File No. 131231

Committee Item No. 4
Board Item No. 23

COMMITTEE/BOARD OF SUPERVISORS

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Committee: Budget & Finance Committee **Date** January 15, 2014

Board of Supervisors Meeting **Date** January 28, 2014

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Completed by: Linda Wong **Date** January 10, 2014
Completed by: L.W. **Date** January 17, 2014

FILE NO. 131231 RESOLUTION NO.

[Real Property Lease - Port - Affordable Self Storage, Inc. - $47,789.14 Monthly]

Resolution approving Port Commission Lease No. L-15691 with Affordable Self Storage, Inc. for paved vacant land located within Seawall Lot No. 349 in the Southern Waterfront with an initial monthly rent of $47,789.14 for a 31-month term, to commence following Board approval.

Transfer Terms. Tenant's Transfer Notice will not be complete until Tenant has provided Port with all information required under this Subsection.

(i) For up to 30 days after receipt of the complete Transfer Notice, Port will have the right to: (1) terminate this Lease as of the proposed Transfer Date; (2) sublease or take an assignment from Tenant of the interest that Tenant proposes to Transfer, on the same terms and conditions as stated in the Transfer Agreement; and (3) negotiate and contract directly with the Transferee on terms acceptable to Port in its sole and absolute discretion.

(c) If Port consents to the Transfer, Tenant must close the Transfer on the Transfer Terms stated in the Transfer Notice within 90 days after Port notifies Tenant of Port's consent. If the Transfer Agreement does not close within the 90-day period, then Port's consent will expire, unless Tenant gives Port a new Transfer Notice, in which case Port again will be entitled to exercise any of the options under this Section.

(d) Any Transfer that does not comply with this Section fully will constitute an incurable Event of Default and will be void as to Port and this Lease. Port's consent to one Transfer will have no effect with respect to any other Transfer.

(e) Tenant agrees to reimburse Port for all costs, including attorneys' fees, that Port incurs to review, investigate, process, document, disapprove, or approve any Transfer request.

20.3. ***Sublease.*** In addition to all requirements in Section 20.2, the following provisions apply to any Transfer in the form of a Sublease.

(a) Until the occurrence of an Event of Default, Tenant will have the right to receive and collect rents from the Sublease. The Sublease must require the Transferee to pay the rent and other sums due under the Sublease directly to Port upon receiving Port's written notice that Tenant is in default under this Lease, a copy of which Port will deliver to Tenant. Tenant agrees that it will hold in trust for Port's benefit any Sublease rent or other sums that Tenant collects from the Transferee after Port's notice to the Transferee, and Tenant will be obligated to forward the same to Port immediately upon receipt. Port's collection of rents and other sums under this Section will not constitute Port's acceptance of attornment by the Transferee.

(b) Tenant agrees to pay to Port immediately upon receipt all Excess Rent, less Subletting Expenses, as Additional Rent. In calculating Excess Rent, Subletting Expenses

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

WHEREAS, Affordable Self Storage, Inc., ("Affordable") began leasing paved vacant land from the Port in March 2003

WHEREAS, San Francisco Charter Section 9.118 requires Board of Supervisors approval of real property leases having anticipated revenue to the City of One Million Dollars ($1,000,000.00) or more; and

WHEREAS, The revenue of this Lease is expected to exceed One Million Dollars ($1,000,000.00); now, therefore, be it

RESOLVED, That the Board of Supervisors approves the Lease; and, be it

FURTHER RESOLVED, That the Board of Supervisors authorizes the Executive Director of the Port (the "Executive Director") to execute the Lease in substantially the form of the lease on file with the Clerk of the Board of Supervisors; and, be it

FURTHER RESOLVED, That the Board of Supervisors authorizes the Executive Director to enter into any additions, amendments or other modifications to the Lease (including, without limitation, preparation and attachment of, or changes to, any or all of the exhibits and ancillary agreements) that the Executive Director, in consultation with the City Attorney, determines is in the best interest of the Port, do not materially increase the obligations or liabilities of the Port or City or materially decrease the public benefits accruing to the Port, and are necessary or advisable to complete the transactions contemplated and effectuate the purpose and intent of this Resolution, such determination to be conclusively evidenced by the execution and delivery by the Executive Director of any such documents; and, be it

FURTHER RESOLVED, That the Board of Supervisors approves, and ratifies all prior actions taken by the officials, employees and agents of the Port Commission, or the City with respect to the Lease.

will be amortized on a straight-line basis over the term of the Sublease, without interest. For example, if: (i) the term of the Sublease is 5 years; (ii) Sublease rent is $5,000 per month; (iii) Tenant's concurrent Rent payable for the Sublease premises is $3,000 per month; (iv) Tenant's Subletting Expenses are $15,000 in brokerage commissions and $15,000 for new tenant improvements for the Sublease premises, then the amount of Excess Rent Tenant must pay to Port in connection with the Sublease is $1,500 per month, as shown in the calculation below.

Term of Sublease:	5 years x 12 months = 60 months
Subletting Expenses:	$15,000 + $15,000 = $30,000

PORT OF SAN FRANCISCO 150 YEARS

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December 3, 2013

Angela Calvillo, Clerk of the Board
Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689

Dear Ms. Calvillo:

Attached for consideration are two proposed Resolutions approving two new leases with Affordable Self Storage, Inc., located in a portion of Seawall Lot 349, which is within the Pier 70 Development Project area in the Southern Waterfront. Affordable Self Storage began leasing paved vacant land from the Port in multiple locations in March 2000. The term and rent schedules for the two proposed leases, Lease No. L-15690 for operation of a mini-storage facility and Lease No. 15691 for storage of vehicles, trucks and self-storage containers are as follows: .

Lease No. L-15690

The proposed term is for fifty-eight (58) months with up to five (5) options to extend the lease for twelve (12) months each. The base monthly rent during the initial fifty-eight month term is as follows:

Year One: 74,742 rsf @ $0.33/rsf = $24,664.86 for months 4-12

Year Two: 74,742 rsf @ $0.34/rsf = $25,412.28

Year Three: 74,742 rsf @ $0.35/rsf = $26,159.70

Year Four: 74,742 rsf @ $0.36/rsf = $26,907.12

Year Five: 74,742 rsf @ $0.37/rsf = $27,654.54 for months 49-58

131231

Lease No. L-15691

The proposed term is for thirty-one months. The base monthly rent during the lease term is as follows:

Year One: 144,818 rsf @ $0.33/rsf = $47,789.94 for months 2-12

Year Two: 144,818 rsf @ $0.34/rsf = $49,238.12

Year Three: 144,818 rsf @ $0.35/rsf = $50,686.30 for months 25-31

Pursuant to the provisions of Section 9.118 of the Charter, real property leases having

within the time period and in the manner required by Section 32 below, and Tenant's failure to cure the foregoing default within five (5) days following written notice from Port; or

(e) a Transfer, or attempted Transfer, of this Lease or the Premises by Tenant contrary to the provision of Section 20 above; or

(f) failure by Tenant or Tenant's broker as applicable to provide evidence of insurance coverage complying with the provisions of Section 16 above, failure to maintain any insurance required to be maintained by Tenant pursuant to this Lease, or if any such insurance shall be canceled or terminated or shall expire or be reduced or materially changed, except as permitted in this Lease and Tenant's or Tenant's broker as applicable failure to deliver evidence of such coverage or failure to reinstate such coverage, all within three (3) business days following written notice from Port; or

(g) failure by Tenant to comply with the provisions of Section 15 above and Tenant's failure to cure the foregoing default within twenty-four (24) hours following written notice from Port. If such default cannot reasonably be cured within such twenty-four (24) hour period, Tenant shall not be in default of this Lease if Tenant commences to cure the default within such twenty-four (24) hour period and diligently and in good faith continues to cure the default, provided, however, in no event shall Tenant have more than thirty (30) days to cure such default; or

(h) without limiting the provisions of Sections 21(c) or 21(g) above, failure by Tenant to comply with Laws and Tenant's failure to cure the foregoing default within forty-eight (48) hours following written notice from Port; or

(i) failure by Tenant to discharge any lien or encumbrance placed on the Facility or any part thereof in violation of this Lease within ten (10) days after the date such lien or encumbrance is filed or recorded against the Facility or any part thereof, or if Tenant has no knowledge of such lien, then Tenant shall discharge such lien or encumbrance within fifteen (15) days following Tenant's knowledge of such lien or encumbrance; or

(j) delivery to Tenant of three (3) or more notices of default, irrespective of whether Tenant actually cures such default within the specified time period, may, at the sole and absolute discretion of Port, be deemed an incurable breach of this Lease allowing Port to immediately terminate this Lease without further notice or demand to Tenant; or

revenues to the City of one million dollars or more require approval by resolution by the Board of Supervisors.

The following is a list of accompanying documents (three sets):

1. Two Board of Supervisors Resolutions (original plus two copies)
2. Port Lease Nos. 15690 and 15691
3. Port Staff Report and Port Commission Resolution No. 13-45 and 13-46

We recommend approval of the proposed two new leases. Should you have any

MEMORANDUM

November 7, 2013

TO: MEMBERS, PORT COMMISSION
Hon. Doreen Woo Ho, President
Hon. Kimberly Brandon, Vice President
Hon. Willie Adams
Hon. Leslie Katz
Hon. Mel Murphy

FROM: Monique Moyer
Executive Director

SUBJECT: Request approval of two leases between the Port, as landlord, and Affordable Self Storage, Inc., a California corporation, as tenant for locations within Seawall Lot 349 (Pier 70) in the southern waterfront: (i) Lease No. L-15690, for a mini-storage facility, comprising approximately 74,742 square feet of paved land; and (ii) Lease No. L-15691, for vehicle parking and self-storage containers, comprising approximately 144,818 square feet of paved land, subject to approval by the Board of Supervisors

DIRECTOR'S RECOMMENDATION: Approve Attached Resolution

I. BACKGROUND

Affordable Self Storage, Inc., a California corporation ("Affordable"), began leasing paved land from the Port in multiple locations in March 2000. Affordable is a tenant in good standing with the Port. Affordable currently operates a mini-storage facility located

(k) failure by Tenant to observe, keep or perform any of the other terms, covenants, agreements or conditions contained in this Lease and required to be observed or performed by Tenant, and such failure continues for a period of fifteen (15) days after written notice by Port, provided that if such default is not capable of cure within such fifteen (15) day period, Tenant shall have a reasonable period to complete such cure if Tenant promptly undertakes action to cure such default within such fifteen (15) day period and thereafter diligently prosecutes the same to completion within sixty (60) days after the receipt of notice of default from Port. Port shall not be required to provide such notice more than twice in any twelve (12) month period with respect to any material non-monetary defaults and after the second notice in any calendar year, any subsequent failure by Tenant during such twelve (12) month period shall automatically constitute an Event of Default hereunder; or

of approximately 28,000 square feet. With the availability of additional paved land for lease on the former AutoReturn site, Affordable wishes to enter into a second lease, Lease No. L-15691, to continue and expand its vehicle, bus and truck parking and short-term storage container operation. Their new space will be 144,818 square feet or four times larger. The two attached exhibits and the aerial photograph illustrate and identify the lease premises of the two proposed leases.

Lease No. L-15690 is brought before the Port Commission because the term of the lease exceeds the standard approved maximum term of sixty months. The proposed initial lease has a term of fifty-eight (58) months with an extension term of up to five options, at the Port's sole discretion, to extend the lease for twelve (12) months each. Port Real Estate staff believes the proposed term is justifiable due to the availability of similar land in the area and the tenant's status as a tenant in good standing with the Port for more than thirteen years. All other terms and conditions, including rental rate,

in full force and effect and Port may enforce all of its rights and remedies under this Lease, including the right to collect Rent when due. During the period Tenant is in default, Port may enter the Premises without terminating this Lease and relet them, or any part of them, to third parties for Tenant's account. Tenant shall be liable immediately to Port for all reasonable costs Port incurs in reletting the Premises, including, but not limited to, broker's commissions, expenses of remodeling the Premises required by the reletting and like costs. Reletting can be for a period shorter or longer than the remaining Term, at such rents and on such other terms and conditions as City deems advisable. Tenant shall pay to Port the Rent due under this Lease on the dates the Rent is due, less the Rent Port receives from any reletting. In the event that Port shall elect to so relet, then rentals received by Port from such reletting shall be applied in the following order: (i) to reasonable attorneys' fees incurred by Port as a result of a default and costs in the event suit is filed by Port to enforce such remedies; (ii) to the payment of any indebtedness other than Rent due hereunder from Tenant to Port; (iii) to the payment of any costs of maintaining, preserving, altering and preparing the Premises for subletting, the other costs of subletting, including but not limited to brokers' commissions, attorneys' fees and expenses of removal of Tenant's Personal Property, trade fixtures and Alterations; (iv) to the payment of Rent due and unpaid hereunder; (v) to the payment of future Rent and other sums payable by Tenant hereunder as the same may become due and payable hereunder; and (vi) the balance, if any, shall be paid to Tenant upon (but not before) expiration of the Term. Should that portion of such rentals received from such reletting during any month, which is applied to the payment of Rent hereunder, be less than the Rent payable during the month by Tenant hereunder, then Tenant shall pay such deficiency to Port. Such deficiency shall be calculated and paid monthly. Tenant shall also pay to Port, as soon as ascertained, any costs and expenses incurred by Port in such reletting or in making such alterations and repairs not covered by the rentals received from such reletting. No act by Port allowed by this Section 22.1 shall terminate this Lease unless Port notifies Tenant that Port elects to terminate this Lease. After Tenant's default and for as long as

conform to the Port Commission's previously approved standard terms and conditions.

Both Lease No. L-15690 and Lease No. L-15691 require approval by the City's Board of Supervisors under Charter Section 9.118 due to the anticipated rent revenues of each lease exceeding One Million Dollars ($1,000,000).

Pursuant to requirements under the California Environmental Quality Act (CEQA), the environmental effects of these two leases were reviewed and determined to be exempt from CEQA under a General Rule Exclusion issued by the San Francisco Planning Department to the Port, dated August 23, 2013, which allows the Port to lease and manage property where there is no change or substantial intensification to existing use and no new construction.

II. PROPOSED LEASE TERMS

Lease No. L-15690

Lease Commencement Date: The lease shall commence on the first day of the first month following execution of the subject lease by the Port after approval by the Port Commission and the Board of Supervisors (the "Lease Commencement Date") [illegible]

Port does not terminate Tenant's right to possession of the Premises, if Tenant obtains Port's consent Tenant shall have the right to assign or sublet its interest in this Lease, but Tenant shall not be released from liability.

22.2. ***Termination of Tenant's Right to Possession.*** Port may terminate Tenant's right to possession of the Premises at any time. No act by Port other than giving notice of termination

ten years. As a result the Port negotiated a lease with Affordable with an initial term of the Lease do not waive Port's rights to recover damages upon termination.

The "**worth at the time of award**" of the amounts referred to in Sections 22.2(a) and 22.2(b) above shall be computed by allowing interest at an annual rate equal to the lesser of the Interest Rate or the maximum non-usurious rate Port is permitted by Law to charge. The "worth at the time of award" of the amount referred to in Section 22.2(c) above shall be computed by discounting the amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award, plus one percent (1%).

22.3. ***Appointment of Receiver.*** If Tenant is in default of this Lease, Port shall have the right to have a receiver appointed to collect Rent and conduct Tenant's business. Neither the filing of a petition for the appointment of a receiver nor the appointment itself shall constitute an election by Port to terminate this Lease.

22.4. ***Port's Right to Cure Tenant's Default.*** Port, at any time after Tenant commits a default, may, at Port's sole option, cure the default at Tenant's cost. If Port at any time, by reason of Tenant's default, undertakes any act to cure or attempt to cure such default that requires the payment of any sums, or otherwise incurs any costs, damages, or liabilities, (including without limitation, attorneys' fees), all such sums, costs, damages or liabilities paid by Port shall be due immediately from Tenant to Port at the time the sum is paid, and if paid by Tenant at a later date shall bear interest at the lesser of the Interest Rate or the maximum non-usurious rate Port is permitted by Law to charge from the date such sum is paid by Port until Port is reimbursed by Tenant.

22.5. ***Port's Options for Hazardous Materials Default.*** If Tenant's Event of Default arises from Tenant's failure to comply with its Remediation obligations under Section 15 above, in addition to its other remedies at law, in equity, and under this Lease, Port may elect at its sole discretion any of the following remedies.

(a) Port may terminate this Lease and collect damages Port incurs as a result of the Event of Default, including Port's costs to Remediate any Hazardous Materials.

Lease Commencement Date: The lease shall commence on the first day of the first month following execution of the subject lease by the Port after approval by the Port Commission and the Board of Supervisors (the "Lease Commencement Date").

Rent Commencement: Rent shall begin on the first day of the second month after the Lease Commencement Date.

Base Rent: Base rent in the first year equals the Port Commission's FY 2013-14 Rate for this property less the Port Commission approved five (5%) percent discount on paved land parcels of one acre or greater. Thereafter the annual rent is escalated at three (3%) per year. Annual monthly rents are as follows:

Year One: $47,789.94 per month for months 2-12

Year Two: $49,238.12 per month

Year Three: $50,686.30 per month

Reconfiguration: At any time after the first day of the Twenty-Fifth (25th) month of the lease, Port may require tenant to reconfigure or move the entire lease premises to a reasonably comparable space with equivalent square footage within Seawall Lot 349 or other Port property upon ninety (90) days' prior written notice to tenant.

Maintenance and Repair: Tenant shall, at the sole cost and expense, maintain the premises in good working order, condition and repair.

Utilities and Services: Tenant shall be responsible for all services and utilities provided to or consumed on the premises.

Security Deposit: Tenant shall provide a security deposit of $101,372.60, which equates to two months' rent in Year 2 of the lease, payable [illegible]

this Section shall include, without limitation, a party who substantially obtains or defeats, as the case may be, the relief sought in the action, whether by compromise, settlement, judgment or the abandonment by the other party of its claim or defense.

23.2. *Appeals*. Attorneys' fees under this Section shall include attorneys' fees and all other reasonable costs and expenses incurred in connection with any appeal.

