioning Households, Post-Transition Households, and Post-Transition Tenants from the Premarketing Notice List on their respective Sunset Dates if they are then still on the list.

4. Required Acknowledgement. Before TIDA is obligated to add contact information to the Premarketing Notice List, each member of a Transitioning Household, Post Transition Household and Post-Transition Tenants will be required to sign an acknowledgment that neither TIDA nor any for-sale housing developer will be responsible for: (a) ensuring that the contact email address provided is current; (b) any inadvertent omission from the Premarketing Notice List, as long as the housing opportunity is marketed generally in the San Francisco area; or (c) guaranteeing that a Transitioning Household or a Post-Transition Tenant will qualify to purchase a new Dwelling.

5. Developer Notice Requirements. For-sale housing developers will be required to provide TIDA with advance notice of the Premarketing Window for each new for-sale housing development on NSTI, stating: (a) the start and end dates of the Premarketing Window; (ii) for each available Dwelling, the unit address, number of bedrooms, and initial offered price; (iii) the date(s) on which interested Transitioning Households, Post-Transition Households, and Post-Transition Tenants may tour the available Dwellings; and (iv) contact information for an authorized representative of the housing developer who can answer questions about the available Dwelling(s). TIDA will send email notices to all Transitioning Households, Post-Transition Households, and Post-Transition Tenants on the Premarketing Notice List before the Premarketing Window begins.

6. No Preferential Treatment. Transitioning Households, Post-Transition Households, and Post-Transition Tenants on the Premarketing Notice List will be offered the same purchase terms for the for-sale units as those offered to the general public.

a. Inclusionary units will be offered at a specified below-market-rate price to Transitioning Households, Post-Transition Households, and Post-Transition Tenants that meet all qualifying income and occupancy criteria for that Dwelling.

b. The purchase price of all other for-sale Dwellings will be the market-rate price.

c. Transitioning Households, Post-Transition Households, and Post-Transition Tenants will be required to qualify to purchase any Dwellings offered for sale during the Premarketing Window in the same manner as other members of the general public.

d. The Premarketing Window does not guarantee that a Transitioning Household, Post-Transition Household, or Post-Transition Tenant will qualify for the purchase or that its purchase offer will be accepted.

B. Moving Assistance

1. Covered Moving Expenses. All Transitioning Households that make Interim Moves and that select the Transition Unit Option for a Long-Term Move will receive either Actual Reasonable Moving Expenses or a Moving Expense Allowance. Actual Reasonable Moving Expenses will include:

a. transportation of persons and property upon NSTI;

b. packing, crating, unpacking, and uncrating Personal Property;

c. insurance covering Personal Property while in transit;

d. connection charges imposed by public utilities for starting utility service;

e. the reasonable replacement value of Personal Property lost, stolen, or damaged (unless caused by the Transitioning Household or its agent) in the process of moving, where insurance covering such loss, theft, or damage is not reasonably available; and

f. the removal of barriers to the disabled and installations in and modifications to a disabled Person's new Dwelling as needed to accommodate special needs.

2. Allowance Alternative. A Transitioning Household electing a self-move for an Interim Move or a Long-Term Move into a Transition Unit will be paid according to the Moving Allowance Schedule in **Appendix 3** promptly after filing a claim form provided by TIDA and vacating the Existing Unit, unless the Household seeks and is granted an advance payment to avoid hardship.

3. Advance Payment to Avoid Hardship. A Transitioning Household may be paid for anticipated moving expenses in advance of the actual move. TIDA will make an advance payment whenever the Household files a claim form provided by TIDA supported by documents and other evidence that later payment would result in financial hardship. Particular consideration will be given to the financial limitations and difficulties experienced by low and moderate income residents.

4. Moving Expense Claims. A claim for payment of Actual Reasonable Moving Expenses must be supported by a bill or other evidence of expenses incurred.

a. Each claim greater than $1,000 for the moving costs incurred by a Transitioning Household hiring a moving company must be supported by at least 2 competitive bids. If TIDA determines that compliance with the bid requirement is impractical, or if the claimant obtains estimates of less $1,000, a claim may be supported by estimates instead. TIDA may make payment directly to the moving company.

b. A Transitioning Household's Actual Reasonable Moving Expenses will be exempt from regulation by the State Public Utilities Commission. TIDA may effect the moves by directly soliciting competitive bids from qualified bidders for performance of the work. Bids submitted in response to such solicitations will be exempt from regulation by the State Public Utilities Commission.

C. Assistance to Force Majeure Households.

In the event a Force Majeure Household is required by TIDA or any other agency to move from an Existing Unit off of NSTI as a result of a natural disaster or other condition that makes the Existing Unit uninhabitable prior to the Household receiving a First Notice to Move ("Force

Majeure Household"), the Force Majeure Household shall remain eligible for all Transition Benefits it would otherwise have been eligible for upon receipt of a First Notice to Move. The Force Majeure Household will not be eligible for Transition Benefits until such time as the First Notice to Move would have been given for the Existing Unit as determined by the implementation of the Development Plan for the area of NSTI where the Existing Unit was located. Any In-Lieu Payment Option or Down Payment Assistance will be reduced by any amounts paid to the Force Majeure Household by TIDA or any other public agency at the time the Force Majeure Household moved out of the Existing Unit, including any payments for moving expenses or replacement housing payments.

IX. IMPLEMENTATION OF TRANSITION HOUSING RULES AND REGULATIONS

A. Administration

1. Information Program. TIDA will maintain an information program using meetings, newsletters, and other mechanisms, including local media, to keep Villages residents informed on a continuing basis about: (a) TIDA's transition housing program and other information about the redevelopment process; (b) the timing and scope of any anticipated Interim Moves; (c) the timing and scope of anticipated Long-Term Moves, (c) procedures for implementing and making claims under these Transition Rules and Regulations; and (d) other information relevant to these Transition Rules and Regulations.

2. Nondiscrimination. TIDA will administer these Transition Housing Rules and Regulations in a manner that will not result in different or separate treatment on account of race, color, religion, national origin, sex, sexual orientation, marital status, familial status, or any basis protected by local, state, or federal nondiscrimination laws.

3. Site Office. TIDA may establish a site office that is accessible to all Households to provide advisory assistance described in **Section III.B** (Interview Households and Offer Advisory Services). If TIDA establishes a site office, it will be staffed with trained and experienced personnel, who may be third-party housing specialists.

4. Amendments. These Transition Rules and Regulations may be amended by TIDA from time to time by a resolution of the TIDA Board adopting an amendment at a duly noticed public meeting.

B. Household Records

1. Contents. TIDA will maintain records for each Household containing information obtained during interviews, documents submitted by residents, and existing files of its property manager. The records will contain a description of the pertinent characteristics of the Persons in the Household, the assistance determined to be necessary, and the Household's decisions on Transition Benefits. Members of a Transitioning Household will have the right to inspect their own Transitioning Household records to the extent and in the manner provided by law.

2. Confidentiality. Household income information is confidential and will only be used for its intended purpose. Confidential information will not be disclosed to third parties outside of the Household unless all members of the Household provide their written consent to disclosure or a valid court order requires disclosure.

3. Publication of Aggregate Resident Data. TIDA will have the right to publish aggregate data about the resident population on NSTI, including information that is segmented according to aggregate Villages resident data and aggregate TIHDI resident data.

X. CLAIM AND PAYMENT PROCEDURES; TERMINATION OF TRANSITION HOUSING ASSISTANCE

A. Filing Claims; Tax Forms

1. Written Claims Required. TIDA will provide claim forms for payment under these Transition Rules and Regulations. All claims for In-Lieu Payments and Down Payment Assistance must be submitted to TIDA with the Household's notice of election of that specific Transition Benefit. All claims for moving expense payments must be submitted to TIDA within six months after the date on which the claimant makes an Interim Move or moves into a Transition Unit.

2. Tax Forms. TIDA: (a) makes no representations about the tax treatment of any payments or benefits of monetary value any Person receives under these Transition Housing Rules and Regulations; (b) will require all Persons who receive an In-Lieu Payment, Down Payment Assistance, moving assistance, or any other payment under these Transition Housing Rules and Regulations to provide TIDA with valid Social Security numbers for all recipients; and (c) will file W-9 forms for all payments and benefits of monetary value made or provided to any Person under these Transition Housing Rules and Regulations.

B. Treatment of Dependents

1. Allocation of Transition Benefits. The following will apply to any Person who derives 51% or more of his or her income from one or more Persons within the same Transitioning Household in an Existing Unit (the "**Supporting Household**") or otherwise meets his or her living expenses primarily through the monetary support of the Supporting Household (a "**Dependent**").

a. A Dependent who lives with the Transitioning Household will not be entitled to any Transition Benefit except as a part of the Household, and will be counted as a member of the Transitioning Household for determining Household size.

b. If the Dependent's primary Dwelling, as determined by voter registration, driver's license, or other forms of verification, is different from that of the Supporting Household when the Supporting Household selects and receives a Transition Benefit, the Dependent will not be counted as part of the Transitioning Household when determining: (i) the size of a Transition Unit; (ii) the amount of an In-Lieu Payment; or (iii) the amount of Down Payment Assistance.

2. Documentation of Dependent Status. Any Transitioning Household claiming a Dependent must provide third-party documentation that it is a Supporting Household. TIDA will have the right to require that the Supporting Household and Dependent, if applicable, provide copies of tax returns filed for tax years preceding the claim.

C. Adjustments for Multiple Claims; Nontransferability

1. Multiple Claimants. The amount of an In-Lieu Payment, Down Payment Assistance, or Moving Expense Allowance will be determined based on the total number of eligible members in the Transitioning Household. All adult members of a Household must sign the claim form and any other required documents as a condition to TIDA's obligation to pay Transition Benefits and moving assistance.

2. Multiple Claims. A single claim form for each payment claim by a Transitioning Household is preferred, but not required. Unless otherwise specified in a claim form, TIDA will issue separate checks to each adult in the Transitioning Household in equal shares, adjusted for Dependents and elderly or disabled members of the Household. If two or more eligible Persons in a single Transitioning Household submit more than one claim for any payment under these Transition Rules and Regulations, which in the aggregate exceed the payment limits to be made to the entire Transitioning Household, TIDA will pay each eligible claimant an equal share of the payment, up to the aggregate amount of the payment limits. As provided in **Section VII.A** (Down Payment Assistance), Transitioning Households that choose Down Payment Assistance will not receive direct payment; TIDA will deposit the entire amount of any Down Payment Assistance directly into escrow.

3. Nontransferability. The right to Transition Benefits and other assistance under these Transition Housing Rules and Regulations is personal to each member of a Transitioning Household and is not a property right. Therefore, a Transitioning Household's member's right to Transition Benefits and other assistance cannot be transferred by contract, inheritance, or any other means.

D. Termination of TIDA's Obligations

1. Termination of Right to Transition Benefits. TIDA's obligation to provide Transition Benefits to a Transitioning Household under these Transition Housing Rules and Regulations will terminate under the following circumstances:

a. The Transitioning Household moves off NSTI before receiving a Long-Term Notice to Move or a Notice of Early In-Lieu Payment Option.

b. The Transitioning Household moves to a Transition Unit and receives all moving assistance to which it is entitled.

c. The Transitioning Household moves off-NSTI after receiving a Notice to Move or a Notice of Early In-Lieu Payment Option and receives an In-Lieu Payment.

d. The Transitioning Household moves from an Existing Unit to a new for-sale Dwelling on NSTI and receives Down Payment Assistance.

e. The Transitioning Household refuses reasonable offers of assistance, payments, and a Transition Unit after receiving a Notice to Move.

f. TIDA determines a Household is not or has ceased to be a Transitioning Household or is otherwise not entitled to Transition Benefits.

2. Acknowledgement of Change in Status upon Receipt of Benefits. Each member of a Transitioning Household that receives Transition Benefits will be required to acknowledge in writing that he or she has received or is about to receive the Transition Benefits, and, upon receipt, the Household will cease to be a Transitioning Household entitled to any Transition Benefits, other assistance, and advisory services under these Transition Housing Rules and Regulations.

3. Records as Evidence. TIDA will be entitled to rely on and use its written offers of Transition Benefits to a Transitioning Household that refuses them, and all other information in the Transitioning Household's records, as evidence in any grievance proceeding or lawsuit.

4. Notice of Status. Except for a change in status after the Transitioning Household receives a Transition Benefit, TIDA will provide written notice of any determination that a Household is not or has ceased to be a Transitioning Household or is otherwise not entitled to Transition Benefits, delivered to the Transitioning Household's last known address.

5. Termination of Other Assistance. TIDA's obligations to provide moving assistance and to provide notices of Premarketing Windows will terminate as provided in **Article VIII** (Other Assistance).

XI. GRIEVANCE PROCEDURES

A. Administrative Remedies

1. Right to Appeal and Be Represented by Counsel. Any member of a Household, and any Household, that disagrees with a TIDA determination regarding eligibility for Transition Benefits, the proposed amount of payment, or the adequacy of the Transition Unit to which the Transitioning Household was referred may appeal the determination, but the Person or Household (individually, or as a Household, the "**Grievant**") must exhaust the prescribed administrative remedies before seeking judicial review. The Grievant will be entitled to be represented by an attorney at his or her, or the Household's, own expense at all stages of review under these Transition Housing Rules and Regulations.

2. Executive Director Review. The first step in administrative remedies available to a Grievant is the right to an appeal to the Executive Director of TIDA, as follows:

a. The Grievant must make a written request for review by the Executive Director no later than 12 months after the Grievant receives either a Long Term Notice to Move or an Interim Notice to Move. The Grievant's written request must state the basis for the claim and the relief sought.

b. The Grievant will be entitled to meet with the Executive Director and to present additional evidence and information that the Grievant has not presented previously through the interview process.

c. The Executive Director will make a determination based on the information the Grievant has provided to TIDA through the interview processes as well as any additional information presented by the Grievant.

d. The Executive Director must make a final determination in writing, stating the reasons for the determination within six weeks after conferring with the Grievant.

3. Hearing Before Relocation Appeals Board. If the Grievant is not satisfied with the Executive Director's determination, the second step in the administrative remedies available to a Grievant is an appeal to the Treasure Island Relocation Appeals Board (the "**RAB**"), which will be determined according the procedures below.

a. No later than 30 days after the TIDA Executive Director delivers his or her written determination under **Section XI.A.2** (Executive Director Review) to the Grievant, the Grievant must submit a written appeal to the RAB, with a copy to TIDA, stating the basis for his or her claim and the relief sought by the Grievant. If the Grievant wishes to submit information in addition to that previously provided to TIDA, the additional information must be submitted with the written appeal, and TIDA will have 30 days to provide a response to any new material.

b. The RAB will review and reconsider the Grievant's claim in light of: (i) all material upon which the Executive Director based his or her original determination, including these Transition Housing Rules and Regulations; (ii) the Grievant's written request for an appeal; (iii) any additional written or relevant documentary material submitted by the Grievant; (iv) any material submitted by TIDA in response to new information submitted by the Grievant with the appeal; and (v) any further information that the RAB, in its discretion, obtains by request to ensure fair and full review of the claim.

c. The RAB may choose to hold a hearing, and must hold a hearing if requested by the Grievant. All RAB hearings will be public meetings subject to state and local public meeting laws. The RAB's review will be limited to whether the Grievant is entitled to the claimed relief under these Transition Housing Rules and Regulations. Its determination must be based on the information presented during the appeal and these Transition Rules and Regulations. All members of the RAB shall be required to disclose in a public meeting any communications and contacts such member has had with the Grievant outside of the hearing. The RAB will not be authorized to make any monetary award (including attorneys' fees and costs of appeal) other than a payment authorized under these Transition Rules and Regulations.

d. The RAB must issue a written determination to the Grievant and TIDA no later than six weeks from receipt of the last material submitted by any party or the date of the hearing, whichever is later, stating: (i) the RAB's decision; (ii) the basis upon which the decision rests, including any pertinent explanation or rationale; and (iii) a statement that the Grievant may appeal the decision in accordance with the procedure set forth below.

e. The RAB may reject an appeal for untimeliness by a written statement to the Grievant.

4. Administrative Law Judge Review. The final step in administrative remedies available to a Grievant is an appeal to an administrative law judge ("**ALJ**") on the Rent Board staff who is assigned to hear appeals under these Transition Rules and Regulations, as follows:

a. No later than 30 days after the RAB delivers its written determination under **Section XI.A.3** (Hearing Before Relocation Appeals Board) to the Grievant, the Grievant must submit a written appeal to the ALJ, and deliver a copy of the appeal to TIDA at the same time, stating the basis for the claim and the relief sought.

b. TIDA will have 15 days after a signed appeal is filed with the ALJ to provide the ALJ with copies of information related to the Grievant's case, including all additional evidence or information submitted by the Grievant to the RAB and TIDA's records related to the Grievant.

c. The assigned ALJ may attempt to resolve the dispute without a hearing, but is not required to do so.

d. The ALJ will conduct a hearing unless the dispute has been resolved before the hearing date.

e. The ALJ must make a final determination in writing, stating the reasons for the determination, and deliver the determination to the Grievant, with a copy to TIDA at the same time. The ALJ determination must include a statement that the Grievant has exhausted administrative remedies under these Transition Rules and Regulations.

5. Right to Judicial Review. The Grievant may seek judicial review after the administrative remedies described above have been exhausted.

XII. PROPERTY MANAGEMENT PRACTICES

A. Eviction

1. Grounds for Eviction. In addition to all other grounds under the Residential Leases and California law, TIDA may initiate eviction proceedings to remove a Household from its Existing Unit:

a. after the date specified in a Notice to Move for an Interim Move or for a Long-Term Move has passed, and: (i) the Household is a Transitioning Household that has

refused TIDA's offers of a Transition Benefit, including the right to relocate to a Transition Unit; or (ii) the Household is a Transitioning Household that has not vacated its Existing Unit after selecting and receiving a Transition Benefit; or (iii) the Household is a Post-DDA Household and has failed to vacate the Existing Unit after receipt of a Notice of Move.

b. after TIDA issues a notice to move due to: (i) a major disaster as defined in § 102(2) of the federal Disaster Relief Act of 1974; (ii) a state of emergency declared by the President of the United States or the Governor of the State of California; or (iii) any other emergency, or other condition, as determined by a Federal, State or Local governmental entity or department with jurisdiction over the premises, that requires the Household to move immediately from the Existing Unit because continued occupancy of the Existing Unit by the Household constitutes a substantial, or potential, danger to the health or safety, or both, of the Household, or the Existing Unit has become uninhabitable.

B. Post-DDA Tenants

1. Notice of Status. Before prospective Post-DDA Tenants move into any Existing Unit, TIDA will inform them:

a. that the Existing Unit will be available only for an interim period pending redevelopment of NSTI;

b. of the projected date that the Existing Unit is expected to be vacated and demolished for development, if known;

c. that, along with all other Villages residents, all Post-DDA Tenants will receive periodic notices from TIDA with updates about the progress of the project;

d. that TIDA will provide 90 days' notice of the date by which they must vacate their Existing Unit; and

e. that no Post-DDA Tenant is eligible for Transition Benefits under these Transition Rules and Regulations or relocation benefits under applicable relocation laws.

2. Advisory Services. Post-DDA Tenants are not eligible for Transition Benefits under these Transition Housing Rules and Regulations, unless an exception under **Section II.A.1** (Defined Terms for Determining Eligibility) applies, but are eligible for advisory services under **Section III.B** (Interview Households and Offer Advisory Services).

XIII. INTERPRETATION

A. Rules of Interpretation and Severability

1. The captions preceding the articles and sections of these Transition Housing Rules and Regulations and in the table of contents have been inserted for convenience of reference only and must be disregarded in interpreting these Transition Housing Rules and Regulations. Wherever reference is made to any provision, term, or matter in these Transition

Housing Rules and Regulations, the term "in these Transition Housing Rules and Regulations " or "hereof" or words of similar import, the reference will be deemed to refer to any reasonably related provisions of these Transition Housing Rules and Regulations in the context of the reference, unless the reference refers solely to a specific numbered or lettered section, subdivision, or paragraph of these Transition Housing Rules and Regulations.

2. References to all laws, including specific statutes, relating to the rights and obligations of any person or entity mean the laws in effect on the effective date of these Transition Housing Rules and Regulations and as they are amended, replaced, supplemented, clarified, or superseded at any time while any obligations under these Transition Housing Rules and Regulations are outstanding, whether or not foreseen or contemplated.

3. The terms "include," "included," "including," and "such as" or words of similar import when following any general term, statement, or matter may not be construed to limit the term, statement, or matter to the specific items or matters, whether or not language of non-limitation is used, but will be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of the term, statement, or matter, and will be deemed to be followed by the phrase "without limitation" or "but not limited to."

4. Whenever required by the context, the singular includes the plural and vice versa, the masculine gender includes the feminine or neuter genders and vice versa, and defined terms encompass all correlating forms of the terms (e.g., the definition of "waive" applies to "waiver," waived," waiving").

5. The provisions of these Transition Housing Rules and Regulations are severable, and if any provision or its application to any person or circumstances is held invalid by a final order or judgment of a court with valid jurisdiction over the matter, the invalid provision will not affect the other provisions or the application of those Transition Housing Rules and Regulations that can be given effect without the invalid provision or application.

APPENDIX 1

Sample of Tenant Income Certification Form

(as published by the California Tax Credit Allocation Committee)

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APPENDIX 2

2011 In-Lieu Payment Schedule
Based on the 2010 San Francisco Rent Board Relocation Payments for No Fault Evictions
(Adjusted for maximum of four adults)

Date of Second Notice to Move	**In-Lieu Payment Amount Due Per Tenant**	**Maximum In-Lieu Payment Amount Due Per Unit** ***(Maximum of 4 Adults)***	**PLUS Additional Amount Due for Each Elderly (60 years or older) or Disabled Tenant or Household with Minor Child(ren)**
3/01/11 – 2/29/12	$5,101.00	$20,404.00	$3,401.00

APPENDIX 3

Sample Moving Expense Allowance Schedule
(as published by the California Department of Transportation)

Fixed Moving Schedule CALIFORNIA (Effective 2008)	
Occupant Owns Furniture:	
1 room	$625
2 rooms	$800
3 rooms	$1,000
4 rooms	$1,175
5 rooms	$1,425
6 rooms	$1,650
7 rooms	$1,900
8 rooms	$2,150
Each additional room	$225
Occupant does NOT Own Furniture:	
1 room	$400
Each additional room	$65

APPENDIX 4

Definitions

The following terms used in these Transition Rules and Regulations are defined as follows:

"**Actual Reasonable Moving Expenses"** is defined in **Section VIII.E** (Moving Assistance).

"**Adjusted for Changes in Bedroom Count"** is defined in **Section V.E.1** (Adjustment for Changes in Bedroom Count).

"**adult**" means a Person 18 years old or older.

"**Adult Student**" means an adult who, during the previous 12 months, was enrolled in two or more courses concurrently at an accredited educational institution, unless the Person is: (1) receiving assistance under Title IV of the Social Security Act; (2) enrolled in a job-training program; or (3) in a Transitioning Household composed entirely of full-time Adult Students who are single parents and are not listed as Dependents on someone else's tax return or who are married and file a joint return.

"**ALJ"** is defined in **Section XI.A.4** (Administrative Law Judge Review).

"**Average Monthly Income**" when used in determining Base Monthly Rental Cost, means the Transitioning Household's Household Income divided by 12.

"**Base Monthly Rental Cost**" means the amount that a Transitioning Household will pay as its initial rent for a Transition Unit, calculated as explained in **Section V.E** (Calculation of Base Monthly Rental Cost).

"**Base Redevelopment Act**" is defined in **Section I.A** (Background).

"**BRAC**" is defined in **Section I.A** (Background).

"**CEQA**" is defined in **Section I.A** (Background).

"**City**" means the City and County of San Francisco, a municipal corporation organized and existing under the laws of the State of California, or, as the context requires, the area within the City's jurisdictional boundaries.

"**DDA**" is defined in **Section I.A** (Background).

"**DDA Effective Date**" is defined in **Section I.E** (Effective Date).

"**Decent, Safe, and Sanitary Housing**" means a Dwelling that meets the minimum requirements specified in **Section V.B** (Standards Applicable to Transition Units).

"**Dependent"** is defined in **Section X.B.1** (Treatment of Dependents).

"**Development Plan**" is defined in **Section I.A** (Background).

"**Down Payment Assistance"** means the Transition Benefit offered as part of the Unit Purchase Assistance Option, described in **Section VII.A** (Down Payment Assistance).

"**Dwelling**" means the primary Dwelling of a Household, including a single-family residence, a single-family residence in a two-family building, multi-family or multi-purpose building, or any other residence that either is considered to be real property under state law or cannot be moved without substantial damage or unreasonable cost.

"**elderly**" means a Person who is 60 years of age or older.

"**Existing Unit**" is defined in **Section II.A.1** (Defined Terms for Determining Eligibility).

"**First Notice to Move**" means a written notice to a Household, as described in **Section III.A** (First Notice to Move).

"**Good Standing**" is defined in **Section II.A.1** (Defined Terms for Determining Eligibility).

"**Grievant"** is defined in **Section XI.A** (Right to Appeal and Be Represented by Counsel).

"**Household**" is defined in **Section II.A.1** (Determination of Household Eligibility for Transition Benefits).

"**Household Income**" means the total annual income of a Household including the total annual income of all adults, determined according to the then-current Tenant Income Certification Form published by the Tax Credit Allocation Committee.

"**Households with Section 8 Vouchers**" means Transitioning Households that meet all of the criteria for occupying a Dwelling under Section 8 regulations and has been allocated a Section 8 Voucher..

"**HUD**" means the United States Department of Housing and Urban Development or any successor federal agency.

"**In-Lieu Payment**" means the Transition Benefit offered to Transitioning Households in the In-Lieu Payment Option, described in **Section VI.A** (In-Lieu Payment Option).

"**In-Lieu Payment Option**" means the Transition Benefit offered to Transitioning Households described in **Article VI** (Description of In-Lieu Payment Option).

"**Interim Move**" is defined in **Section I.D** (Overview and Program Framework).

"**Long-Term Move**" is defined in **Section I.D** (Overview and Program Framework).

"**Low Income Household**" means a Transitioning Household: (1) whose income does not exceed the qualifying limits for lower income Households as determined in accordance with Health and Safety Code Section 50079.5; and (2) that does not contain any Adult Students.

"**minor**" means a member of a Household who is under 18 years of age, excluding foster children, the head of Household, and a spouse of a member of the Household.

"**Moderate Income Household**" means a Household: (1) whose income exceeds the maximum income limitations for a Low Income Household, but does not exceed 120% of area median income as determined in accordance with Health and Safety Code Section 50093; and (2) that does not contain any Adult Students.

"**Move Date**" is defined in **Section III.C.1** (Second Notice to Move).

"**Moving Expense Allowance"** is defined in **Section III.E** (Complete the Move).

"**Notice of Early In-Lieu Payment Option**" is defined in **Section III.F** (Early Transition Benefits).

"**Notice to Move**" means a First Notice to Move or a Second Notice to Move, as appropriate in the context.

"**NSTI**" is defined in **Section I.A** (Background).

"**Person**" means an individual.

"**Personal Property**" means tangible property that is situated on real property vacated or to be vacated by a Transitioning Household and that is considered personal property under the state law, including fixtures, equipment, and other property that may be characterized as real property under state or local law, but that the tenant may lawfully and at his or her election may move.

"**Post-DDA Tenant**" is defined in **Section II.A1** (Determination of Household Eligibility for Transition Benefits).

"**Post-Transition Household**" is defined in **Section VIII.A** (Premarketing Assistance).

"**Post-Transition Tenant**" is defined in **Section VIII.A** (Premarketing Assistance).

"**Premarketing Notice List**" is defined in **Section VIII.A** (Premarketing Assistance).

"**Premarketing Window**" is defined in **Section VIII.A** (Premarketing Assistance).

"**RAB"** is defined in **Section XI.A.3** (Hearing before Relocation Appeals Board).

"**Rent Board Adjustment**" means the annual rent increases allowed by the San Francisco Residential Rent Stabilization and Arbitration Board under Chapter 37 of the Administrative Code.

"**Rent Board Schedule**" is defined in **Section VI.A.2** (Calculation of Payment).

"**Residential Lease**" is defined in **Section II.A.1** (Defined Terms for Determining Eligibility.

"**Second Notice to Move**" means a written notice to a Household, as described in **Section III.C** (Second Notice to Move).

"**Section 8**" means Section 8 of the United States Housing Act of 1937.

"**Sunset Date**" is defined in **Section VIII.A** (Premarketing Assistance).

"**Supporting Household**" is defined in **Section X.B.1** (Treatment of Dependents).

"**Tax Credit Eligible Household**" means a Transitioning Household that meets all of the criteria for occupying a Dwelling subject to a low income housing tax credit regulatory agreement, including maximum income limitations (generally not exceeding 60% of area median income).

"**Tenant**" means a Person who rents or is otherwise in lawful possession of a Dwelling, including a sleeping room, that is owned by another Person.

"**Term Sheet Resolution**" is defined in **Section I.A** (Background).

"**The Villages**" is defined in **Section I.A** (Background).

"**TICD**" is defined in **Section I.A** (Background).

"**TIDA**" is defined in **Section I.A** (Background).

"**TIDA Board**" is defined in **Section I.A** (Background).

"**TIHDI**" is defined in **Section I.A** (Background).

"**Transition Benefits**" is defined in **Section I.B** (Purpose).

"**Transition Housing Rules and Regulations**" is defined in **Section I.A** (Background).

"**Transition Unit**" is a newly-constructed Dwelling on Treasure Island that meets the standards of **Section V.B** (Standards Applicable to Transition Units).

"**Transition Unit Option**" means the benefit offered to Transitioning Households described in **Article V** (Description of Transition Unit Option).

"**Transitioning Household**" is defined in **Section II.A.** (Determination of Household Eligibility for Transition Benefits).

"**Unit Purchase Assistance Option**" means the Transition Benefit offered to Transitioning Households, described in **Article VII** (Description of Unit Purchase Assistance Option).

"**Unlawful Occupancy**" is defined in **Section II.A.1** (Determination of Household Eligibility for Transition Benefits).

"**Utility Adjustment**" means the amount by which rent for a Transition Unit will be adjusted downward to reflect any utilities that are not included in the rent of the Transition Unit, if the same utilities were included in the rent of the Existing Unit. The downward rent adjustment will be calculated according to the Utility Allowance Schedule.

"**Utility Allowance Schedule**" means the schedule published by the San Francisco Housing Authority to determine allowances for tenant-furnished utilities for Dwelling Units in the City. If the San Francisco Housing Authority publishes a Utility Allowance Schedule that includes allowances for energy efficient appliances or Dwelling Units, the energy efficient schedule will be used for the Utility Adjustment. For these Transition Housing Rules and Regulations, only allowances specifically allocated to electricity, natural gas, trash, water, and sewer, if applicable, will be considered.

SUBLEASE AND PROPERTY MANAGEMENT AGREEMENT

EXHIBIT D

EXHIBIT D-l -COVER PAGE OF SEISMIC REPORT
EXHIBIT D-2 -COVER PAGE OF STRUCTURAL REPORT

TREASURE ISLAND REUSE PLAN

EXISTING CONDITIONS REPORT: VOL. 2

PHYSICAL CHARACTERISTICS, BUILDING AND INFRASTRUCTURE CONDITIONS

AUGUST 1995

PREPARED FOR:
The Office Of Military Base Conversion,
Planning Department, City & County of San Francisco,
and the San Francisco Redevelopment Agency

PREPARED BY:
ROMA Design Group
Cerbatos & Associates Consulting Electrical Engineers
Cervantes Design Associates
Don Todd Associates, Inc.
Manna Consultants, Inc.
Moffatt & Nichol Engineers
Olivia Chen Consultants, Inc.
Takahashi Consulting Engineers
Treadwell & Rollo, Inc.

City and County of San Francisco
San Francisco Redevelopment Agency

Treasure Island Study
Seismic Evaluation of the
1400 Series Housing Buildings

Prepared by

SOH & Associates, Structural Engineers
550 Kearny Street, Suite 200
San Francisco, CA 94108

May 22, 1996

SUBLEASE AND PROPERTY MANAGEMENT AGREEMENT

EXHIBIT E

NOTICE OF COMMENCEMENT DATE

SUBLEASE AND PROPERTY MANAGEMENT AGREEMENT

EXHIBIT F

CAPITAL BUDGET AND 1ST YEAR OPERATING BUDGET

THE VILLAGES AT TREASURE ISLAND
FY 2014-2015 Operating Budget
PREPARED BY THE JOHN STEWART COMPANY

		MONTHLY	ANNUAL
	PROJECT REVENUE		
	Gross Income Potential		
5120	Rental Income - Tenant	$ 1,061,833	$ 12,742,000
5122	Housing Authority Income	$ -	$ -
5192	Insurance Claim Income	$ -	$ -
	Total Gross Income Potential	**$ 1,061,833**	**$ 12,742,000**
	Vacancies and Concessions		
5220	Vacancy-Residential	$ -	$ -
5250	Rental Concessions	$ (833)	$ (10,000)
5280	Vacancies Due To Relocation	$ (165,083)	$ (1,981,000)
	Total Vacancies and Concessions	**$ (165,917)**	**$ (1,991,000)**
	Financial Revenue		
5410	Interest Inc - Operating	$ 83	$ 1,000
5440	Interest Inc - Reserves	$ 167	$ 2,000
	Total Financial Revenue	**$ 250**	**$ 3,000**
	Other Income		
5912	Insurance Claim Reimbursement	$ -	$ -
5920	NSF & Late Charges	$ 1,667	$ 20,000
5930	Clean/Damage/Maintenance	$ 667	$ 8,000
5940	Public Records Fees	$ 1,250	$ 15,000
5990	Miscellaneous Income	$ 7,300	$ 87,600
	Total Other Income	**$ 10,883**	**$ 130,600**
	TOTAL REVENUE	**$ 907,050**	**$ 10,884,600**
	PROJECT EXPENSES		
	Marketing Expenses		
6210	Advertising	$ 2,083	$ 25,000
6215	Marketing Payroll	$ 3,333	$ 40,000
6250	Public Reports Fees	$ 1,250	$ 15,000
6270	Marketing Model Unit	$ -	$ -
	Total Marketing Expenses	**$ 6,667**	**$ 80,000**

	Administrative Expenses				
6310	On-Site Administrative PR	$	16,500	$	198,000
6311	Office Expenses	$	4,167	$	50,000
6320	Management Fees	$	31,855	$	382,260
6326	Temporary Services	$	2,083	$	25,000
6330	Payroll - Manager	$	7,038	$	84,450
6331	Management Unit	$	2,917	$	35,000
6340	Legal/Mediation Expenses	$	4,167	$	50,000
6350	CPA/Audit Services	$	1,375	$	16,500
6360	Tel. & Answering Service	$	3,750	$	45,000
6370	Collection Loss	$	4,333	$	52,000
6385	Mileage/Travel	$	300	$	3,600
6390	Misc. Admin. Expenses	$	1,250	$	15,000
6392	Seminars / Training	$	200	$	2,400
6396	Computer Charges	$	3,833	$	46,000
6395	Prevailing Wage Certification	$	1,000	$	12,000
6398	Remediation Services	$	1,000	$	12,000
	Total Administrative Expenses	**$**	**85,768**	**$**	**1,029,210**
	Utilities				
6450	Electricity	$	153,000	$	1,836,000
	Total Utilities	**$**	**153,000**	**$**	**1,836,000**
	Operating & Maintenance Expenses				
6510	Payroll - Maintenance	$	17,000	$	204,000
6515	Janitorial Supplies	$	1,000	$	12,000
6517	Janitorial Contract	$	1,583	$	19,000
6519	Pest - Supp & Contracts	$	1,667	$	20,000
6519-010	Pest - Bed Bug Remediation	$	417	$	5,000
6521	Oper/Maint Rent Free Unit	$	1,917	$	23,000
6525	Garbage Removal	$	26,000	$	312,000
6530	Security PR / Contract	$	31,917	$	383,000
6532	Security Supplies	$	1,667	$	20,000
6533	Fire Protection Expenses	$	417	$	5,000
6534	Tree Maintenance	$	2,000	$	24,000
6537	Landscape Contracts	$	49,000	$	588,000
6540	Repairs Materials Environ	$	250	$	3,000
6541	Repairs Materials/Supp	$	14,583	$	175,000
6542	Repairs Contract	$	4,000	$	48,000
6543	Plumbing Maintenance	$	5,000	$	60,000
6544	Electrical Maintenance	$	2,917	$	35,000
6546	Heating/Cooling Repairs	$	2,917	$	35,000
6553	Appliance Repairs	$	250	$	3,000

6560	Deco/Painting Contract	$	7,500	$	90,000
6561	Deco/Painting Supplies	$	2,500	$	30,000
6570	Maint-Vehicle Ops/Repair	$	2,000	$	24,000
6573	Uniform/Laundry Service	$	250	$	3,000
6589	Maint-Common Area	$	28,300	$	339,600
6590	Micellaneous	$	250	$	3,000
	Total Operating & Maintenance	**$**	**205,300**	**$**	**2,463,600**
	Taxes and Insurance				
6710	Real Estate Taxes	$	6,583	$	79,000
6711	Payroll Taxes	$	5,417	$	65,000
6720	Property Insurance	$	14,583	$	175,000
6721	Fidelity Bond	$	258	$	3,100
6722	Workers Comp.	$	4,083	$	49,000
6723	Health Ins. / EE Benefits	$	6,625	$	79,500
6723-010	401K Matching	$	750	$	9,000
6790	Misc.Licenses/Permits	$	250	$	3,000
	Total Taxes and Insurance	**$**	**38,550**	**$**	**462,600**
	Financial Expense				
6802	Insurance Claim Expense	$	-	$	-
6841	Interest on Security Deposits	$	250	$	3,000
	Total Financial Expenses	**$**	**250**	**$**	**3,000**
	Service Expense				
6990	Community Center	$	750	$	9,000
6992	Recreational Supplies	$	50	$	600
	Total Service Expenses	**$**	**800**	**$**	**9,600**
	Corporate Expense				
7140	Rent	$	52,251	$	627,013
7141	Rent-TIDA	$	269,947	$	3,239,364
7142	Rent-JSCO	$	14,208	$	170,493
	Total Corporate Expenses	**$**	**336,406**	**$**	**4,036,870**
	TOTAL OPERATING EXPENSES	**$**	**826,740**	**$**	**9,920,880**
	NET INCOME	**$**	**80,310**	**$**	**963,720**
	Reserve Expenditures				
7220	Appliance Replacements	$	8,333	$	100,000

7230	Interior Replacements	$	27,083	$	325,000
7240	Exterior Replacements	$	33,333	$	400,000
	Total Reserve Expenditures	$	68,750	$	825,000
	Replacement Reserve Funding	$	11,560	$	138,720
	Supplemental Reserve Funding	$	-	$	-
	PROJECTED OPERATING SURPLUS	$	-	$	-