23.3. *City Attorney*. For purposes of this Lease, reasonable fees of attorneys of the City's Office of the City Attorney shall be based on the fees regularly charged by private attorneys with an equivalent number of years of professional experience (calculated by reference to earliest year of admission to the Bar of any State) who practice in San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney.

24. PORT'S ENTRY ON PREMISES.

24.1. *Entry for Inspection*. Port and its authorized Agents shall have the right to enter the Premises without notice at any time during normal business hours of generally recognized business days, provided that Tenant or Tenant's Agents are present on the Premises (except in the

III. RECOMMENDATION

Port staff recommends that the San Francisco Port Commission adopt the attached proposed resolutions approving Lease No. L-15690, a fifty-eight (58) month ground lease, which contains an extension option of up to five (5) twelve (12) month options and Lease No. L-15691, a thirty-one (31) month ground lease, with Affordable Self Storage, Inc. and authorize the Executive Director to forward said leases to the Board of Supervisors for its respective approval and upon the effectiveness of such approval, authorize the Executive Director or her designee to execute said leases.

Prepared by: Jerry Romani
Commercial Property Manager

For: Susan Reynolds
Deputy Director, Real Estate

Exhibits:

- Exhibit A: Map of Premises for Lease No. L-15690 for Mini-Storage Facility
- Exhibit B: Map of Premises for Lease No. L-15691 for Vehicle Parking/Self-Storage Container Use
- Exhibit C: Aerial Photograph of Pier 70 Identifying Location of the Two Leases (L-15690 and L-15691)

undertaken on any property or street adjacent to the Premises, to shore the foundations, footings or walls of the Premises and to erect scaffolding and protective barricades around and about the Premises as reasonably necessary in connection with such activities (but not so as to prevent or unreasonably restrict entry to the Premises), and to do any other act or thing necessary for the safety or preservation of the Premises during such excavation or other construction; or

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

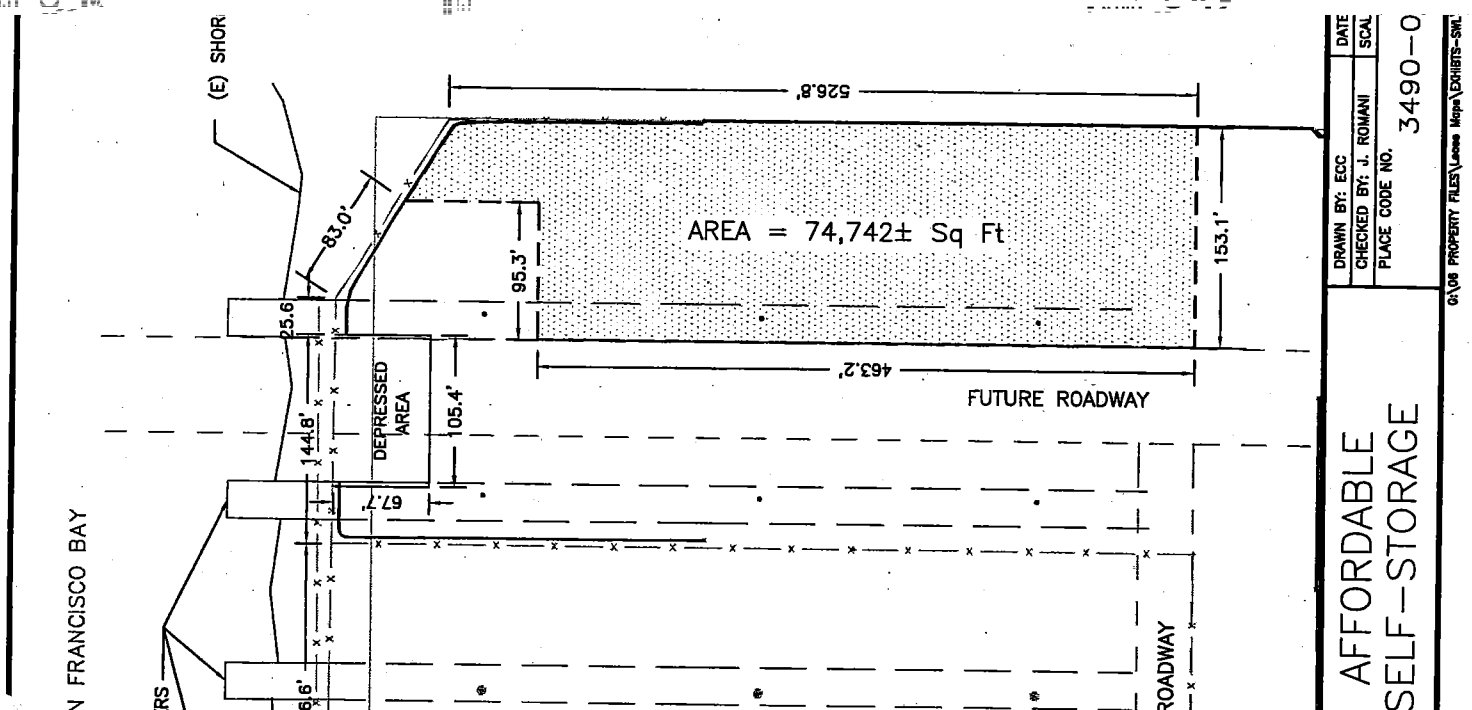
24.3. ***Emergency Entry.*** Port may enter the Premises at any time, without notice, in the event of an emergency. Port shall have the right to use any and all means which Port may deem proper in such an emergency in order to obtain entry to the Premises. Entry to the Premises by any of these means,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

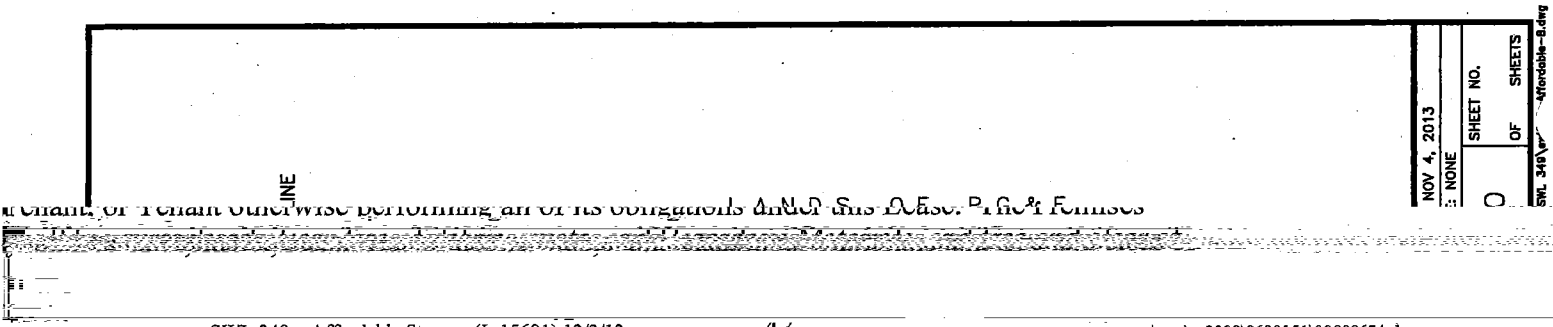
24.4. ***No Liability.*** Port shall not be liable in any manner, and Tenant hereby waives any Claim for damages, for any inconvenience, disturbance, loss of business, nuisance, or other damage, including without limitation any abatement or reduction in Rent, arising out of Port's entry onto the Premises as provided in Section 24 or performance of any necessary or required work on the Premises, or on account of bringing necessary materials, supplies and equipment into or through the Premises during the course thereof, except damage resulting solely from the willful misconduct of Port or its authorized representatives.

24.5. ***Nondisturbance.*** Port shall use its commercially reasonable efforts to conduct its activities on the Premises as allowed in Section 24 in a manner which, to the extent reasonably practicable, will minimize annoyance or disturbance to Tenant.

25. SURRENDER AND QUITCLAIM.

25.1. ***Surrender.*** Upon expiration or earlier termination of this Lease, Tenant shall surrender to Port the Premises in good order, condition, and repair (except for ordinary wear and tear occurring after the last necessary maintenance made by Tenant and except for destruction or condemnation as described in Sections 17 and 18 hereof). Ordinary wear and tear shall not include any damage or deterioration that would have been prevented by proper maintenance by Tenant, or Tenant otherwise performing all of its obligations under this Lease. The Premises

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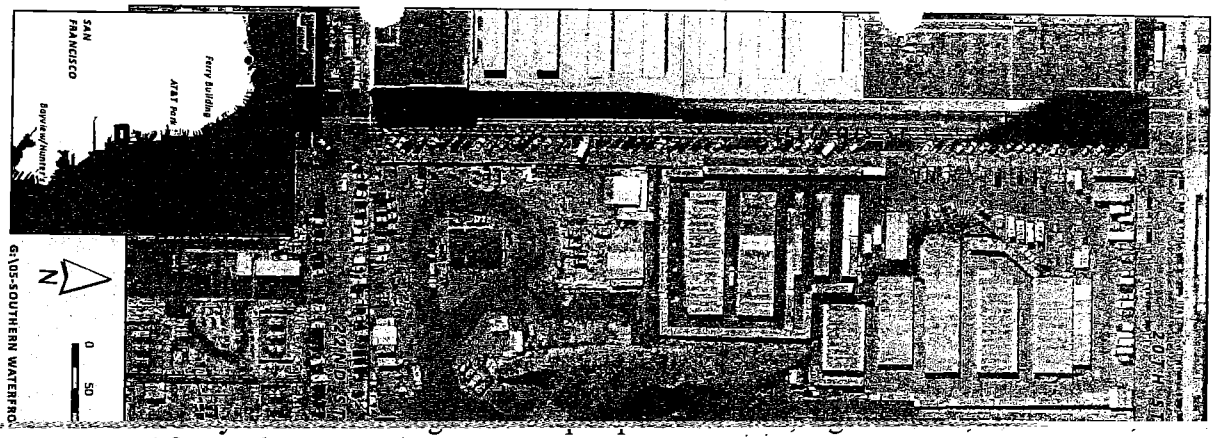


attorneys' fees and costs.

26.2. ***With Consent.*** If Tenant holds over with the prior written consent of Port, monthly Base Rent shall be equal to one hundred fifty percent (150%) of the monthly Base Rent payable in the month immediately preceding the expiration of this Lease; provided that if both Tenant and Port desire to enter into a new lease or extend the existing term of this Lease but have not yet executed such new lease or extension solely due to Port's delay to produce such document, then the monthly Base Rent during such holdover period shall be equal to the higher of the: (a) Base Rent payable in the month immediately preceding the expiration of this Lease, or (b) the then current rate for the Facility approved by the Port Commission, together with any monthly charge of Additional Rent payable under this Lease.

26.3. ***Without Consent.*** If Tenant holds over without the prior written consent of Port, monthly Base Rent shall equal two hundred percent (200%) of the monthly Base Rent payable in the month immediately preceding the expiration of this Lease.

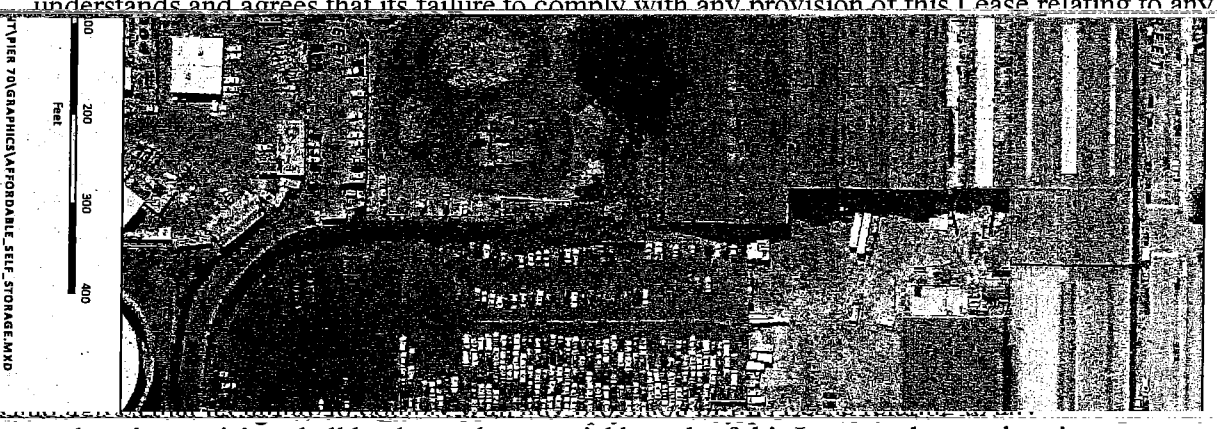
27. MINERAL RESERVATION.

The State of California, pursuant to Section 2 of Chapter 1333 of the Statutes of 1968, as amended, has reserved all subsurface mineral deposits, including oil and gas deposits, on or underlying the Premises. In accordance with the provisions of these Statutes, Port and Tenant shall and hereby do grant to the State of California the right to explore, drill for and extract subsurface minerals, including oil and gas deposits, from such area.

In no event shall Port be liable to Tenant for any Claims arising from such exploration or drilling, nor shall such exploration or drilling constitute an actual or constructive eviction of Tenant, or entitle Tenant to any abatement or diminution of Rent or otherwise relieve Tenant from any of its obligations under this Lease.

28. CITY AND PORT REQUIREMENTS.

The San Francisco Municipal Codes (available at www.sfgov.org) and City and Port policies described or referenced in this Lease are incorporated by reference as though fully set forth in this Lease. The descriptions below are not comprehensive but are provided for notice purposes only; Tenant is charged with full knowledge of each such ordinance and policy and any related implementing regulations as they may be amended from time to time. Tenant understands and agrees that its failure to comply with any provision of this Lease relating to any



such code provision shall be deemed a material breach of this Lease and may give rise to penalties under the applicable ordinance. Capitalized or highlighted terms used in this Section and not defined in this Lease shall have the meanings ascribed to them in the cited ordinance.

28.1. ***Nondiscrimination.***

the City or relating to City-owned property that cause the payments to such Contractor or Subcontractor to equal or exceed $75,000.00 in that fiscal year, then all of the Contractor's or Subcontractor's contracts with the City and relating to City-owned property shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements to equal or exceed $75,000.00 in the fiscal year.

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 13-46

WHEREAS, Charter Section B3.581 empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of the City and County of San Francisco; and

WHEREAS, Affordable Self Storage, Inc. ("Affordable"), is a tenant in good standing and occupies two separate premises located within Seawall Lot 349 (Pier 70) in the Southern Waterfront where Affordable conducts vehicle storage and self-storage container operations under Lease No. 14574 and License No. 14092; and

WHEREAS, Port staff recommends approval of the proposed lease with Affordable because parking of motorized and non-motorized vehicles, including boats, recreational vehicles, trucks and buses and self- storage containers is an appropriate use for the property which will pay market rent that will initially generate revenues of approximately $47,800 per month; and

WHEREAS, Port staff has negotiated a new thirty-one (31) month lease, Lease No. L-15691 (the "Lease"), for approximately 144,818 rentable square feet of paved land for parking of vehicles and storage containers upon the terms described in the attached memorandum to the Port Commission dated November 7, 2013; and

WHEREAS, the use is a continuation of existing and related uses and is therefore covered under the General Rule Exclusion pursuant to the California Environmental Quality Act; now, therefore be it

RESOLVED, that the Port Commission approves, subject to Board of Supervisors' approval, the Lease and authorizes the Executive Director or her designee to forward the Lease to the Board of Supervisors (the "Board") for approval, pursuant to the Board's authority under Charter Section 9.118, and upon the effectiveness of such approval, to execute the Lease; and, be it further

RESOLVED, that the Port Commission authorizes the Executive Director or her

Security Guard Services are categories of services that may provide opportunities for certified LBE participation. City maintains a list of certified LBEs at: http://sfgov.org/site/uploadedfiles/sfhumanrights/directory/vlist_1.htm.

28.5. ***Resource-Efficient Facilities and Green Building Requirements.*** Tenant agrees to comply with all applicable provisions of Environment Code Chapters 7 and 13C relating to resource-efficiency and green building design requirements.

28.6. ***Prohibition of Tobacco Sales and Advertising.*** Tenant acknowledges and agrees that no sales or advertising of cigarettes or tobacco products is allowed on the Premises. This advertising prohibition includes the placement of the name of a company producing, selling or distributing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. This advertising prohibition does not apply to any advertisement sponsored by a state, local, nonprofit or other entity designed to (i) communicate the health hazards of cigarettes and tobacco products, or (ii) encourage people not to smoke or to stop smoking.

28.7. ***Prohibition of Alcoholic Beverages Advertising.*** Tenant acknowledges and agrees that no advertising of alcoholic beverages is allowed on the Premises. For purposes of this section, "alcoholic beverage" shall be defined as set forth in California Business and Professions Code Section 23004, and shall not include cleaning solutions, medical supplies and other products and substances not intended for drinking. This advertising prohibition includes the placement of the name of a company producing, selling or distributing alcoholic beverages or the name of any alcoholic beverage in any promotion of any event or product. This advertising prohibition does not apply to any advertisement sponsored by a state, local, nonprofit or other entity designed to (i) communicate the health hazards of alcoholic beverages, (ii) encourage people not to drink alcohol or to stop drinking alcohol, or (iii) provide or publicize drug or alcohol treatment or rehabilitation services.

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

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

SAN FRANCISCO
PLANNING DEPARTMENT

Certificate of Determination
EXEMPTION FROM ENVIRONMENTAL REVIEW

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Case No.:	**2012.0099E**
Project Title:	**Various Properties of the Port of San Francisco**
Project Sponsor	Kanya Dorland, Port of San Francisco
Staff Contact:	Brett Bollinger – (415) 575-9024 brett.bollinger@sfgov.org

PROJECT DESCRIPTION:

The Port, in the course of managing its maritime and non-maritime properties, often enters into leases or similar agreements with tenants who continue an existing land use, with no substantial physical changes to the site or substantial intensification of use. This document, prepared on a three-year basis, shall serve as the CEQA determination for such Port Projects.

EXEMPT STATUS:

General Rule Exclusion [State Guidelines, Section 15061 (b)(3)]

REMARKS:

No new construction or other physical change, other than repair or renovation of existing facilities, would be involved. There would be no change or substantial intensification in the on-going activities occurring

pest management (IPM) plan that (i) lists, to the extent reasonably possible, the types and estimated quantities of pesticides that Tenant may need to apply to the Premises during the Term, (ii) describes the steps Tenant 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 Tenant's primary IPM contact person with the City. In addition, Tenant shall comply with the requirements of Sections 303(a) and 303(b) of the Pesticide Ordinance.

Through Port, Tenant may seek a determination from the City's Commission on the Environment that Tenant is exempt from complying with certain portions of the Pesticide Ordinance with respect to this Lease, as provided in Section 307 of the Pesticide Ordinance. Port shall reasonably cooperate with Tenant, at Tenant's sole cost and expense, if Tenant seeks in good faith an exemption under the Pesticide Ordinance.

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

28.11. ***Tropical Hardwood and Virgin Redwood Ban.*** Port and the City urge Tenant 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 Sections 802(b) and 803(b) of the Environment Code, Tenant shall not provide any items to the construction of Alterations, or otherwise in the performance of this Lease which are tropical hardwoods, tropical hardwood wood products, virgin redwood, or virgin redwood wood products. In the event Tenant fails to comply in good faith with any of the provisions of Chapter 8 of the Environment Code, Tenant shall be liable for liquidated damages for each violation in any amount equal to the contractor's net profit on the contract, or five percent (5%) of the total amount of the contract dollars, whichever is greater.

28.12. ***Preservative-Treated Wood Containing Arsenic.*** Tenant may not purchase preservative-treated wood products containing arsenic in the performance of this Lease unless an

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 13-45

WHEREAS, Charter Section B3.581 empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of the City and County of San Francisco; and

WHEREAS, Affordable Self Storage, Inc. ("Affordable"), is a tenant in good standing and occupies two separate lease premises located at the southeast corner of 20th & Illinois Streets, which lie within Seawall Lot 349 (Pier 70) in the Southern Waterfront where Affordable operates a mini-storage facility under Lease Nos. L-12867 and L-12871; and

WHEREAS, Port staff recommends approval of the proposed lease with Affordable because the mini-storage facility is a good, appropriate use for the property which will pay market rent that will initially generate revenues of approximately $24,700 per month; and

WHEREAS, Port staff has negotiated a new fifty-eight (58) month lease, Lease No. L-15690 (the "Lease"), for approximately 74,742 rentable square feet of paved land for use as a mini-storage facility, which includes an extension term of up to five options to extend the Lease for twelve (12) months each, at the Port's sole discretion, with Affordable upon the terms described in the attached memorandum to the Port Commission dated November 7, 2013; and

WHEREAS, the use is a continuation of existing and related uses and is therefore covered under the General Rule Exclusion pursuant to the California Environmental Quality Act; now, therefore be it

RESOLVED, that the Port Commission approves, subject to Board of Supervisors' approval, the Lease and authorizes the Executive Director or her designee to forward the Lease to the Board of Supervisors (the "Board") for approval, pursuant to the Board's authority under Charter Section 9.118, and upon the effectiveness of such approval, to execute the Lease; and, be it further

RESOLVED, that the Port Commission authorizes the Executive Director or her designee to enter into any additions, amendments or other modifications to the Lease that the Executive Director, in consultation with the City Attorney, determines are in the best interest of the Port, do not materially increase the obligations or liabilities of the City or Port, and are necessary or advisable to complete the transactions which the Lease contemplates and effectuate the purpose and intent of this Resolution, such determination to be conclusively evidenced by the execution and delivery by the Executive Director or her designee of the Lease, and any such amendments thereto.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of November 12, 2013.

_____

Secretary

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. Tenant may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of Environment. This provision does not preclude Tenant from purchasing preservative-treated wood containing arsenic for saltwater immersion. 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.

28.13. ***Notification of Limitations on Contributions.*** Through its execution of this Lease, Tenant 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 for the selling or leasing of any land or building to or from the City whenever such transaction would require approval by a City elective officer, 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

ownership interest of more than 20 percent in Tenant, any subcontractor listed in the contract, and any committee that is sponsored or controlled by Tenant. Additionally, Tenant acknowledges that Tenant must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Tenant further agrees to provide to City the name of each person, entity or committee described above.

28.14. ***Sunshine Ordinance.*** In accordance with Section 67.24(e) of the Administrative Code, contracts, contractors' bids, leases, agreements, responses to Requests for Proposals, and all other records of communications between Port 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.

28.15. ***Conflicts of Interest.*** Through its execution of this Lease, Tenant acknowledges that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of Campaign and Governmental Conduct Code, and Sections 87100 et seq. and Sections 1090 et seq. of the California Government Code, and certifies that it does not know of any facts which would constitute a violation of these provisions, and agrees that if Tenant becomes aware of any such fact during the Term, Tenant shall immediately notify the Port.

28.16. ***Drug-Free Workplace.*** Tenant acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1988 (41 U.S.C. §§ 701 et seq.), the unlawful manufacture, distribution, possession or use of a controlled substance is prohibited on City or Port premises.

28.17. ***Wages and Working Conditions.*** Tenant agrees that any person performing labor in the construction of any Alterations or Improvements to the Premises, which Tenant provides under this Lease, shall be paid not less than the highest prevailing rate of wages as required by Section 6.22(E) of the Administrative Code, shall be subject to the same hours and working conditions, and shall receive the same benefits as in each case are provided for similar work performed in San Francisco, California. Tenant shall include in any contract for construction of

designee to enter into any additions, amendments or other modifications to the Lease that the Executive Director, in consultation with the City Attorney, determines are in the best interest of the Port, do not materially increase the obligations or liabilities of the City or Port, and are necessary or advisable to complete the transactions which the Lease contemplates and effectuate the purpose and intent of this Resolution, such determination to be conclusively evidenced by the execution and delivery by the Executive Director or her designee of the Lease, and any such amendments thereto.

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

LEASE NO. L-15691

BY AND BETWEEN

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

AND

AFFORDABLE SELF STORAGE, INC.
A CALIFORNIA CORPORATION

PORTION OF SEAWALL LOT 349

MONIQUE MOYER
EXECUTIVE DIRECTOR

SAN FRANCISCO PORT COMMISSION

DOREEN WOO HO, PRESIDENT

such Alterations or Improvements a requirement that all persons performing labor under such contract shall be paid not less than the highest prevailing rate of wages for the labor so performed. Tenant shall require any contractor to provide, and shall deliver to City upon request, certified payroll reports with respect to all persons performing labor in the construction of such Alterations or Improvements to the Premises.

28.18. ***Public Transit Information.*** Tenant shall establish and carry on during the Term a program to encourage maximum use of public transportation by personnel of Tenant employed on the Premises, including, without limitation, the distribution to such employees of written materials explaining the convenience and availability of public transportation facilities adjacent or proximate to the Facility and encouraging use of such facilities, all at Tenant's sole expense.

28.19. ***Food Service Waste Reduction Ordinance.*** Tenant agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. By entering into this Lease, Tenant agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Tenant agrees that the sum of one hundred dollars ($100.00) liquidated damages for the

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to India Basin) that require funding. Under this policy, Tenant shall provide community benefits and beautification measures in consideration for the use of the Premises. Examples of desired benefits include: (i) beautification, greening and maintenance of any outer edges of and entrances to the Premises; (ii) creation and implementation of a Community Outreach and Good Neighbor Policy to guide Tenant's interaction with Port, neighbors, visitors and users; (iii) use or support of job training and placement organizations serving southeast San Francisco; (iv) commitment to engage in operational practices that are sensitive to the environment and the neighboring community by reducing engine emissions consistent with the City's Clean Air Program, and use of machines at the Premises that are low-emission diesel equipment and utilize biodiesel or other reduced particulate emission fuels; (v) commitment to use low impact design and other "**green**" strategies when installing or replacing stormwater infrastructure; (vi) employment at the Premises of a large percentage of managers and other staff who live in the local neighborhood or community; (vii) use of truckers that are certified by the San Francisco Human Rights Commission as "**Local Business Enterprises**" under the City's Local Business Enterprise and Non-Discrimination Ordinance (SF Administrative Code Chapter 14B, as amended); and (viii) use of businesses that are located within the Potrero Hill and Bayview Hunters Point neighborhoods. Tenant agrees to provide Port with documents and records regarding these activities upon Port's request.

29. NOTICES.

Except as otherwise expressly provided in this Lease or by Law, all notices (including notice of consent or non-consent) required or permitted by this Lease or by Law must be in writing and be delivered by: (a) hand delivery; (b) first class United States mail, postage prepaid; or (c) overnight delivery by a nationally recognized courier or the United State Postal Service, delivery charges prepaid. Notices to a party must be delivered to that party's mailing address in the Basic Lease Information, unless superseded by a notice of a change in that party's mailing address for notices, given to the other party in the manner provided above, or by information provided by Tenant in Tenant's written response to Port's written request for such information.

All notices under this Lease shall be deemed to be duly delivered: (a) on the date personal

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delivery actually occurs; (b) if mailed, on the business day following the business day deposited in the United States mail or, if mailed return receipt requested, on the date of delivery or on which delivery is refused as shown on the return receipt; or (c) the business day after the business day deposited for overnight delivery.

Notices may not be given by facsimile or electronic mail, but either party may deliver a courtesy copy of a notice by facsimile or electronic mail.

30. MISCELLANEOUS PROVISIONS.

30.1. ***California Law***. This Lease is governed by, and shall be construed and interpreted in accordance with, the Laws of the State of California and City's Charter. Port and Tenant hereby irrevocably consent to the jurisdiction of and proper venue in the Superior Court for the City and County of San Francisco.

30.2. ***Entire Agreement***. This Lease contains all of the representations and the entire agreement between the parties with respect to the subject matter of this Lease. Any prior

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this Lease unless otherwise specifically identified. All exhibits and schedules are incorporated in this Lease by reference.

(c) Whenever a section, article or paragraph is referenced, it refers to this Lease unless otherwise specifically provided. The captions preceding the articles and sections of this Lease and in the table of contents have been inserted for convenience of reference only and must be disregarded in the construction and interpretation of this Lease. Wherever reference is made to any provision, term, or matter "in this Lease," "herein" or "hereof" or words of similar import, the reference will be deemed to refer to any reasonably related provisions of this Lease in the context of the reference, unless the reference refers solely to a specific numbered or lettered article, section, subdivision, or paragraph of this Lease.

(d) References to all Laws, including specific statutes, relating to the rights and obligations of either party mean the Laws in effect on the effective date of this Lease and as they are amended, replaced, supplemented, clarified, corrected, or superseded at any time during the Term or while any obligations under this Lease are outstanding, whether or not foreseen or contemplated by the parties. References to specific code sections mean San Francisco ordinances unless otherwise specified.

(e) 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."

(f) This Lease has been negotiated at arm's length between persons sophisticated and knowledgeable in the matters addressed. In addition, each party has been

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BASIC LEASE INFORMATION

Lease Date:	November 6, 2013
Lease Number:	**L-15691**
Landlord or Port:	**CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, operating by and through the **SAN FRANCISCO PORT COMMISSION**
Landlord's Address:	Port of San Francisco Pier 1 San Francisco, California 94111 Attention: Director of Real Estate Telephone: (415) 274-0400 Facsimile: (415) 274-0494
Tenant:	Affordable Self Storage, Inc., a California corporation
Tenant's Contact Person:	Christos Kasaris

The party on which any obligation is imposed in this Lease will be solely responsible for paying all costs and costs incurred in performing the obligation, unless the provision imposing the obligation specifically provides otherwise.

Commencement Date:	The first day of the first calendar month following full execution by Tenant and Port after approval by the Board of Supervisors. Promptly following the actual Commencement Date, Port and Tenant shall execute a Commencement Date and Expiration Date Memorandum substantially in the form attached hereto as ***Exhibit B***, confirming the actual Commencement Date and Expiration Date, but either party's failure to do so shall not affect the commencement or expiration of the Term.			
Rent Commencement Date:	The first day of the next calendar month after the Commencement Date.			
Expiration Date:	On the last day of the thirty-sixth (36th) month after the Commencement Date			
Monthly Base Rent:	Months	Sq. Ft.	Monthly Base Rate	Total Monthly Base Rent
	1	144,818	$0.00/sf	$0.00 *Provided there is no Tenant Event of Default
	2-12	144,818	$0.33/sf	$47,789.14
	13-24	144,818	$0.34/sf	$49,238.12
	25-36	144,818	$0.35/sf	$50,686.30

Port with evidence reasonably satisfactory to Port confirming the foregoing representations and warranties.

30.10. ***No Implied Waiver.*** No failure by Port to insist upon the strict performance of any obligation of Tenant under this Lease or to exercise any right, power or remedy arising out of a breach thereof, irrespective of the length of time for which such failure continues, and no acceptance of full or partial Rent during the continuance of any such breach shall constitute a waiver of such breach or of Port's rights to demand strict compliance with such term, covenant or condition. Port's consent to or approval of any act by Tenant requiring Port's consent or approval shall not be deemed to waive or render unnecessary Port's consent to or approval of any subsequent act by Tenant. Any waiver by Port of any default must be in writing and shall not be a waiver of any other default (including any future default) concerning the same or any other provision of this Lease.

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

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

30.13. ***Survival of Indemnities.*** Termination or expiration of this Lease 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 Lease, the ability to collect any sums due, nor shall it affect any provision of this Lease that expressly states it shall survive termination or expiration hereof.

30.14. ***Relationship of the Parties.*** Port is not, and none of the provisions in this Lease shall be deemed to render Port, a partner in Tenant's business, or joint venturer or member in any

	work, body work, and painting; (d) Use of portable generators; (e) Washing or maintenance of vehicles or equipment. Port shall have all remedies set forth in this Lease, and at law or equity in the event Tenant performs any of the Prohibited Uses.
Environmental Requirements:	On a weekly basis, Tenant shall inspect all Vehicles for leaks. Tenant shall place metal drip pans with containment edges under all leaking Vehicles until the vehicle is repaired. In addition, Tenant shall spot clean the Premises daily and power wash the Premises weekly. - Tenant shall maintain a sufficient number of spill kits (contents listed below), but no less than four (4), capable of cleaning up a release of 10 gallons. Tenant shall clean spills and releases of vehicle fluids immediately and completely upon discovery. This includes the removal and proper disposal of all absorbent materials. SPILL KIT CONTENTS - Instructions for use - Absorbent spill pads and socks

promise, nor is Port or the City required to honor, any offered or promised rent credit, concession, abatement, or any other form of monetary consideration (individually and collectively, "Concession") without a written agreement executed by either the Executive Director of Port or the Deputy Director of Real Estate authorizing such Concession and, if applicable, certification of the Concession from the City's Controller.

31. LIMITATION ON DAMAGES.

31.1. ***No Recourse Beyond Value of Facility.*** Tenant agrees that Tenant will have no recourse with respect to, and Port shall not be liable for, any obligation of Port under this Lease, or for any claim based upon this Lease, except to the extent of the fair market value of Port's fee interest in the Facility (as encumbered by this Lease). Tenant's execution and delivery hereof and as part of the consideration for Port's obligations hereunder Tenant expressly waives all such liability.

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

31.3. ***Limitation on Port's Liability Upon Transfer.*** In the event of any transfer of Port's interest in and to the Facility, Port (and in case of any subsequent transfers, the then transferor), subject to the provisions hereof, will be automatically relieved from and after the date of such transfer of all liability with regard to the performance of any covenants or obligations contained in this Lease thereafter to be performed on the part of Port, but not from liability incurred by Port (or such transferor, as the case may be) on account of covenants or obligations to be performed by Port (or such transferor, as the case may be) hereunder before the date of such transfer.

32. TENANT ESTOPPEL CERTIFICATES.

Tenant, at any time and from time to time upon not less than ten (10) days' prior notice from Port, shall execute and deliver to Port or to any party designated by Port a certificate in

	etc.) - Hydrophobic mop (i.e. a mop that absorbs oil, but not water)

Rules and Regulations:	Tenant shall comply with the Rules and Regulations for Container and Other Storage Units attached hereto as ***Exhibit D***.
Risk Management Plan:	Tenant is advised that there is a Risk Management Plan for Pier 70 due to existing Hazardous Materials contamination in soils at the site. The Pier 70 Risk Management Plan (Treadwell & Rollo, 7/25/13) ("**RMP**") applies throughout the Pier 70 Master Plan Area, between Mariposa and 22nd Streets, from mean higher high water inland to Illinois St. The RMP establishes measures that must be followed by anyone performing management, maintenance, and construction at Pier 70 to mitigate potential health risks related to contaminated soil at Pier 70. The requirements generally serve to minimize site users' exposure to soil. The RMP requires notification to the SF Department of Public Health and the San Francisco Bay Regional Water Quality Control Board as well as the Port prior to undertaking soil-disturbing activities, and specifies dust control, soil management, and health and safety requirements for work that exposes or disturbs soil at Pier 70. The RMP is available on the Port's website at http://www.sfport.com/index.aspx?page=263. The RMP, and any revisions thereto, is an Environmental Law as defined in Section 2 for purposes of this Lease and Tenant must comply with the RMP as a material condition of this Lease.
Maintenance and Repair:	Tenant shall, at its sole cost and expense, maintain the Premises in good working order, condition and repair, including all improvements and alterations, as further described in Section 11.
Utilities:	Tenant's sole responsibility, as further described in Section 12 below. Port makes no representations about the availability or adequacy of utility service in the Pier 70 area. Port is currently conducting a survey of existing utilities in the Pier 70 area. Prior to completion of the survey, Tenant must pay for all utilities delivered to or consumed on the Premises as Additional Rent, as invoiced by Port based on estimated usage. Based on the results of the survey, Port in its sole discretion, may require Tenant, at Tenant's sole cost and expense, to install an independent meter or sub-meter within ninety (90) days of Port's notice. Tenant may, at its sole cost and expense, choose to install an independent meter or sub-meter for utilities prior to completion of the survey or Port's notice requiring such metering, if any. Tenant shall obtain all necessary Port permits prior to installation of any meters or sub-meters.

Location of Asbestos in Facility:	See ***Schedule 1*** attached hereto.
Development Project:	Pier 70 Development Project and 20th Street Historic Buildings.
Access to Premises:	Upon appropriate prior written notice to Tenant, Port may

provide such certificate within ten (10) days of receipt by Tenant of a written request by Port as herein provided, such failure shall, at Port's election, constitute a default under this Lease, and Tenant shall be deemed to have admitted the accuracy of any information supplied by Port to a prospective purchaser or mortgagee.