The Villages at Treasure Island - Treasure Island Units

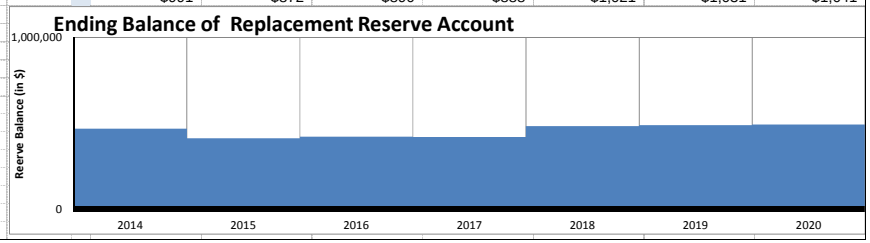
Ten Year Maintenance and Capital Needs Expenditure Projection

Prepared by The John Stewart Company
June 5, 2014

	Current Replacement Costs								Expenditures						
ITEM	TOTAL QUANT	UNIT	UNIT COST	PREVAIL. WAGE FACTOR	ADJUSTED UNIT COST	CURRENT REPL COST	EST LIFE	EST REM LIFE	0	1	2	3	4	5	6	7
FISCAL YEAR										2014	2015	2016	2017	2018	2019	2020
APPLIANCE REPLACEMENT																
Ranges	474	each	$ 400	$ 60	$ 460	$ 218,040	15	varies		$ 14,536	$ 14,754	$ 14,975	$ 15,200	$ 15,428	$ 15,659	$ 15,894
Refrigerators	474	each	$ 550	$ 83	$ 633	$ 299,805	15	varies		$ 19,987	$ 20,287	$ 20,591	$ 20,900	$ 21,213	$ 21,532	$ 21,855
Garbage disposals	474	each	$ 150	$ 23	$ 173	$ 81,765	5	varies		$ 4,088	$ 4,150	$ 4,212	$ 4,275	$ 4,339	$ 4,404	$ 4,470
Range hood fans	474	each	$ 125	$ 19	$ 144	$ 68,138	15	varies		$ 3,407	$ 3,458	$ 3,510	$ 3,562	$ 3,616	$ 3,670	$ 3,725
Bath fans	1,150	each	$ 250	$ 38	$ 288	$ 330,625	15	varies		$ 22,042	$ 22,372	$ 22,708	$ 23,048	$ 23,394	$ 23,745	$ 24,101
Unit hot water heaters	296	each	$ 1,200	$ 180	$ 1,380	$ 408,480	12	varies							$ 36,671	$ 37,221
Unit Furnaces	296	each	$ 1,500	$ 225	$ 1,725	$ 510,600	18	varies		$ 28,367	$ 28,792	$ 29,224	$ 29,662	$ 30,107	$ 30,559	$ 31,017
Hydronic wall/baseboard heaters	924	each	$ 400	$ 60	$ 460	$ 425,040	25	varies		$ 17,002	$ 17,257	$ 17,515	$ 17,778	$ 18,045	$ 18,316	$ 18,590
Heating/domestic hot water boilers	30	each	$ 22,000	$ 3,300	$ 25,300	$ 759,000	30			$ 50,600	$ 51,359	$ 52,129	$ 52,911			
Unscheduled Replacements	2.5	%				$ 77,537				$ 4,001	$ 4,061	$ 4,122	$ 4,183	$ 2,904	$ 3,864	$ 3,922
APPLIANCE REPLACEMENT TOTAL						$ 3,179,030				*$ 164,029*	*$ 166,489*	*$ 168,987*	*$ 171,521*	*$ 119,047*	*$ 158,420*	*$ 160,796*
INTERIOR REPLACEMENT																
Carpet	2,362	rooms	$ 400	$ 60	$ 460	$ 1,086,520	10	varies		$ 54,326	$ 55,141	$ 55,968	$ 56,808	$ 57,660	$ 58,525	$ 59,402
Resilient flooring	2,098	rooms	$ 550	$ 83	$ 633	$ 1,326,985	20	varies		$ 66,349	$ 67,344	$ 68,355	$ 69,380	$ 70,421	$ 71,477	$ 72,549
Kitchen cabinets	474	each	$ 2,400	$ 360	$ 2,760	$ 1,308,240	20	varies		$ 32,706	$ 33,197	$ 33,695	$ 34,200	$ 34,713	$ 140,935	$ 143,049
Bath vanity cabinets	1,150	each	$ 350	$ 53	$ 403	$ 462,875	20	varies		$ 11,572	$ 11,745	$ 11,922	$ 12,100	$ 12,282	$ 49,865	$ 50,613
Kitchen countertops (plastic lam)	474	each	$ 450	$ 68	$ 518	$ 245,295	12	varies		$ 10,221	$ 10,374	$ 10,530	$ 10,687	$ 10,848	$ 44,042	$ 44,703
Toilets	1,150	each	$ 250	$ 38	$ 288	$ 330,625	20	varies							$ 17,809	$ 18,076
Bathtubs (enameled steel) & fixtures	588	each	$ 1,400	$ 210	$ 1,610	$ 946,680	20	varies		$ 47,334	$ 48,044	$ 48,765	$ 49,496	$ 50,239	$ 50,992	$ 51,757
Tub surrounds (fiberglass)	588	each	$ 800	$ 120	$ 920	$ 540,960	20	varies		$ 27,048	$ 27,454	$ 27,866	$ 28,284	$ 28,708	$ 29,138	$ 29,575
Bath sinks (vanity tops) & fixtures	1,150	each	$ 550	$ 83	$ 633	$ 727,375	15	varies		$ 36,369	$ 36,914	$ 37,468	$ 38,030	$ 38,600	$ 39,179	$ 39,767
Kitchen sinks & fixtures	474	each	$ 450	$ 68	$ 518	$ 245,295	15	varies		$ 12,265	$ 12,449	$ 12,635	$ 12,825	$ 13,017	$ 13,213	$ 13,411
Smoke alarms (electric or sealed)	2,362	each	$ 50	$ 8	$ 58	$ 135,815	10	varies		$ 13,582	$ 13,785	$ 13,992	$ 14,202	$ 14,415	$ 14,631	$ 14,851
Carbon monoxide alarms	870	each	$ 50	$ 8	$ 58	$ 50,025	7	varies								
Unscheduled Replacements	2.5	%				$ 185,167				$ 3,960	$ 4,019	$ 4,079	$ 4,141	$ 4,203	$ 6,472	$ 6,569
INTERIOR REPLACEMENT TOTAL						$ 7,591,857				*$ 315,730*	*$ 320,466*	*$ 325,273*	*$ 330,153*	*$ 335,105*	*$ 536,277*	*$ 544,321*
EXTERIOR REPLACEMENTS																
Sliding glass doors (retrofit)	474	each	$ 1,350	$ 203	$ 1,553	$ 735,885	30	0		$ 24,530	$ 24,897	$ 25,271	$ 25,650	$ 26,035	$ 26,425	$ 26,822
Windows (retrofit)	2,440	each	$ 575	$ 86	$ 661	$ 1,613,450	30	0		$ 53,782	$ 54,588	$ 55,407	$ 56,238	$ 57,082	$ 57,938	$ 58,807
Roofing/flashing/sht. metal - shingle	435	roofs	$ 3,200	$ 480	$ 3,680	$ 1,600,800	25	varies		$ 250,240	$ 253,994	$ 257,804	$ 261,671	$ 265,596		
Exterior paint-Series 1100/1200/1300	69	bldg	$ 2,200	$ 330	$ 2,530	$ 174,570	10	varies		$ 17,457	$ 17,719	$ 17,985	$ 18,254	$ 18,528	$ 18,806	$ 19,088
Exterior paint - Series 1400	59,310	sq ft	$ 1.20	$ 0	$ 1.38	$ 81,847	7	varies		$ 11,692	$ 11,868	$ 12,046	$ 12,227	$ 12,410	$ 12,596	$ 12,785
Seal coat asphalt paving	51,840	sq ft	$ 0.70	$ 0	$ 0.81	$ 41,731	5	varies								$ 9,126
Overlay asphalt paving	51,840	sq ft	$ 3.00	$ 0	$ 3.45	$ 178,848	25	varies		$ 17,885	$ 18,153	$ 18,425	$ 18,702	$ 18,982	$ 19,267	$ 19,556
Unscheduled Replacements	2.5	%				$ 110,678				$ 9,390	$ 9,530	$ 9,673	$ 9,819	$ 9,966	$ 3,376	$ 3,655
EXTERIOR REPLACEMENTS TOTAL						$ 4,537,810				*$ 384,975*	*$ 390,750*	*$ 396,611*	*$ 402,560*	*$ 408,598*	*$ 138,408*	*$ 149,839*
Total Maintenance and Capital Expenditures						**$ 15,308,697**				**$ 864,734**	**$ 877,705**	**$ 890,871**	**$ 904,234**	**$ 862,750**	**$ 833,105**	**$ 854,956**
Operating funding										$ 800,000	$ 812,000	$ 824,180	$ 836,543	$ 862,750	$ 833,105	$ 854,956
Less Total Maintenance and Capital Expenditures										$ (864,734)	$ (877,705)	$ (890,871)	$ (904,234)	$ (862,750)	$ (833,105)	$ (854,956)
Operating Surplus/Deficti										$ (64,734)	$ (65,705)	$ (66,691)	$ (67,691)	$ -	$ -	$ -
Annual Replacement Reserve Deposit										$ -	$ -	$ 65,565	$ 57,111	$ 58,111	$ -	$ -
Prior Years Reserve Balance										$524,000	$469,746	$413,435	$421,889	$420,889	$483,790	$488,628
Total Reserves										$524,000	$469,746	$479,000	$479,000	$479,000	$483,790	$488,628
Annual Interest										$ 5,240	$ 4,697	$ 4,790	$ 4,790	$ 4,790	$ 4,838	$ 4,886
Rsrv Distribution (expenditure)										$ 59,494	$ 61,008	$ 61,901	$ 62,901			
Ending Reserve Balance										$469,746	$413,435	$421,889	$420,889	$483,790	$488,628	$493,514
Reserve Amount per Unit										$991	$872	$890	$888	$1,021	$1,031	$1,041

Notes and Assumptions:

1	Assumes initial reserve balance of		$ 524,000	as of	05/31/14
2	Assumes annual reserve contribution of	maintain at minimum annual balance of $479,000			
3	Assumes an earned interest rate on the reserve balance of				1.00%
4	Assumes an annual compounded inflation rate of				1.50%
5	Assumes reserve contribution compounded annually at rate of				0.00%
6	Assumes components were new at time of substantial rehabilitation				date varies
7	Assumes components were new at time of original construction				date varies
8	Number of units				474
9	Number of buildings				82
10	Assumes annual vacancy rate of				5.0%
11	Tax credit expiration year				n/a



SUBLEASE AND PROPERTY MANAGEMENT AGREEMENT

EXHIBIT G

FORM OF RENTAL AGREEMENT

TREASURE ISLAND
YERBA BUENA ISLAND

RESIDENTIAL RENTAL AGREEMENT
[Post-DDA Tenants]

I. PARTIES:

THIS RENTAL AGREEMENT is made on **6/3/2014** between:

Tenant A **Tenant B**

(hereinafter singularly or collectively called "Tenant") and The John Stewart Company (hereinafter called "Landlord").

IT IS AGREED BETWEEN THE PARTIES HERETO AS FOLLOWS:

II. DESCRIPTION:

The Landlord hereby leases to the Tenant and the Tenant hires from Landlord, on the terms and conditions hereinafter set forth, all the property situated in the City and County of San Francisco, State of California, described as follows, to wit: Apartment No. **1201-A** at **Bayside Dr.**, San Francisco, California 94130 (the "Premises").

III. TERM:

The term of this Rental Agreement shall be for a month-to-month basis beginning **1/1/2014** with rent payable @ **$2000** per month.

Tenant may terminate this Rental Agreement as permitted by state law upon delivery of at least 30 days' prior written notice to Landlord in accordance with Section XX. Landlord may terminate this Rental Agreement in accordance with Section XXIV below.

Tenant hereby acknowledges that the Landlord is a sublessee of the Treasure Island Development Authority and that the Treasure Island Development Authority acquired a leasehold interest to the Premises from the United States Navy under a master lease which pre-dates this Rental Agreement. Notwithstanding anything in this Rental Agreement to the contrary, this Rental Agreement and Tenant's right to occupy the Premises shall terminate if the master lease between the Treasure Island Development Authority and the Navy terminates. Tenant further acknowledges that the residential use of the Premises is an interim use and the tenancy created under this Rental Agreement shall not be permanent.

IV. RENTS, LATE CHARGES, RETURNED CHECKS:

Rents: All rents are due and payable on or before the first day of each month in advance (the "Due Date"). All rents shall be paid at the office of the agent of the Landlord, or at such other place as may be

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

designated by the Landlord. All rent is to be paid on the first day of the month for the prospective rental period. All rents shall be paid by personal check, cashier's check or money order. No cash to be accepted.

Treasure Island and Yerba Buena Island will undergo a phased demolition of most of its existing structures and a phased reconstruction of structures that is expected to last for several years. The demolition and reconstruction will necessarily result in inconvenience, noise and other disturbances in and around the Premises and the project grounds. Tenant acknowledges that the rental rate has been determined and set by the parties with the understanding and agreement that construction will take place in and around the Premises during the course of this month to month tenancy and that Tenant may not seek a rent reduction or decrease for any disturbance, inconvenience or damage attendant to construction taking place anywhere in or around the Premises.

LATE CHARGES: Tenant and Landlord agree that Landlord will sustain costs and damage as a result of any late payment of rent but that it will be extremely difficult to determine with specificity the actual amount of that damage. Therefore, Tenant agrees to pay a late charge of $100.00 for any payment of rent not received by Landlord within 5 calendar days of the Due Date. The Parties agree that this late charg represents a fair and reasonable estimate of the costs and damages that Landlord will incur by reason of late payment by Tenant. The provision for payment of a late charge does not constitute a grace period and Landlord may serve a 3-Day Notice to Pay Rent or Quit on the day after the Due Date.

RETURNED CHECKS: In the event that Tenant makes any payment required hereunder with a check which is not honored by the bank on which it is drawn for any reason, Tenant shall pay Landlord the additional sum of $50.00 as a reimbursement of the expenses incurred by Landlord. A dishonored check shall constitute late payment of rent and shall be subject to the provisions of paragraph IV above regarding late charges. Such charges shall be immediately due and payable upon notice to Tenant. Failure to immediately pay the charges shall constitute a default under the terms of this Rental Agreement. If Tenant's check is returned by a bank for any reason, Tenant shall pay the rent and other charges required by this Rental Agreement by certified funds, cashier's check or money order for the next twelve months.

FAILURE TO PAY: Pursuant to Civil Code Section 1785.26, you are hereby notified that a negative credit report reflecting on your credit record may be submitted to a credit reporting agency if you fail to fulfill the terms of your credit obligations, such as your financial obligations under the terms of this Agreement.

V. EACH TENANT'S INDIVIDUAL LIABILITY:

Each person who signs this Rental Agreement as a Tenant, is jointly and severally responsible for the performance of their obligations under this Rental Agreement, including the payment of the entire monthly rent and for any damages to the Premises until such time as the tenancy in its entirety is terminated and the Premises relinquished vacant to the Landlord, regardless of whether the named Tenant occupies the Premises. In the event Tenant pays the monthly rent with separate checks, Tenant, and each of them, remains jointly and severally obligated for the payment of the entire monthly rent for the Premises.

VI. ASSIGNMENT:

Tenant may not assign this Rental Agreement or sublet the whole or any portion of the Premises without

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

obtaining the prior written consent of the Landlord, which consent may be withheld in Landlord's sole and absolute discretion. No person other than the named Tenant shall be permitted to regularly or continuously use or occupy the Premises unless all of the following conditions are met: (1) Tenant notifies Landlord in writing, signed by every Tenant, stating a request to have a new person occupy the Premises as a co-tenant; (2) said prospective occupant completes and gives the Landlord a completed Landlord's rental application; (3) prospective occupant shall satisfy Landlord's resident's selection criteria; and, if approved, (4) Tenant's prospective occupant signs Landlord's Co-Tenancy Acknowledgment form or an Addendum to the Residential Lease/Rental Agreement including the Notice and Acknowledgment, as applicable. In the event that the Landlord consents to any co-tenancy, it is hereby agreed that 1) Tenant may not charge more to the co-tenant(s) than that proportional share of the rent which is being charged by and paid to Landlord, and 2) the co-tenant will not be entitled to any transition housing benefits under the Transition Housing Rules and Regulations approved by the Treasure Island Development Authority Board of Directors on April 21, 2011 and the San Francisco Board of Supervisors on June 28, 2011 (as amended from time to time, the "Transition Housing Rules and Regulations"). A person shall be considered to be regularly or continuously using or occupying the Premises if the person stays overnight in the Premises for more than 30 days in any calendar year.

No action or inaction or acceptance of rent or knowledge on the part of the Landlord shall be deemed to be a waiver of the provision of this Paragraph on the part of the Landlord and shall not be deemed an approval of any person as a "subtenant" or "co-tenant" for any purpose.

VII. DEFAULT:

Tenant's failure to pay rent or other charges when due or the failure to comply with the covenants or conditions of this Rental Agreement and its addendums, including but not limited to, the house rules, constitutes a default and the Landlord may seek any remedy available in law or equity including the recovery of possession of the Premises.

VIII. USE AND OCCUPANCY:

The Tenant shall occupy the Premises and shall keep the Premises in good condition including such improvements as may be made thereon hereafter, with usual wear and tear excepted, and shall not make any alterations, install locks or locking mechanisms, paint, or wallpaper without the prior written consent of the Landlord. Tenant shall not commit or suffer to be committed any waste upon the Premises. Tenant agrees to pay for any damage, including appliances and fixtures, caused by any act of negligence of himself or any member of his family or guest. Tenant shall not access or enter any parts or portions of the Premises or common areas locked, sealed or closed off by Landlord. Tenant shall not change, alter or modify the electrical service including the electrical circuit box to the Premises for any reason.

The Premises are rented to the Tenant for use as a principal, full time residential dwelling only. Tenant shall not use, or permit the Premises, or any part thereof, to be used for any purpose or purposes other than the purpose for which the Premises are hereby rented. Occupancy of the Premises is limited to those persons named in this Rental Agreement.

Minor Children Reaching Age of Majority: At the time a minor child occupying the Premises reaches the age of majority (18 years of age), Tenant shall (1) Request in writing that the child be identified as a tenant

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

and added as a co-tenant to the Rental Agreement; (2) Tenant's child shall complete and deliver to Landlord a completed Landlord's rental application; (3) Tenant's child shall satisfy Landlord's resident's selection criteria; and, if approved, (4) Tenant's child shall sign a Rental Agreement or Addendum as required by Landlord within five (5) days of Landlord's written request including the Notice and Acknowledgment. The Tenant's child will not be entitled to any transition housing benefits under the Transition Housing Rules and Regulations.

No person other than a Tenant or approved occupant may receive mail or use the address of the Premises for any purpose or designate the address of the Premises with any governmental agency or department including but not limited to, the Department of Motor Vehicles or the Department of Corrections.

Tenant shall comply with all governmental laws and ordinances.

IX. TENANT/LANDLORD:

The Tenant hereby agrees to be bound, as is the landlord, by the amended sections to the Civil Code Sections 1942. The amendments being: Civil Code Sections 1941.1, 1941.2, 1942.1 and 1942.5, which state, among other things, the conditions for making repairs and deducting same from rents owed.

X. NUISANCE:

Tenant shall not commit, nor permit to be committed nuisance, upon, in or about the Premises or the project grounds, nor shall Tenant create or permit a substantial interference with the comfort, safety, or enjoyment of other tenants. Tenant shall not interfere with Landlord's management of the project. Although a single incident may constitute a nuisance or substantial interference with other tenants, three complaints against Tenant, Tenant's visitors or household in any twelve month period shall create a presumption of a nuisance and/or substantial interference with other tenants and/or with Landlord's management of the project. Tenant shall not engage in, or permit any activities which disrupt the livability of the project, adversely affect the health or safety of any person or the right of any other resident to the quiet enjoyment of the Premises and related project facilities, or interfere with the management of the project. Vestibules, hallways, stairways, and other public passages shall not be obstructed by the Tenant or their visitors. Persons will not be permitted to run or play on balconies or stairways. Tenant agrees to place garbage and refuse inside the containers provided therefore.

Drug Free Environment: Tenant and Tenant's household and visitors shall not engage in any drug related criminal activity on or near the Premises or project grounds. Drug related criminal activity means the illegal manufacture, production, sale, distribution, use or possession with intent to manufacture, produce, sell, distribute, or use of controlled substances (as defined in Section 102 of the Controlled Substances Act – 21 U.S.C. 802).

XI. MAINTENANCE:

A. The Landlord agrees to:

1. Regularly clean all common areas of the project;

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

2. Maintain the common areas and facilities in a safe condition;

3. Arrange for collection and removal of trash and garbage;

4. Maintain all equipment and appliances in a safe and working order;

5. Make necessary repairs with reasonable promptness;

6. Maintain exterior lighting in good working order;

7. Provide extermination services as necessary;

8. Maintain the grounds.

B. The Tenant shall:

1. Keep the Premises clean, safe, and sanitary;

2. Use all appliances, fixtures, and equipment in a safe manner and only for the purposes for which they are intended;

3. Not litter the grounds or common areas of the project;

4. Not destroy, deface, damage, or remove any part of the unit, common areas or project grounds;

5. Give the Landlord prompt notice of any defects in the plumbing, fixtures, appliances, heating and cooling equipment, the smoke detector, or any other part of the Premises or related facilities;

6. Remove garbage and other waste from the unit in a clean and safe manner as instructed by Landlord. Trash pickup procedures vary depending upon location and may be amended from time to time;

7. Not engage in or permit unlawful activities in the Premises, in the common areas, or on the project grounds; and

8. Be responsible for compliance with all applicable laws and ordinances and house rules by Tenant's household members and Tenant's visitors.

XII. NOTICES:

Tenant shall comply with House Rules which Landlord has, or may from time to time, furnish Tenant or post conspicuously on the Premises. The Tenant by affixing his or her signature below acknowledges the receipt of a copy of the House Rules.

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

XIII. HOLD HARMLESS:

Tenant hereby waives all claims against Landlord for damages to property or injuries to persons, including Tenant, in or about the Premises; and Tenant will hold Landlord harmless from any damage or injury to persons or property arising from the use of the Premises by Tenant. Tenant may not seek compensation or a rent reduction or decrease for any disturbance, inconvenience or damage attendant to construction taking place anywhere in or around the Premises.

XIV. LEGAL FEES:

In an unlawful detainer action to recover possession of the Premises, the total costs including attorney's fees to the prevailing party shall be limited to $1500. In the event of any OTHER legal action between the parties, any statutory recovery of attorney's fees and costs shall be limited to $2500 to the prevailing party.

XV. NO WAIVER OF ANY TERMS OR PRECEDING DEFAULTS:

No failure of Landlord to enforce any term of this Rental Agreement will be deemed a waiver of that term or of any other term of the Agreement. The waiver by Landlord of any term of this Rental Agreement will not be deemed to be a waiver of any subsequent breach of the same or any other term of this Rental Agreement, nor will any custom or practice which may develop between the parties be construed to waive the right of Landlord to require performance by Tenant of all the provisions of this Rental Agreement, or support a claim of detrimental reliance by Tenant and Landlord shall not be estopped from enforcing any term of this Rental Agreement. The subsequent acceptance of rent by Landlord will not be deemed to be a waiver of any preceding breach, violation or default by Tenant of any term of this Rental Agreement regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent. Landlord's acceptance of a partial payment of rent will not constitute a waiver of Landlord's right to the full amount due nor will it constitute a modification to this Rental Agreement unless such modification is in writing and signed by the parties.

XVI. SURRENDER CONDITION:

At the expiration of said term, or the sooner termination thereof, the Tenant shall peacefully quit and surrender possession of said Premises in as good condition as reasonable use and wear thereof permit.

XVII. DEPOSIT FEES:

Tenant agrees to deposit with the Landlord, on or before occupancy, the sum of **$1000** as security deposit. This sum shall be held by the Landlord as security for the faithful performances by the Tenant of the terms, covenants and conditions of this Rental Agreement by Tenant to be kept and performed during the term hereof. In the event of the failure of Tenant to keep and perform all of the terms covenants, and conditions of this Rental Agreement, then, at the option of the Landlord, said Landlord may appropriate and apply said deposit, or so much thereof determined by Landlord to be due to such breach on the part of Tenant. Should Tenant comply with all of said terms, covenants, and conditions and promptly pay the entire rental herein provided for as it falls due, and all other sums payable by Tenant occupancy, Landlord

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

shall refund Tenant's Security Deposit in accordance with California State law. A unit is considered vacated after all personal belongings have been removed and unit keys returned. DEPOSIT MAY NOT BE USED AS LAST MONTH'S RENT. If any portion of the Security Deposit is applied by Landlord to any obligations of Tenant at any time during the tenancy, Tenant must, upon 5 days written notice, replenish the Security Deposit to its full original amount. Landlord is not obligated to apply Tenant's Security Deposit to any accrued unpaid rent and may demand payment of the rent from Tenant when due

XVIII. LEGAL NOTICE:

All notices to be given to Tenant shall be in writing and served as required by law and addressed to Tenant at the Premises, whether or not Tenant has departed from, vacated, or abandoned the Premises.

XIX. INSPECTION:

The Landlord, its agent and/or employees may enter the Premises at reasonable times to inspect, clean, repair, or show the Premises to prospective tenants, purchasers or lending institutions. The Tenant agrees to allow access and occupancy to workmen for redecorating, repairing or remodeling of the Premises for such time as is necessary. Additional door locks may not be installed or altered without written permission from Landlord. Landlord will provide 24 hours notice of intent to enter unit except in emergency, when Landlord may enter immediately. Landlord is to leave notice to Tenant that Landlord entered the unit.

Landlord shall make an annual inspection of the Premises and all facilities and units. Landlord shall designate a day when such inspection shall take place at the Premises and notify Tenant at least two days prior thereto. Tenant shall permit Landlord's annual inspection of the Premises to take place and the failure to do so constitutes a breach of this covenant.

XX. TENANT'S NOTICE TO TERMINATE AND VACATE:

Tenant shall give Landlord a thirty (30) day, or as required by law, written notice of the Tenant's intention to terminate Tenant's tenancy and vacate the Premises. Any deposits that the Tenant may have on deposit with the Landlord are not to be considered the Last Month's rent. Landlord shall refund and/or account for the security deposits in the time permitted by law after the Premises are vacated by all occupants.

XXI. UTILITIES:

Landlord will provide for utilities water, sewer, electricity, gas and garbage removal. Tenant shall be responsible for all other utilities and services for the Premises including but not limited to, cable, internet, and telephone.

XXII. HAZARDOUS MATERIALS:

Tenant shall not store or permit storage of any hazardous materials on or around the Premises and will not cause materials to be released anywhere on or near the Premises or the project grounds.

XXIII. ACKNOWLEDGMENT OF INAPPLICABILITY of Chapter 37 of the San Francisco

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

Administrative Code - the San Francisco Residential Rent Stabilization and Arbitration Ordinance No. 276-79 (hereinafter called "the Ordinance"):

Tenant hereby acknowledges and agrees that because the rents for housing units on Treasure Island and Yerba Buena Island are set by a governmental authority, the Treasure Island Development Authority, housing units on Treasure Island and Yerba Buena Island are exempt from the provisions of the San Francisco Residential Rent Stabilization and Arbitration Ordinance including its rent control provisions and its "just cause" requirements. Tenant further acknowledges and agrees that nothing herein shall impose the jurisdiction of the Ordinance on this Rental Agreement, nor is it intended to imply that any rules, policies or precedents of the Ordinance apply to this Rental Agreement.

XXIV. TERMINATION OF TENANCY AND OR RECOVERY OF POSSESSION BY LANDLORD:

Landlord may terminate the month-to-month tenancy under this Rental Agreement in accordance with applicable law if Tenant is in default under any provision of this Rental Agreement. Landlord may recover possession following Tenant's Termination of Tenancy in accordance with applicable law. In addition, Landlord may terminate the month-to-month tenancy under this Rental Agreement for any reason whatsoever by giving Tenant a thirty (30) day, or as required by law, written notice of termination of Tenant's tenancy.

XXV. INSURANCE:

Landlord's insurance does NOT provide for coverage of Tenant's personal belongings or personal liability unless as a direct and proximate result of Landlord's negligence. Therefore, Landlord strongly urges and recommends to each Tenant that Tenant secure sufficient insurance to protect against losses such as fire, flood, theft, vandalism, personal injury or other casualty.

XXVI. PETS:

NO pets, dogs, cats, birds or other animals are allowed in or about the Premises, even temporarily or with a visiting guest, without prior written consent of Landlord, excepting service animal(s) as required by law. Any such consent is conditioned upon Tenant completing and signing Landlord's Pet Agreement which shall become part of this Agreement. Strays shall not be kept or fed in or about the Premises. Strays can be dangerous and Landlord must be notified immediately of any strays in or about the Premises. If a pet has been in a Tenant's apartment or allowed into the building, even temporarily (with or without Landlord's permission) Tenant may be charged for cleaning, de-fleaing, deodorizing or shampooing any portion of the building or Premises at the discretion of Landlord.

XXVII. AUTHORIZED OCCUPANTS

Name **Tenant A** _____ Name **Tenant B** _____

Name _____ Name _____

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

IN WITNESS WHEREOF, the Landlord and the Tenant have executed this Rental Agreement as of the date and year first above written.

TREASURE ISLAND / YERBA BUENA ISLAND LANDLORD:

The John Stewart Company

By: _____ _____
Administrator (Date)

TENANT (all persons 18 years of age and older must sign):

By: _____ _____
(Date)

By: _____ _____
(Date)

By: _____ _____
(Date)

By: _____ _____
(Date)

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

THE VILLAGES AT TREASURE ISLAND
HOUSE RULES

The Community – The exercise of common sense and consideration for others should be the only rule necessary to ensure your personal comfort and enjoyment of apartment living; however, in order for Landlord or its property manager ("management") to fully protect your rights and property against the occasional offender, the following Rules and Regulations ("House Rules") exist:

1. **Maintenance** - Tenant shall immediately inform the rental office (the designated maintenance person) of any need of maintenance repair so that work can be done promptly. Light bulbs shall be furnished to the unit upon occupancy and Tenant shall replace bulbs thereafter. Tenant shall be charged the repair cost of stoppage of any sewer caused by the resident's negligence and any other damage as provided under the Rental Agreement. Any reimbursement shall be made within 30 days of billing. All electrical appliances for food preparation must be inspected by the management for safety and fire protection standards before their use in the unit. Walls may not be painted or wallpapered, nor may they be drilled into to hang book shelves or heavy paintings or mirrors. All pictures shall be hung by the use of brads or finishing nails. Due to weight limitations, no electrical fixtures or hanging objects such as plants, etc., can be suspended from the ceiling without prior permission of the management. Window coverings are provided. No additional draperies can be added except as approved by management.

2. **Landscaping** – Existing landscaping and grounds will be maintained by management in the front of all units. Tenant is not permitted to plant or in any way alter the existing landscaping because there may be pockets of debris left over from previous construction activity on the Island, and recognizing the high water table at Treasure Island, Tenant shall not disturb the soil in backyards. Backyard maintenance is the responsibility of the Tenant.

3. **Pesticides/Herbicides** – The use of pesticides or herbicides is prohibited.

4. **Environment** – Tenant and their guests shall not commit or suffer to be committed any waste upon said Premises, and nuisance or any other act which may disturb the quiet enjoyment of any resident. Public areas shall not be defaced and no littering shall be permitted. No articles of clothing or other materials are to be left to dry or hang in publicly exposed areas other than a clothing line in an enclosed backyard.

5. **Parking** – The Parking Agreement applies to Tenant and Tenant's household and must be complied with at all times.

6. **Automobiles** - We encourage walking, bicycling and carpooling. Please limit the use of your car while on the Island. All Tenants owning vehicles which will be parked on the Island will be required to execute a Parking Agreement.

7. **Resident Responsibility** - The management wishes that Tenant makes full use of the many facilities provided to them throughout the Villages at Treasure Island and to consider these premises as their home. In turn, Tenants are reminded that they have a corresponding responsibility for keeping their home as neat and attractive a place to live as possible.

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

8. **Keys** - Each resident will be provided with one set of keys which must be returned upon vacating the Premises. A $75.00 charge will be assessed if keys are lost or not returned at move-out. Additional keys will be provided by management if requested and appropriate.

9. **Lock-Out Service** - The management does not provide after hours lock-out service. In the event you are locked out of your unit we recommend you call a licensed locksmith. The cost of the locksmith will be your responsibility. Should you require a change in the lock set you must immediately provide a key to the leasing office.

10. **Office Hours** - Normal office hours to receive rents and to transact other office business is posted on the office door. Tenants are admitted to the office to conduct business only and for no other purpose.

11. **Cleaning and Condition of the Unit** - Landlord agrees to provide Tenant with a unit properly cleaned and in good condition. Tenant shall be responsible for maintaining the neat appearance of their homes; and no home may be so filled with furniture and personal items as to constitute a fire or safety hazar in the judgment of Landlord. Tenant shall maintain the Premises in a safe and sanitary condition. Tenant shall not store, place or maintain personal property outside of the Premises. Tenant shall not affix, post, hang or display any personal property, including but not limited to, wind chimes, signs, statuary on the exterior of the Premises without the prior written consent of Landlord.

12. **Safety and Unit Condition** – Landlord shall perform an annual inspection of all project facilities and units, and other inspections as needed of all units and appliances for safety and fire prevention standards. Management shall designate a day or days when such inspection shall be made and so notify the Tenants at least three days prior thereto.

13. **Oxygen Therapy or Usage** - Any Tenant or their visitors utilizing oxygen within his/her unit or the project grounds of The Villages at Treasure Island must adhere to the safety precautions listed in the usage booklet provided with the oxygen tank. Three areas which we emphasize are: (1) smoking or open flame are not permitted within the apartment; (2) store oxygen units away from heat; (3) keep the units away from all flammable materials such as grease, oil hair lubricants, Vaseline, hand lotions, and aerosol sprays. In addition persons using oxygen must inform the office so that management can review the oxygen policy with the resident.

14. **Trash** – Tenant may not place a trash receptacle (a trash can) on the sidewalk, street, or public right-of-way until after the hour of 6:00 p.m. of the day immediately prior to the day of trash collection. Within 24 hours of placing a trash receptacle (a trash can) for collection and after the contents of the trash receptacle have been collected, Tenant shall remove the trash receptacle from the sidewalk, street or other public right-of-way and return the trash receptacle to the designated enclosure area for that Tenant's receptacle.

15. **Recycling** - In an effort to promote conservation we require all households to participate in the recycling program. You will be provided with necessary receptacles for separation of products and required to place containers on the curb on the designated pick-up day.

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

16. **Balconies and Patios** – Balconies and patios are not to be used for storage of personal belongings. This includes but is not limited to: boxes, brooms, mops, bicycles, garbage, debris, buckets, recycling, etc. The installation of screening on the balcony is prohibited. Only patio furniture, in good usable condition, may be kept on the balcony. Storage and use of barbecues is prohibited on the balcony.

17. **Firearms and fireworks** – Tenant shall not possess, store, use, or maintain firearms or any other object capable of firing a projectile, ammunition, explosives or fireworks in the Premises or on the project grounds.

18. **Quiet Hours** – Please respect your neighbors' right to a quiet environment. We ask that stereos, televisions and other activities be at reasonable levels at all times so as not to disturb others. Tenant must observe quiet hours between 10:00 p.m. and 7:00 a.m.

19. **Guest** - Tenant may have guests on the Premises up to thirty (30) days in a calendar year without Landlord's prior written consent. If guests are staying longer, prior written consent from management is required. A Tenant permitting guest(s) or unauthorized occupant(s) for a longer period without consent shall be considered subletting; which constitutes a violation of the rental agreement and a basis for termination. Tenant is responsible for the conduct of any person(s) visiting them on the Island.

20. **Common Area Use** - Tenant shall not use the common areas or project grounds for any gatherings or other functions. Tenant shall not place, install or use any equipment in the common areas or project grounds including but not limited to inflatable houses, slides or structures, catering equipment, and/or audio-visual equipment.

21. **Changes in House Rules** - Landlord reserves the right to rescind or change any of the foregoing rules and to make such other rules and regulations from time to time as may be deemed needful for the safety, care and cleanliness of the community. The rule(s) will be formally submitted to all Tenants in writing and shall become effective thirty (30) days following the date of delivery.

By signing below, Tenant(s) acknowledges having read and understood the content of this Addendum.

TREASURE ISLAND / YERBA BUENA ISLAND LANDLORD:

The John Stewart Company

By: _____ _____

Administrator Date

TENANTS: Original Tenant(s) and If Applicable, Post DDA Tenant(s), (all persons 18 years of age and older must sigr

By: _____ Date _____

By: _____ Date _____

By: _____ Date _____

By: _____ Date _____

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

THE VILLAGES AT TREASURE ISLAND
PROPERTY DISCLOSURE

Introduction: The residential unit you have or are planning to lease is located on Former Naval Station Treasure Island ("Treasure Island"). Treasure Island is still owned by the United States Navy, but local and state laws have granted to the Treasure Island Development Authority (the "Authority") jurisdiction over the planning, redevelopment, and conversion of Treasure Island for the public benefit of the City and County of San Francisco.

The Navy formally ceased operation Treasure Island in October of 1997, but had already begun downsizing its operation years earlier. As a result, the Authority, working with the City's Public Utilities Commission and certain other basic service providers (i.e., telephone, garbage, cable) has had to address a number of issues caused by the deferral of maintenance and repair of Treasure Island's infrastructure.

In addition, as described further below, the Navy is obligated under federal and state law to remediate hazardous materials prior to transferring Treasure Island to the Authority. Thus, you may notice certain continuing clean-up operations by the Navy's contractors on Treasure Island. State and federal EPA are involved in overseeing those clean-up efforts.

Also, as described further below, Treasure Island is subject to certain seismic hazards, which the Authority required the John Stewart Company to address as a precondition of residential leasing.

What follows below is a brief summary of some of the service and infrastructure issues affecting Treasur Island. Where available, reference is made to appropriate contact persons or more detailed source materials, which you may review.

I. BASIC SERVICES

Cable Television Services - The Authority approved a contract with COMCAST CABLE AND INTERNET SERVICES to provide cable and internet services to the residential housing units on Treasure Island. Questions or concerns regarding cable and internet services can be answered directly by Comcast Cable and Internet Services 1-800-266-2278 or the City's Department of Telecommunication and Information Services at (415) 554-0802, or the Leasing Office at (415) 834-0211.

Telephone Services - AT&T owns and operates the residential phone line system on Treasure Island. Questions or concerns regarding telephone service at Treasure Island should be directed to AT&T at 1-800-331-0500 or the Leasing Office at (415) 834-0211.

Garbage - Garbage and recycling services on Treasure Island are performed by Golden Gate Disposal, as is the case with much of the rest of San Francisco. Questions or concerns regarding garbage service at Treasure Island should be directed to the Leasing Office at (415) 834-0211.

Utilities - Under a contractual agreement with the Navy, utility services (water, sewer, electric, and gas) are either directly provided or overseen by the San Francisco Public Utilities Commission. (Electrical powe is provided by the PUC and gas service is provided by PG & E, but the PUC provides principal maintenance and repair services for all on-island utility infrastructure.)

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

II. SEISMIC ISSUES

Treasure Island and the Treasure Island Causeway are within a State of California seismic hazard zone for potentially liquefiable soils, and parts of the Yerba Buena Island perimeter slopes are within a State of California seismic hazard zone for earthquake induced landslides, Seismic Hazard Zone Report 043, CCSF. A geotechnical study for Treasure Island conducted on behalf of the Authority found that the top 30 to 50 feet of soil at Treasure Island is susceptible to liquefaction and lateral spreading during major earthquakes and subsequently to permanent settlement.

As part of the conversion to civilian residential re-use, the City and County of San Francisco and the Authority directed that all housing construction be evaluated in accordance with the U.S. Government Federal Emergency Management Agency (FEMA) Seismic Standard 178 entitled NEHRP (National Earthquake Hazard Reduction Program) handbook for the Seismic Evaluation of Existing Buildings. Per agreement with the City and County San Francisco Department of Building Inspection, those buildings which were evaluated to not be in conformance with the life-safety standards established in FEMA-178 were retrofitted to conform to the seismic requirements of the City and County of San Francisco Building Code prior to occupancy.

Based upon the evaluation and certification by structural engineers engaged by the John Stewart Company and concurring evaluation and certification by structural engineers engaged by the City and County of San Francisco, it is expected that upon completion of all required seismic retrofit, all residential buildings on Treasure Island and Yerba Buena Island met or exceeded the life safety level of performances specified in FEMA -178. While liquefaction, lateral spreading and / or consolidation of the underlying soils can be expected in a major earthquake, it is the professional opinion of the structural engineers that while some structural damage may occur, there is a very low probability that the damage would result in injury to occupants, and the expectation of the engineers is that the buildings will provide a satisfactory level of life safety performance. However, a major seismic event may affect other portions of Treasure Island (such as the causeway to the Bay Bridge), and could, among other things, impact ready access to and from Treasure Island.

A complete copy of the geotechnical reports and evaluations of the Structural Engineers are available for review with the Authority at their offices on the Second Floor of Building 1 on Treasure Island and in the John Stewart Company's Marketing and Management Office.

III. ENVIRONMENTAL ISSUES

A. Building Conditions

Lead-Based paint - Similar to most residential buildings constructed prior to 1978, interior and exterior painted woodwork at residential buildings (other than the 1400 Series Housing) contain lead-based paint. The Navy has maintained the lead-based paint in place in accordance with applicable environmental standards. The current condition of the paint is designated as intact (that is, not subject to flaking or peeling by casual contact). A copy of the pamphlet entitled: "Protect Your Family from Lead in Your Home" is available. Disturbance of painted woodwork by tenants must be performed in accordance with the Treasure Island "Operation & Maintenance Program for Lead-Based Paint." A copy of this pamphlet is available for review in the Treasure Island Development Authority Office.

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

Asbestos Containing Material (ACM) - Similar to most residential buildings constructed in 1960's, residential buildings on Treasure Island / Yerba Buena Island (except the 1400 Series Housing) contain asbestos containing materials (ACM). A complete inventory of ACMs in residential buildings is available for review in the Treasure Island Development Authority's office. Disturbance of ACM by tenants must be done in accordance with the Treasure Island "Operation & Maintenance Program for Asbestos Containing Materials." A copy of this pamphlet is available for review in the Treasure Island Development Authority Office.

B. Ongoing Environmental Remediation by the United States Navy

The United States Navy (Navy) is the lead agency responsible for conducting the environmental restoration program to investigate and remediate hazardous substances at the former Naval Station Treasure Island (NSTI). The Navy is conducting the environmental cleanup program at former NSTI under the United States Department of Defense Installation Restoration Program. The California Department of Toxic Substances Control (DTSC), within the California Environmental Protection Agency, is the lead regulatory agency overseeing the Navy's environmental cleanup program. DTSC is supported by the California Department of Public Health (CDPH), and the Regional Water Quality Control Board, San Francisco Bay Region. The United States Environmental Protection Agency provides federal environmental oversight.

In November 1998, the Navy issued a finding (referred to as a Finding of Suitability to Lease, or FOSL) confirming that the residential buildings currently being offered for lease are suitable for residential use and occupancy under lease. The Navy is continuing certain investigation and remediation activities related to the environmental cleanup of NSTI. Upon completion of required remediation activities for identified parcels the Navy will issue a finding (referred to as a Finding of Suitability to Transfer, or FOST) confirming that the identified parcel is suitable for transfer under applicable law. These findings will be made over time, as individual parcels receive regulatory clearance.

Pursuant to the Federal Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), the Navy is conducting a Remedial Investigation and concurrent Removal Actions at CERCLA Site 12, which includes the current housing areas and portions of the future housing areas on Treasure Island (See attached "Figure 1, CERCLA Sites, Petroleum Sites and Transfer Parcels" from the Navy's 2012 Site Management Plan, Naval Station Treasure Island, San Francisco, California). Investigations continue within Site 12, and the Navy may be required to take further remedial actions to address radiological or other contamination in the event it is discovered. The Navy is required to perform these investigations and any remedial actions in compliance with all applicable health and safety laws. To the extent possible, the Navy will seek to minimize any disturbance or inconvenience to tenants when performing such work within or around Site 12. All residential tenants must accommodate any Navy request to allow investigations and remediation of any area within NSTI, including areas within leased premises.

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

Contaminants of concern in the soil in Site 12 include Polychlorinated Biphenyls (PCBs), Polycyclic Aromatic Hydrocarbons (PAHs), Dioxins, Petroleum Hydrocarbons, Radium-226, Lead, Copper, Iron, Antimony, Chromium, and Arsenic. Soil containing some of these contaminants above background levels or screening \values has been detected in portions of the housing areas in Site 12. Soil containing contaminants above background levels or screening values does not indicate whether or not there is a risk, it just indicates that the contaminants are present. Navy documents, that are available to the public, evaluate the level of risk. While the Navy has removed some soil containing these chemicals in portions of the housing areas in Site 12, the Navy's investigations are ongoing. These investigations will determine and inform the need for potential further actions by the Navy. As such, House Rule #2 of this Residential Rental Agreement states: "Tenant is not permitted to plant or in any way alter the existing landscaping because there may be contaminants from previous Navy activities on the Island, and recognizing the high water table at Treasure Island, Tenant shall not disturb the soil in backyards."

TIDA maintains a more detailed summary of the Navy's investigation and remediation activities in its offices on the second floor of Building 1 on NSTI. TIDA also maintains records of other important background information, including the types of hazardous substances found and the Navy's projected schedules for completion of their environmental cleanup. These materials are available for review upon request during normal business hours. TIDA updates these materials periodically to track changes in the Navy's progress. Upon request, TIDA will also make available one of its expert consultants to help answer questions.

In addition, the Navy established a Restoration Advisory Board (RAB) with members from Treasure Island and the general public. The RAB meets regularly to review and provide opportunities for the public to have input on the Navy's cleanup program. The RAB meets every other month on the 3rd Tuesday at 7:00 pm on NSTI. All members of the public are welcome to attend. TIDA and the John Stewart Company provide all Treasure Island residents with periodic updates regarding the Navy's cleanup program as information is made available.

I Have read and understand this disclosure regarding certain conditions on Treasure Island and Yerba Buena Island.

TENANTS: Original Tenant(s) and If Applicable, Post DDA Tenant(s) (all persons 18 years of age and older must sign):

By: _____ Date _____

By: _____ Date _____

By: _____ Date _____

By: _____ Date _____

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

NOTICE AND ACKNOWLEDGMENT

Treasure Island and Yerba Buena Island, in the City and County of San Francisco, California, will be developed in the future in accordance with various project approvals granted by the Treasure Island Development Authority ("Authority") and the San Francisco Board of Supervisors in April and June 2011, including a Disposition and Development Agreement ("TICD DDA") between the Authority and Treasure Island Community Development, LLC, dated as of June 28, 2011, which provides for the development of Treasure Island and Yerba Buena Island (the "Project"). The effective date of the TICD DDA is July 14, 2011 (the "DDA Effective Date"). The Authority also approved, and in connection with its approval of the TICD DDA the Board of Supervisors ratified, the Transition Housing Rules and Regulations for the Villages at Treasure Island ("Transition Housing Rules and Regulations") that provide for a package of benefits to "Transitioning Households" as defined in the Transition Housing Rules and Regulations. Copies of all the project approvals, including the TICD DDA and the Transition Housing Rules and Regulations, are posted on the Authority's website at www.sftreasureisland.org.

This notice is to inform you of the following information before you enter into any lease or rental agreement and occupy a residential unit at Treasure Island/Yerba Buena Island:

1. That the unit will be available only for an interim period pending development of the Project in accordance with the TICD DDA;

2. That your occupancy is on an month-to-month interim nonpermanent basis and that at some point in the future, as a result of the Project, you will be required to move.

3. That because your occupancy commenced after the Authority acquired a leasehold interest in the property located at Treasure Island/Yerba Buena, you will not be eligible for relocation benefits under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended ("URA"), or California Government Code Section 7260 et seq. and its implementing regulations located at California Code of Regulations, Title 25, Division 1 Chapter 6 (collectively, "Section 7260") if you are asked to move because of the Project.

4. That the projected date that your unit is expected to be vacated and demolished for development of the Project is prior to June, 2014, but no sooner than January, 2013, if your unit is located on Yerba Buena Island, and between June, 2015 and June, 2020 if your unit is located on Treasure Island, provided, such date is subject to change depending on the Project construction schedule.

5. That, along with all other Tenants of the Villages at Treasure Island, you will receive periodic notices with updates regarding the progress of the Project, including any anticipated changes in the projected date that your unit is expected to be vacated and demolished.

6. That you will be provided at least ninety (90) days' prior written notice of the date by which you must vacate the unit if the notice to move is triggered by the Project.

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

7. That because you are entering into a rental agreement after the DDA Effective Date, you are a Post-DDA Tenant under the Transition Housing Rules and Regulations and no Post-DDA Tenant is eligible for transition housing benefits under the Transition Housing Rules and Regulations, but you will be offered transition advisory services when required to move.

8. You may be required to relocate temporarily and/or permanently.

9. You may be subject to a rent increase.

If you have to move or your rent is increased as a result of the Project or otherwise, you will not be reimbursed for any such rent increase or for any costs or expenses incurred by you in connection with a move.

Please read this notification carefully prior to signing a rental agreement and moving into a unit on Treasure Island or Yerba Buena Island. If you should have any questions about this notice, please call 415-554-6170 for more information. Once you have read and have understood this notice, please sign the statement below if you still desire to enter into your rental agreement.

This notice and acknowledgment must be signed and dated prior to entering into a rental agreement and occupying a unit on Treasure Island or Yerba Buena Island.

I have read the above prior to entering into my rental agreement for and occupying a unit at Treasure Island or Yerba Buena Island and I understand that I am a Post-DDA Tenant under the Transition Housing Rules and Regulations, and I will not be eligible for relocation benefits under the URA or Section 7260 or transition housing benefits under the Transition Housing Rules and Regulations.

Name: **Tenant A** Signature: _____ Date: _____

Name: **Tenant B** Signature: _____ Date: _____

Name: Signature: _____ Date: _____

Name: Signature: _____ Date: _____

Villages at Treasure Island representative signature:

X _____ Date: _____

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

THE VILLAGES AT TREASURE ISLAND
HAZARDOUS SUBSTANCE DISCLOSURE

This addendum is entered into with respect to that certain Rental Agreement dated 6/3/2014, by and between the undersigned with respect to the rental of apartment number 1201-A located at Bayside Dr., San Francisco, CA 94130.

"WARNING: This apartment community contains asbestos, tobacco smoke and other substances known to the State of California to cause cancer and/or birth defects and other reproductive harm. Tobacco smoke may be present in the apartment community when persons in the apartment community smoke or otherwise use tobacco. Other hazardous substances are contained in some of the original building materials and in some of the products and materials used to maintain the property. Disturbance or damage to certain interior apartment surfaces may increase the potential for exposure of these substances."

Tenant(s) agrees for themselves, their guests and invitees, to comply with all rules and regulations as Landlord may from time to time prescribe in connection with Landlord's operations programs, including without limitation, asbestos operations and maintenance program, including without limitations the following:

(a) Tenant(s) shall not take or allow any action which in any way disturbs or damages any part of the ceiling or loose tiles, such as drilling or boring of holes, hanging plants or other objects from the ceiling; painting or repairing the ceiling or any floor tiles; replacing smoke detectors or florescent lights located on the ceiling.

(b) Tenant(s) shall notify Landlord immediately, and in writing if possible, if there is any water or other damage to or deterioration of the ceiling or any floor tiles in the Premises (including, without limitation, loose, cracking or hanging material or water stains or leaks).

Under no circumstances will compliance or performance of voluntary measures or any related alterations or removal or other abatement, management or monitoring of the asbestos and/or other substances relieve Tenant(s) obligations there under or under this Addendum, or constitute or be construed as a constructive or other eviction or Tenant(s) or interference with Tenant(s) right of quiet enjoyment of the Premises.

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

By signing below, Resident(s) acknowledges having read and understood the content of this Addendum.

TREASURE ISLAND / YERBA BUENA ISLAND LANDLORD:
The John Stewart Company
By: _____ _____
Administrator Date

TENANTS: Original Tenant(s) and If Applicable, Post DDA Tenant(s) (all persons 18 years of age and older must sign):

By: _____ _____
Date

By: _____ _____
Date

By: _____ _____
Date

By: _____ _____
Date

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

THE VILLAGES AT TREASURE ISLAND
MOLD NOTIFICATION AGREEMENT

THIS AGREEMENT is made and entered into between The John Stewart Company, "Landlord", and

Tenant A **Tenant B**

"Tenant(s)".

Resident(s) is/are renting from Landlord the premises located at: 1201-A Bayside Dr., San Francisco, CA 94130.

It is the goal of the Landlord to maintain the highest quality of living environment for the Tenant of this property. Prior to your taking possession of the apartment listed above, and at the time of your move-in, the Landlord, or its authorized agent, has inspected the apartment and knows of no damp or wet building materials and knows of no mold or mildew contamination. Resident(s) is/are hereby notified that mold and mildew can grow on the surfaces in the apartment, it can cause mildew and mold to grow. It is important that Tenant regularly allow air to circulate in the apartment. It is also important that Tenant keep the interior of the apartment clean and that they promptly notify the Landlord, or its authorized agent, of any leaks, moisture problems and/or mold or mildew growth.

Tenant agrees to maintain the Premises in a manner that prevents the occurrence of an infestation of mold or mildew. Tenant shall:

1. Keep the unit free of dirt and debris that can harbor mold or mildew.

2. Immediately report to the Landlord, or its authorized agent, any water intrusion such as plumbing leaks, drips or other moisture conditions.

3. Notify Landlord, or its authorized agent, of overflows from bathroom, kitchen or unit laundry facilities, especially in cases where the overflow may have penetrated the walls, cabinets, or flooring.

4. Report to the Landlord, or its authorized agent, any significant mold growth on surfaces inside the Premises.

5. Use bathroom exhaust fans while showering or bathing and report to the Landlord, or its authorized agent, immediately if the exhaust fan ceases to function properly.

6. Use exhaust fans whenever cooking, dishwashing, or cleaning.

7. Open bathroom windows (if applicable) while bathing, showering, or cleaning.

8. Use all reasonable care to close all windows and other opening in the Premises to prevent outdoor water from penetrating into the interior unit.

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

9. Clean and dry any visible moisture on windows, walls, and other surfaces, including personal property, as soon as reasonably possible. (Note: Mold and mildew can grow on damp surfaces

10. Notify the Landlord or its authorized agent, or any problems with air conditioning or heating systems.

11. Tenant hereby agrees to indemnify and hold harmless the Landlord/Management from any actions, claims, losses, damages and expenses, including, but not limited to, attorney's fees that the Landlord/Management may sustain or incur as a result of the negligence of the Tenant or any guest or other person living in, occupying or using the Premises.

By signing below, Tenant (s) acknowledges having read and understood the content of this Addendum.

TREASURE ISLAND / YERBA BUENA ISLAND LANDLORD:

The John Stewart Company

By:_____ _____
Administrator (Date)

TENANTS: Original Tenant(s) and If Applicable, Post DDA Tenant(s) (all persons 18 years of age and older must sign):

By:_____ _____
(Date)

By:_____ _____
(Date)

By:_____ _____
(Date)

By:_____ _____
(Date)

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

THE VILLAGES AT TREASURE ISLAND
MEGAN'S LAW

Notice: The California Department of Justice, sheriff departments, and police departments serving jurisdictions of 200,000 or more and many other local law enforcement authorities maintain for public access, a database of the locations of persons required to register pursuant to paragraph (1) of subdivision (a) of Section 290.4 of the Penal Code. The database is updated on a quarterly basis and a source of information about the presence of these individuals in any neighborhood. Pursuant to Section 290.46 of the penal code, information about specified registered sex offenders is made available to the public via an internet website maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and zip code in which he or she resides.

By signing below, Resident(s) acknowledges having read and understood the content of this Addendum.

TENANTS: Original Tenant(s) and If Applicable, Post DDA Tenant(s) (all persons 18 years of age and older must sign):

By: _____ _____
(Date)

By: _____ _____
(Date)

By: _____ _____
(Date)

By: _____ _____
(Date)

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

THE VILLAGES AT TREASURE ISLAND
PARKING AGREEMENT

PARKING SPACE #: **1201-A**

TENANT NAME(S):

Tenant A **Tenant B**

ADDRESS: 1201-A Bayside Dr., SAN FRANCISCO, CA 94130

I have read, understand and agree to the following:

1) As used in this Parking Agreement, "the property" shall be defined as The Villages at Treasure Island and the areas managed by Landlord.

2) Each residential unit has assigned parking space(s) at the property.

3) Vehicle(s) of the household must be registered with the Landlord and issued a parking permit.

4) To apply for and be issued a parking permit, a vehicle's current registration, the registered owner's driver's license, and proof of insurance must be presented and reviewed by Landlord.

5) Permits must be renewed annually, at which time current documents are required. Permit(s) renewal coincides with residential lease renewal.

6) Vehicles parking at the property, not only vehicles in assigned space(s), must be issued and display a valid parking permit.

7) All vehicles must be currently registered, fully functional and in operable condition. Inoperable conditions include but are not limited to: flat tires, broken taillights, broken windows, missing bumpers, missing rear view mirrors, missing license plates.

8) Each Tenant with a vehicle that meets the requirements in this parking agreement is entitled to one (1) parking permit. Tenants who own two (2) vehicles may receive an additional permit. In no instance will a Tenant be issued more than two (2) permits.

9) Visitor parking spaces are for the sole use of visitors. Tenant may not use visitor parking spaces.

10) Visitor parking at the property shall be no more than 72 hours over a consecutive seven day period.

11) Parking is permitted in designated areas only. Parking is prohibited on lawns, sidewalks, red zones, and any areas that impinge on ingress and egress to any part of the property grounds or property facilities. Parked vehicles can not block fire hydrants or interfere with emergency vehicles. Double parking is prohibited.

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

12) Parking at the property is for residential use only. Certain vehicle types are prohibited from parking at the property. Prohibited vehicle types include, but are not limited to:

a) Recreational vehicles, including jet skis, boats, trailers, and mobile homes.

b) Commercial vehicles, including commercial vans, commercial trucks, promotional vehicles, cabs and limousines.

c) Oversized vehicles, including vehicles with multiple rear axels, in excess of 3500 lbs or in excess of 7 feet in height or 15 feet in length.

d) Other vehicles inconsistent with residential use at the property.

13) No vehicle maintenance, improvement, and/or repair activities are to be performed anywhere at the property.

14) Vehicles at the property must be free of fluid leaks, including oil, coolant, and other fluids. Tenants who own vehicles that cause leaks or spills are responsible for immediately cleaning the area and making necessary repairs to prevent any future leaks.

15) Car washing or maintenance of any kind is prohibited at the property.

16) Vehicles in violations of this parking agreement will be subject to towing at the Tenant's expense.

17) Landlord reserves the right to revoke parking permits, with or without cause.

By signing below, Resident(s) acknowledges having read and understood the content of this Addendum.

TENANTS: Original Tenant(s) and If Applicable, Post DDA Tenant(s) (all persons 18 years of age and older must sign):

_____ _____
Tenant (Date)

_____ _____
Tenant (Date)

_____ _____
Tenant (Date)

_____ _____
Tenant (Date)

_____
Vehicle license plate number(s)

_____
Parking Permit Number(s)

_____
Make, model, & color of vehicle(s)

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

THE VILLAGES AT TREASURE ISLAND
PROHIBITING HOT TUBS

Tenant shall NOT install or operate or permit to be installed or operated any hot tubs (or other such appliances) inside or outside on the Premises.

By signing below, Tenant(s) acknowledges having read and understood the content of this Addendum.

TENANTS: Original Tenant(s) and If Applicable, Post DDA Tenant(s) (all persons 18 years of age and older must sign):

By:_____ _____
(Date)

By: _____ _____
(Date)

By: _____ _____
(Date)

By: _____ _____
(Date)

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

THE VILLAGES AT TREASURE ISLAND
CARBON MONOXIDE DISCLOSURE

This Addendum is entered into with respect to that certain Lease Agreement dated 6/3/2014, by and between the undersigned with respect to the rental of apartment number 1201-A located at Bayside Dr., San Francisco, CA 94130.

Carbon Monoxide (CO) is a colorless, odorless and dangerous gas. Small concentrations of 10% CO in your blood can cause minor health problems. If Tenant notice "Flu-like" symptoms such as slight headache, nausea, vomiting, or fatigue, they may be experiencing mild CO exposure. Symptoms such as severe headaches, drowsiness, confusion, and accelerated heart rate could indicate a moderate degree of CO exposure. Extreme exposure may cause unconsciousness, convulsions, cardio respiratory failure, or death. Youth children, the elderly, and pets may be the first ones affected.

The CO detector installed in the apartments at the Villages continuously monitors the air quality. The detector alarms at multiple levels of exposure to carbon monoxide based on time weighted averages of the gas present. There is one light on the body of the detector which turns color to indicate various levels of CO. Green indicated that there are no detectable levels of CO present in the air. The light remains Green at all times, unless some level of CO has been detected. The light will turn Amber if low levels of CO are detected. This is a warning of a possible problem. If low levels are continuously detected over a longer period of time or if the detector measure CO at a high level, the light will turn Red and the alarm will sound. If the levels return to normal, the light will return to Green.

Based on information provided by the manufacturer and the contractor installing the detectors, in the event that a CO detector is activated, Tenant must adhere to the following protocol:

Light is Green at all times, unless CO has been detected.

If light turns Amber:

1. Ventilate the area by opening windows.

2. Turn the thermostat to the "off" position or to lowest temperature on the dial.

3. Call the Villages business office at 834-0211. Indicate that this is an emergency.

If light turn Red and alarm sounds:

1. Immediately ventilate or vacate the unit.

2. Turn furnace to "off" position or lowest setting on thermostat.

3. Call the Villages office at 834-0211. Indicate that this is an emergency.

4. Determine whether anyone has a headache or upset stomach, and respond to health concerns. (The elderly, children, and pets often experience symptoms earlier and to a greater degree.)

5. Do not reenter unit until it has been ventilated.

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

By signing below, Resident(s) acknowledges having read and understood the content of this Addendum.

TENANTS: Original Tenant(s) and If Applicable, Post DDA Tenant(s) (all persons 18 years of age and older must sign):

By: _____ _____
(Date)

By: _____ _____
(Date)

By: _____ _____
(Date)

By: _____ _____
(Date)

1201-A Bayside Dr.

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

TREASURE ISLAND
YERBA BUENA ISLAND

ADDENDUM RE: CHANGE OF TERMS OF TENANCY TO THE RESIDENTIAL LEASE DATED 6/3/2014, (hereafter referred to as the RENTAL AGREEMENT)

The terms of this RENTAL AGREEMENT supersede and replace all the terms of the Residential Lease dated , and any Addendum(s) thereto, (hereafter collectively the "Original Lease"); provided, however, that the Notice and Acknowledgment that was attached to the Original Lease and executed by the Original Tenants identified below shall remain in full force and effect as to the Original Tenants.

I. PARTIES:

THIS RENTAL AGREEMENT is made on **6/3/2014** between:

A. ORIGINAL TENANT:

Tenant A

(hereinafter singularly or collectively called "Original Tenants");

B. If Applicable: POST-DDA TENANT(S):

Tenant B

(hereinafter singularly or collectively called "Post-DDA Tenants"); and

C. THE JOHN STEWART COMPANY (hereinafter called "Landlord").

Original Tenants are current lessees of the Premises defined below, who have signed the Original Lease with Landlord and currently occupy the Premises.

(If Applicable): Post-DDA Tenant(s), at the request of Original Tenants and after approval of Landlord,

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

shall be co-tenants of Original Tenants subject to the terms of this Rental Agreement. Original Tenants and (if applicable) Post-DDA Tenants are hereinafter referred to collectively as "Tenant".

IT IS AGREED BETWEEN THE PARTIES HERETO AS FOLLOWS:

II. DESCRIPTION:

The Landlord hereby leases to the Tenant and the Tenant hires from Landlord, on the terms and conditions hereinafter set forth, all the property situated in the City and County of San Francisco, State of California, described as follows, to wit: Apartment No. **1201-A** at **Bayside Dr.**, San Francisco, California 94130 (the "Premises").

III. TERM:

The term of this Rental Agreement shall be for a month-to-month basis beginning **1/1/2014** with rent payable at **$2000** per month.

Tenant may terminate this Rental Agreement as permitted by state law upon delivery of at least 30 days' prior written notice, or as required by law, to Landlord in accordance with Section XX. Landlord may terminate this Rental Agreement in accordance with Section XXIV below.

Tenant hereby acknowledges that the Landlord is a sublessee of the Treasure Island Development Authority and that the Treasure Island Development Authority acquired a leasehold interest to the Premises from the United States Navy under a master lease which pre-dates this Rental Agreement. Notwithstanding anything in this Rental Agreement to the contrary, this Rental Agreement and Tenant's right to occupy the Premises shall terminate if the master lease between the Treasure Island Development Authority and the Navy terminates. Tenant further acknowledges that the residential use of the Premises is an interim use and the tenancy created under this Rental Agreement shall not be permanent.

IV. RENTS, LATE CHARGES, RETURNED CHECKS:

Rents: All rents are due and payable on or before the first day of each month in advance (the "Due Date"). All rents shall be paid at the office of the agent of the Landlord, or at such other place as may be designated by the Landlord. All rent is to be paid on the first day of the month for the prospective rental period. All rents shall be paid by personal check, cashier's check or money order. No cash to be accepted.

Treasure Island and Yerba Buena Island will undergo a phased demolition of most of its existing structures and a phased reconstruction of structures that is expected to last for several years. The demolition and reconstruction will necessarily result in inconvenience, noise and other disturbances in and around the Premises and the project grounds. Tenant acknowledges that the rental rate has been determined and set by the parties with the understanding and agreement that construction will take place in and around the Premises during the course of this month to month tenancy and that Tenant may not seek a rent reduction or decrease for any disturbance, inconvenience or damage attendant to construction taking place anywhere in or around the Premises.

LATE CHARGES: Tenant and Landlord agree that Landlord will sustain costs and damage as a result

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

of any late payment of rent but that it will be extremely difficult to determine with specificity the actual amount of that damage. Therefore, Tenant agrees to pay a late charge of $100.00 for any payment of rent not received by Landlord within 5 calendar days of the Due Date. The Parties agree that this late charge represents a fair and reasonable estimate of the costs and damages that Landlord will incur by reason of late payment by Tenant. The provision for payment of a late charge does not constitute a grace period and Landlord may serve a 3-Day Notice to Pay Rent or Quit on the day after the Due Date.

RETURNED CHECKS: In the event that Tenant makes any payment required hereunder with a check which is not honored by the bank on which it is drawn for any reason, Tenant shall pay Landlord the additional sum of **$50.00** as a reimbursement of the expenses incurred by Landlord. A dishonored check shall constitute late payment of rent and shall be subject to the provisions of paragraph IV above regarding late charges. Such charges shall be immediately due and payable upon notice to Tenant. Failure to immediately pay the charges shall constitute a default under the terms of this Rental agreement. If Tenant's check is returned by a bank for any reason, Tenant shall pay the rent and other charges required by this Rental Agreement by certified funds, cashier's check or money order for the next twelve months.

FAILURE TO PAY: Pursuant to Civil Code Section 1785.26, you are hereby notified that a negative credit report reflecting on your credit record may be submitted to a credit reporting agency if you fail to fulfill the terms of your credit obligations, such as your financial obligations under the terms of this Agreement.

V. EACH TENANT'S INDIVIDUAL LIABILITY:

Each person who signs this Rental Agreement as a Tenant, is jointly and severally responsible for the performance of their obligations under this Rental Agreement, including the payment of the entire monthly rent and for any damages to the Premises until such time as the tenancy in its entirety is terminated and the Premises relinquished vacant to the Landlord, regardless of whether the named Tenant occupies the Premises. In the event Tenant pays the monthly rent with separate checks, Tenant, and each of them, remains jointly and severally obligated for the payment of the entire monthly rent for the Premises.

VI. ASSIGNMENT:

Tenant may not assign this Rental Agreement or sublet the whole or any portion of the Premises without obtaining the prior written consent of the Landlord, which consent may be withheld in Landlord's sole and absolute discretion. No person other than the named Tenant shall be permitted to regularly or continuously use or occupy the Premises unless all of the following conditions are met: (1) Tenant notifies Landlord in writing, signed by every Tenant, stating a request to have a new person occupy the Premises as a co-tenant; (2) said prospective occupant completes and gives the Landlord a completed Landlord's rental application; (3) prospective occupant shall satisfy Landlord's resident's selection criteria; and, if approved, (4) Tenant's prospective occupant signs Landlord's Co-Tenancy Acknowledgment form or an Addendum to the Residential Lease/Rental Agreement including the Notice and Acknowledgment, as applicable. In the event that the Landlord consents to any co-tenancy, it is hereby agreed that 1) Tenant may not charge more to the co-tenant(s) than that proportional share of the rent which is being charged by and paid to Landlord, and 2) the co-tenant will not be entitled to any transition housing benefits under the Transition Housing Rules and Regulations approved by the Treasure Island Development Authority Board of Directors on April 21, 2011 and the San Francisco Board of Supervisors on June 28, 2011 (as amended from time to time, the "Transition Housing Rules

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

and Regulations"). A person shall be considered to be regularly or continuously using or occupying the Premises if the person stays overnight in the Premises for more than 30 days in any calendar year.

No action or inaction or acceptance of rent or knowledge on the part of the Landlord shall be deemed to be a waiver of the provision of this Paragraph on the part of the Landlord and shall not be deemed an approval of any person as a "subtenant" or "co-tenant" for any purpose.

VII. DEFAULT:

Tenant's failure to pay rent or other charges when due or the failure to comply with the covenants or conditions of this Rental Agreement and its addendums, including but not limited to, the house rules, constitutes a default and the Landlord may seek any remedy available in law or equity including the recovery of possession of the Premises.

VIII. USE AND OCCUPANCY:

The Tenant shall occupy the Premises and shall keep the Premises in good condition including such improvements as may be made thereon hereafter, with usual wear and tear excepted, and shall not make any alterations, install locks or locking mechanisms, paint, or wallpaper without the prior written consent of the Landlord. Tenant shall not commit or suffer to be committed any waste upon the Premises. Tenant agrees to pay for any damage, including appliances and fixtures, caused by any act of negligence of himself or any member of his family or guest. Tenant shall not access or enter any parts or portions of the Premises or common areas locked, sealed or closed off by Landlord. Tenant shall not change, alter or modify the electrical service including the electrical circuit box to the Premises for any reason.

The Premises are rented to the Tenant for use as a principal, full time residential dwelling only. Tenant shall not use, or permit the Premises, or any part thereof, to be used for any purpose or purposes other than the purpose for which the Premises are hereby rented. Occupancy of the Premises is limited to those persons named in this Rental Agreement.

Minor Children Reaching Age of Majority: At the time a minor child occupying the Premises reaches the age of majority (18 years of age), Tenant shall (1) Request in writing that the child be identified as a tenant and added as a co-tenant to the Rental Agreement; (2) Tenant's child shall complete and deliver to Landlord a completed Landlord's rental application; (3) Tenant's child shall satisfy Landlord's resident's selection criteria; and, if approved, (4) Tenant's child shall sign a Rental Agreement or Addendum as required by Landlord within five (5) days of Landlord's written request including the Notice and Acknowledgment. If the minor child reaching the age of majority is the child of a Post-DDA Tenant, the child will also be required to sign the Notice and Acknowledgment. Children of Post-DDA Tenants will not be entitled to any benefits under the Transition Housing Rules and Regulations.

No person other than a Tenant or approved occupant may receive mail or use the address of the Premises for any purpose or designate the address of the Premises with any governmental agency or department including but not limited to, the Department of Motor Vehicles or the Department of Corrections.

Tenant shall comply with all governmental laws and ordinances.

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

IX. TENANT/LANDLORD:

The Tenant hereby agrees to be bound, as is the landlord, by the amended sections to the Civil Code Sections 1942. The amendments being: Civil Code Sections 1941.1, 1941.2, 1942.1 and 1942.5, which state, among other things, the conditions for making repairs and deducting same from rents owed.

X. NUISANCE:

Tenant shall not commit, nor permit to be committed nuisance, upon, in or about the Premises or the project grounds, nor shall Tenant create or permit a substantial interference with the comfort, safety, or enjoyment of other tenants. Tenant shall not interfere with Landlord's management of the project. Although a single incident may constitute a nuisance or substantial interference with other tenants, three complaints against Tenant, Tenant's visitors or household in any twelve month period shall create a presumption of a nuisance and/or substantial interference with other tenants and/or with Landlord's management of the project. Tenant shall not engage in, or permit any activities which disrupt the livability of the project, adversely affect the health or safety of any person or the right of any other resident to the quiet enjoyment of the Premises and related project facilities, or interfere with the management of the project. Vestibules, hallways, stairways, and other public passages shall not be obstructed by the Tenant or their visitors. Persons will not be permitted to run or play on balconies or stairways. Tenant agrees to place garbage and refuse inside the containers provided therefore.

Drug Free Environment: Tenant and Tenant's household and visitors shall not engage in any drug related criminal activity on or near the Premises or project grounds. Drug related criminal activity means the illegal manufacture, production, sale, distribution, use or possession with intent to manufacture, produce, sell, distribute, or use of controlled substances (as defined in Section 102 of the Controlled Substances Act – 21 U.S.C. 802).

XI. MAINTENANCE:

A. The Landlord agrees to:

1. Regularly clean all common areas of the project;
2. Maintain the common areas and facilities in a safe condition;
3. Arrange for collection and removal of trash and garbage;
4. Maintain all equipment and appliances in a safe and working order;
5. Make necessary repairs with reasonable promptness;
6. Maintain exterior lighting in good working order;
7. Provide extermination services as necessary;
8. Maintain the grounds.

B. The Tenant shall:

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

1. Keep the Premises clean, safe, and sanitary;

2. Use all appliances, fixtures, and equipment in a safe manner and only for the purposes for which they are intended;

3. Not litter the grounds or common areas of the project;

4. Not destroy, deface, damage, or remove any part of the unit, common areas or project grounds;

5. Give the Landlord prompt notice of any defects in the plumbing, fixtures, appliances, heating and cooling equipment, the smoke detector, or any other part of the Premises or related facilities;

6. Remove garbage and other waste from the unit in a clean and safe manner as instructed by Landlord. Trash pickup procedures vary depending upon location and may be amended from time to time;

7. Not engage in or permit unlawful activities in the Premises, in the common areas, or on the project grounds; and

8. Be responsible for compliance with all applicable laws and ordinances and house rules by Tenant's household members and Tenant's visitors.

XII. NOTICES:

Tenant shall comply with House Rules which Landlord has, or may from time to time, furnish Tenant or post conspicuously on the Premises. The Tenant by affixing his or her signature below acknowledges the receipt of a copy of the House Rules.

XIII. HOLD HARMLESS:

Tenant hereby waives all claims against Landlord for damages to property or injuries to persons, including Tenant, in or about the Premises; and Tenant will hold Landlord harmless from any damage or injury to persons or property arising from the use of the Premises by Tenant. Tenant may not seek compensation or a rent reduction or decrease for any disturbance, inconvenience or damage attendant to construction taking place anywhere in or around the Premises.

XIV. LEGAL FEES:

In an unlawful detainer action to recover possession of the Premises, the total costs including attorney's fees to the prevailing party shall be limited to $1500. In the event of any OTHER legal action between the parties, any statutory recovery of attorney's fees and costs shall be limited to $2500 to the prevailing party.

XV. NO WAIVER OF ANY TERMS OR PRECEDING DEFAULTS:

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

No failure of Landlord to enforce any term of this Rental Agreement will be deemed a waiver of that term or of any other term of the Agreement. The waiver by Landlord of any term of this Rental Agreement will not be deemed to be a waiver of any subsequent breach of the same or any other term of this Rental Agreement, nor will any custom or practice which may develop between the parties be construed to waive the right of Landlord to require performance by Tenant of all the provisions of this Rental Agreement, or support a claim of detrimental reliance by Tenant and Landlord shall not be stopped from enforcing any term of this Rental Agreement. The subsequent acceptance of rent by Landlord will not be deemed to be a waiver of any preceding breach, violation or default by Tenant of any term of this Rental Agreement regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent.

Landlord's acceptance of a partial payment of rent will not constitute a waiver of Landlord's right to the full amount due nor will it constitute a modification to this Rental Agreement unless such modification is in writing and signed by the parties.

XVI. SURRENDER CONDITION:

At the expiration of said term, or the sooner termination thereof, the Tenant shall peacefully quit and surrender possession of said Premises in as good condition as reasonable use and wear thereof permit.