33. APPROVAL OF BOARD OF SUPERVISORS.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS LEASE, TENANT ACKNOWLEDGES AND AGREES THAT NO OFFICER OR EMPLOYEE OF CITY HAS AUTHORITY TO COMMIT CITY TO THIS LEASE UNLESS AND UNTIL CITY'S BOARD OF SUPERVISORS SHALL HAVE DULY ADOPTED A RESOLUTION APPROVING THIS LEASE AND AUTHORIZING THE TRANSACTIONS CONTEMPLATED HEREBY. THEREFORE, ANY OBLIGATIONS OR LIABILITIES OF

	portion thereof at all reasonable times upon reasonable advance oral or written notice by Port or PG&E to Tenant (except in the event of an emergency) to conduct Investigations and Remediation in connection with the Hazardous Material Condition and activities related thereto (including to install K-rail and fencing to separate the access roads, construction laydown and storage area, and excavation areas). Tenant will cooperate with Port by complying with all reasonable requests. Tenant further acknowledges that PG&E and its Agents will conduct a remediation project in the eastern portion of the Premises anticipated during the period August 2016 to June 2017. The approximate area of vacation is depicted on Exhibit A-1 of this Lease as a dark blue overlay area. Tenant agrees to allow access and, upon sixty (60) day's prior written notice from Port, to temporarily vacate those areas of the Premises needed for remediation activities for three to four months. During the time of that Tenant vacates the portion of the Premises, the Base Rent will be proportionately reduced by the percentage of the square foot area of the vacated area to the total square footage of the Premises. Port's 60-day notice will specify the actual area to be vacated, the estimated timeframe required and the adjusted Base Rent. Except as otherwise specified herein, Port shall not be liable in any manner, and Tenant hereby waives any claims, for any inconvenience, disturbance, loss of business, nuisance or other damage arising out of PG&E's or its Agents' entry onto the Premises, except damage resulting directly and exclusively from the gross negligence or willful misconduct of Port and not contributed to by the acts, omissions or negligence of Tenant, its Agents or Invitees	

LEASE AGREEMENT

This Lease Agreement, dated for reference purposes only as of the Lease Date set forth in the Basic Lease Information, is by and between the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation ("**City**"), operating by and through the **SAN FRANCISCO PORT COMMISSION** ("**Port**"), as landlord, and the Tenant identified in the Basic Lease Information ("**Tenant**"). The basic lease information (the "**Basic Lease Information**"), the exhibits, schedule and the Lease Agreement are and shall be construed as a single instrument and are referred herein as this "**Lease**". In event of any conflict or inconsistency between the Basic Lease Information and the Lease Agreement, the Basic Lease Information will control.

1. DEMISE.

In consideration for the rents and all other charges and payments payable by Tenant, and for the agreements, terms and conditions to be performed by Tenant in this Lease, Port does hereby lease to Tenant, and Tenant does hereby hire and take from Port, the Premises upon the agreements, terms and conditions of this Lease for the Term hereinafter stated.

2. DEFINITIONS.

Definitions used in this Lease, are found in the specified locations in this Lease or are set

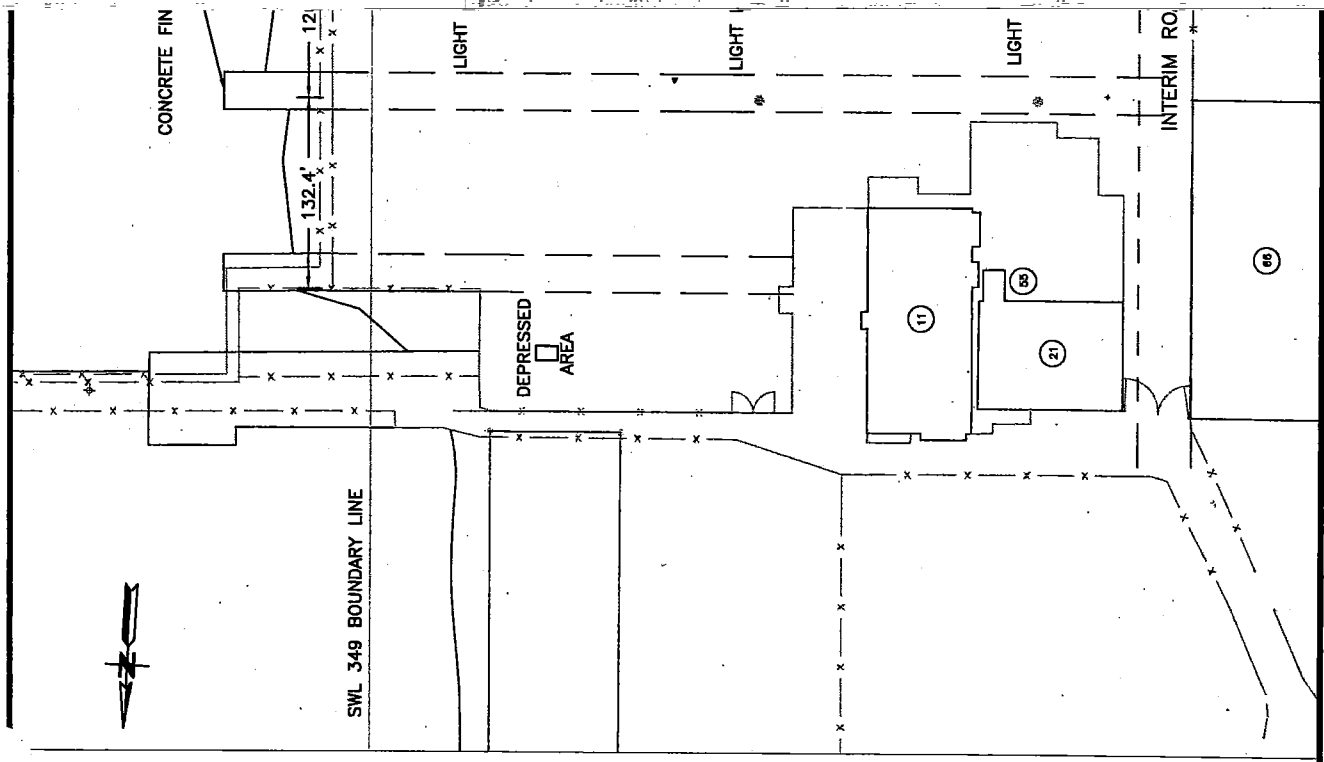


EXHIBIT A-1

INITIALS: PORT: _____ TENANT: _____ DATE: _____

SAN FRANCISCO PORT COMMISSION
PORT OF SAN FRANCISCO
DEPARTMENT OF ENGINEERING

LEASE NO. L-15691

"**Assignment**" means a proposed or actual Transfer of Tenant's rights, title, and interest in all or any part of the Premises under a contractual assignment or an assignment by operation of

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

"**Interest Rate**" means ten percent (10%) per year or, if a higher rate is legally permissible, the highest rate an individual is permitted to charge under Law.

"**Investigate**" or "**Investigation**" when used with reference to Hazardous Materials means any activity undertaken to determine and characterize the nature and extent of Hazardous Materials that have been, are being, or are threatened to be Released in, on, under or about the Premises, any other part of the Facility, other Port property, or the environment, and includes, without limitation, preparation and publication of site history, sampling, and monitoring reports, performing equipment and facility testing such as testing the integrity of secondary containment and above and underground tanks, and sampling and analysis of environmental conditions before, during, and after Remediation begins and continuing until the appropriate Environmental Regulatory Agency has issued a no further action letter, lifted a clean-up order, or taken similar action.

"**Invitees**" means Tenant's clients, customers, invitees, patrons, guests, members, licensees, permittees, concessionaires, assignees, subtenants, and any other person whose rights arise through them, except that for the purposes of Article 20 (Assignment and Subletting),

[illegible] The asbestos removal is completed, the area is safe for re-occupancy as long as the asbestos air concentrations are less than or equal to the "clearance level". These same levels have also been adopted in the California Education Code (Section 494200.7) as the school abatement clearance level.

The state of California has an additional requirement relating to disclosure of the presence of asbestos. Proposition 65, which as voted into law by the state citizens, basically requires posting of area where anyone is exposed to a carcinogen at a level where there is a significant risk of cancer. The California Health and Welfare Agency has established this level at 100 fibers of asbestos per day.

GENERAL PROCEDURES AND HANDLING RESTRICTIONS

As you can see, the concern is with asbestos fibers in the air. When asbestos materials are in good condition, it is unlikely that fibers will be released into the air, unless the asbestos materials are damaged or disturbed. Asbestos-containing materials must not be disturbed so that fibers do not get into the air. Do not cut into, drill into, nail, or pin anything onto, sand, move bump, rub against or otherwise disturb any asbestos containing materials. If you should discover any damaged asbestos-containing material, do not touch it; do not attempt to clean it up. Contact your supervisor or property manager immediately and report the situation.

City employees required to enter areas and perform work activities that might involve the disturbance of asbestos materials have been trained in the proper procedures to minimize exposure. Work that requires major disturbances of asbestos materials (such as removal) is performed under specifications which include work practice procedures, removal techniques, clean up and clearance air sampling.

If any construction, maintenance, or remodeling is conducted in an area of the building where there is the potential for employees to come in contact with, or release or disturb asbestos containing building materials, it is required that the area be posted with a clear and conspicuous warning sign. The warning sign must read:

"CAUTION. ASBESTOS
CANCER AND LUNG DISEASE HAZARD
DO NOT DISTURB WITHOUT PROPER TRAINING AND EQUIPMENT"

Much of this information may be new to you. If you have questions about asbestos, you may call the Department of Public Health Bureau of Environmental Health Management at 252-3800.

This written announcement fulfills the asbestos notification requirement of Division 20, Chapter 10.4, Section 25915 of the California Health and Safety Code (Assembly Bill 3713).

SITE SPECIFIC INFORMATION

At this time, the Port has not sampled for asbestos in your building. The following materials, if present in your

only and not as a limitation, cargo shipping, fishing, passenger cruises, ship repair, ferries and excursion boats, historic ships and recreational boating).

"Port representative" means Port, a City auditor, or any auditor or representative designated by Port.

"Port Work" is defined in Section 13.8 below.

"Premises" means the real property described in Section 3.1 below and depicted on

Insulation on pipes and ducts; Fireproofing; Drywall and associated taping compound; Plaster; Texturing or acoustic materials on walls or ceilings; Stucco; ceiling tiles; floor tiles or sheet flooring; roofing; fire door core insulation; carpet, baseboard, flooring, and ceiling tile mastics; window glazing compound; ceramic tile grout and mastic. Asbestos may also be found in soil due to natural or man-made conditions.

These materials must not be drilled into, sanded, demolished or otherwise disturbed by unauthorized personnel. Prior to any renovation activities or other activities which may disturb asbestos, please contact your property manager.

The asbestos coordinator for this building is Tim Felton, who can be reached at 274-0582.

"**Sublease**" means a proposed or actual Transfer of all or any part of the Premises under a sublease or a sub-sublease.

"**Subletting Expenses**" means verifiable, and reasonable brokerage commissions incurred in connection with a Sublease and the costs of any new tenant improvements for which Tenant is responsible under the Sublease.

"**SWPPP**" is defined in Section 15.10(a) below.

"**Taking**" means a taking or damaging, including severance damage, by eminent domain, inverse condemnation or for any public or quasi-public use under law. A Taking may occur pursuant to the recording of a final order of condemnation, or by voluntary sale or conveyance in lieu of condemnation or in settlement of a condemnation action.

"**Tenant**" means the party identified as Tenant in the Basic Lease Information.

"**Tenant's Property**" means all furniture, trade fixtures, office equipment, and articles of movable personal property installed in the Premises by or for the account of Tenant, and any Improvements or Alterations constructed on or affixed to the Premises if designated under this Lease as Tenant's Property, in either case without cost to Port.

"**Term**" is defined in Section 4.1 below.

"**trade fixtures**" means those items of personalty, furniture, equipment, machinery used in trade by Tenant which are customarily removed without damage to the Premises at the end of a lease term in the ordinary course of businesses of the type operated by Tenant at the Premises.

"**Transfer**" means any of the following events or proposed events, whether voluntary, involuntary, or by operation of Law: (a) Tenant sells, assigns, encumbers, subleases, or otherwise transfers any of its interest in this Lease or in the Premises; (b) any Person other than Tenant occupies or claims a right of possession to any part of the Premises; (c) Tenant dissolves, merges, consolidates, or otherwise reorganizes, or sells, assigns, encumbers, or otherwise

16, 2011.

Hazardous Materials Survey Report; Pier 70 Renovation Project, Building 115/116, Winzler & Kelly, December 16, 2011.

Hazardous Materials Survey Report; Pier 70 Renovation Project, Building 50, Winzler & Kelly, December 16, 2011.

Hazardous Materials Survey Report; Pier 70 Renovation Project; Building 110, Winzler & Kelly, December 16, 2011.

Hazardous Materials Survey Report; Pier 70 Renovation Project; Building 14, Winzler & Kelly, December 16, 2011.

Hazardous Materials Survey Report; Pier 70 Renovation Project; Building 2, Winzler & Kelly, December 16, 2011.

HAZARDOUS MATERIALS SURVEY REPORT; Pier 70 Renovation Project; Crane 30, Crane 14, & Street Tower, GHD Inc., January 28, 2012.

Hazardous Materials Survey Report; Pier 70 renovation; Building 102 powerhouse, Winzler & Kelly, December 16, 2011.

Hazardous Materials Survey Report; Pier 70 Renovation; Building 104, Winzler & Kelly, 12-16-2012.

"**worth at the time of award**" is defined in Section 22.2 below.

3. PREMISES; AS-IS CONDITION.

3.1. *Premises.*

(a) Subject to the provisions of this Lease, Port hereby leases to Tenant, and Tenant hereby leases from Port, the Premises in the Facility identified in the Basic Lease Information. The Premises has the address and contains the square footage specified in the Basic Lease Information. The location and dimensions of the Premises are depicted on ***Exhibit A*** attached hereto and incorporated herein by reference (the "**Premises**"). Port and Tenant agree and acknowledge that any statement of rentable or usable (if applicable) square footage set forth in

Phase I Environmental Site Assessment for Pier 70, Mixed Use Opportunity Area, Corner Of Illinois Street and 20th Street. Tetra Tech, Inc. August 1998 (Vol. I), Tetra Tech, Inc., August 1998.

Phase I Environmental Site Assessment for Pier 70, Mixed Use Opportunity Area, Corner Of Illinois Street and 20th Street. Tetra Tech, Inc. August 1998 (Vol. II), Tetra Tech, Inc., August 1998.

Phase I Environmental Site Assessment, One-Acre Parcel on SWL 349, Pier 70. Iris Environmental, October 23, 2003, Iris Environmental, October 23, 2003.

Phase II Corrective Action Plan, PCB Removal Action, Port of San Francisco, Pier 70, Building 50. Engineering-Remediation Resources Group, Inc. June 2006, Engineering/Remediation Resources Group, Inc., June 2006.

Pier 70 Mixed Use Opportunity Area, PCB Assessment, Targeted Brownfields Assessment Report, Ecology and Environment, Inc., 1/9/03.

Pier 70 Mixed Use Opportunity Area, Phase II, Targeted Brownfields Assessment Report. Ecology and Environment, Inc. November 2000, Ecology and Environment, Inc., November 2000.

Area"), then upon written notice from Port ("**Notice to Vacate**"), Tenant shall immediately vacate such Encroachment Area and pay as Additional Rent for each day Tenant used, occupied, uses or occupies such Encroachment Area, an amount equal to the rentable square footage of the Encroachment Area, multiplied by the higher of the (i) highest rental rate then approved by the San Francisco Port Commission for the Premises or the Facility, or (ii) then current fair market rent for such Encroachment Area, as reasonably determined by Port (the "**Encroachment Area Charge**"). If Tenant uses or occupies such Encroachment Area for a fractional month, then the Encroachment Area Charge for such period shall be prorated based on a thirty (30) day month. In no event shall acceptance by Port of the Encroachment Area Charge be deemed a consent by Port to the use or occupancy of the Encroachment Area by Tenant, its Agents, Invitees, successors or assigns, or a waiver (or be deemed as waiver) by Port of any and all other rights and remedies of Port under this Lease (including Tenant's obligation to Indemnify Port as set forth in the last paragraph of this Section), at law or in equity.

(b) In addition, Tenant shall pay to Port, as Additional Rent, an amount equaling Two Hundred Dollars ($200.00) upon delivery of the initial Notice to Vacate plus the actual cost associated with a survey of the Encroachment Area. In the event Port determines

dust, dirt, construction noise and visual obstructions. Tenant hereby waives any and all Claims against Port, City and their Agents arising out of such inconvenience or disturbance.

3.6. ***America's Cup.*** Tenant acknowledges that the Golden Gate Yacht Club has selected San Francisco as the host city for the 34th America's Cup. The selection could result in activities and impacts, all of which are subject to review under the California Environmental Quality Act. The potential activities and impacts include events related to the America's Cup, which will include the 34th America's Cup match, anticipated to occur in 2013, pre-match races, possible future successive defense(s) of the America's Cup, related events and potential long-term development uses, to be determined after the racing events in 2013 (collectively the "**Event**"). The Event, if held, will be, or may be, on property, including land and water, in the immediate vicinity of the Premises. Tenant is aware that the Event as proposed will include construction projects, racing in the Bay, and public and private events. The activities associated with the Event, if held, are expected to create certain impacts, some of which may result in some inconvenience to or disturbance of Tenant.

Impacts of the Event may include, but are not limited to, increased pedestrian, vessel, vehicle and truck traffic, traffic delays and re-routing of street traffic, loss of street and public parking, temporary re-routing or interruption of land and water transit, dust, dirt, land- and water-based construction, dredging, and other noise and visual obstructions. Tenant hereby waives any and all Claims against Port, City and their Agents arising out of impacts, inconvenience or disturbance as a result of the Event.