XVII. DEPOSIT FEES:

Tenant agrees to deposit with the Landlord, on or before occupancy, the sum of $1000 as security deposit. This sum shall be held by the Landlord as security for the faithful performances by the Tenant of the terms, covenants and conditions of this Rental Agreement by Tenant to be kept and performed during the term hereof. In the event of the failure of Tenant to keep and perform all of the terms covenants, and conditions of this Rental Agreement, then, at the option of the Landlord, said Landlord may appropriate and apply said deposit, or so much thereof determined by Landlord to be due to such breach on the part of Tenant. Should Tenant comply with all of said terms, covenants, and conditions and promptly pay the entire rental herein provided for as it falls due, and all other sums payable by Tenant occupancy, Landlord shall refund Tenant's Security Deposit in accordance with California State law. A unit is considered vacated after all personal belongings have been removed and unit keys returned. DEPOSIT MAY NOT BE USED AS LAST MONTH'S RENT. If any portion of the Security Deposit is applied by Landlord to any obligations of Tenant at any time during the tenancy, Tenant must, upon 5 days written notice, replenish the Security Deposit to its full original amount. Landlord is not obligated to apply Tenant's Security Deposit to any accrued unpaid rent and may demand payment of the rent from Tenant when due.

XVIII. LEGAL NOTICE:

All notices to be given to Tenant shall be in writing and served as required by law and addressed to Tenant at the Premises, whether or not Tenant has departed from, vacated, or abandoned the Premises.

XIX. INSPECTION:

The Landlord, its agent and/or employees may enter the Premises at reasonable times to inspect, clean, repair, or show the Premises to prospective tenants, purchasers or lending institutions. The Tenant agrees to allow access and occupancy to workmen for redecorating, repairing or remodeling of the

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

Premises for such time as is necessary. Additional door locks may not be installed or altered without written permission from Landlord. Landlord will provide 24 hours notice of intent to enter unit except in emergency, when Landlord may enter immediately. Landlord is to leave notice to Tenant that Landlord entered the unit.

Landlord shall make an annual inspection of the Premises and all facilities and units. Landlord shall designate a day when such inspection shall take place at the Premises and notify Tenant at least two days prior thereto. Tenant shall permit Landlord's annual inspection of the Premises to take place and the failure to do so constitutes a breach of this covenant.

XX. TENANT'S NOTICE TO TERMINATE AND VACATE:

Tenant shall give Landlord a thirty (30) day, or as required by law, written notice of the Tenant's intention to terminate Tenant's tenancy and vacate the Premises. Any deposits that the Tenant may have on deposit with the Landlord are not to be considered the Last Month's rent. Landlord shall refund and/or account for the security deposits in the time permitted by law after the Premises are vacated by all occupants.

XXI. UTILITIES:

Landlord will provide for utilities water, sewer, electricity, gas and garbage removal. Tenant shall be responsible for all other utilities and services for the Premises including but not limited to, cable, internet, and telephone.

XXII. HAZARDOUS MATERIALS:

Tenant shall not store or permit storage of any hazardous materials on or around the Premises and will not cause materials to be released anywhere on or near the Premises or the project grounds.

XXIII. ACKNOWLEDGEMENT OF INAPPLICABILITY of Chapter 37 of the San Francisco Administrative Code - the San Francisco Residential Rent Stabilization and Arbitration Ordinance No. 276-79 (hereinafter called "the Ordinance"):

Tenant hereby acknowledges and agrees that because the rents for housing units on Treasure Island and Yerba Buena Island are set by a governmental authority, the Treasure Island Development Authority, housing units on Treasure Island and Yerba Buena Island are exempt from the provisions of the San Francisco Residential Rent Stabilization and Arbitration Ordinance including its rent control provisions and its "just cause" requirements. Tenant further acknowledges and agrees that nothing herein shall impose the jurisdiction of the Ordinance on this Rental Agreement, nor is it intended to imply that any rules, policies or precedents of the Ordinance apply to this Rental Agreement.

XXIV. TERMINATION OF TENANCY AND OR RECOVERY OF POSSESSION BY LANDLORD:

Landlord may terminate the month-to-month tenancy under this Rental Agreement in accordance with applicable law if Tenant is in default under any provision of this Rental Agreement. Landlord may recover possession following Tenant's Termination of Tenancy in accordance with applicable law. In addition, Landlord may terminate the month-to-month tenancy under this Rental Agreement as permitted by state law by giving Tenant a thirty (30) day, or as required by law, written notice of termination of Tenant's

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

tenancy.

XXV. INSURANCE:

Landlord's insurance does NOT provide for coverage of Tenant's personal belongings or personal liability unless as a direct and proximate result of Landlord's negligence. Therefore, Landlord strongly urges and recommends to each Tenant that Tenant secure sufficient insurance to protect against losses such as fire, flood, theft, vandalism, personal injury or other casualty.

XXVI. PETS:

NO pets, dogs, cats, birds or other animals are allowed in or about the Premises, even temporarily or with a visiting guest, without prior written consent of Landlord, excepting service animal(s) as required by law. Any such consent is conditioned upon Tenant completing and signing Landlord's Pet Agreement which shall become part of this Agreement. Strays shall not be kept or fed in or about the Premises. Strays can be dangerous and Landlord must be notified immediately of any strays in or about the Premises. If a pet has been in a Tenant's apartment or allowed into the building, even temporarily (with or without Landlord's permission) Tenant may be charged for cleaning, de-fleaing, deodorizing or shampooing any portion of the building or Premises at the discretion of Landlord.

XXVII. AUTHORIZED OCCUPANTS:

Name Tenant A _____ Name Tenant B _____

Name _____ Name _____

Name _____ Name _____

Name _____ Name _____

Name _____

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

IN WITNESS WHEREOF, the Landlord and the Tenant have executed this Rental Agreement as of the date and year first above written.

TREASURE ISLAND / YERBA BUENA ISLAND LANDLORD:

The John Stewart Company

By: _____ _____
Administrator (Date)

In agreement with the terms of this Rental Agreement, the Original Tenants execute this Rental Agreement.

Tenant A

Original Tenant: _____ Date: _____

Original Tenant: _____ Date: _____

Original Tenant: _____ Date: _____

Original Tenant: _____ Date: _____

Original Tenant: _____ Date: _____

Original Tenant: _____ Date: _____

(If Applicable): POST DDA TENANT(S):

In agreement with the terms of this Rental Agreement, the Post DDA Tenants execute this Rental Agreement.

Tenant B

Post DDA Tenant: _____ Date: _____

Post DDA Tenant: _____ Date: _____

Post DDA Tenant: _____ Date: _____

Post DDA Tenant: _____ Date: _____

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

THE VILLAGES AT TREASURE ISLAND
HOUSE RULES

The Community – The exercise of common sense and consideration for others should be the only rule necessary to ensure your personal comfort and enjoyment of apartment living; however, in order for **Landlord** or its property manager ("management") to fully protect your rights and property against the occasional offender, the following Rules and Regulations ("House Rules") exist:

1. **Maintenance** - Tenant shall immediately inform the rental office (the designated maintenance person) of any need of maintenance repair so that work can be done promptly. Light bulbs shall be furnished to the unit upon occupancy and Tenant shall replace bulbs thereafter. Tenant shall be charged the repair cost of stoppage of any sewer caused by the resident's negligence and any other damage as provided under the Rental Agreement. Any reimbursement shall be made within 30 days of billing. All electrical appliances for food preparation must be inspected by the management for safety and fire protection standards before their use in the unit. Walls may not be painted or wallpapered, nor may they be drilled into to hang book shelves or heavy paintings or mirrors. All pictures shall be hung by the use of brads or finishing nails. Due to weight limitations, no electrical fixtures or hanging objects such as plants, etc., can be suspended from the ceiling without prior permission of the management. Window coverings are provided. No additional draperies can be added except as approved by management.

2. **Landscaping** – Existing landscaping and grounds will be maintained by management in the front of all units. Tenant is not permitted to plant or in any way alter the existing landscaping because there may be pockets of debris left over from previous construction activity on the Island, and recognizing the high water table at Treasure Island, Tenant shall not disturb the soil in backyards. Backyard maintenance is the responsibility of the Tenant.

3. **Pesticides/Herbicides** – The use of pesticides or herbicides is prohibited.

4. **Environment** – Tenant and their guests shall not commit or suffer to be committed any waste upon said Premises, and nuisance or any other act which may disturb the quiet enjoyment of any resident. Public areas shall not be defaced and no littering shall be permitted. No articles of clothing or other materials are to be left to dry or hang in publicly exposed areas other than a clothing line in an enclosed backyard.

5. **Parking** – The Parking Agreement applies to Tenant and Tenant's household and must be complied with at all times.

6. **Automobiles** - We encourage walking, bicycling and carpooling. Please limit the use of your while on the Island. All Tenants owning vehicles which will be parked on the Island will be required to execute a Parking Agreement.

7. **Resident Responsibility** - The management wishes that Tenant makes full use of the many facilities provided to them throughout the Villages at Treasure Island and to consider these premises as their home. In turn, Tenants are reminded that they have a corresponding responsibility for keeping their home as neat and attractive a place to live as possible.

8. **Keys** - Each resident will be provided with one set of keys which must be returned upon vacating the Premises. A $75.00 charge will be assessed if keys are lost or not returned at move-out. Additional keys will be provided by management if requested and appropriate.

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

9. **Lock-Out Service** - The management does not provide after hours lock-out service. In the event you are locked out of your unit we recommend you call a licensed locksmith. The cost of the locksmith will be your responsibility. Should you require a change in the lock set you must immediately provide a key to the leasing office.

10. **Office Hours** - Normal office hours to receive rents and to transact other office business is posted on the office door. Tenants are admitted to the office to conduct business only and for no other purpose.

11. **Cleaning and Condition of the Unit**- Landlord agrees to provide Tenant with a unit properly cleaned and in good condition. Tenant shall be responsible for maintaining the neat appearance of their homes; and no home may be so filled with furniture and personal items as to constitute a fire or safety hazard in the judgment of Landlord. Tenant shall maintain the Premises in a safe and sanitary condition. Tenant shall not store, place or maintain personal property outside of the Premises. Tenant shall not affix, post, hang or display any personal property, including but not limited to, wind chimes, signs, statuary on the exterior of the Premises without the prior written consent of Landlord.

12. **Safety and Unit Condition** – Landlord shall perform an annual inspection of all project facilities and units, and other inspections as needed of all units and appliances for safety and fire prevention standards. Management shall designate a day or days when such inspection shall be made and so notify the Tenants at least three days prior thereto.

13. **Oxygen Therapy or Usage** - Any Tenant or their visitors utilizing oxygen within his/her unit or on the project grounds of The Villages at Treasure Island must adhere to the safety precautions listed in the usage booklet provided with the oxygen tank. Three areas which we emphasize are: (1) smoking or open flame are not permitted within the apartment; (2) store oxygen units away from heat; (3) keep the units away from all flammable materials such as grease, oil hair lubricants, Vaseline, hand lotions, and aerosol sprays. In addition, persons using oxygen must inform the office so that management can review the oxygen policy with the resident.

14. **Trash** – Tenant may not place a trash receptacle (a trash can) on the sidewalk, street, or public right-of-way until after the hour of 6:00 p.m. of the day immediately prior to the day of trash collection. Within 24 hours of placing a trash receptacle (a trash can) for collection and after the contents of the trash receptacle have been collected, Tenant shall remove the trash receptacle from the sidewalk, street or other public right-of-way and return the trash receptacle to the designated enclosure area for that Tenant's trash receptacle.

15. **Recycling** - In an effort to promote conservation we require all households to participate in the recycling program. You will be provided with necessary receptacles for separation of products and required to place containers on the curb on the designated pick-up day.

16. **Balconies and Patios** – Balconies and patios are not to be used for storage of personal belongings. This includes but is not limited to: boxes, brooms, mops, bicycles, garbage, debris, buckets, recycling, etc. The installation of screening on the balcony is prohibited. Only patio furniture, in good usable condition, may be kept on the balcony. Storage and use of barbecues is prohibited on the balcony.

17. **Firearms and fireworks** – Tenant shall not possess, store, use, or maintain firearms or any other object capable of firing a projectile, ammunition, explosives or fireworks in the Premises or on the project grounds.

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

18. **Quiet Hours** – Please respect your neighbors' right to a quiet environment. We ask that stereos, televisions and other activities be at reasonable levels at all times so as not to disturb others. Tenant must observe quiet hours between 10:00 p.m. and 7:00 a.m.

19. **Guest** - Tenant may have guests on the Premises up to thirty (30) days in a calendar year without Landlord's prior written consent. If guests are staying longer, prior written consent from management is required. A Tenant permitting guest(s) or unauthorized occupant(s) for a longer period without consent shall be considered subletting; which constitutes a violation of the rental agreement and a basis for termination. Tenant is responsible for the conduct of any person(s) visiting them on the Island.

20. **Common Area Use** - Tenant shall not use the common areas or project grounds for any gatherings or other functions. Tenant shall not place, install or use any equipment in the common areas or project grounds including but not limited to inflatable houses, slides or structures, catering equipment, and/or audio-visual equipment.

21. **Changes in House Rules** - Landlord reserves the right to rescind or change any of the foregoing rules and to make such other rules and regulations from time to time as may be deemed needful for the safety, care and cleanliness of the community. The rule(s) will be formally submitted to all Tenants in writing and shall become effective thirty (30) days following the date of delivery.

By signing below, Tenant(s) acknowledges having read and understood the content of this Addendum.

TREASURE ISLAND / YERBA BUENA ISLAND LANDLORD:

The John Stewart Company

By:_____ _____
Administrator (Date)

TENANTS: Original Tenant(s) and If Applicable, Post DDA Tenant(s), (all persons 18 years of age and older must sign):

By:_____ _____
(Date)

By:_____ _____
(Date)

By:_____ _____
(Date)

By:_____ _____
(Date)

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

THE VILLAGES AT TREASURE ISLAND
PROPERTY DISCLOSURE

Introduction: The residential unit you have or are planning to lease is located on Former Naval Station Treasure Island ("Treasure Island"). Treasure Island is still owned by the United States Navy, but local and state laws have granted to the Treasure Island Development Authority (the "Authority") jurisdiction over the planning, redevelopment, and conversion of Treasure Island for the public benefit of the City and County of San Francisco.

The Navy formally ceased operation Treasure Island in October of 1997, but had already begun downsizing its operation years earlier. As a result, the Authority, working with the City's Public Utilities Commission and certain other basic service providers (i.e., telephone, garbage, cable) has had to address a number of issues caused by the deferral of maintenance and repair of Treasure Island's infrastructure.

In addition, as described further below, the Navy is obligated under federal and state law to remediate hazardous materials prior to transferring Treasure Island to the Authority. Thus, you may notice certain continuing clean-up operations by the Navy's contractors on Treasure Island. State and federal EPA are involved in overseeing those clean-up efforts.

Also, as described further below, Treasure Island is subject to certain seismic hazards, which the Authority required the John Stewart Company to address as a precondition of residential leasing.

What follows below is a brief summary of some of the service and infrastructure issues affecting Treasure Island. Where available, reference is made to appropriate contact persons or more detailed source materials, which you may review.

I. BASIC SERVICES

Cable Television Services - The Authority approved a contract with COMCAST CABLE AND INTERNET SERVICES to provide cable and internet services to the residential housing units on Treasure Island. Questions or concerns regarding cable and internet services can be answered directly by Comcast Cable and Internet Services 1-800-266-2278 or the City's Department of Telecommunication and Information Services at (415) 554-0802, or the Leasing Office at (415) 834-0211.

Telephone Services - AT&T owns and operates the residential phone line system on Treasure Island. Questions or concerns regarding telephone service at Treasure Island should be directed to AT&T at 1-800 -331-0500 or the Leasing Office at (415) 834-0211.

Garbage - Garbage and recycling services on Treasure Island are performed by Golden Gate Disposal, as is the case with much of the rest of San Francisco. Questions or concerns regarding garbage service at Treasure Island should be directed to the Leasing Office at (415) 834-0211.

Utilities - Under a contractual agreement with the Navy, utility services (water, sewer, electric, and gas) are either directly provided or overseen by the San Francisco Public Utilities Commission. (Electrical power is provided by the PUC and gas service is provided by PG & E, but the PUC provides principal maintenance and repair services for all on-island utility infrastructure.)

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

II. SEISMIC ISSUES

Treasure Island and the Treasure Island Causeway are within a State of California seismic hazard zone for potentially liquefiable soils, and parts of the Yerba Buena Island perimeter slopes are within a State of California seismic hazard zone for earthquake induced landslides, Seismic Hazard Zone Report 043, CCSF. A geotechnical study for Treasure Island conducted on behalf of the Authority found that the top 30 to 50 feet of soil at Treasure Island is susceptible to liquefaction and lateral spreading during major earthquakes and subsequently to permanent settlement.

As part of the conversion to civilian residential re-use, the City and County of San Francisco and the Authority directed that all housing construction be evaluated in accordance with the U.S. Government Federal Emergency Management Agency (FEMA) Seismic Standard 178 entitled NEHRP (National Earthquake Hazard Reduction Program) handbook for the Seismic Evaluation of Existing Buildings. Per agreement with the City and County San Francisco Department of Building Inspection, those buildings which were evaluated to not be in conformance with the life-safety standards established in FEMA-178 were retrofitted to conform to the seismic requirements of the City and County of San Francisco Building Code prior to occupancy.

Based upon the evaluation and certification by structural engineers engaged by the John Stewart Company and concurring evaluation and certification by structural engineers engaged by the City and County of San Francisco, it is expected that upon completion of all required seismic retrofit, all residential buildings on Treasure Island and Yerba Buena Island met or exceeded the life safety level of performances specified in FEMA -178. While liquefaction, lateral spreading and / or consolidation of the underlying soils can be expected in a major earthquake, it is the professional opinion of the structural engineers that while some structural damage may occur, there is a very low probability that the damage would result in injury to occupants, and the expectation of the engineers is that the buildings will provide a satisfactory level of life safety performance. However, a major seismic event may affect other portions of Treasure Island (such as the causeway to the Bay Bridge), and could, among other things, impact ready access to and from Treasure Island.

A complete copy of the geotechnical reports and evaluations of the Structural Engineers are available for review with the Authority at their offices on the Second Floor of Building 1 on Treasure Island and in the John Stewart Company's Marketing and Management Office.

III. ENVIRONMENTAL ISSUES

A. Building Conditions

Lead-Based paint - Similar to most residential buildings constructed prior to 1978, interior and exterior painted woodwork at residential buildings (other than the 1400 Series Housing) contain lead-based paint. The Navy has maintained the lead-based paint in place in accordance with applicable environmental standards. The current condition of the paint is designated as intact (that is, not subject to flaking or peeling by casual contact). A copy of the pamphlet entitled: "Protect Your Family from Lead in Your Home" is available. Disturbance of painted woodwork by tenants must be performed in accordance with the Treasure Island "Operation & Maintenance Program for Lead-Based Paint." A copy of this pamphlet is available for review in the Treasure Island Development Authority Office.

Asbestos Containing Material (ACM) - Similar to most residential buildings constructed in 1960's, residential buildings on Treasure Island / Yerba Buena Island (except the 1400 Series Housing) contain asbestos containing materials (ACM). A complete inventory of ACMs in residential buildings is available for review in

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

the Treasure Island Development Authority's office. Disturbance of ACM by tenants must be done in accordance with the Treasure Island "Operation & Maintenance Program for Asbestos Containing Materials." A copy of this pamphlet is available for review in the Treasure Island Development Authority Office.

B. Ongoing Environmental Remediation

The Navy is conducting an environmental restoration program to investigate and remediate hazardous substances at Treasure Island. The California Department of Toxic Substances Control within the California Environmental Protection Agency (Cal-EPA) is the lead regulatory agency overseeing the Navy's environmental clean-up program. In addition, the California Department of Public Health, the United States Environmental Protection Agency (U.S. EPA) and the Treasure Island Development Authority have also been monitoring the Navy's clean-up program. In November 1998, The Navy issued a Finding of Suitability to Lease ("FOSL") for all the residential buildings currently being offered for lease. The Navy is continuing certain investigation and remediation activities related to the environmental restoration of Treasure Island. In addition, the Navy is and will continue to perform additional investigation and remediation activities in order to made more residential units available for lease, and to make the ultimate findings necessary for the Navy to transfer Treasure Island to the Authority after it has been determined that all remedial actions have been taken, as required by law. The Navy is also currently investigating portions of the current and future residential areas on Treasure Island that may require remedial actions to address concerns regarding human health or the environment. Work by the Navy in residential areas will be done in compliance with all applicable health and safety laws and all efforts will be made not to disturb or inconvenience tenants.

The Authority maintains in its offices on the second floor of Building 1. A more detailed summary of these investigative and remediation activities, as well as other important background information, including the types of hazardous substances being addressed, the nature of the remediation activities and general schedules for completion. These materials are compiled in a binder and are available for your review. The Authority will update these materials periodically to track changes in the Navy's progress. The materials will be available for review during normal business hours. If you wish, the Authority will make available to you one of its expert consultants to help answer questions.

In addition, a citizen's Restoration Advisory Board ("RAB") was established by the Navy to review and provide public input on the Navy's clean-up. The RAB meets every other month on the 3rd Tuesday at 7:00 pm on Treasure Island. Members of the public are welcome to attend.

Finally, the John Stewart Company will provide periodic updates regarding the clean-up especially for the Tenants of Treasure Island through regular newsletters sent to all Tenants.

I have read and understand this disclosure regarding certain conditions on Treasure Island and Yerba Buena Island.

TENANTS: Original Tenant(s) and If Applicable, Post DDA Tenant(s) (all persons 18 years of age and older must sign):

By: _____ _____
(Date)

By: _____ _____
(Date)

By: _____ _____
(Date)

By: _____ _____
(Date)

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

NOTICE AND ACKNOWLEDGEMENT

THIS NOTICE AND ACKNOWLEDGEMENT SECTION ONLY APPLIES TO POST DDA TENANTS

Treasure Island and Yerba Buena Island, in the City and County of San Francisco, California, will be developed in the future in accordance with various project approvals granted by the Treasure Island Development Authority ("Authority") and the San Francisco Board of Supervisors in April and June 2011, including a Disposition and Development Agreement ("TICD DDA") between the Authority and Treasure Island Community Development, LLC, dated as of June 28, 2011, which provides for the development of Treasure Island and Yerba Buena Island (the "Project"). The effective date of the TICD DDA is July 14, 2011 (the "DDA Effective Date"). The Authority also approved, and in connection with its approval of the TICD DDA the Board of Supervisors ratified, the Transition Housing Rules and Regulations for the Villages at Treasure Island ("Transition Housing Rules and Regulations") that provide for a package of benefits to "Transitioning Households" as defined in the Transition Housing Rules and Regulations. Copies of all the project approvals, including the TICD DDA and the Transition Housing Rules and Regulations, are posted on the Authority's website at www.sftreasureisland.org.

This notice is to inform you of the following information **before you enter into any lease or rental agreement and occupy a residential unit at Treasure Island/Yerba Buena Island:**

1. That the unit will be available only for an interim period pending development of the Project in accordance with the TICD DDA;

2. That your occupancy is on an month-to-month interim nonpermanent basis and that at some point in the future, as a result of the Project, you will be required to move.

3. That because your occupancy commenced after the Authority acquired a leasehold interest in the property located at Treasure Island/Yerba Buena, you will not be eligible for relocation benefits under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended ("URA"), or California Government Code Section 7260 et seq. and its implementing regulations located at California Code of Regulations, Title 25, Division 1 Chapter 6 (collectively, "Section 7260") if you are asked to move because of the Project.

4. That the projected date that your unit is expected to be vacated and demolished for development of the Project is prior to June, 2014, but no sooner than January, 2013, if your unit is located on Yerba Buena Island, and between June, 2015 and June, 2020 if your unit is located on Treasure Island, provided, such date is subject to change depending on the Project construction schedule.

5. That, along with all other Tenants of the Villages at Treasure Island, you will receive periodic notices with updates regarding the progress of the Project, including any anticipated changes in the projected date that your unit is expected to be vacated and demolished.

6. That you will be provided at least ninety (90) days' prior written notice of the date by which you must vacate the unit if the notice to move is triggered by the Project.

7. That because you are entering into a rental agreement after the DDA Effective Date, you are a Post-DDA Tenant under the Transition Housing Rules and Regulations and no Post-DDA Tenant is eligible for transition housing benefits under the Transition Housing Rules and Regulations, but you will be offered transition advisory services when required to move.

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

8. You may be required to relocate temporarily and/or permanently.

9. You may be subject to a rent increase.

If you have to move or your rent is increased as a result of the Project or otherwise, you will not be reimbursed for any such rent increase or for any costs or expenses incurred by you in connection with a move.

Please read this notification carefully prior to signing a rental agreement and moving into a unit on Treasure Island or Yerba Buena Island. If you should have any questions about this notice, please call 415 554 6170 for more information. Once you have read and have understood this notice, please sign the statement below if you still desire to enter into your rental agreement.

This notice and acknowledgement must be signed and dated prior to entering into a rental agreement and occupying a unit on Treasure Island or Yerba Buena Island.

I have read the above prior to entering into my rental agreement for and occupying a unit at Treasure Island or Yerba Buena Island and I understand that I am a Post-DDA Tenant under the Transition Housing Rules and Regulations, and I will not be eligible for relocation benefits under the URA or Section 7260 or transition housing benefits under the Transition Housing Rules and Regulations.

Tenant B

Post DDA Tenant: _____ Date: _____

Post DDA Tenant: _____ Date: _____

Post DDA Tenant: _____ Date: _____

Post DDA Tenant: _____ Date: _____

Villages at Treasure Island representative signature:

X _____ Date: _____

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

THE VILLAGES AT TREASURE ISLAND
HAZARDOUS SUBSTANCE DISCLOSURE

This addendum is entered into with respect to that certain Rental Agreement dated 6/3/2014, by and between the undersigned with respect to the rental of apartment number 1201-A located at Bayside Dr. San Francisco, CA 94130.

"WARNING: This apartment community contains asbestos, tobacco smoke and other substances known to the State of California to cause cancer and/or birth defects and other reproductive harm. Tobacco smoke may be present in the apartment community when persons in the apartment community smoke or otherwise use tobacco. Other hazardous substances are contained in some of the original building materials and in some of the products and materials used to maintain the property. Disturbance or damage to certain interior apartment surfaces may increase the potential for exposure of these substances."

Tenant(s) agrees for themselves, their guests and invitees, to comply with all rules and regulations as Landlord may from time to time prescribe in connection with Landlord's operations programs, including without limitation, asbestos operations and maintenance program, including without limitations the following:

(a) Tenant(s) shall not take or allow any action which in any way disturbs or damages any part of the ceiling or loose tiles, such as drilling or boring of holes, hanging plants or other objects from the ceiling; painting or repairing the ceiling or any floor tiles; replacing smoke detectors or florescent lights located on the ceiling.

(b) Tenant(s) shall notify Landlord immediately, and in writing if possible, if there is any water or other damage to or deterioration of the ceiling or any floor tiles in the Premises (including, without limitation, loose, cracking or hanging material or water stains or leaks).

Under no circumstances will compliance or performance of voluntary measures or any related alterations or removal or other abatement, management or monitoring of the asbestos and/or other substances relieve Tenant(s) obligations there under or under this Addendum, or constitute or be construed as a constructive or other eviction or Tenant(s) or interference with Tenant(s) right of quiet enjoyment of the Premises.

By signing below, Resident(s) acknowledges having read and understood the content of this Addendum.

TREASURE ISLAND / YERBA BUENA ISLAND LANDLORD:
The John Stewart Company
By: _____ _____
Administrator (Date)

TENANTS: Original Tenant(s) and If Applicable, Post DDA Tenant(s) (all persons 18 years of age and older must sign):

By: _____ (Date)_____

By: _____ (Date)_____

By: _____ (Date)_____

By: _____ (Date)_____

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

THE VILLAGES AT TREASURE ISLAND
MOLD NOTIFICATION AGREEMENT

THIS AGREEMENT is made and entered into between The John Stewart Company, "Landlord", and

Tenant A **Tenant B**

"Tenant(s)".

Resident(s) is/are renting from Landlord the premises located at: 1201-A Bayside Dr.,
San Francisco, CA 94130.

It is the goal of the Landlord to maintain the highest quality of living environment for the Tenant of this property. Prior to your taking possession of the apartment listed above, and at the time of your move-in, the Landlord, or its authorized agent, has inspected the apartment and knows of no damp or wet building materials and knows of no mold or mildew contamination. Resident(s) is/are hereby notified that mold and mildew can grow on the surfaces in the apartment, it can cause mildew and mold to grow. It is important that Tenant regularly allow air to circulate in the apartment. It is also important that Tenant keep the interior of the apartment clean and that they promptly notify the Landlord, or its authorized agent, of any leaks, moisture problems and/or mold or mildew growth.

Tenant agrees to maintain the Premises in a manner that prevents the occurrence of an infestation of mold or mildew. Tenant shall:

1. Keep the unit free of dirt and debris that can harbor mold or mildew.

2. Immediately report to the Landlord, or its authorized agent, any water intrusion such as plumbing leaks, drips or other moisture conditions.

3. Notify Landlord, or its authorized agent, of overflows from bathroom, kitchen or unit laundry facilities, especially in cases where the overflow may have penetrated the walls, cabinets, or flooring.

4. Report to the Landlord, or its authorized agent, any significant mold growth on surfaces inside the Premises.

5. Use bathroom exhaust fans while showering or bathing and report to the Landlord, or its authorized agent, immediately if the exhaust fan ceases to function properly.

6. Use exhaust fans whenever cooking, dishwashing, or cleaning.

7. Open bathroom windows (if applicable) while bathing, showering, or cleaning.

8. Use all reasonable care to close all windows and other opening in the Premises to prevent outdoor water from penetrating into the interior unit.

9. Clean and dry any visible moisture on windows, walls, and other surfaces, including personal property, as soon as reasonably possible. (Note: Mold and mildew can grow on damp surfaces within 24 to 48 hours.)

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

10. Notify the Landlord or its authorized agent, or any problems with air conditioning or heating systems.

11. Tenant hereby agrees to indemnify and hold harmless the Landlord/Management from any actions, claims, losses, damages and expenses, including, but not limited to, attorney's fees that the Landlord/Management may sustain or incur as a result of the negligence of the Tenant or any guest or other person living in, occupying or using the Premises.

By signing below, Tenant (s) acknowledges having read and understood the content of this Addendum.

TREASURE ISLAND / YERBA BUENA ISLAND LANDLORD:

The John Stewart Company

By: _____ _____
Administrator (Date)

TENANTS: Original Tenant(s) and If Applicable, Post DDA Tenant(s) (all persons 18 years of age and older must sign):

By: _____ _____
(Date)

By: _____ _____
(Date)

By: _____ _____
(Date)

By: _____ _____
(Date)

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

THE VILLAGES AT TREASURE ISLAND
MEGAN'S LAW

Notice: The California Department of Justice, sheriff departments, and police departments serving jurisdictions of 200,000 or more and many other local law enforcement authorities maintain for public access, a database of the locations of persons required to register pursuant to paragraph (1) of subdivision (a) of Section 290.4 of the Penal Code. The database is updated on a quarterly basis and a source of information about the presence of these individuals in any neighborhood. Pursuant to Section 290.46 of the penal code, information about specified registered sex offenders is made available to the public via an internet website maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and zip code in which he or she resides.

By signing below, Resident(s) acknowledges having read and understood the content of this Addendum.

TENANTS: Original Tenant(s) and If Applicable, Post DDA Tenant(s) (all persons 18 years of age and older must sign):

By: _____ _____
(Date)

By: _____ _____
(Date)

By: _____ _____
(Date)

By: _____ _____
(Date)

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

THE VILLAGES AT TREASURE ISLAND
PARKING AGREEMENT

PARKING SPACE #: 1201-A

TENANT NAME(S):

Tenant A **Tenant B**

ADDRESS: 1201-A Bayside Dr., SAN FRANCISCO, CA 94130

I have read, understand and agree to the following:

1) As used in this Parking Agreement, "the property" shall be defined as The Villages at Treasure Island and the areas managed by Landlord.

2) Each residential unit has assigned parking space(s) at the property.

3) Vehicle(s) of the household must be registered with the Landlord and issued a parking permit.

4) To apply for and be issued a parking permit, a vehicle's current registration, the registered owner's driver's license, and proof of insurance must be presented and reviewed by Landlord.

5) Permits must be renewed annually, at which time current documents are required. Permit(s) renewal coincides with residential lease renewal.

6) Vehicles parking at the property, not only vehicles in assigned space(s), must be issued and display a valid parking permit.

7) All vehicles must be currently registered, fully functional and in operable condition. Inoperable conditions include but are not limited to: flat tires; broken taillights, broken windows, missing bumpers, missing rear view mirrors, missing license plates.

8) Each Tenant with a vehicle that meets the requirements in this parking agreement is entitled to one (1) parking permit. Tenants who own two (2) vehicles may receive an additional permit. In no instance will a Tenant be issued more than two (2) permits.

9) Visitor parking spaces are for the sole use of visitors. Tenant may not use visitor parking spaces.

10) Visitor parking at the property shall be no more than 72 hours over a consecutive seven day period.

11) Parking is permitted in designated areas only. Parking is prohibited on lawns, sidewalks, red zones, and any areas that impinge on ingress and egress to any part of the property grounds or property facilities. Parked vehicles can not block fire hydrants or interfere with emergency vehicles. Double parking is prohibited.

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

12) Parking at the property is for residential use only. Certain vehicle types are prohibited from parking at the property. Prohibited vehicle types include, but are not limited to:

a) Recreational vehicles, including jet skis, boats, trailers, and mobile homes.

b) Commercial vehicles, including commercial vans, commercial trucks, promotional vehicles, cabs and limousines.

c) Oversized vehicles, including vehicles with multiple rear axels, in excess of 3500 lbs or in excess of 7 feet in height or 15 feet in length.

d) Other vehicles inconsistent with residential use at the property.

13) No vehicle maintenance, improvement, and/or repair activities are to be performed anywhere at the property.

14) Vehicles at the property must be free of fluid leaks, including oil, coolant, and other fluids. Tenants who own vehicles that cause leaks or spills are responsible for immediately cleaning the area and making necessary repairs to prevent any future leaks.

15) Car washing or maintenance of any kind is prohibited at the property.

16) Vehicles in violations of this parking agreement will be subject to towing at the Tenant's expense.

17) Landlord reserves the right to revoke parking permits, with or without cause.

By signing below, Resident(s) acknowledges having read and understood the content of this Addendum.

TENANTS: Original Tenant(s) and If Applicable, Post DDA Tenant(s) (all persons 18 years of age and older must sign):

_____ _____
Tenant (Date)

_____ _____
Tenant (Date)

_____ _____
Tenant (Date)

_____ _____
Tenant (Date)

_____
Vehicle license plate number(s)

_____
Parking Permit Number(s)

_____
Make, model, & color of vehicle(s)

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

THE VILLAGES AT TREASURE ISLAND
PROHIBITING HOT TUBS

Tenant shall NOT install or operate or permit to be installed or operated any hot tubs (or other such appliances) inside or outside on the Premises.

By signing below, Tenant(s) acknowledges having read and understood the content of this Addendum.

TENANTS: Original Tenant(s) and If Applicable, Post DDA Tenant(s) (all persons 18 years of age and older must sign):

By:_____ _____
(Date)

By:_____ _____
(Date)

By:_____ _____
(Date)

By:_____ _____
(Date)

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

THE VILLAGES AT TREASURE ISLAND
CARBON MONOXIDE DISCLOSURE

This Addendum is entered into with respect to that certain Lease Agreement dated 6/3/2014, by and between the undersigned with respect to the rental of apartment number 1201-A located at Bayside Dr., San Francisco, CA 94130.

Carbon Monoxide (CO) is a colorless, odorless and dangerous gas. Small concentrations of 10% CO in your blood can cause minor health problems. If Tenant notice "Flu-like" symptoms such as slight headache, nausea, vomiting, or fatigue, they may be experiencing mild CO exposure. Symptoms such as severe headaches, drowsiness, confusion, and accelerated heart rate could indicate a moderate degree of CO exposure. Extreme exposure may cause unconsciousness, convulsions, cardio respiratory failure, or death. Youth children, the elderly, and pets may be the first ones affected.

The CO detector installed in the apartments at the Villages continuously monitors the air quality. The detector alarms at multiple levels of exposure to carbon monoxide based on time weighted averages of the gas present. There is one light on the body of the detector which turns color to indicate various levels of CO. Green indicated that there are no detectable levels of CO present in the air. The light remains Green at all times, unless some level of CO has been detected. The light will turn Amber if low levels of CO are detected. This is a warning of a possible problem. If low levels are continuously detected over a longer period of time or if the detector measure CO at a high level, the light will turn Red and the alarm will sound. If the levels return to normal, the light will return to Green.

Based on information provided by the manufacturer and the contractor installing the detectors, in the event that a CO detector is activated, Tenant must adhere to the following protocol:

Light is Green at all times, unless CO has been detected.

If light turns Amber:

1. Ventilate the area by opening windows.

2. Turn the thermostat to the "off" position or to lowest temperature on the dial.

3. Call the Villages business office at 834-0211. Indicate that this is an emergency.

If light turn Red and alarm sounds:

1. Immediately ventilate or vacate the unit.

2. Turn furnace to "off" position or lowest setting on thermostat.

3. Call the Villages office at 834-0211. Indicate that this is an emergency.

4. Determine whether anyone has a headache or upset stomach, and respond to health concerns. (The elderly, children, and pets often experience symptoms earlier and to a greater degree.)

5. Do not reenter unit until it has been ventilated.

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

By signing below, Resident(s) acknowledges having read and understood the content of this Addendum.

TENANTS: Original Tenant(s) and If Applicable, Post DDA Tenant(s) (all persons 18 years of age and older must sign):

By:_____ _____
(Date)

By:_____ _____
(Date)

By:_____ _____
(Date)

By:_____ _____
(Date)

1201-A Bayside Dr.

Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____ Initial _____

SUBLEASE AND PROPERTY MANAGEMENT AGREEMENT

EXHIBIT H

APPROVED RENTAL RATES

The Villages at Treasure Island
2014 Rent Schedule

Unit	Address	2014 Rent Schedule
0060-A	Yerba Buena Rd.	2104
0060-B	Yerba Buena Rd.	3073
0066-A	Yerba Buena Rd.	2401
0066-B	Yerba Buena Rd.	2273
0066-C	Yerba Buena Rd.	2401
0066-D	Yerba Buena Rd.	2401
0066-E	Yerba Buena Rd.	2401
0066-F	Yerba Buena Rd.	2561
0105-A	Forest Rd	2561
0105-B	Forest Rd	2433
0106-A	Forest Rd	2305
0106-B	Forest Rd	2388
0109-A	Forest Rd	2433
0109-B	Forest Rd	2433
0111-A	Forest Rd.	2401
0111-B	Forest Rd.	2401
0113-A	Forest Rd.	2401
0113-B	Forest Rd.	2401
0115-A	Forest Rd.	2305
0115-B	Forest Rd.	2401
0300-A	Nimitz Dr.	2416
0300-B	Nimitz Dr.	2693
0300-C	Nimitz Dr.	2416
0300-D	Nimitz Dr.	2693
0300-E	Nimitz Dr.	2416
0300-F	Nimitz Dr.	2693
0300-G	Nimitz Dr.	2416
0300-H	Nimitiz Dr.	2416
0301-A	Macalla Ct.	2300
0301-B	Macalla Ct.	3041
0301-C	Macalla Ct.	2388
0301-D	Macalla Ct.	2417
0301-E	Macalla Ct.	2417
0301-F	Macalla Ct.	2416
0301-G	Macalla Ct.	2416
0301-H	Macalla Ct.	3045
0302-A	Nimitz Dr.	2561
0302-B	Nimitz Dr.	2561
0302-C	Nimitz Dr.	2817
0302-D	Nimitz Dr.	2817
0302-E	Nimitz Dr.	2945
0302-F	Nimitz Dr.	3045
0302-G	Nimitz Dr.	2561
0302-H	Nimitz Dr.	2561
0303-A	Nimitz Dr.	2761
0303-B	Nimitz Dr.	2895
0303-C	Nimitz Dr.	2895
0303-D	Nimitz Dr.	2895
0303-E	Nimitz Dr.	2895

The Villages at Treasure Island
2014 Rent Schedule

0303-F	Nimitz Dr.	3106
0303-G	Nimitz Dr.	2895
0303-H	Nimitz Dr.	2817
0304-A	Nimitz Dr.	2964
0304-B	Nimitz Dr.	2908
0304-C	Nimitz Dr.	2832
0304-D	Nimitz Dr.	2912
0304-E	Nimitz Dr.	2753
0304-F	Nimitz Dr.	3106
0304-G	Nimitz Dr.	3045
0304-H	Nimitz Dr.	3106
0324-A	Yerba Buena Rd.	3585
0324-B	Yerba Buena Rd.	3429
0324-C	Yerba Buena Rd.	3329
0324-D	Yerba Buena Rd.	3685
0325-A	Yerba Buena Rd.	3685
0325-B	Yerba Buena Rd.	3429
0325-C	Yerba Buena Rd.	3585
0325-D	Yerba Buena Rd.	3653
0326-A	Yerba Buena Rd.	3329
0326-B	Yerba Buena Rd.	3073
0327-A	Yerba Buena Rd.	3841
0327-B	Yerba Buena Rd.	3685
0328-A	Yerba Buena Rd.	2561
0328-B	Yerba Buena Rd.	2945
0328-C	Yerba Buena Rd.	2945
0328-D	Yerba Buena Rd.	3073
0329-A	Yerba Buena Rd.	3713
0329-B	Yerba Buena Rd.	3713
0331-A	Yerba Buena Rd.	3457
0331-B	Yerba Buena Rd.	3201
1108-A	Halyburton Ct.	2298
1108-B	Halyburton Ct.	2292
1108-C	Halyburton Ct.	2177
1108-D	Halyburton Ct.	2177
1109-A	Keppler Ct.	2388
1109-B	Keppler Ct.	2388
1109-C	Keppler Ct.	2643
1109-D	Keppler Ct.	2574
1109-E	Keppler Ct.	3024
1109-F	Keppler Ct.	2889
1110-A	Halyburton Ct.	2388
1110-B	Halyburton Ct.	2388
1110-C	Halyburton Ct.	2388
1110-D	Halyburton Ct.	2388
1111-A	Keppler Ct.	2388
1111-B	Keppler Ct.	2644
1111-C	Keppler Ct.	2042
1111-D	Keppler Ct.	2298
1112-A	Hutchins Ct.	2356
1112-B	Hutchins Ct.	2298

The Villages at Treasure Island
2014 Rent Schedule

1112-C	Hutchins Ct.	2298
1112-D	Hutchins Ct.	2388
1113-A	Keppler Ct.	2405
1113-B	Keppler Ct.	2388
1113-C	Keppler Ct.	2810
1113-D	Keppler Ct.	2567
1113-E	Keppler Ct.	2945
1113-F	Keppler Ct.	2689
1113-G	Keppler Ct.	2405
1113-H	Keppler Ct.	2405
1114-A	Hutchins Ct.	2356
1114-B	Hutchins Ct.	2388
1114-C	Hutchins Ct.	2388
1114-D	Hutchins Ct.	2356
1115-A	Keppler Ct.	2042
1115-B	Keppler Ct.	2042
1115-C	Keppler Ct.	2405
1115-D	Keppler Ct.	2298
1115-E	Keppler Ct.	2405
1115-F	Keppler Ct.	2388
1115-G	Keppler Ct.	2405
1115-H	Keppler Ct.	2405
1118-A	Hutchins Ct.	2305
1118-B	Hutchins Ct.	2356
1118-C	Hutchins Ct.	2356
1118-D	Hutchins Ct.	2356
1120-A	Reeves Ct.	2337
1120-B	Reeves Ct.	2298
1120-C	Reeves Ct.	2273
1120-D	Reeves Ct.	2399
1122-A	Reeves Ct.	2399
1122-B	Reeves Ct.	2388
1122-C	Reeves Ct.	2516
1122-D	Reeves Ct.	2337
1122-E	Reeves Ct.	2388
1122-F	Reeves Ct.	2042
1124-A	Reeves Ct.	2042
1124-B	Reeves Ct.	2388
1124-C	Reeves Ct.	2388
1124-D	Reeves Ct.	2388
1124-E	Reeves Ct.	2042
1124-F	Reeves Ct.	2209
1128-A	Reeves Ct.	2561
1128-B	Reeves Ct.	2388
1128-C	Reeves Ct.	2399
1128-D	Reeves Ct.	2644
1129-A	Mason Ct.	2266
1129-B	Mason Ct.	2388
1129-C	Mason Ct.	2768
1129-D	Mason Ct.	2561
1129-E	Mason Ct.	2298

The Villages at Treasure Island
2014 Rent Schedule

1129-F	Mason Ct.	2516
1129-G	Mason Ct.	2305
1129-H	Mason Ct.	2177
1131-A	Mason Ct.	2266
1131-B	Mason Ct.	2397
1131-C	Mason Ct.	2388
1131-D	Mason Ct.	2305
1131-E	Mason Ct.	2388
1131-F	Mason Ct.	2266
1133-A	Mason Ct.	2644
1133-B	Mason Ct.	2718
1133-C	Mason Ct.	2768
1133-D	Mason Ct.	2695
1133-E	Mason Ct.	2695
1133-F	Mason Ct.	2695
1133-G	Mason Ct.	2224
1133-H	Mason Ct.	2305
1135-A	Mason Ct.	2305
1135-B	Mason Ct.	2388
1135-C	Mason Ct.	2262
1135-D	Mason Ct.	2644
1135-E	Mason Ct.	2397
1135-F	Mason Ct.	2397
1135-G	Mason Ct.	2397
1135-H	Mason Ct.	2397
1137-A	Mason Ct.	2388
1137-B	Mason Ct.	2298
1137-C	Mason Ct.	2266
1137-D	Mason Ct.	2397
1141-A	Ozbourn Ct.	2388
1141-B	Ozbourn Ct.	2397
1141-C	Ozbourn Ct.	2298
1141-D	Ozbourn Ct.	2397
1141-E	Ozbourn Ct.	2679
1141-F	Ozbourn Ct.	2177
1143-A	Ozbourn Ct.	2433
1143-B	Ozbourn Ct.	2289
1143-C	Ozbourn Ct.	2417
1143-D	Ozbourn Ct.	2417
1143-E	Ozbourn Ct.	2353
1143-F	Ozbourn Ct.	2417
1145-A	Ozbourn Ct.	2417
1145-B	Ozbourn Ct.	2433
1145-C	Ozbourn Ct.	2695
1145-D	Ozbourn Ct.	2625
1145-E	Ozbourn Ct.	2567
1145-F	Ozbourn Ct.	2695
1147-A	Ozbourn Ct.	2397
1147-B	Ozbourn Ct.	2388
1147-C	Ozbourn Ct.	2768
1147-D	Ozbourn Ct.	2817

The Villages at Treasure Island
2014 Rent Schedule

1147-E	Ozbourn Ct.	2561
1147-F	Ozbourn Ct.	2768
1147-G	Ozbourn Ct.	2177
1147-H	Ozbourn Ct.	2298
1149-A	Ozbourn Ct.	2388
1149-B	Ozbourn Ct.	2305
1149-C	Ozbourn Ct.	2618
1149-D	Ozbourn Ct.	2298
1201-A	Bayside Dr.	2388
1201-B	Bayside Dr.	2417
1201-C	Bayside Dr.	2561
1201-D	Bayside Dr.	2695
1201-E	Bayside Dr.	2388
1201-F	Bayside Dr.	2305
1202-A	Mariner Dr.	2516
1202-B	Mariner Dr.	2305
1202-C	Mariner Dr.	2768
1202-D	Mariner Dr.	2768
1202-E	Mariner Dr.	2433
1202-F	Mariner Dr.	2433
1203-A	Bayside Dr.	2292
1203-B	Bayside Dr.	2100
1203-C	Bayside Dr.	2516
1203-D	Bayside Dr.	2388
1204-A	Mariner Dr.	2298
1204-B	Mariner Dr.	2644
1204-C	Mariner Dr.	2631
1204-D	Mariner Dr.	2567
1204-E	Mariner Dr.	2644
1204-F	Mariner Dr.	2516
1205-A	Bayside Dr.	2369
1205-B	Bayside Dr.	2435
1205-C	Bayside Dr.	2945
1205-D	Bayside Dr.	3108
1205-E	Bayside Dr.	2435
1205-F	Bayside Dr.	2307
1208-A	Mariner Dr.	2388
1208-B	Mariner Dr.	2516
1208-C	Mariner Dr.	2945
1208-D	Mariner Dr.	2695
1208-E	Mariner Dr.	2644
1208-F	Mariner Dr.	2388
1210-A	Mariner Dr.	2561
1210-B	Mariner Dr.	2768
1210-C	Mariner Dr.	2768
1210-D	Mariner Dr.	2810
1211-A	Bayside Dr.	2817
1211-B	Bayside Dr.	2817
1211-C	Bayside Dr.	3137
1211-D	Bayside Dr.	3137
1211-E	Bayside Dr.	2644

The Villages at Treasure Island
2014 Rent Schedule

1211-F	Bayside Dr.	2817
1212-A	Mariner Dr.	2516
1212-B	Mariner Dr.	2417
1212-C	Mariner Dr.	2561
1212-D	Mariner Dr.	2810
1212-E	Mariner Dr.	2516
1212-F	Mariner Dr.	2483
1213-A	Bayside Dr.	2516
1213-B	Bayside Dr.	2593
1213-C	Bayside Dr.	2889
1213-D	Bayside Dr.	3027
1213-E	Bayside Dr.	2426
1213-F	Bayside Dr.	2644
1214-A	Gateview Ct.	2388
1214-B	Gateview Ct.	2417
1214-C	Gateview Ct.	3027
1214-D	Gateview Ct.	2945
1214-E	Gateview Ct.	2132
1214-F	Gateview Ct.	2483
1215-A	Bayside Dr.	2593
1215-B	Bayside Dr.	2388
1215-C	Bayside Dr.	2369
1215-D	Bayside Dr.	2625
1215-E	Bayside Dr.	2644
1215-F	Bayside Dr.	2644
1217-A	Mariner Dr.	2516
1217-B	Mariner Dr.	2516
1217-C	Mariner Dr.	2768
1217-D	Mariner Dr.	2561
1217-E	Mariner Dr.	2417
1217-F	Mariner Dr.	2305
1218-A	Gateview Ct.	2388
1218-B	Gateview Ct.	2305
1218-C	Gateview Ct.	2810
1218-D	Gateview Ct.	2561
1218-E	Gateview Ct.	2516
1218-F	Gateview Ct.	2132
1219-A	Mariner Dr.	2516
1219-B	Mariner Dr.	2388
1219-C	Mariner Dr.	2695
1219-D	Mariner Dr.	2768
1219-E	Mariner Dr.	2644
1219-F	Mariner Dr.	2388
1221-A	Mariner Dr.	2516
1221-B	Mariner Dr.	2388
1221-C	Mariner Dr.	2695
1221-D	Mariner Dr.	2625
1221-E	Mariner Dr.	2388
1221-F	Mariner Dr.	2718
1224-A	Bayside Dr.	2433
1224-B	Bayside Dr.	2644

The Villages at Treasure Island
2014 Rent Schedule

1224-C	Bayside Dr.	2955
1224-D	Bayside Dr.	2955
1224-E	Bayside Dr.	2388
1224-F	Bayside Dr.	2305
1227-A	Northpoint Dr.	2388
1227-B	Northpoint Dr.	2388
1227-C	Northpoint Dr.	2945
1227-D	Northpoint Dr.	2625
1227-E	Northpoint Dr.	2388
1227-F	Northpoint Dr.	2388
1228-A	Gateview Ct.	2644
1228-B	Gateview Ct.	2388
1228-C	Gateview Ct.	2953
1228-D	Gateview Ct.	2955
1228-E	Gateview Ct.	2679
1228-F	Gateview Ct.	2516
1232-A	Northpoint Dr.	2388
1232-B	Northpoint Dr.	2644
1232-C	Northpoint Dr.	2561
1232-D	Northpoint Dr.	2945
1232-E	Northpoint Dr.	2644
1232-F	Northpoint Dr.	2644
1234-A	Northpoint Dr.	2388
1234-B	Northpoint Dr.	2644
1234-C	Northpoint Dr.	2945
1234-D	Northpoint Dr.	2842
1234-E	Northpoint Dr.	2260
1234-F	Northpoint Dr.	2644
1235-A	Northpoint Dr.	2260
1235-B	Northpoint Dr.	2132
1235-C	Northpoint Dr.	2817
1235-D	Northpoint Dr.	2955
1235-E	Northpoint Dr.	2211
1235-F	Northpoint Dr.	2132
1237-A	Northpoint Dr.	2567
1237-B	Northpoint Dr.	2388
1237-C	Northpoint Dr.	2369
1237-D	Northpoint Dr.	2561
1237-E	Northpoint Dr.	2132
1237-F	Northpoint Dr.	2566
1238-A	Northpoint Dr.	2417
1238-B	Northpoint Dr.	2388
1238-C	Northpoint Dr.	2695
1238-D	Northpoint Dr.	2695
1238-E	Northpoint Dr.	2388
1238-F	Northpoint Dr.	2305
1239-A	Northpoint Dr.	2516
1239-B	Northpoint Dr.	2388
1239-C	Northpoint Dr.	2164
1239-D	Northpoint Dr.	2177
1239-E	Northpoint Dr.	2388

The Villages at Treasure Island
2014 Rent Schedule

1239-F	Northpoint Dr.	2388
1239-G	Northpoint Dr.	2049
1239-H	Northpoint Dr.	2241
1240-A	Northpoint Dr.	2305
1240-B	Northpoint Dr.	2305
1240-C	Northpoint Dr.	2369
1240-D	Northpoint Dr.	3033
1240-E	Northpoint Dr.	2644
1240-F	Northpoint Dr.	2042
1241-A	Northpoint Dr.	2388
1241-B	Northpoint Dr.	2388
1241-C	Northpoint Dr.	2625
1241-D	Northpoint Dr.	2945
1241-E	Northpoint Dr.	2516
1241-F	Northpoint Dr.	2644
1242-A	Northpoint Dr.	2416
1242-B	Northpoint Dr.	2417
1242-C	Northpoint Dr.	2561
1242-D	Northpoint Dr.	2042
1242-E	Northpoint Dr.	2561
1242-F	Northpoint Dr.	2132
1245-A	Northpoint Dr.	2042
1245-B	Northpoint Dr.	2644
1245-C	Northpoint Dr.	2689
1245-D	Northpoint Dr.	2693
1245-E	Northpoint Dr.	2516
1245-F	Northpoint Dr.	2289
1247-A	Exposition Dr.	2305
1247-B	Exposition Dr.	2417
1247-C	Exposition Dr.	2625
1247-D	Exposition Dr.	2132
1247-E	Exposition Dr.	2305
1247-F	Exposition Dr.	2417
1249-A	Exposition Dr.	2644
1249-B	Exposition Dr.	2516
1249-C	Exposition Dr.	2625
1249-D	Exposition Dr.	2516
1249-E	Exposition Dr.	2305
1249-F	Exposition Dr.	2516
1250-A	Exposition Dr.	2644
1250-B	Exposition Dr.	2132
1250-C	Exposition Dr.	2369
1250-D	Exposition Dr.	2631
1250-E	Exposition Dr.	2119
1250-F	Exposition Dr.	2644
1253-A	Exposition Dr.	2644
1253-B	Exposition Dr.	2516
1253-C	Exposition Dr.	2900
1253-D	Exposition Dr.	2945
1253-E	Exposition Dr.	2132
1253-F	Exposition Dr.	2469

The Villages at Treasure Island
2014 Rent Schedule

1301-A	Gateview Ave	3198
1301-B	Gateview Ave	2810
1301-C	Gateview Ave	2810
1301-D	Gateview Ave	2727
1302-A	Avenue B	2689
1302-B	Avenue B	2905
1302-C	Avenue B	2983
1302-D	Avenue B	2945
1302-E	Avenue B	2983
1302-F	Avenue B	2983
1303-A	Gateview Ave	2842
1303-B	Gateview Ave	2845
1303-C	Gateview Ave	2841
1303-D	Gateview Ave	2945
1303-E	Gateview Ave	2842
1303-F	Gateview Ave	2842
1304-A	Avenue B	2689
1304-B	Avenue B	2689
1304-C	Avenue B	2689
1304-D	Avenue B	3137
1304-E	Avenue B	2689
1304-F	Avenue B	3111
1305-A	Gateview Ave	3105
1305-B	Gateview Ave.	2841
1305-C	Gateview Ave	2841
1305-D	Gateview Ave	2842
1306-A	Gateview Ave.	2978
1306-B	Gateview Ave	3137
1306-C	Gateview Ave.	3050
1306-D	Gateview Ave.	2981
1306-E	Gateview Ave.	2810
1306-F	Gateview Ave.	3137
1307-A	Gateview Ave	3225
1307-B	Gateview Ave	3196
1307-C	Gateview Ave	3137
1307-D	Gateview Ave	3009
1307-E	Gateview Ave	3137
1307-F	Gateview Ave	3073
1308-A	Gateview Ave.	2810
1308-B	Gateview Ave.	2945
1308-C	Gateview Ave.	2945
1308-D	Gateview Ave.	2828
1308-E	Gateview Ave.	2700
1308-F	Gateview Ave.	2828
1309-A	Gateview Ave	3225
1309-B	Gateview Ave	3225
1309-C	Gateview Ave	3225
1309-D	Gateview Ave	3137
1309-E	Gateview Ave	3225
1309-F	Gateview Ave	3047
1310-A	Gateview Ave.	2810

The Villages at Treasure Island
2014 Rent Schedule

1310-B	Gateview Ave.	2689
1310-C	Gateview Ave.	2689
1310-D	Gateview Ave.	2625
1310-E	Gateview Ave.	2810
1310-F	Gateview Ave.	2689
1311-A	Gateview Ave	3137
1311-B	Gateview Ave	3225
1311-C	Gateview Ave	3225
1311-D	Gateview Ave	3225
1311-E	Gateview Ave	3225
1311-F	Gateview Ave	2839
1312-A	Gateview Ave.	2828
1312-B	Gateview Ave.	2810
1312-C	Gateview Ave.	2754
1312-D	Gateview Ave.	2561
1312-E	Gateview Ave.	2810
1312-F	Gateview Ave.	2828
1313-A	Gateview Ave	2955
1313-B	Gateview Ave	2810
1313-C	Gateview Ave	2945
1313-D	Gateview Ave	2955
1313-E	Gateview Ave	2689
1313-F	Gateview Ave	2955
1314-A	Gateview Ave.	3137
1314-B	Gateview Ave.	3137
1314-C	Gateview Ave.	3137
1314-D	Gateview Ave.	3137
1315-A	Gateview Ave	3035
1315-B	Gateview Ave	2945
1315-C	Gateview Ave	3035
1315-D	Gateview Ave	3035
1315-E	Gateview Ave	3035
1315-F	Gateview Ave	2810
1316-A	Gateview Ave.	2967
1316-B	Gateview Ave.	2951
1316-C	Gateview Ave.	2967
1316-D	Gateview Ave.	2561
1316-E	Gateview Ave.	2810
1316-F	Gateview Ave.	2810
1325-A	Westside Dr.	3137
1325-B	Westside Dr.	3073
1325-C	Westside Dr.	3137
1325-D	Westside Dr.	3137
1400-A	Sturgeon St.	2113
1400-B	Sturgeon St.	2049
1400-C	Sturgeon St.	2113
1400-D	Sturgeon St.	2113
1400-E	Sturgeon St.	2113
1400-F	Sturgeon St.	2113
1402-A	Sturgeon St.	2113
1402-B	Sturgeon St.	2113

The Villages at Treasure Island
2014 Rent Schedule

1402-C	Sturgeon St.	2113
1402-D	Sturgeon St.	2189
1402-E	Sturgeon St.	2241
1402-F	Sturgeon St.	2049
1404-A	Sturgeon St.	2113
1404-B	Sturgeon St.	2113
1404-C	Sturgeon St.	2113
1404-D	Sturgeon St.	2127
1404-E	Sturgeon St.	2241
1404-F	Sturgeon St.	2042
1418-A	Striped Bass St.	2113
1418-B	Striped Bass St.	2241
1418-C	Striped Bass	2113
1418-D	Striped Bass	2113
1418-E	Striped Bass	2113
1418-F	Striped Bass	2241
1420-A	Striped Bass	2100
1420-B	Striped Bass	2067
1420-C	Striped Bass	2127
1420-D	Striped Bass	2113
1420-E	Striped Bass	2369
1420-F	Striped Bass	2241
1430-A	Halibut Ct.	2251
1430-B	Halibut Ct.	2049
1430-C	Halibut Ct.	2113
1430-D	Halibut Ct.	2174
1430-E	Halibut Ct.	2113
1430-F	Halibut Ct.	2324
1431-A	Halibut Ct.	2113
1431-B	Halibut Ct.	2113
1431-C	Halibut Ct.	2113
1431-D	Halibut Ct.	2113
1431-E	Halibut Ct.	2113
1431-F	Halibut Ct.	2113
1436-A	Chinook Ct.	2113
1436-B	Chinook Ct.	2127
1436-C	Chinook Ct.	2049
1436-D	Chinook Ct.	2113
1436-E	Chinook Ct.	2113
1436-F	Chinook Ct.	2113
1437-A	Chinook Ct.	2113
1437-B	Chinook Ct.	2113
1437-C	Chinook Ct.	2113
1437-D	Chinook Ct.	2154
1437-E	Chinook Ct.	2154
1437-F	Chinook Ct.	2100
1438-A	Chinook Ct.	2113
1438-B	Chinook Ct.	2049
1438-C	Chinook Ct.	2127
1438-D	Chinook Ct.	2113
1438-E	Chinook Ct.	2113

The Villages at Treasure Island
2014 Rent Schedule

1438-F	Chinook Ct.	2241
1439-A	Chinook Ct.	2113
1439-B	Chinook Ct.	2113
1439-C	Chinook Ct.	2127
1439-D	Chinook Ct.	2241
1439-E	Chinook Ct.	2113
1439-F	Chinook Ct.	2113
1444-A	Croaker Ct.	2113
1444-B	Croaker Ct.	2172
1444-C	Croaker Ct.	2113
1444-D	Croaker Ct.	1985
1444-E	Croaker Ct.	2356
1444-F	Croaker Ct.	2301
1449-A	Croaker Ct.	1921
1449-B	Croaker Ct.	2127
1449-C	Croaker Ct.	2125
1449-D	Croaker Ct.	2113
1449-E	Croaker Ct.	2113
1449-F	Croaker Ct.	2100

SUBLEASE AND PROPERTY MANAGEMENT AGREEMENT

EXHIBIT I
UTILITIES

STANDARD UTILITIES AND SERVICES AND RATES

TREASURE ISLAND/YERBA BUENA ISLAND MARKET-RATE HOUSING

as of July 1, 2014

Utility Service	Rate	Unit
Electric	Flat rate	
Water	Flat rate	
Sewer	Flat rate	
Gas	Flat rate	
Total Utility Rate:	$335.56 per Month per Residential Unit	

Memorandum of Understanding between the Treasure Island Development Authority (TIDA) and the San Francisco Public Utilities Commission (SFPUC) Regarding Naval Station Treasure Island Utility Services during the Term of the Base Caretaker Cooperative Agreement between TIDA and the U.S. Navy

THIS MEMORANDUM OF UNDERSTANDING (this "MOU") is entered into as September___, 2013, by and between the **CITY AND COUNTY OF SAN FRANCISCO** ("City"), a municipal corporation acting by and through the San Francisco Public Utilities Commission ("SFPUC"), and the **TREASURE ISLAND DEVELOPMENT AUTHORITY**, a California non-profit public benefit corporation ("TIDA"), collectively, the "parties", upon the following facts, intentions and understandings of the parties:

RECITALS

A. In 1993, Naval Station Treasure Island ("NSTI"), consisting of both Treasure Island and portions of Yerba Buena Island, was designated for closure and disposition by the Base Realignment and Closure Commission acting under Public Law 101-510 and its subsequent amendments. The Department of Defense subsequently designated the City and County of San Francisco ("City"), and later TIDA, as the Local Reuse Authority ("LRA") responsible for the conversion of NSTI under the federal disposition process.

B. TIDA was created in 1997 to serve as a single-purpose entity responsible for the redevelopment of NSTI. Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (1) designated TIDA as a redevelopment agency under the California Community Redevelopment Law with authority over NSTI, and (2) with respect to those portions of NSTI that are subject to the public trust for commerce, navigation and fisheries (the "Tidelands Trust" or "Trust"), vested in TIDA the authority to administer the Tidelands Trust as to such property in accordance with the terms of the Act.

C. The City and the Navy entered into the Base Caretaker Cooperative Agreement executed March 12, 1997, as amended from time to time (collectively, the "Cooperative Agreement"), for the interim management and operation of NSTI during the disposition process. Under the Cooperative Agreement, the City assumed responsibility for certain caretaker duties at NSTI including the operation, maintenance and repair of the Navy's utility systems that service NSTI. These caretaker responsibilities were later assumed by TIDA in 1998.

D. In January 2012 in response to AB26, the Board of Supervisors rescinded its designation of the TIDA as the redevelopment agency under California Community Redevelopment Law, but preserved TIDA's status as the LRA for NSTI and all other powers and authority that the City had granted to TIDA or that TIDA otherwise had.

E. The Cooperative Agreement includes various Function Annexes that describe in detail the caretaker duties for which TIDA is responsible under the Cooperative Agreement. Functional Annex 6 – Utilities Services – describes the Caretaker responsibilities for the

operation and maintenance of utilities systems at NSTI that TIDA is responsible to provide. The SFPUC has provided utility services on NSTI on behalf of TIDA, including the operation and maintenance of the active NSTI utility systems and the delivery of utilities to the occupants and users of NSTI. SFPUC activities include delivery of electricity, gas, water, stormwater and the operation and maintenance of the existing wastewater treatment plant and related facilities and pipe network on NSTI. Because the utility related facilities are not owned by the City or TIDA and have not been accepted by the Board of Supervisors pursuant to City ordinances, these utilities are not under the jurisdiction of the SFPUC. The SFPUC has been performing utility services for TIDA to the extent it can be reimbursed by NSTI utility revenues imposed or collected by TIDA, or other TIDA revenues. To date, the SFPUC has performed utility services at NSTI without a formal agreement with TIDA, and the purpose of this MOU is to memorialize the terms and conditions of continued performance of certain defined utility services.

F. In 2011, the City, TIDA and Treasure Island Community Development, LLC. ("TICD"), entered into three related agreements: a Disposition and Development Agreement (the "DDA") between TIDA and TICD; a Development Agreement (the"DA") between the City and TICD; and an Interagency Cooperation Agreement (the "ICA") between the City and TIDA (for reference purposes, all of these agreements are dated as of June 28, 2011). The DDA details a phased program for the development of NSTI including an Infrastructure Plan, Exhibit FF to the DDA, which describes the future utilities to be constructed by TICD as part of the development project.

G. TIDA is negotiating with the Navy an Economic Development Conveyance Memorandum of Agreement (the "EDC MOA") seeking conveyance of all of NSTI other than the portions that the Navy previously conveyed to the United States Department of Labor Job Corps, the United States Coast Guard and the Federal Highway Administration through federal-to-federal transfers. The portions of NSTI that are subject to the EDC Application are collectively referred to in this MOU as the "Property". Following execution of the EDC MOA, the Navy will transfer the Property to TIDA, as the designated LRA, in phases in accordance with the conditions set forth in the EDC MOA (the "Transfer"). The EDC MOA will address the obligations of the Navy and TIDA with respect to maintenance, operation, and replacement of utility systems during the course of the Transfer process through a Utility Agreement that is being negotiated between TIDA and the Navy. The parties anticipate that TIDA and the SFPUC will negotiate a new MOU, or an amendment to this MOU, related to utility services provided under the term of the EDC MOA and Utility Agreement.

H. For purposes of this MOU utility infrastructure on the Property that has not yet been transferred to the City is referred to as "Pretransfer Infrastructure."

I. The parties acknowledge that the existing infrastructure on NSTI was built by the Navy and does not meet current SFPUC standards. Given the state of the existing infrastructure, the SFPUC may not be able to provide utility services on NSTI equivalent to the services that SFPUC provides in the other areas of San Francisco, pending construction, dedication and acceptances of new utility systems. SFPUC has worked with TIDA on plans for long term capital improvements to the substandard infrastructure through the redevelopment of NSTI.

NOW, THEREFORE, the parties hereto agree as follows:

1. **Term**. The term of this MOU will commence on the date on which the parties hereto have executed and delivered this MOU and will expire, unless sooner terminated, on September 30, 2014, unless amended by the parties in writing.

2. **Provision of Utility Services**.

(a) During the Term, the SFPUC agrees that it will continue to provide utility services for, and on behalf of, TIDA on NSTI consistent with past practices, and to the extent feasible given the condition of the utility systems and related infrastructure (the "Services"). These Services are described in Functional Annex 6 of the current Cooperative Agreement with noted exceptions and amendments as shown on Exhibit A, attached hereto, and subject to the terms and conditions of this MOU., The scope of the Services may be amended by written agreement between the parties hereto. In no event shall the SFPUC be required to continue to provide the Services if TIDA fails to fulfill its payment obligations set forth in Section 3 below.

(b) The parties acknowledge that all Services rendered by the SFPUC to TIDA hereunder are as a contractor, not as a public utility provider, and the SFPUC's expenditure authority in providing the Services is limited to the funds realized under Section 3 below as payment for the Services. These payments are expected to include funds for the day-to-day operation and maintenance of the Pretransfer Infrastructure, including any claims or judgments, so that the SFPUC is made whole.

(c) The Navy, as the owner of NSTI, has responsibility for investigating and remediating Hazardous Materials consistent with Federal and State law, and the terms of the pending EDC MOA. TIDA is responsible for conveying information concerning Navy activities to SFPUC and developing and distributing Health and Safety Plans for the use of SFPUC employees performing services under this MOU. TIDA agrees to inform SFPUC as soon as practicable of any work that the Navy is performing as part of the remediation or otherwise, that will impact Navy infrastructure that the SFPUC is responsible under this MOU to service. TIDA agrees to convey as built drawings of any repaired or replaced Navy infrastructure to the SFPUC as soon as practicable. Upon SFPUC's request, TIDA will schedule meetings with the persons most knowledgeable about the Navy's remediation activities in order to provide current information to the SFPUC.

(d) The SFPUC will inform TIDA of all known conditions related to providing Services that could result in threats to public health and safety or regulatory violations due to infrastructure failure. The SFPUC conducted a condition assessment of certain utility infrastructure on NSTI, and provided those reports to TIDA. In addition, the SFPUC provided TIDA an assessment and cost estimate for the most immediate necessary capital improvements for the existing utilities on NSTI, including system reliability, regulatory compliance, and public/worker safety. TIDA is pursuing Board approval of capital funding in the amount of $10 Million to address critical near term repairs to the existing infrastructure. SFPUC will coordinate with TIDA in the implementation of those capital repair projects.

(e) SFPUC will not continue to provide Services if conditions at NSTI work locations present a threat to the health and safety of SFPUC staff or contractors. SFPUC shall notify TIDA when it becomes aware of circumstances that pose an immediate or near term threat to the health or safety of SFPUC staff or others. Immediate threats to the health or safety of SFPUC staff will result in the immediate cessation of applicable Services until TIDA, or a third party, remedies the unsafe situation to a satisfactory level to permit the continuation of the applicable Services. Near term threats to the health or safety of SFPUC staff will be reported by the SFPUC to TIDA with a summary of work needed to remedy the unsafe situation, including an estimated timeframe for how long the SFPUC will be able to safely provide utility services before the situation must be remedied.

(f) As noted in Recital I above, the existing infrastructure on NSTI was built by the Navy and does not meet current SFPUC standards. SFPUC is not responsible for permit or regulatory violations that result from facilities that the SFPUC has notified TIDA are in need of repair or replacement. SFPUC currently prepares, and will continue to prepare, the reports for state and federal wastewater, stormwater, air emissions and drinking water permits for the Navy, but the Navy is responsible for certifying and submitting those reports. The Navy is also responsible for meeting any permit violation reporting requirements. The SFPUC currently uploads, and will continue to upload data to C.I.W.Q.S, but the Navy is ultimately responsible for certifying all monitoring data and reporting.

(g) TIDA is responsible under the Cooperative Agreement for communications with the Navy and all third parties on NSTI regarding the conditions of the utility systems, and any interruptions to Services. The SFPUC will assist as needed in any such communications.

3. **Compensation**.

(a) TIDA shall pay, or cause the SFPUC to be paid by the occupants of NSTI, for the costs to perform the Services, including any claims or judgments arising from such performance, such that the SFPUC is made whole (without penalty or profit). The SFPUC shall recommend to TIDA annual budgets and supplemental budgets as needed to perform the Services and the parties will meet and discuss all recommended repairs, upgrades and ongoing utility costs, and continue to make adjustments to budgets and charges as needed. The SFPUC agrees to invoice NSTI residents and businesses consistent with existing practices. The parties will meet and confer to discuss recommended changes to charges. All amounts collected by the SFPUC from NSTI residents and businesses shall be credited against amounts otherwise due and owing from TIDA to the SFPUC under this MOU.

(b) In January 2009, the Board of Supervisors approved an agreement between the SFPUC and TIDA, where TIDA agreed to make payments to the SFPUC in the amounts set forth in the Memorandum of Understanding Regarding Utility Rate Adjustments, to reimburse the SFPUC for unpaid amounts of utility services provided during Fiscal Years 1997/1998 through 2005/2006 over a term extending to the Fiscal Year 2018/2019, and TIDA shall continue to make those payments pursuant to such MOU until all the payments have been made.

(c) The parties further agree to meet and confer on a regular basis to review charges and payment amounts and make recommendations as to changes if appropriate.

4. **Cooperation.** The SFPUC and TIDA agree to cooperate with one another to implement the terms of this MOU in good faith, and shall meet regularly to discuss utilities operations and maintenance matters at NSTI.

5. **Notices.** Any notice given under this Agreement shall be in writing and given by delivering the notice in person, by commercial courier or by sending it by regular mail, with postage prepaid, to the mailing address listed below or any other address notice of which is given. For the convenience of the parties, copies of notices may also be given by facsimile, to the telephone number listed below or such other numbers as may be provided from time to time.

Address for SFPUC: 525 Golden Gate Ave,
13th Floor
San Francisco, CA 94103
Attn: Harlan L. Kelly Jr., General Manager
Telephone No: (415) 554-4704
Email: HKelly@sfwater.org

Address for the Authority: 1 Avenue of the Palms, Suite 241
Treasure Island
San Francisco, CA 94130
Attn: Robert Beck, Treasure Island Director
Fax No: (415) 274-0662
Telephone No: (415) 274-0660
Email: bob.beck@sfgov.org

7. **Miscellaneous Provisions.**

a. California Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of California and the City, including the City's Charter.

b. Entire Agreement. Subject to any subsequent agreements authorized pursuant to this Agreement, this Agreement contains all of the representations and the entire agreement between the parties with respect to the subject matter of this Agreement. No prior drafts of this Agreement or changes from those drafts to the executed version of this Agreement shall be introduced as evidence in any litigation or other dispute resolution proceeding by any party or other person, and no court or other body should consider those drafts in interpreting this Agreement.

c. Amendments. No amendment of this Agreement or any part hereof shall be valid unless it is in writing and signed by all of the parties hereto.

d. No Party Drafter; Captions. The provisions of this Agreement shall be construed as a whole according to their common meaning and not strictly for or against any party in order to achieve the objectives and purposes of the parties. Any caption preceding the text of any

section, paragraph or subsection or in the table of contents is included only for convenience of reference and shall be disregarded in the construction and interpretation of this Agreement.

e. Further Assurances. The parties hereto agree to execute and acknowledge such other and further documents as may be necessary or reasonably required to carry out the mutual intent of the parties as expressed in this Agreement.

f. Necessary Approvals. This Agreement may be subject to approval by the San Francisco Public Utilities Commission and the Treasure Island Development Authority, each in its sole and absolute discretion.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first above written.

SFPUC:

CITY AND COUNTY OF SAN FRANCISCO, acting by and through its Public Utilities Commission

By: _____
Harlan L. Kelly, Jr.
General Manager

THE AUTHORITY:

TREASURE ISLAND DEVELOPMENT AUTHORITY, a California public benefit corporation

By: _____
Robert Beck
Treasure Island Director

Approved as to form:

Dennis J. Herrera,
City Attorney

By: _____
Deputy City Attorney

Exhibit A

Description of the Services

The attached Functional Annex 6 from the Cooperative Agreement between the US Navy and the City and County of San Francisco outlines "Caretaker" responsibilities for the maintenance and operation of existing utility systems on the for Naval Station Treasure Island / Yerba Buena Island (NAVSTA TI/YBI) assumed by the City and County under the Cooperative Agreement.

Bold parenthetical comments **[Example]** are provided to clarify the Caretaker roles assumed by the Treasure Island Development Authority (TIDA) and San Francisco Public Utilities Commission (SFPUC) under this MOU and to provide clarifying language for certain other terms.

FUNCTIONAL ANNEX 6

UTILITIES SERVICES

6.1. Description

6.1.1. The Utilities Services function provides for maintenance and operation of electric, natural gas, sanitary sewer, sewage treatment and storm sewer systems by the Caretaker as well as for establishment of rates and collection of revenue to offset operating costs.

6.1.2. The Caretaker may use Building 264 and storage lot 292 at Treasure Island for performance of the Utilities Services function.