3.7. ***No Light, Air or View Easement.*** This Lease does not include an air, light, or view easement. Any diminution or shutting off of light, air or view by any structure which may

Pier 39	America's Cup/Pier 39	9/7-9/21/13	700	Temporary Improvements
SWL 337	Cirque du Soleil Amaluna	11/4/13 – 1/12/14	2,500	Temporary Improvements
Pier 48	Oktoberfest By the Bay/The Giants	9/19 – 9/22	5,000	Temporary Improvements
The Embarcadero	Light the Night/Lymphoma & Leukemia Society	9/17	2,500	Temporary Improvements
The Embarcadero	Race for the Cure/ Susan Komen	9/29	800	Temporary Improvements
The Embarcadero	Bike Wave to Wine/National Multiple Sclerosis Society	9/21/13	1,700	Temporary Improvements

Regulations Port later imposes on the Facility. Tenant acknowledges receipt of a copy of the Rules and Regulations currently in force for the Facility and agrees to abide by them. Tenant also acknowledges that Port's exercise of any of its rights regarding the Premises and other Port property in the vicinity of the Premises will not entitle Tenant to any abatement or diminution of Rent.

4. TERM OF LEASE; TERMINATION BY PORT.

4.1. ***Term.*** The term of this Lease (the "**Term**") shall be for the period of months specified in the Basic Lease Information commencing on the Commencement Date and expiring on the Expiration Date. If the Commencement Date and Expiration Date occur on a date other than the Commencement Date and the Expiration Date set forth in the Basic Lease Information, then promptly following the actual Commencement Date, Port and Tenant shall execute a Commencement Date and Expiration Date Memorandum substantially in the form attached hereto as ***Exhibit B***, confirming the actual Commencement Date and Expiration Date, but either party's failure to do so shall not affect the commencement or expiration of the Term.

If Port is unable to deliver possession of the Premises to Tenant on or before the Commencement Date, then the validity of this Lease shall not be affected thereby and Port shall not be liable to Tenant for any Claims resulting therefrom, and Tenant waives all provisions of any Laws to the contrary. In such case, the Term and regular payments of Rent shall not commence until Port delivers possession of the Premises. Notwithstanding anything to the contrary above, if Port's inability to deliver possession of the Premises on the estimated Commencement Date results from Tenant's or its Agents' acts or omissions, then Base Rent and Additional Rent payable by Tenant hereunder shall commence on the date when Port would have delivered possession of the Premises but for such acts or omissions.

4.2. ***Termination Rights.***

(a) Port has the right to terminate this Lease under this Section when the Premises are needed in connection with a Port program or project. Port may exercise this right without liability or expense, except as specifically set forth in this Subsection, upon thirty (30)

under these two leases, Affordable Self Storage Inc. currently pays the Port $0.22 per square foot per month for a total of 116,099 square feet (75,263 plus 40,836), for a total of $305,051 annually ($199,694 plus $105,357).

Table 1: Recent Port leases and license agreements with Affordable Self Storage

Reference	Location	Effective Date	Termination Date	Square Feet	Monthly Rent Paid to Port (per square ft./month)	Annual Rent
L-12867	901 Illinois at 20th Street	3/1/2000	Ongoing	75,263	$16,641 ($0.22/sf)	$199,694
L-12871	901 Illinois at 20th Street	1/1/2001	Ongoing	40,836	$8,780 ($0.22/sf)	$105,357
L-14092	Pier 70 (SWL 349)	3/1/2006	11/30/2013	8,000 land; 1,638 office	$3,156 ($0.20/sf land; $0.95/sf office)	$37,873
L-14574	Pier 70 (SWL 349)	8/8/2008	11/30/2013	20,000	$5,800 ($0.29/sf)	$69,600

building permits for such work obtained by Tenant and which are approved in advance in writing by a Port Property Manager to the extent supported by reasonable evidence of such expenditures provided by Tenant. If no building permits are required for such work, value shall only be

payment results in an Event of Default. Payment of the amounts under this Section shall not excuse or cure any default by Tenant.

5.4. ***Returned Checks.*** If any check for a payment for any Lease obligation is returned without payment for any reason, Tenant shall pay, as Additional Rent, an amount equal to Fifty Dollars ($50.00) (as such amount may be adjusted from time to time by the Port Commission) and the outstanding payment shall be subject to a Late Charge as well as interest at the Interest Rate.

5.5. ***Net Lease.*** It is the purpose of this Lease and intent of Port and Tenant that all Rent shall be absolutely net to Port, so that this Lease shall yield to Port the full amount of the Rent at all times during the Term, without deduction, abatement or offset. Except as otherwise expressly set forth in this Lease, under no circumstances, whether now existing or hereafter arising, and whether or not beyond the present contemplation of the Parties shall Port be

Competitive Bid of City Leases

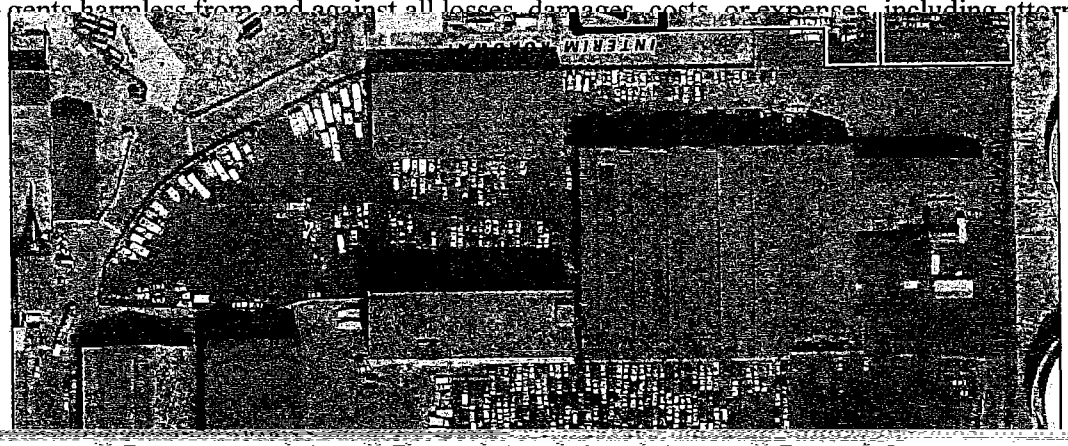
In accordance with Section 23.33 of the City's Administrative Code, it is City policy that all leases expected to produce more than $2,500 per month in revenue be awarded in accordance with the City's competitive bidding procedures, unless such competitive bidding procedures are determined to be impractical or impossible. Furthermore, if a lease is awarded without undertaking a competitive bid, then such leased property cannot be leased for less than the fair market value of the leased property. If any City department wishes to award a lease of City-owned property for less than fair market value, then a finding of the public purpose to be served by such lease must also be made.

Mr. Romani advises that there was no competitive bid for either of the proposed leases because it was impractical and might have resulted in generating less revenue than the proposed leases. According to Mr. Romani, the proposed relocation of Affordable Self Storage from their current Port leased sites at 20th and Illinois (901 Illinois Street) and on Pier 70 is at the Port's request due to the Port's Pier 70 development needs. In addition, the proposed relocation of Affordable Self Storage is to another site on Pier 70 which is slated for significant development in a few years, such that Affordable Storage will be required to vacate the majority of the premises (144,818 square feet for L-15691 or 66% of the total 219,560 square feet of proposed lease space for both L-15690 and L-15691) after 31 months. The remaining

[1] Based on 43,560 square feet in an acre.

6. TAXES AND ASSESSMENTS.

6.1. ***Payment of Taxes.*** During the Term, Tenant agrees to pay, when due, to the proper authority any and all real property and personal taxes, general and special assessments, license fees, permit fees and all other governmental charges of any kind or nature whatsoever, including without limitation all penalties and interest thereon, levied or assessed on the Premises, on Tenant's Property, the leasehold or subleasehold estate or Tenant's use of the Premises, whether in effect at the time this Lease is entered into or which become effective thereafter, and all taxes levied or assessed on the possession, use or occupancy, as distinguished from the ownership, of the Premises. Tenant further recognizes and agrees that its leasehold interest may be subject to the payment of special taxes, including without limitation a levy of special taxes to finance energy efficiency, water conservation, water pollution control and similar improvements under the Special Tax Financing Law in Chapter 43 Article X of the Administrative Code. Tenant shall not permit any such taxes, assessments or other charges to become a defaulted lien on the Premises or the Improvements thereon; provided, however, that in the event any such tax, assessment or similar charge is payable in installments, Tenant may make, or cause to be made, payment in installments; and provided, further, that Tenant may, through such proceeding as Tenant considers necessary or appropriate, contest the legal validity or the amount of any tax, assessment or similar charge so long as such assessment or charge does not become a defaulted lien. In the event of any such dispute, Tenant shall indemnify and hold Port, City, and their Agents harmless from and against all losses, damages, costs, or expenses, including attorneys'



EXHIB

fees, resulting therefrom.

6.2. ***Possessory Interest Tax.*** Tenant recognizes and understands that this Lease may create a possessory interest subject to property taxation and that Tenant may be subject to the payment of property taxes levied on such interest. Tenant further recognizes and understands that any sublease or assignment permitted under this Lease and any exercise of any option to renew or other extension of this Lease may constitute a change in ownership for purposes of property taxation and therefore may result in a revaluation of any possessory interest created hereunder. Tenant agrees to pay taxes of any kind, including, but not limited to, possessory interest taxes, that may be lawfully assessed on the leasehold interest hereby created and to pay all other taxes, excises, licenses, permit charges and assessments based on Tenant's usage of the Premises that may be imposed upon Tenant by Law, all of which shall be paid when the same become due and payable and before delinquency. Tenant agrees not to allow or suffer a lien for any such taxes to be imposed upon the Premises or upon any equipment or property located thereon without promptly discharging the same, provided that Tenant, if so desiring, may have reasonable opportunity to contest the validity of the same. San Francisco Administrative Code Sections 23.38 and 23.39 (or any successor statute) require that the City and County of San Francisco report certain information relating to this Lease, and any renewals thereof, to the County Assessor within sixty (60) days after any such transaction and that Tenant report certain information relating to any assignment of or sublease under this Lease to the County Assessor within sixty (60) days after such assignment or sublease transaction. Tenant agrees to provide such information as may be requested by the City or Port to enable the Port to comply with this requirement within thirty (30) days of a request in writing by Port to do so.

Initials: _____

Tenant

7. SECURITY DEPOSIT. Tenant shall pay to Port upon execution of this Lease, in

Rent increase. Any increase in the Security Deposit shall be delivered to Port on the same date that such increase in Base Rent is first due.

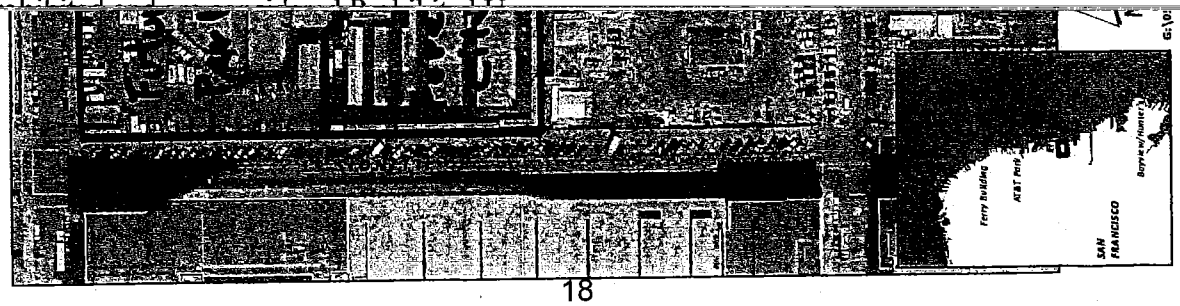
Tenant agrees that Port may (but shall not be required to) apply the Security Deposit in whole or in part to (a) pay any sum due to Port under this Lease; (b) compensate Port for any expense incurred or damage caused by Tenant, its Agents or Invitees; (c) cure any default by Tenant; or (d) cure, or attempt to cure, any failure of Tenant to perform any other covenant, term or condition contained herein. Tenant shall immediately upon demand pay Port a sum equal to the portion of the Security Deposit expended or applied by Port. Port shall not be required to keep the Security Deposit separate from its general funds, and Tenant shall not be entitled to any interest on the Security Deposit. Nothing contained in this Section shall in any way diminish or be construed as waiving any of Port's other remedies set forth in this Lease or provided by law or equity.

Tenant hereby waives the provisions of California Civil Code Section 1950.7 and/or any successor statute, it being expressly agreed that Port may apply all or any portion of the Security Deposit in payment of any and all sums reasonably necessary to compensate Port for any other loss or damage, foreseeable or unforeseeable, caused by the act or omission of Tenant or any Agent or Invitee of Tenant, and that following a default by Tenant, all or any portion of the Security Deposit may be retained by Port following a termination of this Lease and applied to future damages, including damages for future Rent, pending determination of the same.

8. USE OF THE PREMISES.

8.1. ***Permitted Use.*** The Premises shall be used and occupied only for the Permitted Use specified in the Basic Lease Information and for no other purpose.

8.2. ***Prohibited Use.*** Tenant agrees that the following activities, by way of example only and without limitation, and any other use that is not a Permitted Use (in each instance, a "**Prohibited Use**" and collectively, "**Prohibited Uses**"), are inconsistent with this Lease, are strictly



Amortized Subletting Expenses:	$30,000/60 months = $500/month
Excess Rent:	$5,000/month - $3,000/month = $2,000/month
Additional Rent:	$2,000/month - $500/month = $1,500/month

20.4. ***Transfer Agreement Requirements.*** Any Transfer Agreement must include the provisions set forth below.

(a) The Transferee's express assumption of, and acknowledgement and agreement that the Transferee will be jointly and severally liable for, all of Tenant's obligations under this Lease;

(b) The Indemnification clause and waiver of claims provisions in Section 19;

(c) Insurance provisions requiring that all of the Transferee's liability and other insurance policies name "***The City and County of San Francisco, the San Francisco Port Commission, and their officers, agents, employees, and representatives***" as additional insureds and acknowledging Port's right to demand increased coverage to amounts customarily required by other San Francisco landlords for premises where business activities similar to the Transferee's are conducted;

(d) A provision stating that if this Lease is terminated for any reason, the Transferee's right to possession under the Transfer Agreement will terminate; and

(e) A provision under which the Transferee expressly waives any and all relocation assistance and benefits in connection with this Lease to the extent permitted by applicable Laws.

20.5. ***Transfer Audit.*** Tenant agrees to make its Books and Records available to, and cooperate with, any Port representative for the purpose of conducting an audit of the accuracy of Tenant's financial reporting on the Transfer for a period of no less than one year after the Expiration Date. If an audit reveals that Tenant has overstated Subletting Expenses or any other costs in connection with a Transfer, Tenant must pay Port promptly upon demand the difference between the amount Tenant deducted and the amount it should have deducted, plus interest at the Interest Rate from the Transfer Date until paid. As used in this section, Tenant includes Affiliates where applicable.

20.6. ***Acknowledgement.*** Tenant acknowledges and agrees that Port's rights with respect to Transfers are reasonable limitations for purposes of California Civil Code Section 1951.4 and waives any Claims arising from Port's actions under this Section 20.

20.7. ***Transfer Definitions.*** For the purpose of this Section, references to this Lease and the Premises mean this Lease and the Premises to the extent Tenant's leasehold interest is affected by a Transfer. Other applicable definitions are in Section 2.

21. DEFAULT BY TENANT.

Any of the following shall constitute an event of default (the "**Event of Default**") by Tenant hereunder:

(a) failure to pay to Port any Rent or other sum payable hereunder when due, and such default continues for a period of three (3) days following written notice from Port. Notwithstanding the foregoing, Port shall not be required to provide such notice more than twice during any 12-month period, and any such failure by Tenant after Tenant has received two (2) such notices in such 12-month period shall constitute an Event of Default by Tenant hereunder without any further action by Port or opportunity of Tenant to cure except as may be required by Section 1161 of the California Code of Civil Procedure; or

(b) abandonment or vacation of the Premises by Tenant; or

(c) failure to use the Premises solely for the Permitted Use, as determined by Port in its sole and absolute discretion and such failure continues for a period of twenty-four (24) hours following written notice from Port; provided, however, that notwithstanding the foregoing, failure to use the Premises solely for the Permitted Use shall, at Port's sole and absolute discretion, be deemed an incurable breach of this Lease, allowing Port to immediately terminate this Lease without notice or demand to Tenant; or

(d) failure by Tenant to execute and deliver to Port the estoppel certificate

(l) Tenant shall become bankrupt or insolvent or make a transfer in fraud of creditors, or make an assignment for the benefit of creditors, or bring or have brought against Tenant any action or proceedings of any kind under any provision of the U.S. Bankruptcy Code or under any other insolvency, bankruptcy or reorganization act and, in the event such proceedings are involuntary, Tenant is not discharged from the same within sixty (60) days thereafter; or

(m) a receiver is appointed for a substantial part of the assets of Tenant and such receiver is not discharged within sixty (60) days; or

(n) this Lease or any estate of Tenant under this Lease shall be levied upon by any attachment or execution and such attachment is not stayed or lifted within sixty (60) days; or

(o) Tenant has been notified by Port that Tenant is considered a Habitual Late Payer.

22. PORT'S REMEDIES.

Upon default by Tenant, Port shall, without further notice or demand of any kind to Tenant or to any other person, have the following remedies:

22.1. ***Tenant's Right to Possession Not Terminated.*** Port has the remedy described in Section 1951.4 of the California Civil Code (a landlord may continue the lease in effect after a tenant's breach and abandonment and recover rent as it becomes due, if the tenant has the right to sublet and assign, subject only to reasonable limitations) under which it mini-storage facility located

at the southeast corner of 20th & Illinois Streets under two holdover leases, L-12867 and L-12871, which comprise a total rentable area of 116,099 square feet within Seawall Lot 349 (Pier 70). As a result of the phasing requirements of the Pier 70 Development Project, these leases could not be renewed and therefore Affordable wishes to enter into Lease No. L-15690 to move the mini-storage facility to another, slightly smaller, location in Seawall Lot 349 (Pier 70), which is a portion of the former AutoReturn lease premises.