6.2. Concept of Operations

6.2.1. Lease of Utility Systems to the Treasure Island Development Authority: It is the intent of the Caretaker to enter into a lease for Navy owned utility systems serving Naval Station Treasure by the signing of EDC/LIFOC for the property. Prior to execution of the planned lease, and within the term of this agreement, the Caretaker will operate utility systems in accordance with requirements of this Annex and of the Technical Execution Plan for Utilities Management which is attached to and made part of this agreement. After execution of the lease, provisions of this agreement pertaining to utilities operations will be extinguished and requirements of the lease will prevail.

6.2.2. Assumption of Environmental and Operating Permits by the Caretaker: The Caretaker agrees to cooperate with the Navy and regulators to support the timely transfer of the permits required for the continuing operations of the Caretaker. This includes updating the permits to provide the organizational name(s) of the current operators for purposes of reporting required under the permits. The Caretaker will operate utilities in conformance with applicable permits and will perform regular monitoring and reporting required by these permits. All responses (written or oral) to violations or operations outside the permit limits will be brought to the immediate attention of the Navy, however, the responsibility to operate within the permit limits rests with the Caretaker. Specific schedules for transfer of the below listed permits shall be included in the EDC MOA, L1FOC and any other leases entered into by the Navy and the Caretaker. **[The SFPUC will perform the services described in this section in accordance with Sec 2(f) of this MOU]**

- State of Calif. – Health and Welfare Agency, Water Supply Permit No. 02-04-96P-3810702
- BAAQMD Permit to Operate Air Emissions Sources for Plant # 479
- RWQCB NPDES General Storm Water Permit No. CAS000001 for Facility WDID No. 238S012140
- RWQCB NPDES Waste Water Treatment Plant Permit No. CA0110116 Operations Under This Agreement Prior to Leasing
- California Department of Public Works Permit S.F.O.B.B. #16 of 22 November 1944

6.2.3. *Operations*

6.2.3.1. The Caretaker **[SFPUC]** will operate and maintain utility systems at Treasure Island and

Yerba Buena Island, as described in the applicable Technical Execution Plan (see paragraph 6.2.3.3), including electric, natural gas, water, sanitary sewer, storm sewer and sewage treatment systems. The Caretaker **[TIDA]** will defray associated costs through revenue generated by charging uniform rates established by the Caretaker **[TIDA]**.

6.2.3.2. All storage and handling of materials and equipment necessary for utility maintenance shall be done in accordance with the Treasure Island Storm Water Pollution Prevention Plan.

6.2.3.3 The Technical Execution Plan (TEP) for this annex is attached and made part of this agreement. The Caretaker **[SFPUC]** agrees to conform to the requirements and guidelines of the TEP that defines the extent of Caretaker **[SFPUC]** responsibility for utilities operations as well as specific operating procedures.

6.2.4. Purchase of Utility Commodities: The Caretaker **[SFPUC]** will be responsible for purchase of all electricity, natural gas and water consumed on TI and YBI and for purchase of electric power provided to the east water pump station serving the base. **[East water pump station is currently inactive; back-up electrical power provisions already fulfilled]**The Caretaker remains responsible per modification P00009 of this agreement, and agrees to make payment for back-up electrical power delivered to Treasure Island under Navy contract during fiscal year 1999. Payment will be made by the Caretaker directly to the Pacific Gas and Electric Co. upon submission of invoices by that company to the Navy.

6.2.5. Recovering Funds for Consumption by the Navy: Consumption for which the Navy is responsible have been determined through estimates mutually agreed upon by the Navy and the Caretaker. Estimated Navy consumption is itemized in figure 6-1. Total annual charges will not exceed $48,139.92 annually or $4,011.66 per month.

Annex 6, Figure 6-1
Navy Liability for Utilities Consumption
September 99

Notes	Use	Consumption Chargeable Monthly	Rate	Monthly cost	Annual Cost
[1]	Electricity for CSO (B's 1 and 570)	24 MWH	$121.34	$2,912.16	$34,945.92
[2]	Natural gas for CSO (B's 1 and 570)	197 MCF	$5.10	$1,004.70	$12,056.40
[3]	Water for CSO	10KGAL	$4.59	$45.90	$550.80
[4]	Sewer for CSO	10KGAL	$4.89	$48.90	$586.80
Totals				$4,011.66	$48,139.92

Notes:
[1] B's 1 & 570 = 10w / sq ft x 9,000 sq ft, 12 hrs per day, 22 days per month = 24MWH / month
[2] 30 btu's / sq ft / hr x 9,000 sq ft, 24 hrs per day 365 days per year
[3] 30 GPD / person, 22 days per month assuming average staff including contractors of 15.
[4] equal to domestic water consumption by CSO

6.2.5 System Extension and Provision of New Service

6.2.5.1. New Services Requested by the Navy and other Federal Users: Subject to the availability of funds for such purpose, the Caretaker **[SFPUC]** will provide any extension or alteration of systems along with any metering or service connections requested by the Navy or as concurred to by the Navy for other Federal users on the base. The Caretaker **[TIDA]** will recover costs for such work for other Federal users directly from the *benefiting* agency. Costs incurred for any such work requested by and executed for the Navy will be reimbursed via the provisions of this agreement or by amendment of this agreement as may be required.

6.2.5.2. New Services Required by Lessees or Licensees: The Caretaker **[TIDA]** may also provide **[authorize]** system extensions and alterations along with metering and service connections required to fully and exclusively meter use of water, electricity and natural gas within any premises which may be under license or lease from the Navy during the term of this agreement. Costs for any such work will be recovered by the Caretaker **[TIDA]** directly from the benefiting Lessee or Licensee and will not be charged to the Navy. **[All utility connections, extensions and alterations will only be performed by the SFPUC after a building permit and occupancy certificate are obtained from the authorities having jurisdiction (i.e., Department of Building Inspection) and all utility service connection, inspection, and building costs and fees are paid in full.]**

TECHNICAL EXECUTION PLAN
UTILITES MANAGEMENT

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TECHNICAL EXECUTION PLAN
UTILITIES MANAGEMENT

Ref : (a) Cooperative Agreement between the City and County of San Francisco and the U.S. Navy, N62474-97-2-0003, Mod P00012 (period of 01 October 2001 through 30 September 2001)

1.0 Purpose

This document provides general operational procedures for the management of the electric, water, natural gas, and sewer systems on Treasure Island (TI) and Yerba Buena Island (YBI).

2.0 Background (Not used)

3.0 Systems Definitions, Extent of Caretaker Responsibility for Utilities Distribution

The physical extent of each utility system that will be maintained by the Caretaker **[SFPUC]** is as described below. These descriptions apply to all elements of systems on Treasure Island and Yerba Buena Island and water and electric systems deriving in Emeryville and Oakland respectively with the exception of elements of systems serving the U.S. Coast Guard on Yerba Buena Island which are beyond designated service points and within the boundaries of Coast Guard owned property. The Caretaker **[TIDA]** will establish responsibilities within the Coast Guard boundaries through direct negotiations with the Coast Guard.

3.1 Water System: Facilities that are operated and maintained by the Caretaker **[SFPUC]** under the Cooperative agreement consist of the existing water delivery facilities at NAVSTA TI/YBI including:

3.1.1. Supply and delivery pipelines, originating at the supply points for NAVSTA TI/YBI from San Francisco City Distribution System and from the East Bay Municipal Utility District (EBMUD). The Caretaker **[SFPUC; if/when connection utilized]** agrees to conform to all requirements of California Department of Transportation S.F.O.B.B. Permit No. 16 Dated 22 November 1944 as it pertains to operation of the pipeline originating at the East Bay Municipal Utility District service point in Emeryville to the last (upstream) point of attachment of the Bay Bridge on YBI.

3.1.2. Water storage facilities

3.1.3. Water pumping and chlorinating stations

3.1.4. The water pumping station located in pier E23 of the east span of the San Francisco Bay Bridge.

3.1.5. All supply lines that cross through or under any leased or non-leased building for facility that do not serve that building or facility.

3.1.6 For metered buildings and facilities, the Caretaker **[SFPUC]** responsibility ends at the first valve or meter upstream of the building or facility.

3.1.5. For building and Facilities that arc not metered, the Caretaker **[SFPUC]** responsibility will include all supply lines and water system facilities up to five (5) feet from any building or facility.

3.2 Sanitary Sewer System: Facilities which are operated and maintained by the Caretaker **[SFPUC]** consist of the existing sanitary sewer collection and pumping facilities at NAVSTA TI/YBI, including:

3.2.1. Waste water treatment plant including all facilities within the perimeter fence of the plant and including all piping and appurtenant facilities to the point of discharge to San Francisco Bay.

3.2.2 Waste water-pumping stations **[and associated control rooms]**

3.2.3 Mainline sewers

3.2.4 Forced mains

3.2.5 Collection and service sewers to the limit of lease holding for leased facilities.

3.2.6 For buildings and facilities which are not leased or otherwise occupied, or which are in use by the Navy or Navy Customers; Collection and service sewers to either [a] the last cleanout upstream of the mainline sewer along the service to the building or facility, or [b] a point five (5) feet from the foundation of the building or facility.

3.3 Storm Water System: Facilities which are operated and maintained by the Caretaker **[SFPUC]** consist of the existing storm water collection and discharge facilities at NAVSTA TI/YBI including:

3.3.1 Storm water collections system from the transition structure of surface flow entering the below surface piping (including drop inlets and other collection structures). Surface and street flows are not included.

3.3.2 Storm water-pumping stations

3.3.3 Storm water outfalls

3.4 Natural Gas System: Natural gas is delivered to NAVSTA TI/YBI by a supply line owned by the Pacific Gas and Electric Co. (PG&E). PG&E also owns and operates the main meters and pressure reducing stations at the point of delivery. The responsibility of the Caretaker **[SFPUC]** is for all facilities downstream of PG&E facilities including:

3.4.1 Supply and delivery pipeline downstream of the main meter and pressure reduction station located on NAVSTA TI/YBI.

3.4.2 Supply lines to and including that last valve or corporation stop leading to all leased, non-leased, occupied or non-occupied buildings and facilities.

3.5 Electrical Distribution System: Facilities that are operated and maintained by the Caretaker **[SFPUC]** consist of the existing transformational and distribution facilities at NAVSTA TI/YBI Including:

3.5.1 The entire high voltage transmission line serving Treasure Island originating at the point of connection to the breakers at the Port of Oakland's Davis Substation at Point Arnold including overhead and underground elements of the line located on the Fleet and Industrial Supply Center and the Oakland Army Base **[now Port of Oakland and City of Oakland]**, the underground element extending from the Oakland Army Base including the junction with the submarine section of the line and the submarine

section including the junction and the underground section of line at Treasure Island to the point of connection at the main Treasure Island substation.

3.5.2 Main substation at NAVSTA TI/YBI.

3.5.3 Distribution system and related equipment between the substations and the end users.

3.5.4 For metered buildings and facilities, service up to and including the meter.

3.5.5 For building and facilities which are not metered or which have dedicated switch-gear or transformers at the building or facility, service to the low side of the dedicated switch-gear or transformer and shall include the dedicated switch gear or transformer.

3.5.6 For buildings and facilities which are not metered and which do not have dedicated switch-gear or transformers at buildings or facilities, service to the weatherhead, building perimeter, or equipment connection.

3.5.7 The Davis Substation at the Fleet and Industrial Supply Center **[Now Port of Oakland]**, Oakland, CA.

4.0 Organization and Communication

4.1 Caretaker and Navy: Although there is no requirement for regular meetings between the Caretaker **[TIDA]** and the Navy, all essential communications (status of environmental clean-up projects, etc.) with the Navy shall be conducted with the appropriate Navy SWDIV ("Southwest Division," the Navy's Facilities Management Headquarters located in San Diego) representative. Notification of planned outages or any other pertinent utilities information shall be forwarded to the Navy Caretaker Site Office with the same consideration and priority as extended to any other utility customer served by the Caretaker.

4.1.1 The Caretaker's Representative is:

Robert Beck
Office: Treasure Island, Building 1
Phone: (415) 274-0662

4.1.2 The Navy Representative is:

Patricia McFadden
Office: Treasure Island, Building 1
Phone: (415) 743-4720

5.0 Preventative Maintenance & Repair Work: Regularly scheduled preventive maintenance and all non-emergency repair work will be executed as determined necessary by the Caretaker **[SFPUC; subject to funding availability]**. Financial reporting **[by TIDA]** to the appropriate Navy representative is required by provisions of the Cooperative Agreement.

6.0 Trouble Call Response and Reporting

6.1 Origin and Reception of Trouble Calls: Trouble calls may be initiated by any customer by calling 311. The 311 Operator will, in turn, direct calls requiring response that falls within the scope of the CA to the appropriate Caretaker department or subcontractor.

6.2 Caretaker Points of Contact: In addition to the 311 telephone number, the Caretaker shall provide to the Navy Caretaker Site Office an up to date list of telephone numbers for primary Caretaker managers responsible for utilities operations at NAVSTA TI/YBI. This list includes the responsible utility group and will be used by the Navy in cases of emergency and when responses to trouble calls do not occur within a reasonable time period (see response targets of Table 6-2). Note: Appendix 'A' provides operational procedures for Trouble Calls and Emergency Response in addition to key points of contact – both Caretaker and Navy.

TABLE 6-2
Labor Hour and Response Targets

Type of action	TEP paragraph	Urgency and response targets	
		Routine [1] RegHours / AfterHours	Emergency, note [2] RegHours / AfterHours
Minor, unscheduled repairs	5.0	8hr / NA	4hr / NA
Major repair work	5.0	8hr / NA	4hr / NA

NOTES: [1] Response required during normal working hours only
[2] Response required 24 hours / day, seven days / week
[3] N/A – No After Hour

6.3 Caretaker Trouble Call Reception, Response Targets and Reporting: Upon receiving a request from the CSO or other authorized party for trouble call, the Caretaker reception desk will issue a Trouble Call (TC) number which will serve as a key identifier for the call and will be used to track and report on response. The Caretaker will maintain records of all TC#'s issued along with pertinent details on response and resolution and will provide summaries of this information to the Navy Utilities PM as requested.

7.0 Emergency Response

7.1 Emergency Requirements

7.1.1 Definition: 911 should be called where it has been determined or is suspected that immediate action is required to eliminate a threat to human health, the environment, to protect property or to avoid disruption of essential operations.

7.1.2 Reporting: Direct reporting to the Navy is not required during an event, however, the Caretaker **[TIDA]** will provide the Navy with a written summary of any "significant event" (major personal injury or death, major property damage, "large" fires for example) that has occurred at TI/YBI.

8.0 System Extension, Provision of New Service

8.1 New Services Requested by the Navy and other Federal Users: Subject to the availability of funds for such purpose, the Caretaker **[SFPUC]** will provide any extension or alteration of systems along with any metering or service connections requested by the Navy or as concurred to by the Navy for other federal users on the base. The Caretaker **[TIDA]** will recover costs for such work for other Federal users directly from the other Federal users. Costs incurred for any such work requested by and executed for the Navy will be reimbursed via the provisions of this agreement or by amendment of this agreement as may be required

8.2 New Services Required by the Lessees or Licenses: The Caretaker **[TIDA]** may also provide **[authorize]** system extensions and alterations along with metering and service connections required to fully and exclusively meter use of water, electricity and natural gas within any premises which may be under license or lease. Costs for any such work will be borne by the Lessee or Licensee. The Cooperative Agreement (paragraph 6.2.5) forbids delivery of any utility commodity to a premise under lease or license that is not fully and exclusively metered (exceptions may be granted if plans are in place for the installation of subject meter.). **[All utility connections, extensions and alterations will only be performed by the SFPUC after a building permit and occupancy certificate are obtained from the authorities having jurisdiction (i.e., Department of Building Inspection) and all utility service connection, inspection, and building costs and fees are paid in full.]**

9.0 Purchase of Utility Commodities: The Caretaker **[SFPUC]** will be responsible for purchase of all electricity, natural gas and water consumed on TI and YBI and for purchase of electric power provided to the east water pump station serving the base **[Currently inactive]**

10.0 Billing and Payment for Utilities Consumption: The Caretaker **[TIDA]** will defray costs of utility commodities purchased and costs of the operation and maintenance of the utility systems through revenues generated by charging uniform rates established by the Caretaker **[TIDA]**. The Caretaker **[TIDA]** will enter into Utility Service Contracts (USC's) with all Federal users including the Navy or the Navy's contractors as required. The USC shall contain pertinent information regarding the utilities agreement between the Caretaker **[TIDA]** and the specific Federal user, including rates. The Caretaker **[SFPUC]** will purchase electricity, natural gas and water including electric power for the east water pump station serving TI and YBI **[East water pump station is currently inactive]**.

10.1 Billing Non-Navy Tenants: The Caretaker **[SFPUC if requested by TIDA]** will be responsible for billing and **[TIDA will be responsible for]** obtaining payment from all Lessees, Licensees and non-Navy Federal activities permitted to receive utilities services on the base. Charges to these tenants for use of electricity, natural gas, water and sewer service will be determined by the Caretaker **[TIDA]** (per Annex 6, paragraph 6.2.3.1). In general, consumption will be read from meters which fully and exclusively measure permitted consumption. Where determined to be more economic, consumption may be determined through engineered estimates prepared by the Caretaker **[SFPUC]**.

10.2 Recovering Funds for Consumption by the Navy: Units of consumption for which the Navy is responsible have been determined through estimates mutually agreed upon by the Navy and the Caretaker **[TIDA]**. The Cooperative Agreement lists estimated uses and the annual/monthly charges to be billed by the Caretaker.

10.3 Charging for Sanitary Sewer Service: Deleted.

11.0 Outage Management

11.1 Scheduled Outages: The following procedures will be used by the Caretaker **[TIDA]** for any utility outage not resulting from an emergency or unplanned failure:

11.1.1 Caretaker Action: The Caretaker **[TIDA]** shall coordinate all outages directly with the applicable parties including the Navy and its contractors. Prior to a scheduled outage, the Caretaker **[TIDA]** shall contact all customers (including those who may be impacted) that will be impacted and provide the following information:

- Purpose of outage
- Utilities commodities affected
- Buildings and facilities affected
- Proposed start and completion dates and times

11.1.2 Coordination by Navy: Navy representative will coordinate the outage request for Navy managed facilities. The Caretaker **[TIDA]** will coordinate the outage all non-Navy and any affected utilities customers.

11.1.3 Planned Outages: The Caretaker **[SFPUC]** will execute the outage at the agreed upon time. Authorization from the Navy is not required

11.1.4 Disapproved or Cancelled Outages: In cases in which the outage cannot be executed, the Caretaker **[TIDA]** will revisit all impacted customers and advise them of cancellation or revised outage schedule and why it was necessary.

11.1.5 Unscheduled Outages: The Caretaker **[SFPUC]** will take immediate action to restore service. Authority from the Navy is not required. An "information-only" notice to the Navy representative is required after the event (verbal or written ok).

12.0 Excavation Management

12.1 Scheduled Excavations: The Caretaker **[TIDA]** will serve as the initial point of contact for all parties seeking to perform excavations at TI/YBI and will implement procedures to assure that no excavation is permitted without advance clearance with regard to underground utilities (see Annex 6. TEP paragraph 13.0) and from the designated Navy representative for environmental conditions. The following procedure will be used by the Caretaker **[TIDA]** to obtain Navy concurrence for any excavation not resulting from an emergency or unplanned system failure:

12.1.1 Excavation Process: The Caretaker **[TIDA]** shall retain established Underground Service Alert (USA) membership for the area encompassing TI/YBI and shall be the initial point of contact for all excavation activities within said region. The Caretaker **[SFPUC]** will locate and, within 48 hours of notification, clearly mark all utilities in the vicinity of proposed excavation prior to start.

12.1.2 Excavation Coordination/Navy Concurrence: Where necessary, the Caretaker **[TIDA]** will

refer evacuation requests to the designated Navy representative to ensure environmental conditions of soil in and around the area of the planned excavation site can be conveyed to all parties so that they may plan accordingly

12.1.3 "Approved" Evacuation Requests: In cases in which the excavation plan is acceptable as proposed, the Navy will immediately inform the Caretaker **[TIDA]** of its concurrence and will provide the Caretaker **[TIDA]** with any special requirements which may be imposed by the Navy **[TIDA to inform original requestor of any special requirement]**. The Caretaker **[TIDA]** will then perform the excavation or permit the excavation to be performed by the original requestor at the agreed upon time and in accordance with any special requirements which may be imposed by the Navy.

12.1.4 "Disapproved" Excavation Requests: In cases in which the excavation notification or request cannot be concurred to for environmentally related reason(s), the Navy will propose alternatives in writing to the Caretaker **[TIDA]** for coordination.

13.0 Marking Utilities Locations:

13.1. Electric, Gas, Water, and Sewer: The Caretaker Utilities Manager **[SFPUC]** will locate and clearly mark all electric, natural gas, water, and sewer utilities. Requests for marking and response handled through the trouble call procedure described in paragraph 6.0, above will conform to the response targets of Table 6-2. In addition, the Caretaker **[SFPUC]** will locate and clearly mark all electric, natural gas, water, and sewer utilities in any area in which the Caretaker **[TIDA]** proposes performing an excavation (see Excavation Management, paragraph 12.0). Marking shall be made based on the Navy provided base maps and the best available local knowledge. The Caretaker **[SFPUC]** will take best efforts to mark abandoned lines to include steam distribution based on available drawings.

13.2 Telephone and abandoned lines: For telephone and other lines that are not Navy owned, the USA Dig will be notified. Caretaker Utilities Manager **[TIDA]** will provide San Francisco Telecommunications with copy of approved Dig Permit (primary 415-550-2725, sec 415-550-2747). The Utilities Manager **[TIDA]** will coordinate marking of these lines. Abandoned lines will be marked if known based on Navy maps.

14.0 Maintenance of Government Furnished Vehicles: The Caretaker has full responsibility for maintenance and repair of Navy-provided vehicles, tools and equipment. The Navy may provide additional equipment, as it becomes available, to support the operation and maintenance at T1 and YBI.

15.0 Environmental and Operating Permit Management: The Caretaker agrees to cooperate with the Navy and regulators to support the timely transfer of the permits required for the continuing operations of the Caretaker. This includes updating the permits to provide the organizational name(s) of the current operators for purposes of reporting required under the permits. The Caretaker will operate utilities in conformance with applicable permits and will perform regular monitoring and reporting required by these permits, All responses (written or oral) to violations or operations outside the permit limits will be brought to the immediate attention of the Navy, however, the responsibility to operate within the permit limits rests with the Caretaker. The Caretaker will comply with all regulatory requirements. **[The SFPUC will perform the services described in this section in accordance with Sec. 2(f) of this MOU.]**

15.1 Storm Water Permit: The Caretaker **[SFPUC]** will completely oversee all monitoring and reporting requirements of the Storm Water General Discharge Permit (issued by RWQCB) and the TI Storm Water Pollution Prevention Plan (sampling, laboratory analysis, and annual report preparation), For the entire duration of the Cooperative Agreement, the Caretaker **[SFPUC]** will support the Navy in the enforcement of permit requirements and the abatement of non-compliance violations noted during tenant/lessee inspections.

Table 15-1

ENVIRONMENTAL PERMITS FOR WHICH THE CARETAKER WILL PERFORM MONITORING AND REPORTING

Item	Permit Type	Issuing Agency	Permit Number	Monitoring Required	Reporting Required
001	NPDES permit for waste water treatment plant	California Regional Water Quality Control Board	CA0110116	Yes	Yes
002	Domestic Water Supply Permit	California Health and Welfare Agency	System No. 3810702	Yes	Yes
003	Permit to Operate all Air Emissions Sources	Bay Area Air Quality Management District	Plant #479	Yes	Yes
004	NPDES permit for storm water discharge	California Regional Water Quality Control Board	CA S000001 Order No.97-03-DWQ Facility WDID No. 238S012140	Yes	Yes

16.0 Responding to Environmental Hazards

16. 1 Definition: Environmental hazards, for the purpose of this discussion, are defined as spills or releases of hazardous substances to the soil which pose potential hazards to Caretaker personnel attempting to perform utility systems maintenance or repair or which may pose a threat to human health in general or to the environment. This definition does not include hazardous materials that may be part of utility system equipment or facilities near utility system equipment such as lead or asbestos insulation or lead based paint.

16.2 Awareness: The Navy has undertaken an extensive program under its Installation Restoration Program (IRP) to document and remedy environmental hazards as defined above. Environmental conditions on the base are documented by the *BASEWIDE ENVIRONMENTAL BASELINE SURVEY*

(1995), SITE SPECIFIC ENVIRONMENTAL BASE LINE SURVEYS (SSEBS), and by the *BRAC CLEAN-UP PLAN (BCP).* Caretaker **[TIDA & SFPUC]** personnel engaged in utilities operations should be aware of these sources which show locations and types of contamination at NAVSTA TI/YBI in order to avoid unnecessary contact with contaminated soil. The Caretaker **[TIDA]** will coordinate with the Navy to obtain the most current maps and characterization of the hazards.

16.3 Procedures: Safety procedures normally observed by the Caretaker should be observed at all times in order to minimize contact with contaminated soil. The following procedures should be followed by Caretaker **[TIDA & SFPUC]** personnel in the event work is required in an area documented to contain contamination or if undocumented contamination is encountered or suspected. .

16.3.1 Planned Excavations

16.3.1.1 In conformance with excavation permit request procedures provided under paragraph 12.0, above, the Caretaker **[TIDA]** will inform the Navy of the location and planned schedule for any excavation (see 12.1.1).

16.3.1.2 The Navy will provide disclosure of environmental conditions in or adjacent to the excavation area. Disclosure will be communicated to the Caretaker **[TIDA]** in writing in accordance with excavation request/permit procedures (see 12.1.3).

16.3.1.3 The Caretaker **[SFPUC]** will perform the excavation in accordance with Caretaker **[SFPUC]** health and safety practices, and any applicable Federal, State, or local regulations. The Caretaker **[SFPUC]** will perform the excavation using any required protective equipment.

16.3.2 Unplanned Evacuations

16.3.2.1 When soil contamination is encountered or suspected in the course of unplanned excavations, the Caretaker **[SFPUC]** will cease work and immediately contact its Environmental oversight office **[TIDA]**. The Caretaker **[TIDA]** and the Navy may then evaluate conditions and determine a course of action.

16.3.3 Disposal

16.3.3.1 In any case in which contaminated excavation spoils **[where contamination did not arise from Navy occupancy/activity of NAVSTA TI/YBI]** are produced (either through an approved planned excavation or through an unplanned excavation) determination of proper management and disposition of the spoils will be the responsibility of the Caretaker **[TIDA].**

16.3.3.2 The Caretaker **[TIDA]** shall be responsible for disposal of soil, water, and other contaminated materials **[where contamination did not arise from Navy occupancy/activity of NAVSTA TI/YBI]** generated as a result of Caretakers excavations.

Appendix A

UTILITIES TROUBLE/EMERGENCY CALL REPORTING PROCEDURES
AND IMPORTANT CARETAKER/NAVY CALL LIST
August 30, 2013

GENERAL EMERGENCY NUMBER: **311 OR 911 (as appropriate)**
San Francisco City Distribution Division (CDD): (415) 550-4956

Call 911, as appropriate, where it has been determined or is suspected that immediate action is required to eliminate a threat to human health, the environment, to protect property, to avoid disruption of essential operations, or for specific problems including civil disturbance, traffic and fire and safety. All other utility trouble calls should be placed to 311.

1. 311 will receive a utility trouble call and contact CDD Dispatch at (415) 550-4956. The CDD Dispatch will assign a Trouble Call Number (TC#) and record information in TI book.

2. CDD will dispatch trouble call to the appropriate unit:

    a. Water Problems – to on call team
    b. Sewer Problems – (415) 648-6882
    c. Electrical Problems – (209) 989-2099
    d. Natural Gas Problems (415) 760-5179 for SFPUC and DPW "natural gas" plumbers, NOT PG&E

3. CDD will notify in the order below the following individuals for emergencies involving environmental issues, broken water mains, downed electrical lines, loss of electric power to an area, any sewer overflow/spill, fire, or other emergency involving personal injury or significant property damage:

    a. Joseph Carlevaris (TI Buildings & Grounds Supervisor)
    (415) 554-1572 (office)
    (415) 238-8549 (cell)
    If unavailable, notify:
    b. Sam Larano (SFPUC Project Manager)
    (415) 554-0724 (office)
    (415) 370-2549 (cell)
    c. Richard Stephens (Utility Services Manager)
    (415) 227-8501(office)
    (415) 238-5600 (cell)

4. If directed, CDD dispatch shall notify:
    a. SFPUC Communications
    Tyrone Jue (Manager, Communications)
    (415) 554-3247 (office)
    (415) 290-0163 (cell)

b. Treasure Island Development Authority
   Robert Beck
   (415) 274-0662 (office)
   (415) 794-1129 (cell)
c. Treasure Island Development Authority
   Peter Summerville
   (415) 274-0665 (office)
   (415) 740-8488 (cell)
d. Doug De Long (Environmental Compliance Safety & Security Manager, Navy CSO)
   (415) 743-4713 (office)
   (510) 772-8832 (cell)
   If unavailable, notify:
e. Patricia McFadden (BRAC Leader, Navy CSO)
   (415) 743-4720 (office)
   (415) 599-9961 (cell)

APPENDIX B

Glossary of Terms and Abbreviations		
Term/abbreviation	Full term	Definition
BRAC	Base Realignment and Close	Department of Defense initiative to "right size" the inventory of U.S. military installations. BRAC also refers to a set of laws passed with the FY93 and 94 defense appropriations acts which establish processes for promoting interim reuse of closed bases and for accelerating transfer of base property to the affected communities.
CA	Cooperative Agreement	A quasi-contractual instrument under which DOD components, such as the U.S. Navy can financially reimburse reuse authorities or affected communities for performing caretaking functions on closed bases.
Caretaker		The term used to refer to the reuse authority or community agency that takes over base caretaker functions under a cooperative agreement. In the case of NAVSTA TI/YBI, the Caretaker is the City and County of San Francisco.
EBMUD	East Bay Municipal Utility District	Local not-for-profit water company providing water to the east end of the Bay Bridge.
EFA West	Engineering Field Activity West	Field activity of the Naval Facilities Engineering Command which has responsibility for closure and disposal of Navy bases in the San Francisco Bay Area. All CSO's are organizational components of EFA West Code 60.
lessee / licensee		Holder of a lease or license issued by EFA West for use of facilities aboard a closed or closing BRAC installation. In general the lessee is the local reuse authority such as ARRA in the case of NAVSTA TI/YBI, Alameda.
NAVSTA TI/YBI	Naval Station Treasure Island	For the purpose of this SOP, NAVSTA TI/YBI is defined as Treasure Island and Yerba Buena Island.
CSO	Caretaker Site Office	The Navy office established at a closed base to oversee the caretaker mission. This duty includes coordination of any Cooperative Agreement which may be established.
Navy Public Works	Navy, Public Works Center, San Francisco Bay	The Navy's public works organization in the San Francisco Bay Area. PWCSFB has been the owner and operator of utility systems on BRAC bases. The command was disestablished under the BRAC initiative on 26 Sept 1997.
PG&E	Pacific Gas and Electric Company	Local for-profit gas and electric utility provider.
Utilities PM	Utilities Project Manager	Individual assigned to utilities project management.
Sublessee, sublicense		Holder of a sublease or sublicense for use of facilities on NAVSTA TI/YBI

PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. 13-0139

WHEREAS, The U.S. Department of Defense closed the Naval Station Treasure Island (NSTI), and the Navy conveyed portions of NSTI to the Coast Guard and to the U.S. Department of Labor, and retained ownership of the remainder of the land and facilities. In 1997, in anticipation of an agreement on the conveyance of the remainder of NSTI, the City and County of San Francisco (City) entered into a Base Caretaker Cooperative Agreement with the U.S. Navy to provide caretaker services (Caretaker Cooperative Agreement); and

WHEREAS, In 1998, and in every subsequent year to date, the Board of Supervisors authorized the Treasure Island Development Authority (TIDA), a non-profit public benefit corporation created by the City, to renew the Base Caretaker Cooperative Agreement; and

WHEREAS, Caretaker responsibilities generally include (1) operation and maintenance (O&M) services for all the existing utility systems on Treasure Island/Yerba Buena Island (TI/YBI), (2) grounds and street maintenance and repair, (3) property management, and (4) public health, security, and safety services; and

WHEREAS, TIDA has authority through the Caretaker Cooperative Agreement, and through Master Leases from the Navy for certain facilities on NSTI, to establish charges for certain caretaker services through its subleases and other agreements, and through that mechanism provides compensation to the SFPUC for utility services that have been provided to end users on NSTI; and

WHEREAS, The San Francisco Public Utilities Commission (SFPUC) has been providing O&M services for water, wastewater, electric and gas existing utility systems on TI/YBI since 1997 as requested by the City and TIDA; and

WHEREAS, Since 1998 TIDA and the Navy have renewed the Caretaker Cooperative Agreement on a yearly basis, with the approval of the Board of Supervisors and the Mayor; and

WHEREAS, The current term of the Caretaker Cooperative Agreement expires on September 30, 2013, and TIDA is seeking Board of Supervisors approval of a proposed extension of the term to September 30, 2014; and

WHEREAS, There is currently no formal agreement between the SFPUC and TIDA to perform O&M services for the existing utility systems on TI/YBI; and

WHEREAS, The proposed Memorandum of Understanding (MOU) memorializes the informal arrangement between the SFPUC and TIDA whereby SFPUC has provided certain utility services on NSTI since 1997. Because the MOU does not contemplate any change in the existing operation, maintenance, and supply of utility services, authorizing execution of the MOU is not a "Project" subject to the California Environmental Quality Act (CEQA) under the definition set forth in CEQA Public Resources Code Section 21065, and the CEQA Guidelines Section 15378; now, therefore, be it

RESOLVED, That this Commission hereby authorizes the General Manager of the San Francisco Public Utilities Commission to execute the Memorandum of Understanding between the Treasure Island Development Authority (TIDA) and the SFPUC, in substantially the form on file with the Commission Secretary, to provide certain utility services on Naval Station Treasure Island (NSTI) during the current term of the Base Caretaker Cooperative Agreement between TIDA and the Navy, and through September 30, 2014, provided that the Board of Supervisors approves an extension of the Caretaker Cooperative Agreement between TIDA and the Navy.

I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of September 10, 2013.

Donna Hood

Secretary, Public Utilities Commission

RESOLUTION NO. 13-27-09/11

[Memoranda of Understanding Between the Treasure Island Development Authority and the San Francisco Public Utilities Commission regarding provision of utilities services on Treasure Island and Yerba Buena Island]

RESOLUTION APPROVING A MEMORANDUM OF UNDERSTANDING BETWEEN THE TREASURE ISLAND DEVELOPMENT AUTHORITY AND THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION FOR THE PROVISION OF UTILITIES SERVICES INCLUDING THE MAINTENANCE AND OPERATION OF UTILITY INFRASTRUCTURE ON TREASURE ISLAND AND YERBA BUENA ISLAND.

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America, acting by and through the Department of the Navy; and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Treasure Island Development Authority ("TIDA") as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the Base which are subject to Tidelands Trust, vested in TIDA the authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

WHEREAS, On March 12, 1997, the City and the Navy executed the Base Caretaker Cooperative Agreement in which the City agreed to assume certain caretaker responsibilities for the interim management and operation of the Base during the disposition process; and,

WHEREAS, The Board of Supervisors approved the designation of TIDA as a redevelopment agency for Treasure Island in 1997; and,

WHEREAS, In 1998 TIDA assumed the caretaker responsibilities outlined in the Cooperative Agreement; and,

WHEREAS, Under the Cooperative Agreement the City, and later TIDA, agreed to assume, in addition to other responsibilities, certain responsibilities for operation and maintenance of the water, waste water, storm water, electric and gas utility systems on the Base; and,

WHEREAS, The SFPUC has been performing utility services for the Base on behalf of TIDA without benefit of a written agreement for such services; and,

WHEREAS, After a competitive bid process, the TIDA Board selected Treasure Island Community Development, LLC ("TICD") as the proposed master developer of the Base; and,

WHEREAS, In June 2011 the TIDA Board and the Board of Supervisors approved numerous transactions and entitlement documents related to the proposed development of the Base, including a Disposition and Development Agreement with TICD (the "DDA") and an attached Infrastructure Plan describing certain infrastructure to be built on the Base by TICD; and,

WHEREAS, Under the transaction documents, the development is anticipated to include (1) up to 8,000 new residential units, at least 25 percent of which (2,000 units) will be made affordable, (2) adaptive reuse of approximately 311,000 square feet of historic structures, (3) up to approximately 140,000 square feet of new retail uses and 100,000 square feet of commercial office space, (4) approximately 300 acres of parks and open space, (5) new and/or upgraded public facilities, including a joint police/fire station, a school, facilities for the Treasure Island Sailing Center and other community facilities, (6) a 400-500 room hotel, and (7) landside improvements for a new 400 slip marina (the "Project"); and,

WHEREAS, The SFPUC reviewed and consented to the DDA and the Infrastructure Plan, and was a party to an Interagency Cooperation Agreement under which various City agencies agreed to work with TIDA in connection with the Project; and,

WHEREAS, On April 21, 2011, the Planning Commission by Motion No. 18325, and the TIDA Board of Directors by Resolution No. 11-14, as co-lead agencies, certified the completion of the Final Environmental Impact Report for the Project (the "EIR"). In consenting to the DDA, the SFPUC (as well as the Board of Supervisors and other City departments) made certain findings under the California Environmental Quality Act ("CEQA"), including a mitigation monitoring and reporting program and a statement of overriding considerations; and,

WHEREAS, The Project contemplated and the EIR considered the ongoing use, maintenance and repair of the utility infrastructure to the date of replacement by TICD. Since the EIR was finalized, there have been no substantial project changes and no substantial changes in project circumstances that would require revisions to the EIR due to the involvement of new significant environmental effects or an increase in the severity of previously identified significant impacts, and there is no new information that would change the conclusions set forth in the EIR; and,

WHEREAS, On January 24, 2012, the Board of Supervisors rescinded designation of TIDA as the redevelopment agency for Treasure Island under California Community Redevelopment Law in Resolution No. 11-12, and such rescission does not affect TIDA's status as the Local Reuse Authority for Treasure Island or the Tidelands Trust trustee for the portions of Treasure Island subject to the Tidelands Trust, or any of the other powers of TIDA, including the power to implement and complete the Project; and,

WHEREAS, TIDA and SFPUC staff have negotiated a Memorandum of Understanding, a copy of which in on file with the Board Secretary (the "Memoranda of Agreement"), to

memorialize the terms and conditions of continued performance by the SFPUC of certain defined utility services consistent with the Cooperative Agreement and past practice; now, therefore, be it

RESOLVED, That the Authority Board of Directors approves the Memorandum of Understanding between the TIDA and the SFPUC in substantially the form on file with the Board Secretary, and authorizes the Treasure Island Director to execute and deliver the Memorandum of Understanding, subject to the approval by the Board of Supervisors; and, be it

FURTHER RESOLVED, That the Authority Board of Directors authorizes the Treasure Island Director to enter into any additions, amendments or other modifications to the Memorandum of Understanding that the Treasure Island Director determines, following consultation with the City Attorney, are in the best interests of the City, that do not materially increase the obligations or liabilities of the TIDA, that do not materially reduce the rights of the TIDA, and are necessary or advisable to complete the transactions contemplated by the Memorandum of Understanding, such determination to be conclusively evidenced by the execution and delivery by the Treasure Island Director of the documents; and, be it

FURTHER RESOLVED, The Treasure Island Director shall return to the Authority Board each year, in connection with any extension of the Cooperative Agreement with the Navy, to review and possibly extend the term of the Memorandum of Understanding.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the

above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on September 11, 2013.