On two other locations within Seawall Lot 349 (Pier 70), Affordable has a vehicle, bus and truck parking and short-term storage container operation under a holdover lease, L-14574 and an expired license, License No. 14092, which comprise a total rentable area

THIS PRINT COVERS CALENDAR ITEM NO. 9A

to Tenant shall terminate this Lease. Acts of maintenance, efforts to relet the Premises, or the appointment of a receiver on Port's initiative to protect Port's interest under this Lease shall not constitute a termination of Tenant's right to possession. If Port elects to terminate this Lease, Port has the rights and remedies provided by California Civil Code Section 1951.2, including the right to recover from Tenant the following.

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

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

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

(d) Any other amounts necessary to compensate Port for the detriment proximately caused by Tenant's default, or which, in the ordinary course of events, would likely result, including, but not limited to, attorneys' fees and court costs, the costs of carrying the Premises such as repairs, maintenance, taxes and insurance premiums, utilities, security precautions and the reasonable costs and expenses incurred by Port in (i) retaking possession of the Premises; (ii) cleaning and making repairs and alterations necessary to return the Premises to good condition and preparing the Premises for reletting; (iii) removing, transporting and storing any of Tenant's Property left at the Premises (although Port shall have no obligation so to do); and (iv) reletting the Premises, including, without limitation, brokerage commissions, advertising costs and attorneys' fees. Efforts by Port to mitigate the damages caused by Tenant's breach of

Rent Commencement: Rent shall begin on the first day of the fourth month after the Lease Commencement Date.

Base Rent: Base rent in the first year equals the Port Commission's FY 2013-14 Rental Rate for this property less the Port Commission approved five (5%) percent discount on paved land parcels of one acre or greater. Thereafter the annual rent is escalated at three (3%) per year. Annual monthly rents are as follows:

Initial Term

Year One: $24,664.86 per month for months 4-12

Year Two: $25,412.28 per month

Year Three: $26,159.70 per month

Year Four: $26,907.12 per month

Year Five: $27,654.54 per month

Extension Term

Year Six: $28,401.96 per month

Year Seven: $29,149.38 per month

Year Eight: $29,896.80 per month

Year Nine: $30,664.22 per month

(b) Port may keep this Lease in effect and require Tenant to Remediate the Hazardous Materials at the Tenant's sole cost.

(c) Port may deem Tenant to have held over, and Tenant will be required to pay Rent as increased under Section 26.2 until the Premises are Remediated. If Port elects this

fifty-eight (58) months with up to five (5) options of twelve months each for a maximum lease term of ten (10) years. This mechanism provides the Port with a continuous revenue stream for the entire time until Forest City is ready to develop this area.

Reconfiguration: At any time after the first day of the Forty-Ninth (49th) month of the lease (including any twelve month extension), Port may require tenant to reconfigure or move the entire lease premises to a reasonably comparable space with equivalent square footage within Seawall Lot 349 or other Port property upon one hundred fifty (150) days' prior written notice to tenant.

Maintenance and Repair: Tenant shall, at the sole cost and expense, maintain the premises in good working order, condition and repair.

Utilities and Services: Tenant shall be responsible for all services and utilities provided to or consumed on the premises.

Security Deposit: Tenant shall provide a security deposit of $55,309.08, which equates to two months' rent in Year 5 as required by Port.

Insurance: Tenant shall provide insurance coverage acceptable to Port and City Risk Manager.

Southern Waterfront Community Benefits and Beautification Policy: The lease premises lie within the Policy boundaries. Tenant shall provide community benefits and beautification measures in accordance with said Policy.

Standard Lease Provisions: The Lease contains all current lease provisions on the standard form approved by the City Attorney's Office including compliance with laws, Port's Right to Terminate, Indemnity and Exculpation, and Hazardous Materials.

Lease No. L-15691

Port Real Estate staff and representatives of Affordable have negotiated the proposed Lease No. L-15691 providing for the following terms and conditions:

Tenant: Affordable Self Storage, Inc., a California corporation, which is an existing Port tenant in good standing.

Premises: Approximately 144,818 rentable square feet of vacant paved land within

remedy, only Port's notice to Tenant confirming termination of this Lease and accepting Tenant's surrender of the Premises will terminate this Lease or any holdover tenancy. No other Port acts or conduct, such as accepting the keys to the Premises, will constitute an acceptance of Tenant's surrender of the Premises.

22.6. ***No Accord and Satisfaction.*** No payment by Tenant or receipt by Port of an amount less than the Rent due under this Lease shall be deemed to be other than "on account" of the earliest Rent due; nor shall any endorsement or statement on any check or payment, or letter accompanying such check or payment, be deemed an accord and satisfaction. Port may accept any such partial payment or tender without prejudice to its right to recover the balance of any amount due and to pursue any other remedy herein provided at Law or in equity.

22.7. ***Waiver of Redemption.*** Tenant hereby waives, for itself and all persons claiming

event of an emergency), for the purpose of inspecting the Premises to determine whether the Premises are in good condition and whether Tenant is complying with its obligations under this Lease.

24.2. ***General Entry***. In addition to its rights pursuant to Section 24.1 above, Port and its authorized Agents shall have the right to enter the Premises at all reasonable times and upon reasonable notice for any of the following purposes:

(a) To perform any necessary maintenance, repairs or restoration to the Premises, or to perform any services which Port has the right or obligation to perform;

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

(c) To post "**For Sale**" signs at any time during the Term; to post "**For Lease**" signs during the last six (6) months of the Term or during any period in which Tenant is in default;

(d) On an occasional basis, at all reasonable times after giving Tenant reasonable advance written or oral notice, to show the Premises to prospective tenants or other interested parties;

equates to two (months' rent in years 6) of the lease as required by Port.

Insurance: Tenant shall provide insurance coverage acceptable to Port and City Risk Manager.

Southern Waterfront Community Benefits and Beautification Policy: The lease premises lie within the Policy boundaries. Tenant shall provide community benefits and beautification measures in accordance with said Policy.

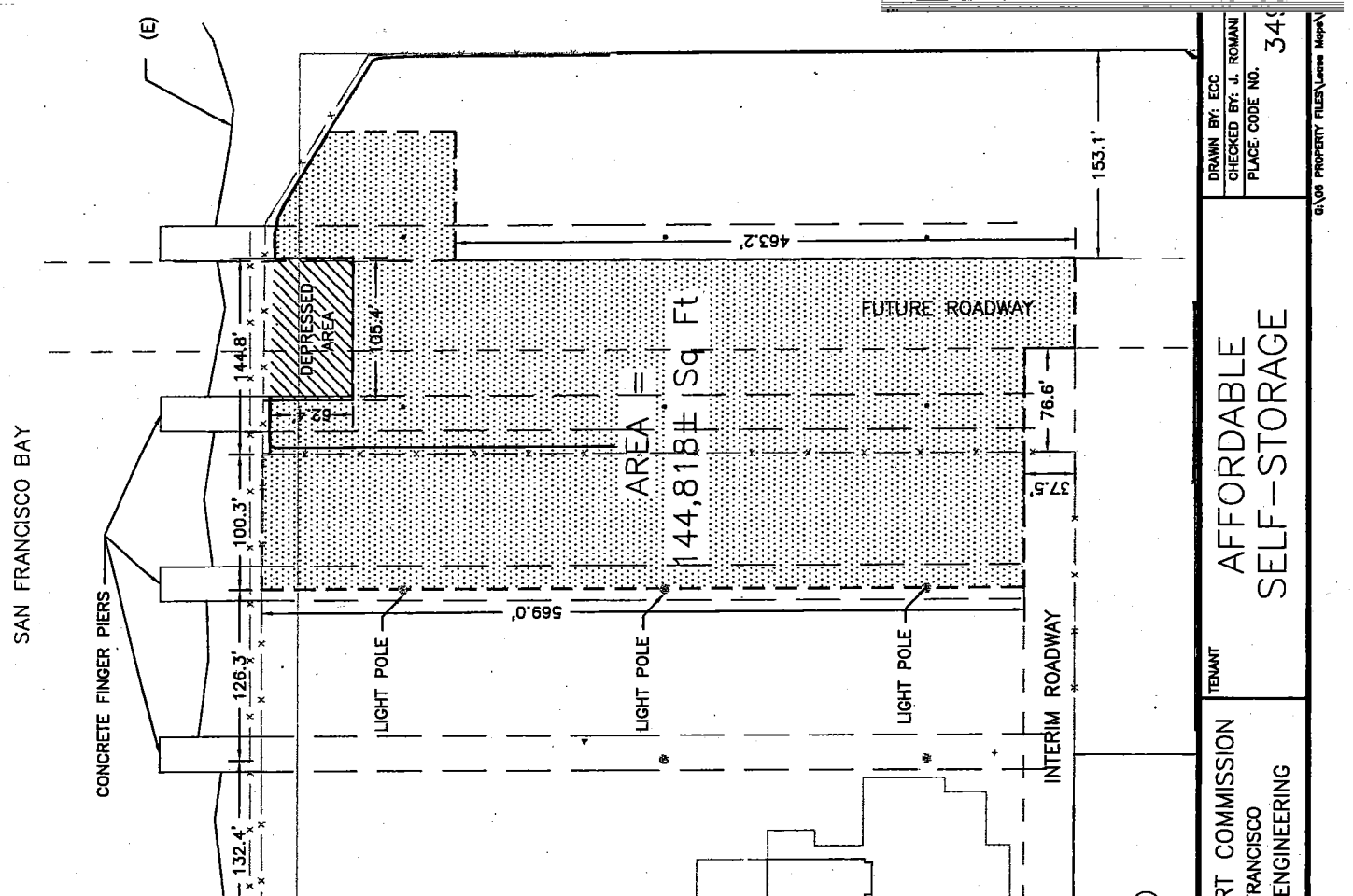
Standard Lease Provisions: The Lease contains all current lease provisions on the standard form approved by the City Attorney's Office including compliance with laws, Port's Right to Terminate, Indemnity and Exculpation, and Hazardous Materials.

all liens and encumbrances other than liens and encumbrances existing as of the date of this Lease and any other encumbrances created by Port. On or before the expiration or earlier termination of this Lease, Tenant at its sole cost shall remove from the Premises, and repair any damage caused by removal of, Tenant's Property, including any signage and Alterations and Improvements specified in Port's Notice of Removal. Except for those designated in Port's Notice of Removal, Alterations and Improvements shall remain in the Premises as Port property.

If the Premises are not surrendered at the end of the Term or sooner termination of this Lease, and in accordance with the provisions of this Section 25 and Section 13.4, Tenant shall continue to be responsible for the payment of Rent (as the same may be increased pursuant to Section 26.3 below until the Premises are surrendered in accordance with these Sections, and Tenant shall Indemnify Port from and against any and all loss or liability resulting from delay by Tenant in so surrendering the Premises including, without limitation, any costs of Port to obtain possession of the Premises; any loss or liability resulting from any Claim against Port made by any succeeding tenant or prospective tenant founded on or resulting from such delay and losses to Port due to lost opportunities to lease any portion of the Premises to any such succeeding tenant or prospective tenant, together with, in each instance, reasonable attorneys' fees and costs.

No act or conduct of Port, including, but not limited to, the acceptance of the keys to the Premises, shall constitute an acceptance of the surrender of the Premises by Tenant before the expiration of the Term. Only a written notice from Port to Tenant confirming termination of this Lease and surrender of the Premises by Tenant shall constitute acceptance of the surrender of the Premises and accomplish a termination of this Lease.

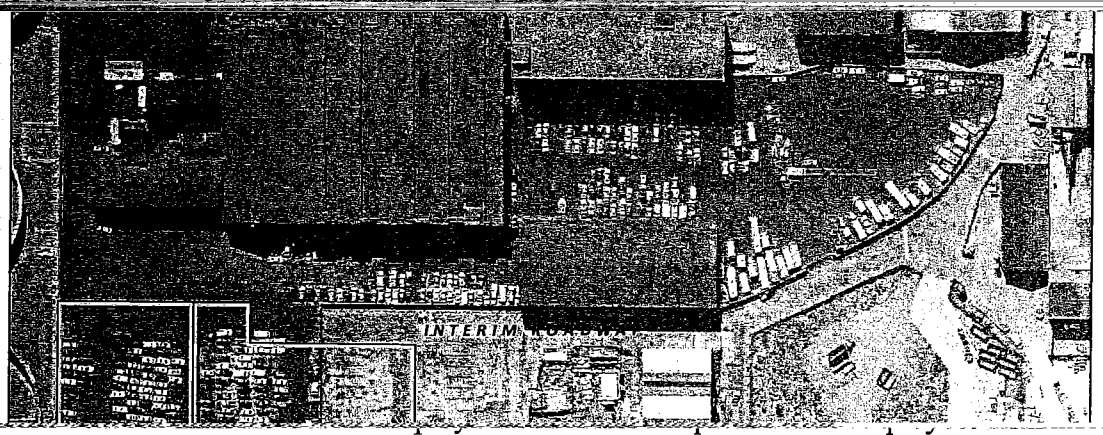
25.2. ***Quitclaim.*** Upon the expiration or earlier termination of this Lease, the Premises shall automatically, and without further act or conveyance on the part of Tenant or Port, become the property of Port, free and clear of all liens and without payment therefore by Port and shall



resulting from such delay and losses to Port due to lost opportunities to lease any portion of the Premises to any such succeeding tenant or prospective tenant, together with, in each case, actual

or other contractor in substantially the form of Section (a) above. In addition, Tenant shall incorporate by reference in all subleases and other contracts the provisions of Sections 12B.2 (a), 12B.2 (c)-(k) and 12C.3 of the Administrative Code and shall require all subtenants and other contractors to comply such provisions.

(c) Nondiscrimination in Benefits. Tenant does not as of the date of this Lease and will not during the Term, in any of its operations in San Francisco or where the work is being performed for the City, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits (collectively "**Core Benefits**") as well as any benefits other than the Core Benefits between employees with domestic partners and employees with



EXHIBIT

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 of the Administrative Code.

(d) HRC Form. On or prior to the Lease Commencement Date, Tenant shall execute and deliver to Port the "Nondiscrimination in Contracts and Benefits" form approved by the San Francisco Human Rights Commission.

(e) Penalties. Tenant understands that pursuant to Section 12B.2(h) of the Administrative Code, a penalty of $50.00 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Lease may be assessed against Tenant and/or deducted from any payments due Tenant.

28.2. ***Requiring Health Benefits for Covered Employees.*** Unless exempt, Tenant agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in Administrative Code Chapter 12Q (Chapter 12Q).

(a) For each Covered Employee Tenant shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO.

(b) Notwithstanding the above, if Tenant meets the requirements of a "small business" by the City pursuant to Section 12Q.3 of the HCAO, it shall have no obligation to comply with Section 28.2(a) above.

(c) If, within 30 days after receiving written notice of a breach of this Lease for violating the HCAO, Tenant fails to cure such breach or, if such breach cannot reasonably be cured within such 30-day period, Tenant fails to commence efforts to cure within such period, or thereafter fails to diligently pursue such cure to completion, the City shall have the remedies set forth in Section 12Q.5(f). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City.

(d) Any Sublease or Contract regarding services to be performed on the Premises entered into by Tenant shall require the Subtenant or Contractor and Subcontractors, as applicable, to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in Chapter 12Q of the Administrative Code. Tenant shall notify the Purchasing Department when it enters into such a Sublease or Contract

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

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

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

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

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

(j) If a Contractor or Subcontractor is exempt from the HCAO because the amount payable to such Contractor or Subcontractor under all of its contracts with the City or relating to City-owned property is less than $25,000.00 (or $50,000.00 for nonprofits) in that fiscal year, but such Contractor or Subcontractor later enters into one or more agreements with

Architecture, Engineering, Laboratory Services (Materials Testing), Trucking and Hauling, and

28.9. ***Pesticide Prohibition.*** Tenant shall comply with the provisions of Section 308 of Chapter 3 of the Environment Code (the "**Pesticide Ordinance**") which (a) prohibit the use of certain pesticides on City property, (b) require the posting of certain notices and the maintenance of certain records regarding pesticide usage and (c) require Tenant to submit to Port an integrated

RESOLVED, that the Port Commission authorizes the Executive Director or her designee to enter into any additions, amendments or other modifications to the Lease that the Executive Director, in consultation with the City Attorney, determines are in the best interest of the Port, do not materially increase the obligations or liabilities of the City or Port, and are necessary or advisable to complete the transactions which the Lease contemplates and effectuate the purpose and intent of this Resolution, such determination to be conclusively evidenced by the execution and delivery by the Executive Director or her designee of the Lease, and any such amendments thereto.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of November 12, 2013.

Secretary

negotiations for such contract or six months after the date the contract is approved. Tenant 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. Tenant further acknowledges that the prohibition on contributions applies to each Tenant; each member of Tenant's board of directors, and Tenant's chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Tenant; any subcontractor listed in the contract;

RESOLUTION NO. 13-40

WHEREAS, Charter Section B3.581 empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of the City and County of San Francisco; and

WHEREAS, Affordable Self Storage, Inc. ("Affordable"), is a tenant in good standing and occupies two separate premises located within Seawall Lot 349 (Pier 70) in the Southern Waterfront where Affordable conducts vehicle storage and self-storage container operations under Lease No. 14574 and License No. 14092; and

WHEREAS, Port staff recommends approval of the proposed lease with Affordable because parking of motorized and non-motorized vehicles, including boats, recreational vehicles, trucks and buses and self- storage containers is an appropriate use for the property which will pay market rent that will initially generate revenues of approximately $47,800 per month; and

WHEREAS, Port staff has negotiated a new thirty-one (31) month lease, Lease No. L-15691 (the "Lease"), for approximately 144,818 rentable square feet of paved land for parking of vehicles and storage containers upon the terms described in the attached memorandum to the Port Commission dated November 7, 2013; and

WHEREAS, the use is a continuation of existing and related uses and is therefore covered under the General Rule Exclusion pursuant to the California Environmental Quality Act; now, therefore be it

RESOLVED, that the Port Commission approves, subject to Board of Supervisors' approval, the Lease and authorizes the Executive Director or her designee to forward the Lease to the Board of Supervisors (the "Board") for approval, pursuant to the Board's authority under Charter Section 9.118, and upon the effectiveness of such approval, to execute the Lease; and, be it further

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 City will incur based on the violation, established in light of the circumstances existing at the time this Lease was made. Such amounts shall not be considered a penalty, but rather agreed monetary damages sustained by City because of Tenant's failure to comply with this provision.

28.20. ***Southern Waterfront Community Benefits and Beautification Policy***. The Port's "Policy for Southern Waterfront Community Benefits and Beautification" identifies beautification and related projects in the Southern Waterfront (from Mariposa Street in the north

DOREEN WOO HO, PRESIDENT
KIMBERLY BRANDON, VICE PRESIDENT
WILLIE ADAMS, COMMISSIONER
LESLIE KATZ, COMMISSIONER
MEL MURPHY, COMMISSIONER

correspondence, memoranda, agreements, warranties, or representations, whether written or oral, relating to such subject matter are superseded in total by this Lease. No prior drafts of this Lease or changes from those drafts to the executed version of this Lease 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 Lease.

30.3. ***Amendments.*** No amendment of this Lease or any part thereof shall be valid unless it is in writing and signed by all of the parties hereto.

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

30.5. ***Interpretation of Lease.***

(a) References in this Lease to Tenant's acts or omissions will mean acts or omissions by Tenant and its Agents and Invitees unless the context requires or specifically stated otherwise.

(b) Whenever an exhibit or schedule is referenced, it means an attachment to

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(h) 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," "waivers," "waived," waiving," etc.).

(i) References to days mean calendar days unless otherwise specified, provided that if the last day on which a party must give notice, respond to a notice, or take any other action under this Lease occurs on a day that is not a business day, the date by which the act must be performed will be extended to the next business day.

30.6. ***Successors.*** The terms, covenants, agreements and conditions set forth in this Lease shall bind and inure to the benefit of Port and Tenant and, except as otherwise provided herein, their personal representatives and successors and assigns.

30.7. ***Real Estate Broker's Fees.*** Port will not pay, nor will Port be liable or responsible for, any finder's or broker's fee in connection with this Lease. Tenant agrees to indemnify and hold Port harmless from any Claims, including attorneys' fees, incurred by Port in connection with any such Claim or Claims of any person(s), finder(s), or broker(s) to a commission in connection with this Lease.

30.8. ***Counterparts.*** For convenience, the signatures of the parties to this Lease may be executed and acknowledged on separate pages which, when attached to this Lease, shall constitute as one complete Lease. This Lease may be executed in any number of counterparts each of which shall be deemed to be an original and all of which shall constitute one and the same Lease.

30.9. ***Authority.*** If Tenant signs as a corporation or a partnership, each of the persons executing this Lease on behalf of Tenant does hereby covenant and warrant that Tenant is a duly authorized and existing entity, that Tenant has and is qualified to do business in California, that Tenant has full right and authority to enter into this Lease, and that each and all of the persons signing on behalf of Tenant are authorized to do so. Upon Port's request, Tenant shall provide Port with evidence reasonably satisfactory to Port confirming the foregoing representations and warranties.

Tenant's Mailing Address:	435 23rd Street San Francisco, CA 94107 Cell phone: (415) 314-7675 Email: ch.kasaris@gmail.com
Tenant's Billing Address:	435 23rd Street San Francisco, CA 94107 Cell phone: (415) 314-7675 Email: ch.kasaris@gmail.com
Contact Information for Tenant's Agent for Service of Process (if Tenant is a corporation):	Kosta Kasidiaris 435 23rd Street San Francisco, CA 94107
Premises:	Portion of Seawall Lot 349
Facility:	Seawall Lot 349 San Francisco, California 94107
Premises Rentable Square Footage:	Approx. 144,818 rentable square feet of paved vacant land.
Length of Term:	Thirty-one (31) months

joint enterprise with Tenant. Neither party shall act as the agent of the other party in any respect hereunder. This Lease is not intended nor shall it be construed to create any third party beneficiary rights in any third party, unless otherwise expressly provided.

30.15. ***No Recording***. Tenant shall not record this Lease or any memorandum hereof in the Official Records.

30.16. ***Additional Written Agreement Required***. Tenant expressly agrees and acknowledges that no officer, director, or employee of Port or City is authorized to offer or

Security Deposit:	One Hundred One Thousand Three Hundred Seventy Two Dollars and Sixty Cents ($101,372.60)
Permitted Use:	The Premises shall be used solely for storage of motorized and non-motorized vehicles, including boats, recreational vehicles, trucks and buses (collectively "**Vehicles**") and self-storage containers and for no other purpose. Tenant may install a security gate(s) and office trailer.
Additional Prohibited Uses:	In addition to, and without limiting, the Prohibited Uses specified in Section 8.2 below, Tenant shall be prohibited from using the Premises for any of the following activities: (a) Storage of Hazardous Materials, as defined in Section 2, including but not limited to propane cylinders, motor oil, hydraulic oil, gasoline, diesel or other fuels; (b) Storage of non-operational vehicles for a period exceeding six (6) months for any vehicle; (c) Maintenance or repair of vehicles including fueling, fluid changes, battery changes, engine work, brake

CITY HEREUNDER ARE CONTINGENT UPON ADOPTION OF SUCH A RESOLUTION, AND THIS LEASE SHALL BE NULL AND VOID IF CITY'S MAYOR AND THE BOARD OF SUPERVISORS DO NOT APPROVE THIS LEASE, IN THEIR RESPECTIVE SOLE DISCRETION. APPROVAL OF THIS LEASE BY ANY DEPARTMENT, COMMISSION OR AGENCY OF CITY SHALL NOT BE DEEMED TO IMPLY THAT SUCH RESOLUTION WILL BE ENACTED, NOR WILL ANY SUCH APPROVAL CREATE ANY BINDING OBLIGATIONS ON CITY.

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IN WITNESS WHEREOF, PORT and TENANT execute this Lease as of the last date set forth below.

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

By: _____
Susan Reynolds
Deputy Director, Real Estate

Date Signed: _____

TENANT: **AFFORDABLE SELF STORAGE, INC.**
A CALIFORNIA CORPORATION

By: _____
Name: _____
Title: _____

Date Signed: _____

By: _____
Name: _____
Title: _____

Date Signed: _____

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: _____
Name: Rona H. Sandler
Deputy City Attorney

Lease Prepared By: Jerry Romani, Commercial Property Manager _____
(initial)

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EXHIBIT A

DESCRIPTION OF PREMISES

[Attachment on following page]

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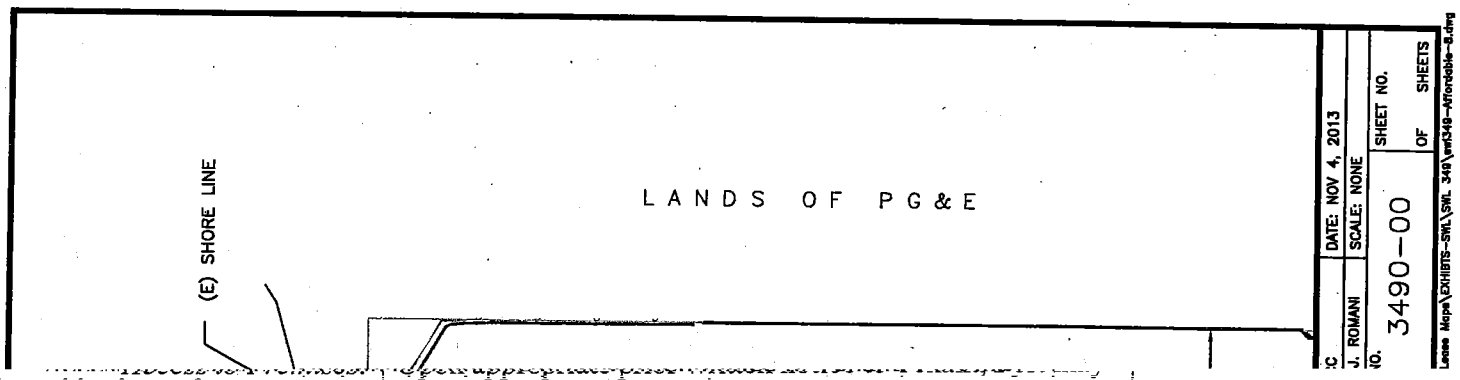
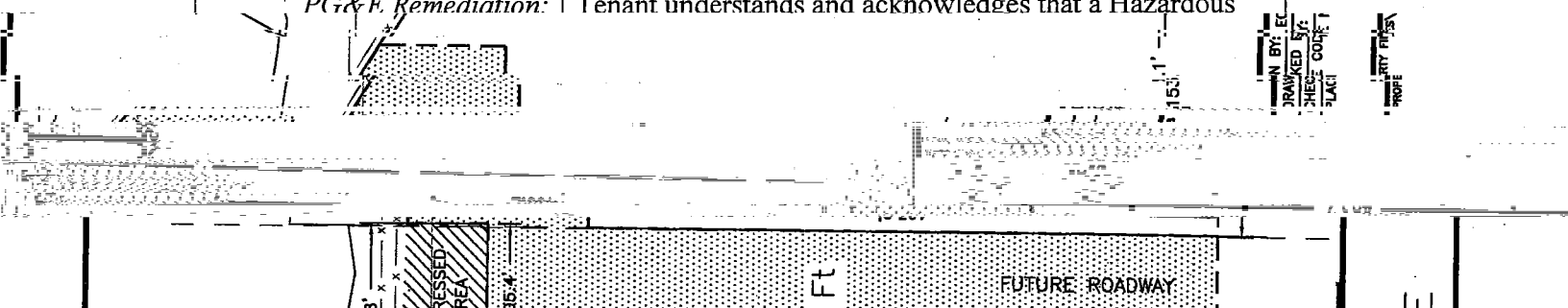
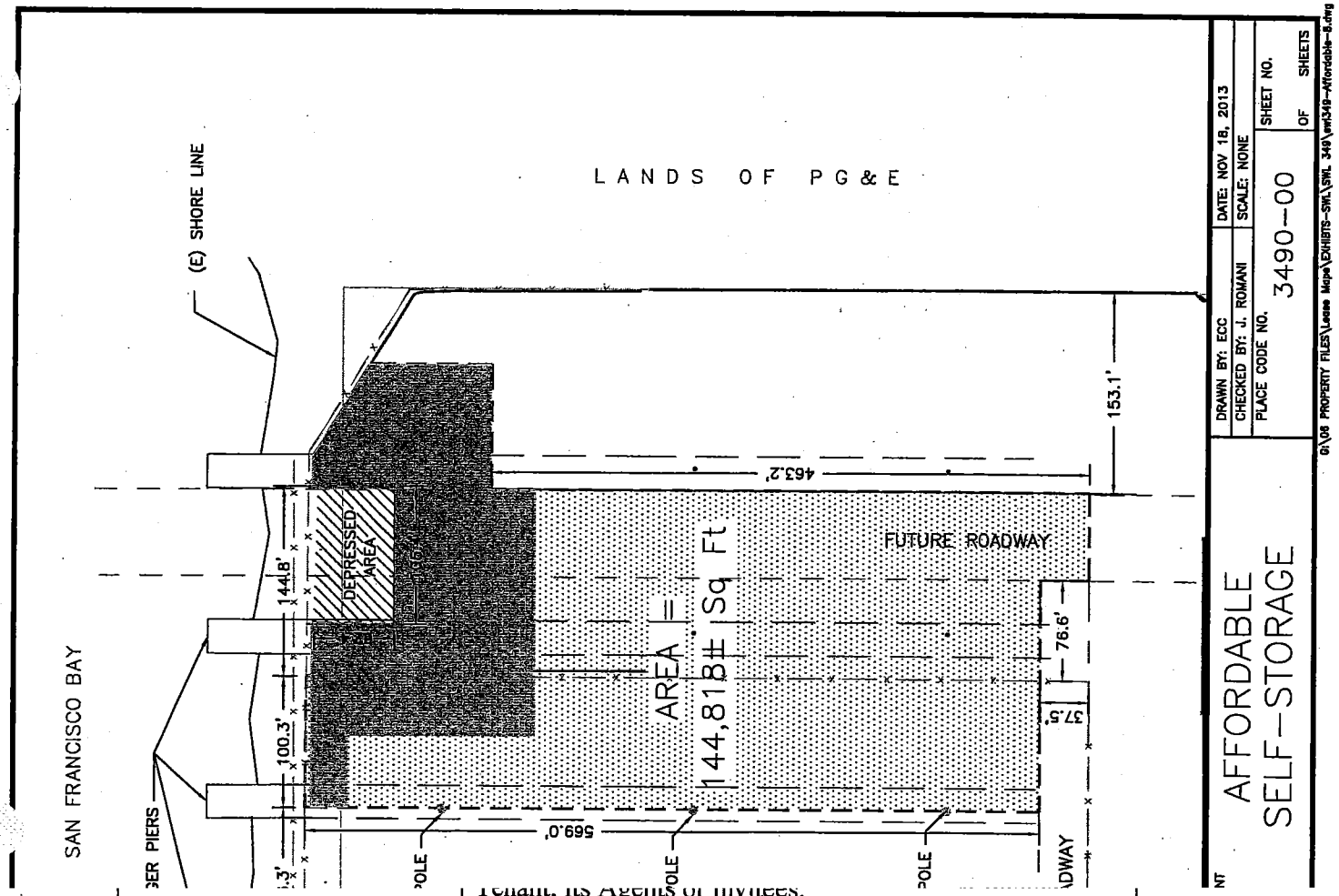


reroute or change vehicular access to the Premises. Tenant acknowledges that these actions may result in

	some inconvenience to or disturbance of Tenant including increased pedestrian, vehicle and truck traffic, traffic delays and re-routing, loss of street and public parking, dust, dirt, construction noise and visual obstructions. Tenant hereby waives any and all Claims against Port, City and their Agents arising out of such inconvenience or disturbance.
Entry for Investigations/Inspections:	In addition to Port's Right of Entry under Section 24, Port reserves for itself and its designees including without limitation the developers of the Pier 70 waterfront and historic core sites, their affiliates, consultants and contractors, the right to enter the Premises and any portion thereof at all reasonable times upon reasonable advance oral or written notice by Port to Tenant (except in the event of an emergency) for the following purposes: (a) to conduct inspections or inventories; (b) to install, inspect, sample, monitor, close and abandon permanent or temporary groundwater wells; (c) to obtain environmental, geotechnical and other samples from all media; and (d) to conduct utility clearances. Port and its designees shall use reasonable good faith efforts to conduct any activities on the Premises allowed under this Section in a manner that, to the extent practicable, will minimize any disruption to Tenant's use hereunder. Tenant will cooperate with Port by complying with reasonable requests to temporarily relocate self-storage containers and other operations to accommodate the activities covered hereunder at no expense to Port or its designees. Except as otherwise specified herein, Port shall not be liable in any manner, and Tenant hereby waives any claims, for any inconvenience, disturbance, loss of business, nuisance or other damage arising out of Port's or its designees' entry onto the Premises, except damage resulting directly and exclusively from the gross negligence or willful misconduct of Port and not contributed to by the acts, omissions or negligence of Tenant, its Agents or Invitees.
PG&E Remediation:	Tenant understands and acknowledges that a Hazardous





	Tenant, its Agents or Invitees.
Reconfiguration:	At any time after the first day of the Twenty-Fifth (25th) month of this Lease, and from time to time, Port may require Tenant to reconfigure or move the entire Premises to a reasonably comparable space with equivalent square footage within the Pier 70 area or other Port property upon ninety (90) days' prior written notice to Tenant. Such reconfiguration or relocation shall be without cost or liability to Port and this Lease shall continue on all of it's terms, covenants and conditions. Tenant shall be solely responsible for relocating its equipment and operations to accommodate such a reconfiguration or relocation. From and after the date(s) of the reconfiguration/relocation, "Premises" shall refer to the new space into which Tenant has moved as shown in the Port's notice(s).
Lease Prepared By:	Jerry Romani, Commercial Property Manager

EXHIBIT B

COMMENCEMENT DATE AND EXPIRATION DATE MEMORANDUM

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

Tenant:

Lease Number:

Lease Date:

Premises: [_____, Suite _____]
San Francisco, California

The Commencement Date of the Lease is hereby established as _____, 20___ , the Rent Commencement Date of the Lease is hereby established as _____, 20___ and the Expiration Date as _____ ____, 20___.

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

By: _____
Susan Reynolds
Deputy Director, Real Estate

Date Signed: _____

Tenant:

By: _____
Name: _____
Title: _____

Date Signed: _____

Lease.

"**ACMs**" is defined in Section 15.6 below.

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EXHIBIT C

TENANT ESTOPPEL CERTIFICATE

The undersigned, _____, is the tenant of a portion of the real property commonly known as [Insert Premises Address] located in San Francisco, California (the "**Property**"), and hereby certifies to **THE CITY AND COUNTY OF SAN FRANCISCO THROUGH THE SAN FRANCISCO PORT COMMISSION** ("**Port**") [and to _____ ("**Developer/Lender**")] the following:

1. That there is presently in full force and effect a lease (as modified, assigned, supplemented and/or amended as set forth in paragraph 2 below, the "Lease") dated as of _____, 20__, between the undersigned and Port, covering approximately _____ square feet of the Property (the "**Premises**").

2. That the Lease has not been modified, assigned, supplemented or amended except by:

3. That the Lease represents the entire agreement between Port and the undersigned with respect to the Premises.

4. That the commencement date under the Lease was _____, 20__, the expiration date of the Lease is _____, 20___.

5. That the present minimum monthly Base Rent which the undersigned is paying under the Lease is $_____.

6. The security deposit held by Port under the terms of the Lease is $_____ and Port holds no other deposit from Tenant for security or otherwise.

7. That the undersigned has accepted possession of the Premises and that, to the best of the undersigned's knowledge, any improvements required to be made by Port to the Premises by the terms of the Lease and all other conditions of the Lease to be satisfied by Port have been completed or satisfied to the satisfaction of the undersigned.

8. That, to the best of the undersigned's knowledge, the undersigned, as of the date set forth below, has no right or claim of deduction, charge, lien or offset against Port under the Lease or otherwise against the rents or other charges due or to become due pursuant to the terms of the Lease.

9. That, to the best of the undersigned's knowledge, Port is not in default or breach of the Lease, nor has Port committed an act or failed to act in such a manner, which, with the passage of time or notice or both, would result in a default or breach of the Lease by Port.

Law.

"**Award**" means all compensation, sums or anything of value paid, awarded or received for a Taking, whether pursuant to judgment, agreement, settlement or otherwise.