Larry Del Carlo, Secretary

SUBLEASE AND PROPERTY MANAGEMENT AGREEMENT

EXHIBIT J

MANAGEMENT PLAN

The Villages at Treasure Island
SAMPLE MANAGEMENT PLAN
A General Management Operations Guideline
For Market Rate Property Management

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The Villages at Treasure Island
MANAGEMENT PLAN
A General Management Operations Guideline

I. THE ROLE AND RESPONSIBILITY OF THE OWNER AND ITS RELATION AND DELEGATION OF AUTHORITY TO THE MANAGEMENT AGENT

A. The Owner _____ ("Owner"), and The John Stewart Company, a California corporation ("Agent") have entered into an agreement dated_____("Management Agreement"). The Project (the "Project") managed by the Agent under the Management Agreement is a housing development identified as:

1. Project name: _____
2. Location:
   a. City: _____
   b. County: _____
   c. State: _____

B. General Policies. It is the responsibility of the Owner to establish the general policies under which the Project will operate. The Owner shall establish broad policy guidelines and thereafter delegate to Agent the authority and responsibility for carrying out these policies on a day-to-day basis. Agent will be required to consult the Owner prior to taking any action not clearly covered by existing policies of the Owner or the Management Agreement.

C. Expenditures. In accordance with the terms of the Management Agreement, Agent will be required to contact the Owner for an expenditure not included in the operating budget, that is above the threshold described in the Management Agreement in any one instance for labor, materials or otherwise in connection with the maintenance and repair of the Project, except in cases of emergency. In the case of an emergency, the Owner will be notified of the circumstances as soon as possible.

D. Budgets. Budgets will be prepared annually by Agent and submitted to the Owner for review and approval.

E. Decisions of the Owner. The areas in which Agent may make decisions without consulting the Owner include, but are not limited to:

1. Personnel. All hiring, supervising, directing, contracting and termination of on-site personnel and determination of compensation.
2. Government requirements. Such activities as may be necessary to comply promptly with any and all governmental requirements affecting the Project, except that in such cases Agent will notify the Owner after performing such activities unless the Owner instructs JSCo in writing not to do so.
3. Compliance. Compliance with the pertinent requirements of the regulatory agreements (if any) as they pertain to management of the Project.

F. Regional Manager. Agent shall designate a Regional Manager who will be the key contact person for the Management Agent. The Regional Manager will oversee all staff assigned to the Project and will be responsible for enforcing the proper compliance and Regulatory Agreements applicable to the Project. Any instructions from the Owner will be

passed to Agent's Regional Manager, the Director of Property Management, or the Senior Vice President.

G. Management and other fees. Agent will be paid a management fee and other fees for accounting, marketing and consulting as applicable and outlined in the Management Agreement. The Management Agent will cover, from the fees, expenses incurred in the performance of its duties, such as off-site office overhead, bookkeepers, secretaries, etc. The Project will pay for, out of the General Operating Account, expenses incurred by the Project including on-site office overhead, administrative and maintenance staff, maintenance costs, etc. In addition, the Project will be responsible for a payroll - processing fee.

II. PERSONNEL POLICIES AND STAFFING ARRANGEMENTS

A. All hiring of employees by the Agent shall conform to equal opportunity requirements. Agent shall not discriminate against any applicant for employment because of age, race, color, ancestry, religion, national origin, sex, marital status, children, pregnancy, disability, sexual orientation, AIDS, ARC, or other arbitrary factors, including Title VI of the Civil Rights Act of 1964 (Public Law 88-352) and the regulations issued pursuant thereto (24 CFR Part I), Executive Order 11063 and the regulations issued pursuant thereto (25 CFR 570.601), Title VIII of the 1968 Civil Rights Act (Public Law 90-384) and the Fair Housing Amendments Act of 1988.

B. Agent will follow an employment policy at the Project that will afford residents opportunities for employment at the Project if applicable and when possible.

C. Specific personnel policies. Specific personnel policies include:

1. Training and promotion opportunities

   a. Specific training in policies and procedures of the Regulatory Agencies and Lenders (if applicable) will be provided to the Property Manager to ensure Project conformity to program requirements.

   b. The Property Manager becomes knowledgeable through training and ongoing property management. As the budget permits, the Property Manager will be required to participate in relevant training conducted by professional agencies and organizations to assure understanding of the occupancy requirements of the Project. Agent holds periodic training sessions of a general nature for all employees off-site as well as specific on-site sessions tailored to the needs of individual Projects. In addition to such site-specific training, additional monthly, quarterly and annual training includes, but is not necessarily limited to, Fair Housing and non-discrimination.

   c. The Property Manager is provided access to the agent's internal website, which includes detailed policy requirements and procedures of Agent. The Regional Manager assigned to the Project reviews with the Property Manager the website information and provides necessary on-the-job training.

   d. It is Agent's policy to promote from within when possible. Employees are reviewed for potential promotion when positions become available. Agent's job opportunities are posted on its website.

2. Employee benefits. For employees working at least 30 hours per week, benefits other than those required by statute include vacation time pay, at least 8 paid holidays per year, 6 sick leave days per year (non-entitlement), medical, dental, long-

term disability and life insurance coverage. Employees working 40 hours per week accrue 10 paid vacation days per year (with 15 days accrual per year beginning in the 4th year of service and 20 days/year beginning in the 11th year of service). Employees with less than thirty hours per week are not covered by Agent's health plan, life insurance or long-term disability insurance, nor eligible for paid vacations or sick leave pay. Pursuant to city requirements, employees working in San Francisco, CA may receive additional benefits. Full-time employees may also participate in an optional 401(k) savings program that includes an employer match as a Project expense

3. Employee grievance procedures. The Regional Manager assigned to the Project regularly visits the Project at which time problems can be discussed. If this is not satisfactory to an employee, the employee may contact the Director of Property Management or an officer of Agent.

4. Employee termination procedures. Demotion, layoff, or termination shall be determined on a non-discriminatory basis. When an employee's performance is substandard, the employee shall be notified in writing. Every effort will be made to work closely with an employee to provide additional training if this is deemed appropriate. If their performance continues to be substandard, the employee will be placed on probation, and/or terminated.

D. Project Manger. The Property Manager is responsible for the day-to-day operation of the Project. He/she is directly accountable to the Regional Manager who, in turn, is accountable to the Director of Property Management or an Officer of the Agent.

E. Additional Personnel. Agent may provide substitute personnel in the absence (i.e., vacation, illness) of the Property Manager or maintenance person. Such substitute personnel costs (if any) shall be Project expenses.

F. Employee Handbook. Employees receive the Agent's extensive Employee Handbook which is periodically updated as procedures and laws require.

III. PLAN FOR MAINTAINING ADEQUATE ACCOUNTING RECORDS AND HANDLING NECESSARY FORMS AND VOUCHERS

A. Accounting Practices and Principles. The basis of accounting will be accrual in accordance with Generally Accepted Accounting Principles (GAAP) and practices.

B. Collections. Agent will collect all rent charges, miscellaneous charges and other amounts receivable for the Project's account in connection with the management and operation of the Project. Such receipts will be deposited in an account, separate from all other accounts and funds, with a bank whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC). This account will be placed in Agent's name and designated of record as the Project's General Operating Account, with Agent as Trustee.

C. Disbursements. From the funds collected and deposited to the General Operating Account, Agent will make the following disbursements promptly when payable:

1. Reimbursement to Agent. Reimbursement to Agent for compensation payable to on-site employees of the Project and for insurance premiums, Social Security payments, other payroll taxes and assessments payable to local, State and Federal governments in connection with employment of such personnel.

2. General Payments and Accounts. Payments required for utilities, real estate taxes and assessments, general liability and fire or other hazard insurance premiums,

Security Deposit Account, Replacement Reserve Account, and the Operating Reserve Account. Separate interest-bearing FDIC accounts will be set up, as appropriate, for Security Deposit and reserve accounts.

3. Loan Payments. All payments of required interest, principal, impounds, fees and charges, if any, on loans that are secured by liens on the Project as approved by Owner and Lenders.

4. All amounts otherwise due and payable as expenses of the Project authorized to be incurred by Agent under the terms of the Management Contract.

5. Other disbursements required by the Owner and Lenders in writing.

6. In no event will Agent be required to use its own funds to pay such disbursements. Agent will advise the Owner immediately of any deficiency. In the event the balance in the General Operating Account is projected to be insufficient to meet accounts payable, the Regional Manager will immediately apprise the Owner. Recommendations will be made for cutting costs, increasing revenues, or other measures, which will alleviate the cash flow shortage. The Owner will make the final decision to resolve the shortage. It is anticipated that any insufficiency will be forecast in advance.

D. Checks. Checks will normally be computer-generated or manually written by Agent with two signatures required as follows:

1. The Regional Manager of the Project, and

2. The Director of Property Management, an Officer of the Agent or other authorized signatory.

E. Monthly Financial Report. A Monthly Financial Report will be provided to the Owner which includes a statement of receipts and disbursements, a schedule of accounts payable, an income/profit and loss statement with current month and year-to-date budget comparisons, a balance sheet, a trial balance, copies of monthly bank statements and reconciliations, rent roll, and a list of the balances in all bank accounts as of the last day of the previous account period. The report shall set forth the applicable data for the prior month and year-to-date. Cash flow will be closely monitored. These monthly accounting reports will be provided on the 20th of the following month on an ongoing basis. To the extent possible, the Agent will submit all reports electronically to the Owner and Agencies.

F. Repairs.

1. Routine Repairs. For routine or emergency repairs, Agent will establish (subject to any limitations imposed by the Owner) designated contractors, e.g., plumbers, electricians and other vendors and contractors, as may be required. In addition, Agent will similarly establish a list of approved vendors for office supplies and repair materials. The Project will use a Purchase Order System for supplies and services. Invoices will be sent directly to Agent; reviewed by the accounting department, and will be paid from the General Operating Account subject to the approval of the Project's Regional Manager, Director of Property Management, or an Officer of Agent. If outside contract services or repairs are required in excess of amount authorized by Owner in the Management Agreement, written bids will be obtained in accordance with the Management Agreement.

2. Major Repairs. When possible, major repairs on other items will be budgeted. Where items are not budgeted but deemed essential to the physical and long-term financial viability of the Project, Agent will present proposals for purchase of those items to the Owner and these items will be paid from the Replacement Reserve Account. In the event of emergencies, the Regional Manager will make a reasonable decision to make repairs or provide the services necessary. In the case of such emergencies, the Owner will be notified of the circumstances as soon as possible.

G. Budget Monitoring. The Regional Manager, Property Manager and Owner will monitor the Project's budget on a monthly basis to determine that any outstanding loan requirements of the Lenders are met.

H. Compliance with Regulatory or Lender's Requirements.

1. The Property Manager, under the direction of the Regional Manager, will ensure that applicable residents (if any) meet income eligibility requirements for purposes of meeting the Regulatory Agreement or Lenders' requirements. Agent's Accounting Manager and Regional Manager will be responsible for ensuring the coordination of all financial reporting and accounting requirements of the Project.

2. Agent will comply with all reporting requirements of the Regulatory Agreements. The Agent will assist the Auditors in the preparation of the annual audited financial statements. The Auditor will be required to make his/her arrangements for schedules and reconciliations at the expense of the Project. The Owner will select the Auditors. The Agent will also provide the certifications and other information required in connection with the payment of capital contributions.

I. Budgets. Agent will comply with all reporting requirements for the Owner and Lenders. Agent will prepare a recommended operating budget for each fiscal year that begins during the term of the Management Contract and will submit budgets to the Owner at least 60 days before the beginning of each fiscal year. The Owner will promptly inform the Regional Manager of changes incorporated in the approved budget and the Regional Manager will incorporate such changes and forward the final Owner-approved budget to the Owner.

J. Audits. With respect to each fiscal year, Agent will assist the Owner's accountants in their preparation of the annual audited financial report (if required), which will be prepared by a Certified Public Accountant. This report will be based upon the preparer's examination of books and records at Agent office and at the Project. The report will be prepared in accordance with the directives of the Owner. Certified copies of the report will be delivered to the Owner, Lenders and other addressees as directed by the Owner and by the preparer within 60 days of the end of the fiscal year. Compensation for the preparer's services will be paid out of the General Operating Account as an expense to the Project.

K. Periodic Reports. Periodic reports will be provided as directed by the Owner and Lenders. Vacancy and rent losses will be recorded monthly in the rent rolls as well as the monthly financial report. The Owner will be notified of all vacancies by the l0th of the month. Any amounts recovered will also be credited on the monthly rent rolls and the monthly financial statements.

L. Security Deposit Account. The Security Deposit Account may be a separate interest bearing account (at the Owner's direction), which is FDIC insured. The interest on the security deposits will be distributed according to the Owner's directives and applicable law, if any. At the time a resident vacates the unit, a move-out inspection will be conducted with the resident, where possible. All items needing cleaning or repair plus the

charges or estimated charges for each will be determined at the time of inspection. Both the Property Manager and the vacating resident will sign the inspection form. The final closing statement and refund of security deposit, less any charges for rent, fees, damage, etc. (excluding normal wear and tear) will be prepared for each vacating resident itemizing any charges to be made against the security deposit and forwarded to each vacating resident within 21 days of their vacating.

IV. PROVISIONS FOR PERIODIC UPDATE OF MANAGEMENT PLAN

As the needs of the Project, Owner, Lenders or other conditions dictate, this Plan may be modified in whole or in part. Agent will review the Plan annually and will make recommendations to the Owner concerning any needed changes. Any such change, once approved by the Owner, will be forwarded to the Lenders.

V. INSURANCE

The Owner will inform the Agent of insurance to be carried with respect to the Project and its operations, and the Agent will cause such insurance to be placed and kept in effect at all times. The Agent may periodically obtain three (3) bids from brokers for the Project's insurance. The Owner will approve the insurance coverage. The Agent will pay premiums out of the General Operating Account (or mortgagee impound), and premiums will be treated as Project expenses. All insurance will be placed with such companies, on such conditions, in such amounts, and with such beneficial interest appearing thereon as shall be acceptable to the Owner and approved by Lenders. Such insurance will include public liability coverage, with the Agent designated as an insured party, in amounts acceptable to the Agent and the Owner. The Agent will investigate and furnish the Owner with full reports of all accidents, claims, and potential claims for damage relating to the Project and will cooperate with the Owner and Lenders' insurers in connection therewith.

VI. PLANS AND PROCEDURES FOR PUBLICIZING AND ACHIEVING EARLY AND CONTINUED OCCUPANCY

A. Initial Marketing. Agent shall be responsible for all marketing efforts before and during initial occupancy in accordance with the Resident Selection Criteria/Tenant Selection Plan, Marketing Contract (if applicable), Marketing Plan and marketing budget. Such activities will commence at time acceptable to Owner and Agent. In consultation with the Owner, the Agent may amend criteria and procedures for the selection of residents. These criteria will conform to requirements set forth by the Lenders (if applicable). Residents will be selected according to all Federal, State and Local laws prohibiting discrimination in housing on the basis of race, color, creed, ancestry, age, religion, national origin, sex, sexual orientation, marital status, pregnancy, children, disability, handicap, Acquired Immune Deficiency Syndrome (AIDS), AIDS-Related Conditions (ARC), receipt of or eligibility for housing assistance under any government housing assistance program, or other arbitrary factors.

B. Equal Access in Marketing. Consistent with the resident population the Project was designed to serve, the marketing of the Project will ensure equal access to units for all persons in any category protected by Federal, State, and local laws governing discrimination.

C. Advertising and Media Contacts. Marketing may include the use of newspapers, periodicals and internet websites of general circulation in the local area. With the approval of the Owner and Lenders, the Management Agent will develop Leases or Rental Agreements, House Rules, application forms and such documentation as may be necessary to facilitate the selection and admission of residents into the Project according

to the Marketing Plan and in accordance with applicable regulatory requirements. The Management Agent will place notices in newspapers and specialized publications and newsletters to reach potential residents. With the Owner's approval, the Management Agent will be responsible for the design and printing of brochures, fliers, and other materials to be used to make potential residents in the area aware of vacancies at the Project. Applications, notices and all publications will include a Fair Housing and Equal Opportunity logo, and the Handicapped Accessibility logo (when applicable).

D. Marketing to the Local Community. In addition to general outreach activities, the Management Agent will contact local civic and community organizations in the area in order to disseminate information about the Project.

E. Role of the Property Manager in Marketing. The Property Manager will be hired and will serve as coordinator for the marketing of the Project as well as oversee the selection and admission of residents. The Property Manager will keep the Owner apprised of the occupancy process through monthly marketing reports which will include the number of applicants to the Project, unit preference, number of actual occupants, ineligible applicants, cancellations and any other statistical data requested by the Owner.

F. Notifying Applicants of their Status. Applicants will be notified of their eligibility and advised of their status. Ineligible applicants will be allowed to question this determination.

G. Initial Waiting List. The Project's initial waiting list will be determined by date and time of application. Those households selected from the waiting list will undergo a comprehensive screening procedure to reflect the Owner's Resident Selection Criteria/Tenant Selection Plan. Factors to be considered in the screening are housekeeping habits, history as tenant, rent paying history, credit records and criminal records.

H. Preparation of Rental Documents. Agent will prepare and use Lease or Rental Agreement, House Rules, parking permits, and other documents relating to residency that have the prior approval of the Owner.

I. Notifying Approved Applicants. Each approved applicant will be informed when the unit will be available for occupancy. Application procedures will have been completed for the household and, provided it is still eligible, the household will be shown the unit. If the applicant declines the unit, it will be shown to the next appropriate candidate on the waiting list. The name of the applicant declining the unit offered will be placed at the bottom of the waiting list. If a second offer is declined, the applicant's name will be removed from the list.

J. Selection Criteria. Selection will be based on information included in the application, credit check, criminal background check, landlord references, income/asset verifications and/or as required by Regulatory Agreements or programs. The Project's Property Manager is not allowed to discriminate or give preferential treatment to any applicant or resident.

K. Pre-Occupancy Orientation Session. A pre-occupancy meeting will be conducted with newly approved applicants to review documents including Lease, House Rules and other pertinent regulations. In addition, the Property Manager will review with applicants maintenance policies, child supervision, recreational policies and grievance and appeal procedures. All members of the household will be urged to be present at this interview (all adults are required).

VII. PROCEDURES FOR DETERMINING RESIDENT ELIGIBILITY AND FOR CERTIFYING AND ANNUALLY RECERTIFYING INCOME (where applicable)

A. Resident Selection. The Property Manager will be charged with the responsibility for selecting residents. The Agent will be responsible for ensuring that the Property Manager is properly trained in resident eligibility requirements. In compliance with the Regulatory Agreements, only income eligible households will be selected to occupy units restricted by such Restrictions at the Project. Residents will be recertified annually, where household income will be verified to determine continued eligibility according to the Project's Regulatory Agreements (when applicable). Any applicable income limits or restrictions will be made available to the public upon request and/or in accordance with any and all regulatory guidelines. Applications and other records pertinent to a resident's continued eligibility will be kept on file in accordance with any and all Regulatory guidelines.

B. Initial Income Eligibility. The Property Manager will be responsible for determining income eligibility of each applicable household in the Project via third-party verification of all income and assets as programmatically required. Households whose gross annual income exceeds programmatically required income limits will be considered “over-income” and will not be considered income eligible for units subject to any regulatory restrictions and/or guidelines.

C. Recertification. The Property Manager will maintain a “tickler file” for any applicable annual recertifications to ensure that processing is completed in a timely manner. If, upon recertification, the resident's household income exceeds the project's applicable income limits as programmatically determined, rent will be adjusted accordingly and a lease addendum executed.. All income regulations including over-income guidelines are included in the lease for recertification purposes.

D. Occupancy Guidelines. The Project has adopted standards for the number of persons initially permitted to occupy units. These standards conform to Lender’s, Owner's and/or regulatory guidelines. These standards shall be used at initial occupancy. Following are the unit size assignment standards subject to the clarifications and considerations indicated below:

Unit Size	Minimum # of Persons	Maximum # of Persons
Studio	1	1
1-Bedroom	1	3
2-Bedroom	2	5
3-Bedroom	3	7
4-Bedroom	4	9
5--Bedroom	5	11

If and when the household is “over-housed” (under-occupied), i.e., too few people for the unit, the household will be required to move to the next-available appropriate sized unit. If the household is “under-housed” (over-crowded), the household will be required to move to the next available appropriate-sized unit. In extreme circumstances (instance.g. 1 person in a 3-bedroom unit with no 1 or 2-bedroom units in the project; or 9 people in a 2-bedroom unit with no 3-bedroom units in the project), the household may be required to vacate the Project. Management will work with the residents in these cases to help them find appropriate housing, or as required by the City of San Francisco.

E. Pet Policy. Pets shall not be allowed on the premises, except as approved by the Owner. A certified service animal is not considered a "pet" and the resident requiring such animal

shall be required to execute a service animal agreement describing responsibilities of the resident.

F. Live-In Attendant. In the event that a resident requires the services of a live-in attendant, the above occupancy standards shall still apply. Prior to the attendant moving in the resident's physician shall document the need for a live-in attendant. Any income received by the attendant shall not be considered in evaluating the rent to be charged to the household. The attendant shall not be considered a resident of the Project. Said attendant shall be considered a guest of the resident household, and the head of household shall be required to ensure that the attendant abides by all terms and conditions of the Lease or Rental Agreement. The live-in attendant must sign the House Rules and execute a Live-in-Attendant agreement.

G. Orientation Session. The Property Manager will organize and conduct orientation sessions for new residents at time of move-in. Residents will be briefed on the Lease or Rental Agreement, the House Rules and all other documents associated with residency of the Project, including the responsibilities of residents in the administration of the Project.

VIII. RENT COLLECTION POLICIES AND PROCEDURES

A. Collection of Rent and Other Charges. The Property Manager will collect rent from residents in the Project. [Rent payments will be given or mailed to the office on-site and a receipt given.] After hours, it will be possible for a resident to drop payment into the Project's mail slot or box. No cash will be accepted. Rent and other charges may be paid by check, money orders, cashiers check, or online payment only.

B. Pre-payment of Rent. Pre-payments for rent are encouraged and partial payments discouraged. Partial payments will be accepted only in the case of hardship where prior arrangements have been made with the Property Manager and approved by the Regional Manager.

C. Late Fees. If rent is not received by the end of the fifth day of the month or other date as may be required by Owner or other regulatory agency and as stated in the lease, a late charge will be assessed. The amount of the late charge will be in accordance with the lease.

D. Non-Payment. Any resident not paying rent by the requisite date will be contacted. Unless prior arrangements have been made, a Notice to Pay or Quit will be issued. In extreme cases, a resident may make an agreement with the Property Manager to pay back rent by paying the equivalent of one month's rent plus a payment on the outstanding amount each month by a given date. If the workout arrangement is not complied with, eviction procedures will begin immediately. No evictions for non-payment of rent will be initiated if resident pays all rent and other charges due.

E. Non-payment of Rent and Evictions. Before evicting a resident for reasons other than non-payment, the Property Manager will meet with the resident to discuss the problem and prepare written documentation. The resident will be given an opportunity to correct the problem. If the problem persists, unlawful detainer action will proceed.

F. Records, Accounts and Deposits. A computer rent collection and accounting system may be maintained in the Project office for recording of rent payments. All expenses required to establish and maintain the accounting system and other computer software licenses are Project expenses. Timely bank deposits will be made into the Project's General Operating Account.

G. Negative Cash Flow. When cash flow indicates that project income will not cover project expenses, the Agent will contact the Owner immediately and submit recommendations to the Owner to resolve the problem. This may include increasing the residents' rental charges in accordance with the approved operating budget, the Regulatory Agreements and the lease. Residents will be given at least thirty days notice prior to any change in the rent charges at the Project or as otherwise required by regulatory agencies and/or local ordinances.

H. Security Deposits. Each resident shall pay in advance of occupying a unit a security deposit in an amount approved by the Owner within regulatory and statutory guidelines. The Property Manager may apply the deposit after the resident vacates the unit to recover any loss or repair any damage caused by the resident or their guests to the premises or the Project other than normal wear and tear. The deposit may also be applied to the payment of rent charges due and owing from the resident. Within twenty-one (21) days of the resident vacating the unit, the security deposit will be repaid to the resident (less any amounts deducted in accordance with California Civil Code 1950.5) by regular mail to their forwarding address or such other address as may be designated. At that time, an itemized list will be provided to the resident describing the reason and cost for any deductions from the deposit.

I. Damage to the Unit. If the resident's security deposit is not sufficient to cover the cost of damage to the unit, the Agent will contact the vacating resident to demand full payment of the excess costs. The Agent may offer a payment plan acceptable to both parties if the circumstances warrant such action. If the demand is not met or if payment arrangement is not executed, the Agent shall pursue collections, which may include reporting resident history to credit bureaus and national tenant networks as well as court remedies, collection agencies and legal action as feasible.

J. Reserve Replacement: The agent shall maintain a reserve replacement account as defined in sublease, development, and marketing property management agreement, section 11.3. Repairs of reserve replacement items shall be done according to Exhibit F - Capital Budget.

IX. PLAN FOR RESIDENT/MANAGEMENT RELATIONS

A. House Rules. House Rules are an attachment to the Lease or Rental Agreement, wherein the rights and responsibilities of residency are described.

B. Informational pages and brochures. Information pages and brochures about local services and amenities will be distributed to the residents.

C. Fire/Life Safety. At the time of move-in, residents of the Project will be shown the fire/life safety devices built into the Project. The resident will be reminded of the use of the 3-1-1 and 9-1-1 emergency services. The Project and Agent shall each maintain a 24-hour "live" answering service for urgent calls from residents. Appropriate emergency evacuation procedure signs will be posted at different locations in the building (when applicable). Residents will be shown the location of the emergency evacuation signs.

D. Pre-Occupancy Conference. A pre-occupancy conference will be held with all residents to review documents including the Lease or Rental Agreement, House Rules, and other residency documents. In addition, the Property Manager will review maintenance policies, child supervision and recreational policies, etc. All members of the household will strongly be urged to be present at this interview; all adult members of the household must be present.

E. Grievance Procedure. Should a resident have a complaint of any nature concerning her/his dwelling unit, other resident or other housing related issue, the resident's grievance should be handled first by the Property Manager. If this is unsatisfactory to the resident, the Regional Manager will then become involved in handling the problem. If this handling is not satisfactory to the resident, the Director of Property Management of the Agent will become involved in handling the problem. As a last resort, an Officer in the Agent's local office may get involved (if warranted).

X. MAINTENANCE

A. Inventory of Project Equipment. When the Agent assumes management of the Project, an inventory will be taken of all Project equipment. A record of this equipment, including serial numbers, will be kept in the Project office. A preventative maintenance program will include proper servicing and maintenance of the Project and its equipment.

B. Unit Inspections. At initial move-in, a move-in inspection will be conducted by both the Property Manager and the new resident to note the condition of the unit. Annually, an inspection will be done in each unit and the condition compared to the condition of the unit at the time of the resident's original move-in inspection. This annual inspection will also include review of any maintenance problems plus general housekeeping conditions and any changes in Lease or Rental Agreement, House Rules and Regulations, etc. When the resident vacates, a move-out inspection will be completed with the resident present, if possible, which will be compared with the move-in inspection. The resident will be charged for required repairs, which do not fall under normal wear and tear.

C. Work Orders and Repairs. Residents will be advised to report to the Project office any items requiring repair. A work order will be written and assigned to the site personnel. It is Agent's goal to complete work orders within forty-eight hours, when possible. Upon completion of a work order, the Property Manager will sign off on the work and copies of the work order will be filed by the month and by the unit.

D. Additional Work Order Procedures. Work orders will be written for all maintenance items including vacant units. The Maintenance Personnel, or vendor, will use a checklist to ensure that units are properly painted, cleaned and repaired prior to move-ins. The Property Manager will inspect the work to be sure the Maintenance Personnel or vendor has completed it properly. If a resident has damaged his/her unit beyond normal wear and tear, he she will be charged for the cost of repair/replacement and labor according to the current "Maintenance charge sheet".

E. Garbage, Trash and Recycling. Garbage and trash removal will be handled through a contractor. The quantity, size of containers and frequency of pickup will be based on the number of residents and location and size of dumpsters used within the Project. The Project will comply with any recycling and/or composting programs as required by regulatory and statutory guidelines.

F. Common Areas. All common areas will be picked up daily. These areas will be cleaned, vacuumed, hosed down, etc. on a scheduled basis.

G. Metering. Sub-metered utilities will be read and invoiced by vendors.

H. Major Repairs and Capital Improvements. When possible, major repairs (including capital improvements) will be budgeted items. It is anticipated that the Maintenance Personnel or vendor will resolve most routine repairs. If outside contractors are required, bids will be solicited from contractors and a minimum of three bids as outlined in the

Management Agreement. Work anticipated to cost over $20,000 may be referred to the Owner or Agent's Construction Manager for design specifications or referring to a technical contractor for design specifications.

I. Preventative Maintenance Inspections. Inspections will be made on the exteriors and common areas for security and preventative maintenance purposes. In general, the Project components will be inspected as follows:

1. On-site physical inspections conducted three times a week by the Property Manager. This would be augmented as needed through inspections by the Regional Manager;
2. Mechanical equipment inspection semi-annually or as needed;
3. Walk-through with contract services quarterly and as needed;
4. Roof inspections in the fall of each year and as needed;
5. Internal components inspected by Property Manager or Regional Manager semi-annually or as needed;
6. Exterior components such as lighting, building siding, asphalt, sidewalks, roof, etc. are inspected routinely (daily, weekly or monthly) as applicable by the Property Manager and Maintenance staff or vendor and periodically by the Regional Manager typically in the spring and fall;
7. Lighting and security inspections are conducted routinely by on-site personnel and off-site personnel (as indicated in 6 above);
8. The local government may be present or initiate semi-annual site inspections.

XI. EMERGENCIES

A. Agency Coordination. Work and coordinate with City of San Francisco and TIDA on ongoing emergency response planning and support of emergency response operations, particularly those resulting in resident displacement, sheltering, and/or evacuation.

B. Emergency Alarm Systems. All residents, at time of occupancy, will be trained in the use of the emergency alarm system. The residents will also be informed that the alarm system will not necessarily be monitored 24 hours a day. Residents will be informed that when an alarm sounds and no staff member responds, they are to call the appropriate party i.e., Fire Department, Police, or the answering service.

C. Notification to Next-Of-Kin. Should an emergency arise with a resident, the person who is listed as "next-of-kin" on the resident's application will be notified. In the event of a resident's death, every effort will be made to have the resident's next-of-kin take immediate possession of the contents of the apartment or to take an immediate inventory with the Coroner's Office.

D. Safety Training Program. Staff training will be ongoing in areas of building security and emergency preparedness, medical emergencies, C.P.R., proper use of life safety equipment, proper use of hazardous chemicals, maintenance equipment, etc.

E. Safety and Security Plan. The Agent will work with the Owner in the preparation and implementation of a comprehensive Safety and Security Plan. Any Emergency Response Plan (ERP) implemented at the Project will be developed by the Agent.

F. Fire/Life Safety System. The Agent will assure compliance with all local and state requirements regarding the servicing inspections and certification of the entire fire/life safety system.

XII. CONFLICTS

In the event of any conflicts between the provisions of this Management Plan and the Management Agreement, the provisions of the Management Agreement shall prevail.

Initials: Owner:_____Date:_____ Agent:_____Date:_____

SUBLEASE AND PROPERTY MANAGEMENT AGREEMENT

EXHIBIT K

APPROVED HAZARDOUS MATERIALS

EXHIBIT K

APPROVED HAZARDOUS MATERIALS
TREASURE ISLAND HOUSING
Prepared by The John Stewart Company
June 3, 2014

Partial list of materials typically used for maintenance operations and general household use that are, or may be considered hazardous:

Cleaning Products
Ajax, Comet cleanser
Chlorine bleach
Lysol, Pinesol
Window cleaner
Ammonia
Scrubbing Bubbles cleanser
Oven cleaner
Liquid Plumber, Draino, and like drain openers
Floor wax and polish
Furniture and floor polish
Wax stripper
Disinfectants
Carpet Spotter
Carpet and upholstery cleaners
Tile cleaner
TSP

Paint and Paint Related Products
Paints, stains and other paint coatings
Enamels
Varnishes and shellacs
Polyuerethanes
Penetrating wood finishes and sealers
Wood preservatives
Solvents
Acetone

Mineral spirits, paint thinner, lacquer thinner, turpentine
Paint removers & strippers, Goo Gone
Rust and stain removers
Phosphoric acid
Linseed oil
Glazing compound
Wallpaper adhesive
Fiberglass patch

Workshop Products
Floor tile adhesive
Glues, epoxies and adhesives
Spray adhesive
WD-40
Kerosene
Propane fuel
Three-in-one oil
Lubricants and grease
Spray lubricants
Caulking
Freon reclamation (refrigerators)

Auto and Machine Related Products
Gasoline
Motor oil
Anti-freeze
Car batteries

Roofing and Paving Products
Plastic roof cement and other roof patching material
Asphalt repair and cleaning materials
De-greasers

Vector Control
Pesticides, insecticides, ant and roach killers
Rat poisons

Grounds & Landscape
Weed killers
Chemical fertilizers
Garden fungicides
Slug and snail control

Office Supplies
Copy machine toner
Laser printer chemicals
Office equipment lubricants
Marking pens
E-Z seal
Windex
Lysol wipes

Miscellaneous
Art supplies (oil-based paints, lead cadmium, rubber cement, adhesives)
Photographic chemicals
Pet care products
Moth balls
Silver polish
Shoe polish
Aerosol sprays
Air fresheners

FIRST AMENDMENT TO

SUBLEASE AND PROPERTY MANAGEMENT AGREEMENT

THIS FIRST AMENDMENT TO SUBLEASE (this "First Amendment"), dated for reference purposes only as of March 15, 2016, 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 desire to amend the Original Sublease 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 on the terms and conditions set forth in this First Amendment.

C. The Original Sublease and this First 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 First Amendment shall be March 15, 2016 (the "Effective Date").

3. **Premises.** As of the Effective Date, Quarters 7, located at 70 Garden Way, Yerba Buena Island, San Francisco, California, shall be added to the Premises, and the following Yerba Buena Island and Treasure Island units shall be deleted from the Premises: 60 Yerba Buena Rd., 66 Yerba Buena Rd., 324 Yerba Buena Rd., 325 Yerba Buena Rd., 326 Yerba Buena Rd., 327 Yerba Buena Rd., 328 Yerba Buena Rd., 329 Yerba Buena Rd., 331 Yerba Buena Rd., 105 Forest Rd., 106 Forest Rd., 109 Forest Rd., 111 Forest Rd., 113 Forest Rd., 115 Forest Rd., 300 Nimitz Dr., 302 Nimitz Dr., 303 Nimitz Dr., 304, Nimitz Dr., 301 Macalla Dr., 1133 Mason Ct., 1311 Gateview Ave., 1313 Gateview Ave., and 1325 Westside Dr.,and Exhibit B shall be deleted and replaced with the attached Exhibit B.

4. **Management, Maintenance and Repair Responsibilities.** Commencing July 1, 2016, the Management, Maintenance and Repair Responsibilities described in Sublease Section 8.2 (g) shall be amended to read as follows:

> "Subtenant shall not be required to maintain all Landscaping, grounds and common areas for the Premises"

5. **Common Area Maintenance Charges (CAM).** Commencing July 1, 2016, 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 $107.65 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%)"

6. **Insurance.** As of the Effective Date, Sublease Sections 25.1 (b), (c) and (H), and 25.2 (B) (i) shall be amended to read as follows:

> "25.1 (b) Property Insurance. Property insurance on an ISO "special form" (excluding earthquake and flood) with any exposures for reconstruction loss of rents up to 12 months included in the aggregate limit. The loss of rents coverage shall have a deductible of no more than $5,000 per occurrence. The deductible will be no greater than $75,000 per occurrence for property related losses only. Any vacancy clause will be waived or extended to no less than 90 days. The limit of coverage will be full replacement cost or a stop loss limit that covers at least 35% of the total insurable value of all covered rentable units.
>
> 25.1 (c) Environmental Pollution Insurance. Should Subtenant perform construction related activities under this Agreement, insurance for such activities shall be approved in advance by the Authority with respect to the amount, form and insurers. Such insurance shall be obtained, paid for, and maintained by Subtenant throughout such operations.
>
> 25.1 (h) Employee Fidelity Bonds. Fidelity bond insurance coverage for on-site employees with a $3,000,000 limit and $25,000 deductible.
>
> 25.2 (b) All insurance policies shall be endorsed to provide the following:

(i) The Authority and the City shall be named as an additional named insured and loss payee on liability and property coverages as its interest may appear, if necessary. Subtenant shall be first named insured. All liability insurance policies required to be maintained by Subtenant hereunder shall contain a cross-liability clause, shall name as additional insureds the "THE TREASURE ISLAND DEVELOPMENT AUTHORITY, CITY AND COUNTY OF SAN FRANCISCO, THE UNITED STATES OF AMERICA, ACTING BY AND THROUGH THE DEPARTMENT OF THE NAVY, AND THEIR OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS," shall be primary to any other insurance available to the additional insureds with respect to claims arising under this Sublease, and shall provide that such insurance applies separately to each insured against whom complaint is made or suit is brought except with respect to the limits of the company's liability."

7. **Criminal History in Hiring**. As of the Effective Date, the following is added to the Sublease as new Section 34.18:

34.18 Criminal History in Hiring and Employment Decisions.

(a) Unless exempt, Subtenant agrees to comply with and be bound by all of the provisions of San Francisco Administrative Code Chapter 12T (Criminal History in Hiring and Employment Decisions; "Chapter 12 T"), which are hereby incorporated as may be amended from time to time, with respect to applicants and employees of Subtenant who would be or are performing work at the Premises.

(b) Subtenant shall incorporate by reference the provisions of Chapter 12T in all subleases of some or all of the Premises, and shall require all subtenants to comply with such provisions. Subtenant's failure to comply with the obligations in this subsection shall constitute a material breach of this Sublease.

(c) Subtenant and subtenants shall not inquire about, require disclosure of, or if such information is received base an Adverse Action on an applicant's or potential applicant for employment, or employee's: (1) Arrest not leading to a Conviction, unless the Arrest is undergoing an active pending criminal investigation or trial that has not yet been resolved; (2) participation in or completion of a diversion or a deferral of judgment program; (3) a Conviction that has been judicially dismissed, expunged, voided, invalidated, or otherwise rendered inoperative; (4) a Conviction or any other adjudication in the juvenile justice system; (5) a Conviction that is more than seven years old, from the date of sentencing; or (6) information pertaining to an offense other than a felony or misdemeanor, such as an infraction.

(d) Subtenant and subtenants shall 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, unresolved arrest, or any matter identified in subsection (c) above. Subtenant and subtenants shall not require such disclosure or make such inquiry until either after the first live interview with the person, or after a conditional offer of employment.

(e) Subtenant and subtenants shall state in all solicitations or advertisements for employees that are reasonably likely to reach persons who are reasonably likely to seek employment with Subtenant or subtenant at the Premises, that the Subtenant or subtenant will consider for employment qualified applicants with criminal histories in a manner consistent with the requirements of Chapter 12T.

(f) Subtenant and subtenants shall post the notice prepared by the Office of Labor Standards Enforcement ("OLSE"), available on OLSE's website, in a conspicuous place at the Premises and at other workplaces within San Francisco where interviews for job opportunities at the Premises occur. The notice shall 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) Subtenant and subtenants understand and agree that upon any failure to comply with the requirements of Chapter 12T, the City shall have the right to pursue any rights or remedies available under Chapter 12T or this Sublease, including but not limited to a penalty of $50 for a second violation and $100 for a subsequent violation for each employee, applicant or other person as to whom a violation occurred or continued, termination or suspension in whole or in part of this Sublease.

(h) If Subtenant has any questions about the applicability of Chapter 12T, it may contact the City's Real Estate Division for additional information. City's Real Estate Division may consult with the Director of the City's Office of Contract Administration who may also grant a waiver, as set forth in Section 12T.8.

8. **Local Hire**. As of the Effective Date, Section 32.9 of the Sublease is deleted and replaced with the following:

32.9 Local Hire. Any undefined, initially-capitalized term used in this Section shall have the meaning given to such term in San Francisco Administrative Code Section 23.62 (the "Local Hiring Requirements"). The Alterations are subject to the Local Hiring Requirements unless the cost for such work is (i) estimated to be less than $750,000 per building permit or (ii) meets any of the other exemptions in the Local Hiring Requirements. Accordingly, as a condition of this Sublease, Subtenant agrees that it shall comply with the requirements of the Local Hiring Requirements applicable to Alterations and shall require its subcontractors to comply with those requirements to the extent applicable. Before starting any Alteration, Subtenant shall contact City's Office of Economic Workforce and Development ("OEWD") to verify if any Local Hiring Ordinance requirements apply to such work. Subtenant shall comply with all such applicable requirements. Subtenant's failure to comply with its obligations under this Section shall constitute a material breach of this Sublease. Subtenant shall include and shall require its subcontractors to include a requirement to comply with the Local Hiring Requirements in any contract for a Covered Project with specific reference to San Francisco Administrative Code Section 23.62 and each such contract shall name the City and County of San Francisco as a third party beneficiary for the limited purpose of enforcing the Local Hiring Requirements, including the right to file charges and seek penalties against any contractor or subcontractor in accordance with San Francisco Administrative Code Section 23.61. Subtenant agrees to cooperate with the

Authority in any action or proceeding against a contractor or subcontractor that fails to comply with the Local Hiring Requirements.

9. **Counterparts**. This First 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.

10. **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 First 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: _____
Steven McElroy
Its: Vice President

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

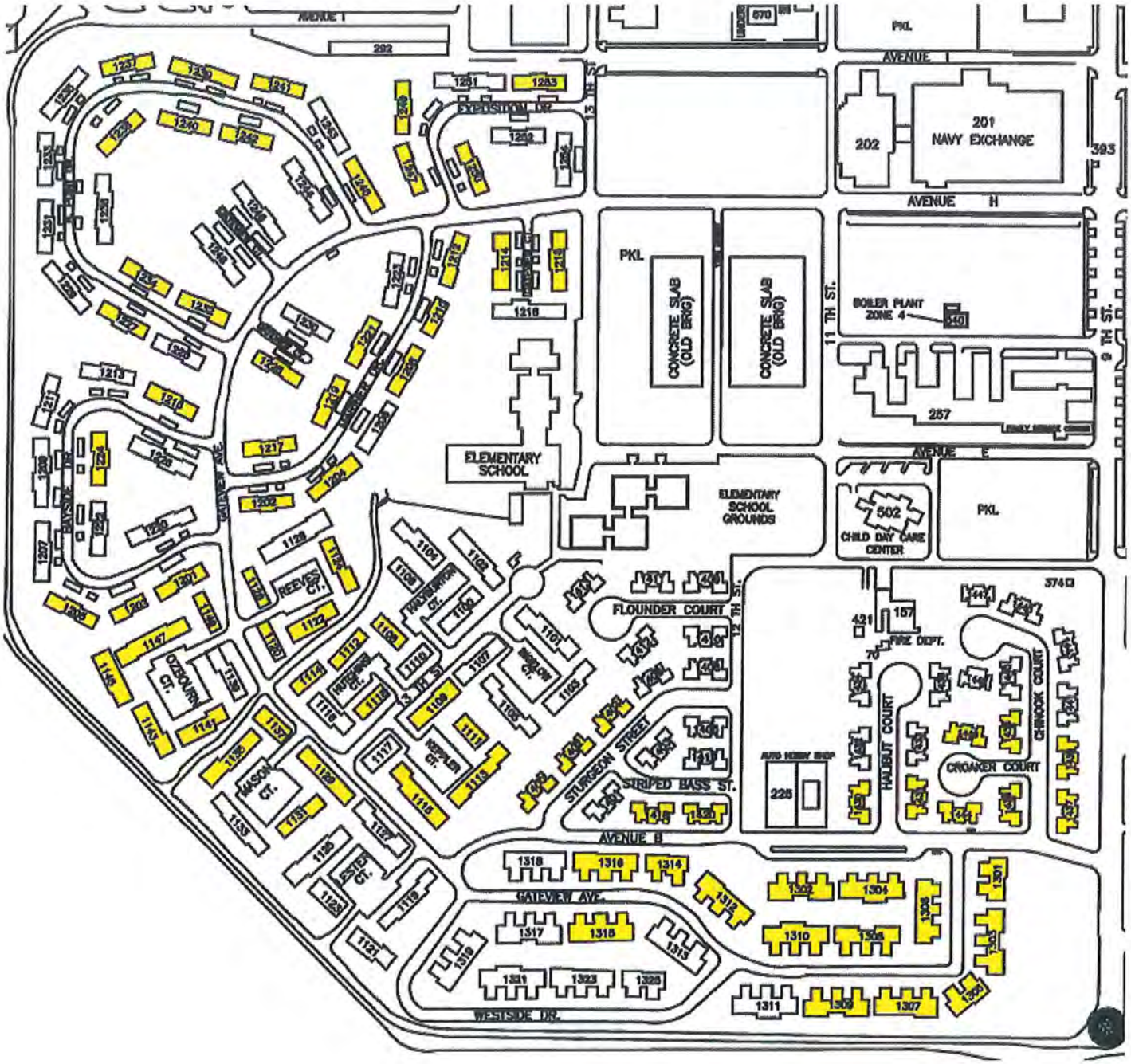
By: _____
Deputy City Attorney

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

Exhibit B

List of Rental Units - Treasure Island

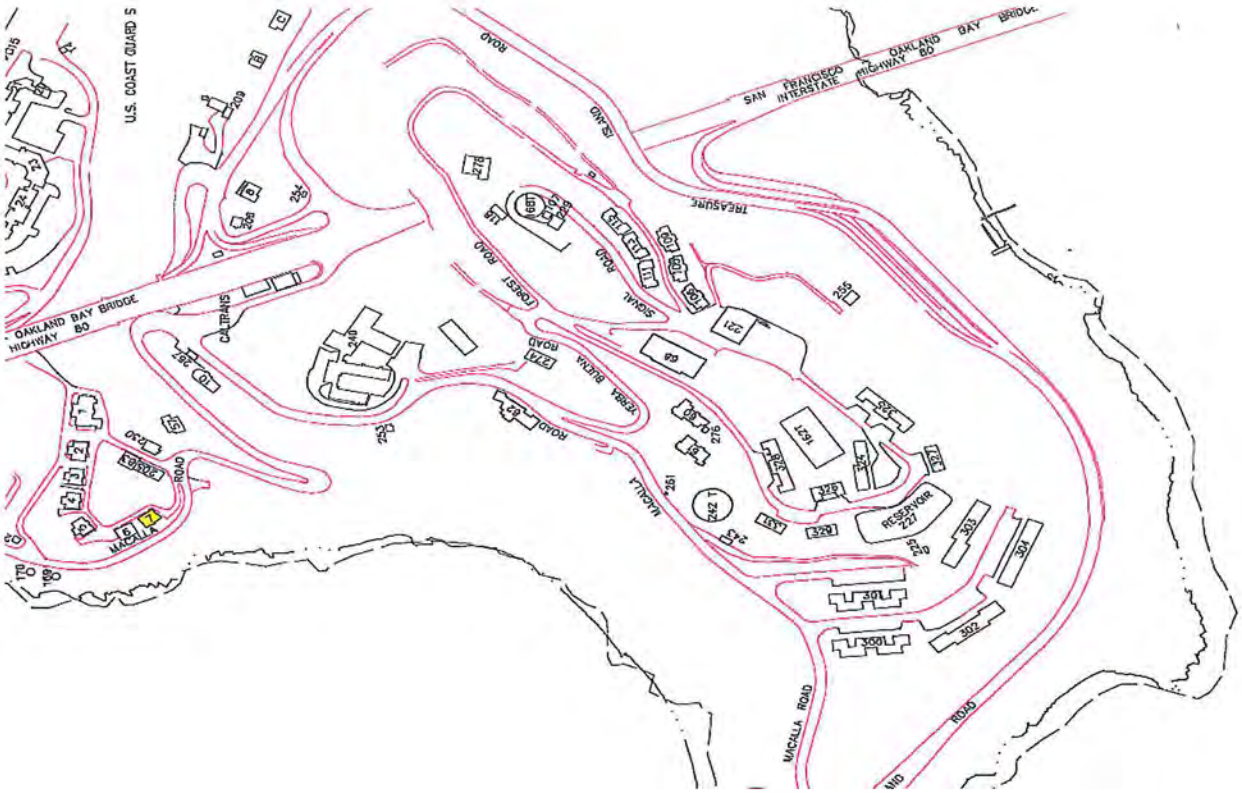
Market-Rate Housing



List of Rentable Units
Market-Rate Housing – Treasure Island

Addresses

1100's	1200's	1200's	1300's	1400's
1108 Halyburton Court	1201 Bayside Drive	1221 Mariner Drive	1301 Gateview Avenue	1400 Sturgeon Street
1109 Keppler Court	1202 Mariner Drive	1224 Bayside Drive	905 Avenue B (Previously 1302 Avenue B)	1402 Sturgeon Street
1111 Keppler Court	1203 Bayside Drive	1227 Northpoint Drive	1303 Gateview Avenue	1404 Sturgeon Street
1112 Hutchins Court	1204 Mariner Drive	1390 Gateview Court (Previously 1228 Gateview Court)	901 Avenue B (Previously 1304 Avenue B)	1418 Striped Bass Street
1113 Keppler Court	1205 Bayside Drive	1232 Northpoint Drive	1305 Gateview Avenue	1420 Striped Bass Street
1114 Hutchins Court	1208 Mariner Drive	1234 Northpoint Drive	1306 Gateview Avenue	1430 Halibut Court
1115 Keppler Court	1210 Mariner Drive	1237 Northpoint Drive	1307 Gateview Avenue	1431 Halibut Court
1118 Hutchins Court	1212 Mariner Drive	1238 Northpoint Drive	1308 Gateview Avenue	1436 Chinook Court
1120 Reeves Court	1420 Gateview Court (Previously 1214 Gateview Court	1239 Northpoint Drive	1309 Gateview Avenue	1437 Chinook Court
1122 Reeves Court	1215 Bayside Drive	1240 Northpoint Drive	1310 Gateview Avenue	1438 Chinook Court
1124 Reeves Court	1217 Mariner Drive	1241 Northpoint Drive	1312 Gateview Avenue	1439 Chinook Court
1128 Reeves Court	1440 Gateview Court (Previously 1218 Gateview Court)	1242 Northpoint Drive	1314 Gateview Avenue	1444 Croaker Court
1129 Mason Court	1219 Mariner Drive	1245 Northpoint Drive	1315 Gateview Avenue	1449 Croaker Court
1131 Mason Court		1247 Exposition Drive	1316 Gateview Avenue	
1135 Mason Court		1249 Exposition Drive		
1137 Mason Court		1250 Exposition Drive		
1141 Ozbourn Court		1253 Exposition Drive		
1143 Ozbourn Court				
1145 Ozbourn Court				
1147 Ozbourn Court				
1149 Ozbourn Court				



List of Rentable Units
Market-Rate Housing – Yerba Buena Island

Quarters 7, 70 Garden Way, Yerba Buena Island

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: Stan McElroy, Vice President

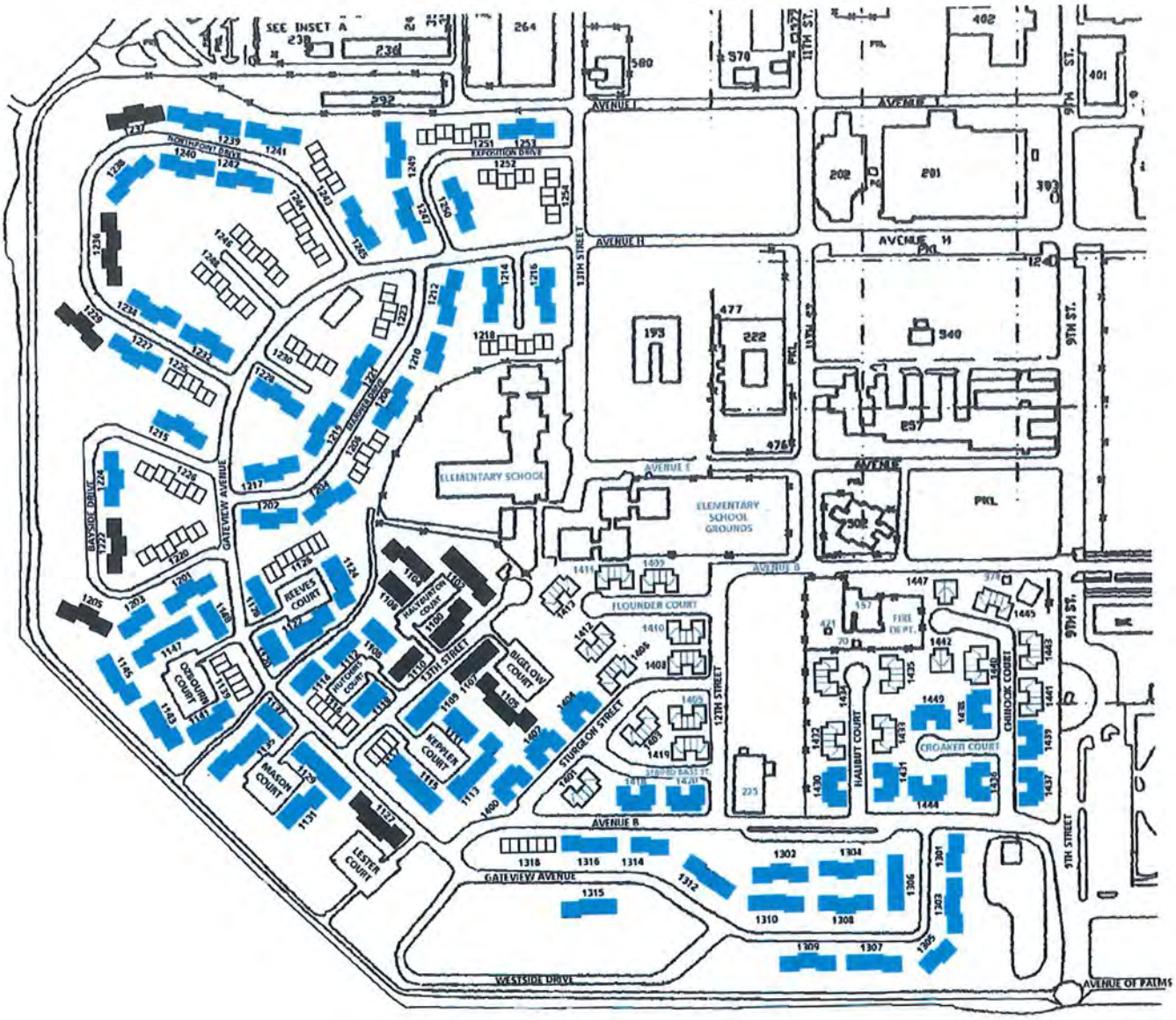
APPROVED AS TO FORM:

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

ORIGINAL

THIRD AMENDMENT TO
SUBLEASE AND PROPERTY MANAGEMENT AGREEMENT

THIS THIRD AMENDMENT TO SUBLEASE (this "Third Amendment"), dated for reference purposes only as of October 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 15, 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 entered into that certain Second Amendment to Sublease dated for reference purposes as of May 1, 2017 (the "Second 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.

D. Sublandlord and Subtenant desire to amend the Original Sublease, as amended by the First Amendment and the Second Amendment to amend the Sublease to adopt a 2017 Rent Schedule as set forth in this Third Amendment.

E. The Original Sublease as amended by the First Amendment, the Second Amendment and this Third 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 Third Amendment shall be October 1, 2017 (the "Effective Date").

3. **Rental Rates.** As of the Effective Date, the Rental Rates described in the Sublease Section 7.4 shall be amended to read as follows:

> "The rental rates for all Rentable Units have been set by the Authority at the rates described on the Rental Rate Schedule attached hereto as Exhibit H (the "**Approved Rates**"). The Approved Rates shall increase each year in amount determined by the Authority, with such permitted increases being assessed under the Rental Agreements. The rental rates may not be changed from the Approved Rates without the prior written consent of the Authority, except upon any vacancy, the Director and Subtenant may agree in writing to increase or decrease the rental rate of any Rentable Unit by no more than fifteen percent (15%) of the rental rate for such Rentable Unit provided for in the Approved Rates."

4. **Counterparts**. This Third 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.

5. **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 Third Amendment to Sublease at San Francisco, California, as of the date first above written.

SUBLANDLORD:

TREASURE ISLAND DEVELOPMENT AUTHORITY

By: _____ Richard A. Rovetti
Ron Robert P. Beck
Robert P. Beck
Treasure Island Director

SUBTENANT:

The John Stewart Company, Inc.
a California corporation

By: _____

Its: President + CEO

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)

IN WITNESS WHEREOF, Sublandlord and Subtenant have executed this Third 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: _____

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)

SUBLEASE AND PROPERTY MANAGEMENT AGREEMENT

EXHIBIT H
APPROVED RENTAL RATES

The Villages at Treasure Island

2017 Rent Schedule

Unit Description	Rent
2 Bedroom Unit	$2,577.00
3 Bedroom Unit	$2,876.00
4 Bedroom Unit	$3,413.00

ORIGINAL

FOURTH AMENDMENT TO
SUBLEASE AND PROPERTY MANAGEMENT AGREEMENT

THIS FOURTH AMENDMENT TO SUBLEASE (this "Fourth Amendment"), dated for reference purposes only as of July 1, 2018, 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 15, 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 entered into that certain Second Amendment to Sublease dated for reference purposes as of May 1, 2017 (the "Second 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.

D. Sublandlord and Subtenant entered into that certain Third Amendment to Sublease dated for reference purposes as of October 1, 2017 (the "Third Amendment") to adopt the 2017 Rent Schedule.

E. Sublandlord and Subtenant desire to amend the Original Sublease, as amended by the First Amendment, the Second Amendment and the Third Amendment to amend the Sublease to adopt a 2018 Rent Schedule as set forth in this Fourth Amendment.

F. The Original Sublease as amended by the First Amendment, Second Amendment Third Amendment and this Fourth 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 Fourth Amendment shall be July 1, 2018 (the "Effective Date").

3. **Rental Rates.** As of the Effective Date, the Rental Rates described in the Sublease Section 7.4 shall be amended to read as follows:

> "The rental rates for all Rentable Units have been set by the Authority at the rates described on the Rental Rate Schedule attached hereto as Exhibit H (the "**Approved Rates**"). The Approved Rates shall increase each year in amount determined by the Authority, with such permitted increases being assessed under the Rental Agreements. The rental rates may not be changed from the Approved Rates without the prior written consent of the Authority, except upon any vacancy, the Director and Subtenant may agree in writing to increase or decrease the rental rate of any Rentable Unit by no more than fifteen percent (15%) of the rental rate for such Rentable Unit provided for in the Approved Rates."

4. **Counterparts**. This Fourth 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.

5. **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 Fourth Amendment to Sublease at San Francisco, California, as of the date first above written.

SUBLANDLORD:

TREASURE ISLAND DEVELOPMENT AUTHORITY

By: _____ Richard A. Rovetti, for Robert P. Beck
Robert P. Beck
Treasure Island Director

SUBTENANT:

The John Stewart Company, Inc.
a California corporation

By: _____

Its: President + CEO

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)

IN WITNESS WHEREOF, Sublandlord and Subtenant have executed this Fourth 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: _____

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)

SUBLEASE AND PROPERTY MANAGEMENT AGREEMENT

EXHIBIT H
APPROVED RENTAL RATES

The Villages at Treasure Island

2018 Rent Schedule

Unit Description	Rent
2 Bedroom Unit	$2,618.00
3 Bedroom Unit	$2,922.00
4 Bedroom Unit	$3,467.00

*** Notwithstanding the above Schedule, the rent for any occupied unit receiving subsidy shall be the permissible rent per Housing and Urban Development (HUD) guidelines.**

ORIGINAL

FIFTH AMENDMENT TO
SUBLEASE AND PROPERTY MANAGEMENT AGREEMENT

THIS FIFTH AMENDMENT TO SUBLEASE (this "Fifth Amendment"), dated for reference purposes only as of May 1, 2019, 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 15, 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 entered into that certain Second Amendment to Sublease dated for reference purposes as of May 1, 2017 (the "Second 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.

D. Sublandlord and Subtenant entered into that certain Third Amendment to Sublease dated for reference purposes as of October 1, 2017 (the "Third Amendment") to adopt the 2017 Rent Schedule, and that certain Fourth Amendment to Sublease dated for reference purposes as of July 1, 2018 (the "Fourth Amendment") to adopt the 2018 Rent Schedule.

E. Sublandlord and Subtenant desire to amend the Original Sublease to remove 1202 Mariner Drive from the Premises, Treasure Island, San Francisco, California from the Premises.

F. The Original Sublease as amended by the First Amendment, Second Amendment Third Amendment, Fourth Amendment and this Fifth 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 Fifth Amendment shall be May 1, 2019 (the "Effective Date").

3. **Premises.** As of the Effective Date, 1202 Mariner Drive, 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.. **Counterparts**. This Fifth 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.

5. **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 Fifth Amendment to Sublease at San Francisco, California, as of the date first above written.

SUBLANDLORD:

TREASURE ISLAND DEVELOPMENT AUTHORITY

By: _____ Richard A. Rovetti For Robert P. Beck
Robert P. Beck
Treasure Island Director

SUBTENANT:

The John Stewart Company, Inc.
a California corporation

By: _____

Its: _____

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)

IN WITNESS WHEREOF, Sublandlord and Subtenant have executed this Fifth 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: President + CEO

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

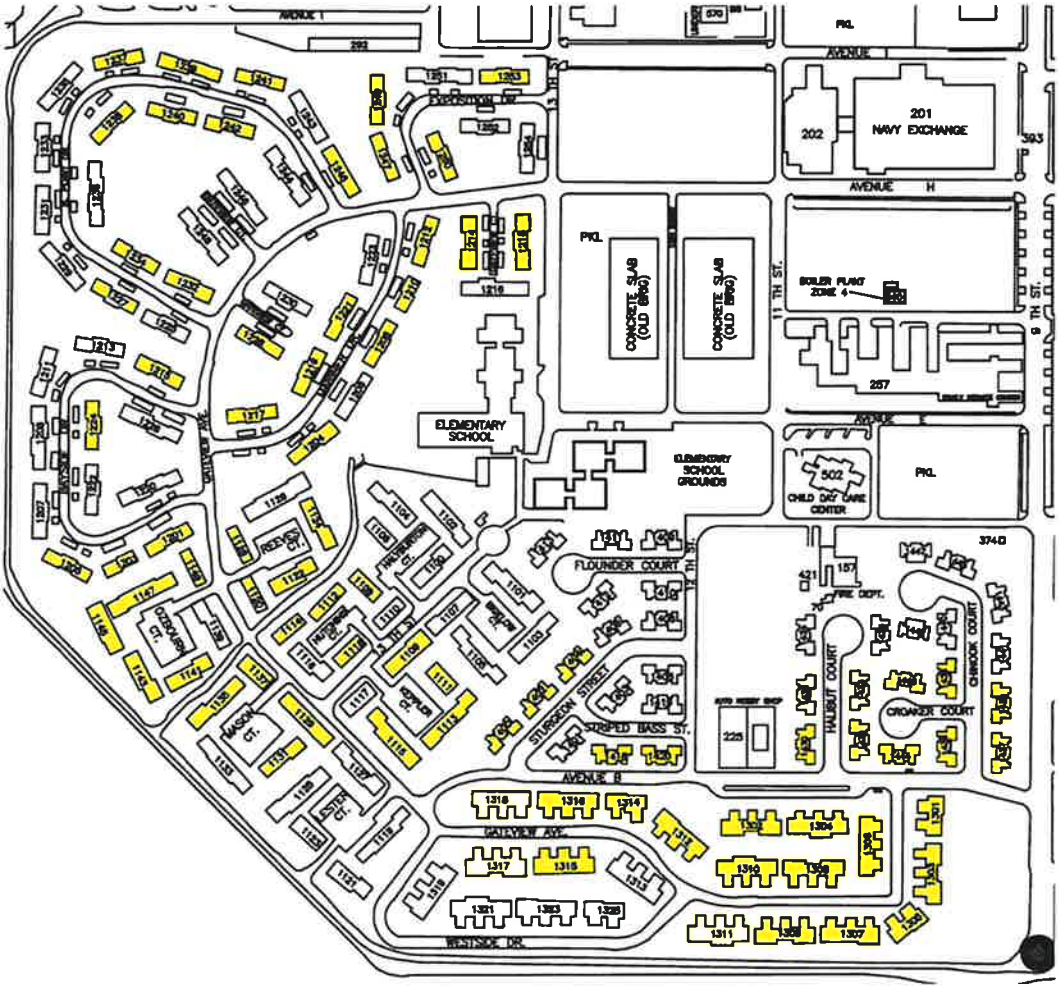
By: _____
Deputy City Attorney

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

SUBLEASE AND PROPERTY MANAGEMENT AGREEMENT

EXHIBIT B

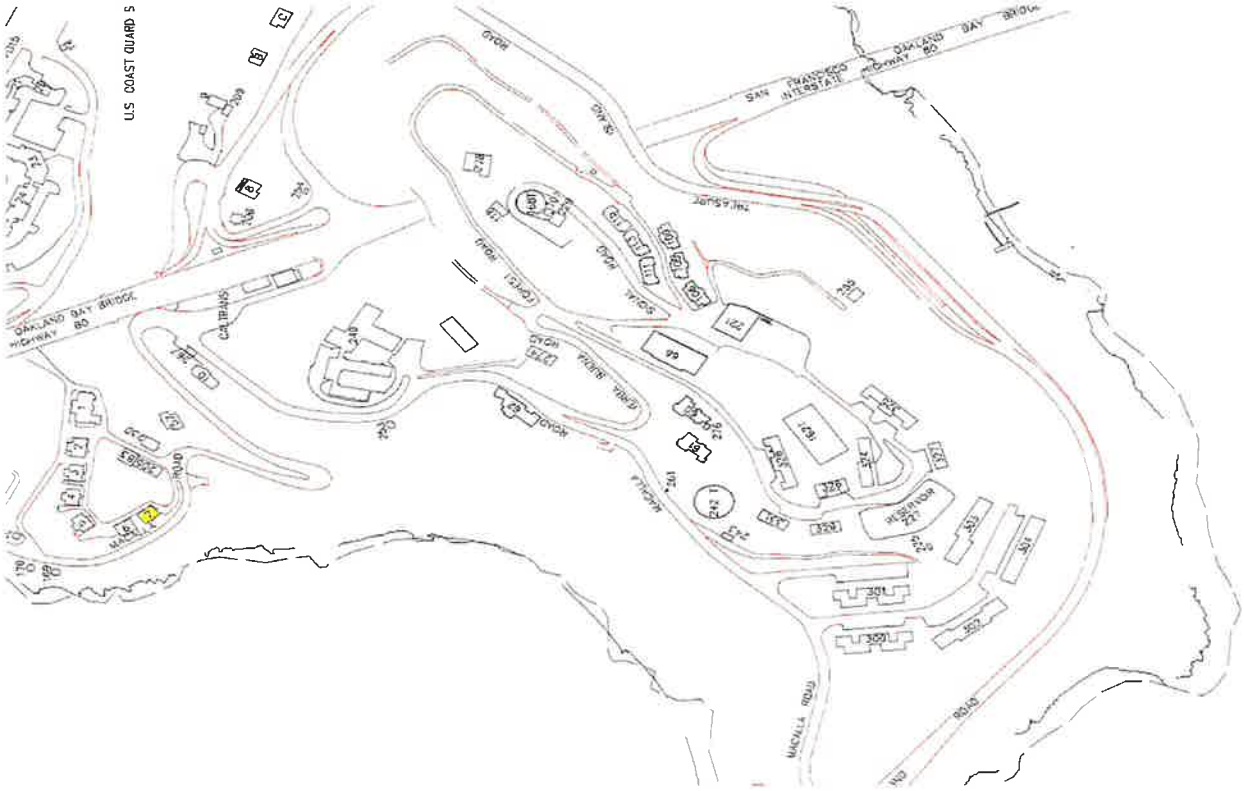
Treasure Island (Market-Rate Housing)



SUBLEASE AND PROPERTY MANAGEMENT AGREEMENT

EXHIBIT B

Yerba Buena Island (Market-Rate Housing)
(Quarters 7, 70 Garden Way, Yerba Buena Island)



ORIGINAL

SIXTH AMENDMENT TO
SUBLEASE AND PROPERTY MANAGEMENT AGREEMENT

THIS SIXTH AMENDMENT TO SUBLEASE (this "Sixth Amendment"), dated for reference purposes only as of July 15, 2019, 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 15, 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 entered into that certain Second Amendment to Sublease dated for reference purposes as of May 1, 2017 (the "Second 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.

D. Sublandlord and Subtenant entered into that certain Third Amendment to Sublease dated for reference purposes as of October 1, 2017 (the "Third Amendment") to adopt the 2017 Rent Schedule, that certain Fourth Amendment to Sublease dated for reference purposes as of July 1, 2018 (the "Fourth Amendment") to adopt the 2018 Rent Schedule, and that certain Fifth Amendment to Sublease dated for reference purposes as of May 1, 2019 (the "Fifth Amendment") to remove 1202 Mariner Drive from the Premises.

E. Sublandlord and Subtenant desire to amend the Original Sublease to adopt the 2019 Rent Schedule, Treasure Island, San Francisco, California from the Premises.

F. The Original Sublease as amended by the First Amendment, Second Amendment Third Amendment, Fourth Amendment, Fifth Amendment and this Sixth 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 Sixth Amendment shall be July 15, 2019 (the "Effective Date").

3. **Rental Rates.** As of the Effective Date, the Rental Rates described in the Sublease Section 7.4 shall be amended to read as follows:

> "The rental rates for all Rentable Units have been set by the Authority at the rates described on the Rental Rate Schedule attached hereto as Exhibit H (the "**Approved Rates**"). The Approved Rates shall increase each year in amount determined by the Authority, with such permitted increases being assessed under the Rental Agreements. The rental rates may not be changed from the Approved Rates without the prior written consent of the Authority, except upon any vacancy, the Director and Subtenant may agree in writing to increase or decrease the rental rate of any Rentable Unit by no more than fifteen percent (15%) of the rental rate for such Rentable Unit provided for in the Approved Rates."

4.. **Counterparts**. This Sixth 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.

5. **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 Sixth 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: 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)

SUBLEASE AND PROPERTY MANAGEMENT AGREEMENT

EXHIBIT H

APPROVED RENTAL RATES

The Villages at Treasure Island

2019 Rent Schedule

Unit Description	Rent
2 Bedroom Unit	$2,686.00
3 Bedroom Unit	$2,998.00
4 Bedroom Unit	$3,557.00

*** Notwithstanding the above Schedule, the rent for any occupied unit receiving subsidy shall be the permissible rent per Housing and Urban Development (HUD) guidelines.**

DocuSign Envelope ID: 552E78D8-05E3-4F19-B816-225C045C9457

Incomplete - Pending Signature

San Francisco Ethics Commission
25 Van Ness Avenue, Suite 220, San Francisco, CA 94102
Phone: 415.252.3100 . Fax: 415.252.3112
ethics.commission@sfgov.org . www.sfethics.org

Received On:

File #: 240504

Bid/RFP #:

Notification of Contract Approval

SFEC Form 126(f)4
(S.F. Campaign and Governmental Conduct Code § 1.126(f)4)
A Public Document

Each City elective officer who approves a contract that has a total anticipated or actual value of $100,000 or more must file this form with the Ethics Commission within five business days of approval by: (a) the City elective officer, (b) any board on which the City elective officer serves, or (c) the board of any state agency on which an appointee of the City elective officer serves. For more information, see: https://sfethics.org/compliance/city-officers/contract-approval-city-officers

1. FILING INFORMATION

TYPE OF FILING	DATE OF ORIGINAL FILING (*for amendment only*)
Original	
AMENDMENT DESCRIPTION – Explain reason for amendment	

2. CITY ELECTIVE OFFICE OR BOARD

OFFICE OR BOARD	NAME OF CITY ELECTIVE OFFICER
Board of Supervisors	Members

3. FILER'S CONTACT

NAME OF FILER'S CONTACT	TELEPHONE NUMBER
Angela Calvillo	415-554-5184
FULL DEPARTMENT NAME	**EMAIL**
Office of the Clerk of the Board	Board.of.Supervisors@sfgov.org

4. CONTRACTING DEPARTMENT CONTACT

NAME OF DEPARTMENTAL CONTACT	DEPARTMENT CONTACT TELEPHONE NUMBER
Robert Beck	415-274-0660
FULL DEPARTMENT NAME	**DEPARTMENT CONTACT EMAIL**
ADM Treasure Island Development Authority	bob.beck@sfgov.org

DocuSign Envelope ID: 552E78D8-05E3-4F19-B816-225C045C9457

Incomplete - Pending Signature

5. CONTRACTOR

NAME OF CONTRACTOR	TELEPHONE NUMBER
John Stewart Company	415-345-4400
STREET ADDRESS (including City, State and Zip Code)	**EMAIL**
1388 Sutter Street, 11th Flr, San Francisco, CA 94109	jscosf@jsco.net

6. CONTRACT

DATE CONTRACT WAS APPROVED BY THE CITY ELECTIVE OFFICER(S)	ORIGINAL BID/RFP NUMBER	FILE NUMBER (*If applicable*)
		240504

DESCRIPTION OF AMOUNT OF CONTRACT

$632,806 in annual base rent

NATURE OF THE CONTRACT *(Please describe)*

Sublease and property management agreement for Treasure Island market-rate rental housing between the Treasure Island Development Authority and the John Stewart Company

7. COMMENTS

Proposed amendment would extend the term beyond ten years for an additional ten years with an option to extend for an additional three years

8. CONTRACT APPROVAL

This contract was approved by:

☐	**THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM**
☒	**A BOARD ON WHICH THE CITY ELECTIVE OFFICER(S) SERVES** Board of Supervisors
☐	**THE BOARD OF A STATE AGENCY ON WHICH AN APPOINTEE OF THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM SITS**

DocuSign Envelope ID: 552E78D8-05E3-4F19-B816-225C045C9457

Incomplete - Pending signature

9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor's board of directors; (B) the contractor's principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
1	Gardner	Jack	Board of Directors
2	Tustin	Mari	Board of Directors
3	Levine	Dan	Board of Directors
4	Schwartz	Noah	Board of Directors
5	Miller	Margaret	Board of Directors
6	Schwartz	Noah	CEO
7	Tustin	Mari	Other Principal Officer
8	Levine	Dan	Other Principal Officer
9	Miller	Margaret	Other Principal Officer
10	Cheung	Flora	Other Principal Officer
11			
12			
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15			
16			
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18			
19			

DocuSign Envelope ID: 552E78D8-05E3-4F19-B816-225C045C9457

Incomplete - Pending Signature

9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor's board of directors; (B) the contractor's principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
20			
21			
22			
23			
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27			
28			
29			
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37			
38			

Incomplete - Pending Signature

9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor's board of directors; (B) the contractor's principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
39			
40			
41			
42			
43			
44			
45			
46			
47			
48			
49			
50			

☐ Check this box if you need to include additional names. Please submit a separate form with complete information. Select "Supplemental" for filing type.

10. VERIFICATION

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information I have provided here is true and complete.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

SIGNATURE OF CITY ELECTIVE OFFICER OR BOARD SECRETARY OR CLERK	DATE SIGNED
BOS Clerk of the Board	

From:	Trejo, Sara (MYR)
To:	BOS Legislation, (BOS)
Cc:	Paulino, Tom (MYR); Hayward, Sophie (ADM); Moser, Lily (ADM)
Subject:	Mayor -- Resolution -- John Stewart Company Sublease and Property Management Agreement Amendment
Date:	Tuesday, May 14, 2024 2:36:21 PM
Attachments:	BOS_JSCo_Reso_2024_DRAFT 03 20 CLEAN.docx BOS_JSCo_Summ_2024_DRAFT 03 20 CLEAN.docx JSCo 7th Amendment - 3-20 DRAFT CLEAN.doc SFEC_Form_126f4BOS---Notification_of_Contract.pdf

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Hello Clerks,

Attached is a Resolution Approving a Seventh Amendment to the Sublease and Property Management Agreement for Treasure and Yerba Buena Islands Market Rate Rental Housing between the Treasure Island Development Authority and the John Stewart Company to Extend the Term Until June 30, 2034.

Best regards,

Sara Trejo
Legislative Aide
Office of the Mayor
City and County of San Francisco
415.554.6141 | sara.trejo@sfgov.org