"**Base Rent**" means the monthly Base Rent specified in the Basic Lease Information and described further in Section 5.1 hereof.

"**BCDC**" means the Bay Conservation and Development Commission.

"**Books and Records**" means all of Tenant's books, records, and accounting reports or statements relating to its business, this Lease, and the operation and maintenance of the Premises, including cash journals, rent rolls, general ledgers, income statements, bank statements, income tax schedules relating to the Premises and any other bookkeeping documents used in Tenant's business operations for the Premises, whether maintained by Tenant or a third-party contractor.

"**business day**" means any week day during which businesses are generally open for business, excluding local, state, and federal holidays observed by Port.

"**CASp**" is defined in Section 3.2 below.

"**Cal-OSHA**" is defined in Section 15.6 below.

"**Changes**" is defined in Section 10.2 below.

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

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

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EXHIBIT D

RULES AND REGULATIONS

[TO BE ATTACHED FOR APPLICABLE FACILITIES]

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RULES AND REGULATIONS
Container and Other Storage Units - Prohibited Materials

April 2012

A. The following materials are prohibited from storage in containers or similar st[illegible] include any parking areas located outside the boundaries of the Facility.

"**Conduct Code**" is defined in Section 28.13 below.

"**Concession**" is defined in Section 30.16 below.

"**Control**" means a Person that: (a) owns or has the right to acquire 50 percent or more (25 percent or more if publicly traded) of each class of equity interests in the second Person or 50 percent or more (25 percent or more if publicly traded) of each class of interests that have the right to nominate, vote for, or otherwise select the members of the governing body that directs or causes the direction of substantially all of the management and policies of the second Person; or (b) otherwise has the right to direct or cause the direction of substantially all of the management and policies of the second Person.

NOTICE TO EMPLOYEES, OWNERS, LESSEES, SUBLESSEES, AGENTS AND CONTRACTORS

ASBESTOS IN BUILDINGS

FOR PERIOD THROUGH: March 2013

It is the responsibility of the master tenant to provide this notice to any subtenant within their leasehold.

In January of 1989, Assembly Bill 3713 was signed into law and added to the California Health and Safety Code. This bill provides for written notice to employees concerning specific matters related to working in a building with asbestos containing construction materials. It applies to building built before 1979 where the owner knows that the building contains asbestos-containing materials; it does not require that a building be surveyed to determine the presence of asbestos.

WHAT IS ASBESTOS?

Asbestos is a naturally occurring group of fibrous minerals which have been used extensively in public buildings, apartment buildings and homes. Asbestos was incorporated into pipe insulation, acoustic plaster, acoustic tile, duct and furnace insulation, floor tiles, textiles and hundreds of other building materials. In most City buildings, asbestos is located in insulation on piping systems, acoustic plaster on ceilings, acoustic ceiling tiles, vinyl asbestos floor tiles, and structural fireproofing. Asbestos may be found in soils as well, especially if soil is non-native or commingled with municipal waste (land fill).

WHY IS ASBESTOS HAZARDOUS?

Asbestos is [illegible]

have been reviewed or examined by a CPA.

"Habitual Late Payer" means Tenant has received (a) at least two (2) notices of monetary default, or (b) at least three (3) notices of default within a twelve (12) month period.

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

"Hard costs" is defined in Section 11.3 below.

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

"Hazardous Material Claim" means any Environmental Regulatory Action or any Claim made or threatened by any third party against the Indemnified Parties, or the Premises or the Facility, relating to damage, contribution, cost recovery compensation, loss or injury resulting from the presence or Release of any Hazardous Materials, including, without limitation, Losses based in common law. Hazardous Materials Claims include, without limitation, Investigation and Remediation costs, fines, natural resource damages, damages for decrease in value of the Premises, any other part of the Facility, or other Port property, the loss or restriction of the use or any amenity of the Premises, any other part of the Facility, or other Port property, and attorneys' fees and consultants' fees and experts' fees and costs.

"Hazardous Material Condition" means the presence, Release, or threatened Release of Hazardous Materials in, on, or about the Premises, the Facility, other Port property, or the environment, or from any vehicles or vessels Tenant, or its Agents and Invitees uses during Tenant's occupancy of the Premises.

"HEPA" is defined in Section13.2(g) below.

"Improvements" means any and all buildings, structures, fixtures or other improvements [illegible]

Asbestos is a concern because of the potential health risks associated with breathing asbestos fibers. It is important for you to know that most people with asbestos-related diseases were asbestos workers before 1972. These workers were repeatedly exposed to high levels of [illegible]

The Environmental Protection Agency (EPA) has recommended a "clearance level" for asbestos of 0.01 f/cc, as measured by phase contrast microscopy (PCM). If measured by the transmission electron microscopy (TEM) method described in 40 CFR Part 763, the Asbestos Hazard Emergency Response Act (AHERA), the clearance level is either 0.02 structure/cc or 70 structures per square millimeter of filter (s/mm^2). This means that once an operation involving asbestos (such as removal) is complete, the area is "safe" for re-occupancy as long as the [illegible] constructed or located on the Premises or any other part of the Facility, including those constructed by or on behalf of Tenant pursuant to this Lease (including, without limitation, any trailers, signs, roads, trails, driveways, parking areas, curbs, walks, fences, walls, stairs, poles, plantings and landscaping).

"**Improvement Costs**" is defined in Section 4.2 below.

"**Improvements Pertaining to the Realty**" means machinery or equipment installed for use on the Property that cannot be removed without a substantial economic loss or without substantial damage to the property on which it is installed, regardless of the method of installation. In determining whether particular property can be removed "without a substantial economic loss," the value of the property in place considered as part of the realty should be compared with its value if it were removed and sold.

"**Indemnified Parties**" is defined in Section 19.1 below.

SCHEDULE 2

FEMA Disclosure Notice

The Federal Emergency Management Agency ("**FEMA**") is revising Flood Insurance Rate Maps ("**FIRMs**") for San Francisco Bay Area communities. As part of this effort, FEMA plans to prepare a FIRM for the City and County of San Francisco for the first time. That process may have significant impacts for developing new structures and reconstructing or repairing existing structures on San Francisco's waterfront.

FIRMs identify areas that are subject to inundation during a flood having a 1% chance of occurrence in a given year (also known as a "base flood" or "100-year flood"). FEMA refers to an area that is at risk from a flood of this magnitude as a special flood hazard area ("**SFHA**").

On September 21, 2007, FEMA issued a preliminary FIRM of San Francisco tentatively identifying SFHAs along City's shoreline in and along the San Francisco Bay consisting of "A zones" (areas subject to inundation by tidal surge) and "V zones" (areas subject to the additional hazards that accompany wave action). These zones generally affect City property under the jurisdiction of the Port of San Francisco and other areas of the San Francisco waterfront, including parts of Mission Bay, Hunters Point Shipyard, Candlestick Point, Treasure and Yerba Buena Islands, and an area adjacent to Islais Creek.

FEMA prepares the FIRMs to support the National Flood Insurance Program ("**NFIP**"), a federal program that enables property owners, businesses, and residents in participating communities to purchase flood insurance backed by the federal government. The San Francisco Board of Supervisors has adopted a floodplain management ordinance governing new

Exhibit A.

"**preservative–treated wood containing arsenic**" is defined in Section 28.12 below.

"**prevailing party**" is defined in Section 23.1 below.

"**Prohibited Use(s)**" is defined in Section 8.2 below.

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

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

"**Release**" when used with respect to Hazardous Materials means any actual or imminent spilling, introduction, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing in, on, under or about the Premises, any other part of the Facility, other Port property, or the environment.

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

"**Renewable Energy System**" is defined in Section 12.3 below.

"**Rent**" means the Base Rent, Additional Rent and all other sums payable by Tenant to Port hereunder, including, without limitation, any Late Charge and any interest assessed pursuant to Section 5.

"**Rent Commencement Date**" means the date on which the payment of Rent commences as

SCHEDULE 3

HAZARDOUS MATERIAL DISCLOSURE

Environmental Reports and Documents Regarding Hazardous Materials

Affordable Self Storage

August 2013

Pier 70

1999 Annual Ground Water Monitoring Report for Piers 70 and 94, Tetra Tech, Inc., February 2000.

1999 Annual Ground Water Monitoring Report Piers 70 Tetra Tech Inc 02-2000, Tetra Tech, Inc., February 2000.

Activity Summary Report, Pier 70, SCA Environmental, Inc., 8/5/02.

Amended Report of Waste Discharge Pier 70 Solid Waste Disposal Site, The Mark Group 8-20-90, Mark Group, August 20, 1990.

Appendices F and G - Chemical and Physical Data Tables, Volume 2 of 3, Subchapter 15 Compliance, Pier 70, Solid Waste Disposal Site, Geo/Resource Consultants, Inc., December 1989.

Appendix H - Laboratory Data Reports, Volume 3 of 3, Subchapter 15 Compliance, Pier 70, Solid Waste Disposal Site, Geo/Resource Consultants, Inc., December 1989.

Article 22A Compliance; City Tow, Pier 70, San Francisco; PR0249798, Iris Environmental, January 9, 2004.

Article 22A Compliance; Former Car Crusher Building; Former City Tow, Pier 70; EHS-HWU Case Number 69, San Francisco Department of Public Health, September 1, 2005.

Asbestos Abatement Report, Pick Your Part, Inc. Pier 70, Iris Environmental, May 21, 2001, Iris Environmental, May 21, 2001.

Asbestos roof sampling report; Pier 70; building numbers 113 and 114, North Tower environmental, October 23, 2009.

Assessment of Suspect Asbestos-Containing Materials at the Pier 70 Office Building, 20th and Illinois Streets, Clayton Environmental Consultants, April 9, 1996.

Certification Report; Pick Your Part, Inc.; Pier 70, San Francisco, CA, Iris Environmental, December 19, 2003.

Data Compilation Report & Appendices A through E Data Logs, Vol 1 of 3, Subchapter 15 Compliance, Pier 70 Solid Waste Disposal Site, Geo/Resource Consultants, Inc., December 1989.

Environmental Site Investigation Report, Pier 70 Master Plan Area, Treadwell & Rollo, 1/13/11.

Final Summary Report, Soil Boring Sampling and Well Installation for Pier 70 Building PCB Remedial Investigation, Pier 70 Mixed Use Opportunity Area Engineering/Remediation Resources Group, Inc. Nov. 2005, Engineering/Remediation Resources Group, Inc., November 2005.

GeoResource Data Compilation & Appendices A through E Data Logs Report Vol. 1 of 3 Subchapter 15 Pier 70 Solid Waste Disposal Site, December 1989, Geo/Resource Consultants, Inc., December 1989.

Groundwater Data Summary and Request to Rescind Waste Discharge Requirements; Pier 70 (Order 87-060) and Pier 94 (Order 87-061 Disposal Sites / Port of San Francisco, Port of San Francisco, August 17, 1999.

Hazardous material abatement; General clean up, ACM abatement and lead-based paint stabilization; Building 101, Pier 70, EnviroSurvey, Inc., July 16, 2010.

Hazardous Materials Investigation of the Mariposa Facilities Project Area, July 1990, ERM-West, Inc., July, 1990.

[illegible] Report, Pier 70 Rehabilitation Project, Building 101, Winzler & Kelly, December [illegible]

Premises or the Facility by fire or other casualty.

"**Rules and Regulations**" means the Rules and Regulations, if any, applicable to the Facility, set forth in ***Exhibit D*** attached hereto, as may be amended from time to time.

"**saltwater immersion**" is defined in Section 28.12 below.

"**Security Deposit**" means the amount specified in the Basic Lease Information and as further described in Section 7 below.

Hazardous materials survey; Pier 70 Renovation; Building 114, Winzler & Kelly, December 16, 2011.

Health and Safety Plan & Dust Control Mitigation and Monitoring Plan for Utility Installation and Soil Load Out Activities, Building 116 at Pier 70, SCA Environmental, Inc., 10/13/2009.

Order No. 00-030 / Rescission of Waste Discharge Requirements in Order No. 87-060; City and County of San Francisco / Pier 70 Class III Landfill, California Regional Water Quality Control Board, April 20, 2000.

Order No. 87-060 Updated Requirements; City and County of San Francisco / Pier 70 Class III Landfill, California Regional Water Quality Control Board, 1987.

PCB Removal, Corrective Action Plan, Pier 70, Building 50, Engineering-Remediation Resources Group, Inc. August 2003, Engineering/Remediation Resources Group, Inc., August 2003.

Phase 1 Environmental Site Assessment for Pier 70, Mixed Use Opportunity Area, Corner of Illinois Street and 20th Street, Vol. I of II, Environmental Site Assessment, Tetra Tech, Inc., August 1998.

Phase 1 Environmental Site Assessment for Pier 70, Mixed Use Opportunity Area, Corner of Illinois Street and 20th Street, Vol. II of II, Supplemental Documents, Tetra Tech, Inc., August 1998.

Phase I Brownfields, Environmental Site Assessment Report Pier 70, Ecology and Environment, Inc., March 2000.

Phase I Environmental Site Assessment for Pier 70 Maritime Use Area. Ecology and Environmental, Inc. March 2001, Ecology and Environment, Inc., March 2001.

Phase I Environmental Site Assessment for Pier 70, Mixed Use Opportunity Area, Corner of Illinois Street and 20th Street, Vol. I of II, Environmental Site Assessment, Tetra Tech, Inc., August 1998.

transfers cumulatively or in the aggregate 50 percent or more (25 percent or more if publicly traded) of its equity interests or business assets, such as goodwill, inventory, and profits; or (d) any subtenant, assignee, or other Transferee of Tenant sells, assigns, encumbers, sub-subleases, or otherwise Transfers any of its interest in its Sublease or premises.

"**Transfer Agreement**" means all document(s) effecting or evidencing Tenant's proposed sale, assignment, encumbrance, sublease, or other Transfer.

"**Transfer Date**" means the effective date of a Transfer.

"**Transfer Notice**" means Tenant's prior written notice to Port of an intent to Transfer to a Non-Affiliate, specifying: (a) the Transferee's name, address, other contact information, and, if the Transferee is not a natural Person, its form of organization and the identity of each Person with Control of the Transferee; (b) the proposed Transfer Date and a full description of the Transfer Terms; (c) a description of the Transferee's proposed use of the Premises, including any required or desired Alterations or Improvements to the Premises that the Transferee may undertake in order to facilitate its proposed use; and (d) a list of the Transferee's personal, business, and credit references.

"**Transfer Terms**" means the terms and conditions in the proposed or final Transfer Agreement, as appropriate in context.

"**Transferee**" means the Person to which Tenant makes or proposes to make a Transfer.

"**Utilities**" means electricity, water, gas, heat, sewers, oil, telecommunication services and all other Utilities.

"**Waiving Party**" is defined in Section 16.5 below.

"**Work**" when used in reference to construction is defined in Section 13.2(c) below.

Pier 70 mixed Used Opportunity Area PCB Assessment, Targeted Brownfields Assessment Report, Ecology and Environmental, Inc. January 2003, Ecology and Environment, Inc., January 2003.

Pier 70 Mixed Used Opportunity area, Expanded Phase II Target Brownfields Assessment Report. Ecology and Environment, Inc. January 2004, Ecology and Environment, Inc., January 2004.

Pier 70, Building 101 Cleanup, ACC Environmental Consultants, February 22, 1996.

Pier 70, Mixed Use Opportunity Area, Phase II Brownfields Targeted Site Assessment, Draft Sampling and Analysis Plan, Ecology and Environment, Inc., August 2002.

Pier 70, Mixed Use Opportunity Area, Phase II Brownfields, Targeted Site Assessment Report, Ecology and Environment, Inc., November 2000.

Pier 70, Mixed Use Opportunity Area, Phase II Brownfields, Targeted Site Assessment, Sampling and Analysis Plan, Ecology and Environment, Inc., June 2000.

Removal of Underground Tanks, Pier 70, Harding Lawson Associates, March 31, 1988.

Sample Analysis Plan, Pier 70 Building 50 PCB Remedial Investigation, Pier 70 Mixed Use Opportunity Area, Engineering Remediation Resources Group Inc, September 2004, Engineering/Remediation Resources Group, Inc., September 2004.

Sampling and Analytical Report, Pier 70, Building 6, Curtis & Tompkins, LTD, November 1983.

Site History Report and Work Plan City Tow, Pier 70, Iris Environmental, Inc. February 7, 2002, Iris Environmental, February 7, 2002.

Site History Report and Work Plan, City Tow, Pier 70, Iris Environmental, February 7, 2002.

Site Investigation Report, Former Crusher Building, Pick Your Part, Inc. Pier 70, Iris Environmental, July 13, 2004, Iris Environmental, July 13, 2004.

Soil Remediation Report, Pick Your Part, Inc. Pier 70, Iris Environmental, December 12, 2001, Iris Environmental, December 12, 2001.

Soil Remediation Report, Pick Your Part, Inc., Pier 70, Iris Environmental, December 12, 2000.

Soils Analysis Report and Mitigation Plan For The City Tow Facility; Pier 70, San Francisco, CA, San Francisco Department of Public Health, July 29, 2002.

Soils Analysis Report and Mitigation Plan, City Tow, Pier 70, Iris Environmental, 7/10/02.

Soils Analysis Report and Mitigation Plan; City Tow; Pier 70, San Francisco PR0249798, San Francisco Department of Public Health, October 10, 2002.

Soils Analysis Report and Site Mitigation Plan, Pick Your Part, Inc. [City Tow], Pier 70, Iris Environmental, July 10, 2002, Iris Environmental, July 10, 2002.

Submittals For: Pier 70, Corner of 20th and Illinois, Bluewater Environmental Services, 1992-1996.

Subsurface Investigation at Illinois and 20th Streets (site), Tetra Tech, Inc., 4/13/99.

Subsurface Investigation for Port of San Francisco, Pier 70. Tetra Tech, Inc., December 1997, Tetra Tech, Inc., December 1997.

Subsurface Investigation, Pier 70, Tetra Tech, Inc., December 1997.

Summary Report: Asbestos and Lead-Based Paint Survey, Pier 70, Buildings 36, 40, 101, 102, 104 and 109, 20th and Illinois Streets, SCA Environmental, Inc., May 1998.

Summary Report: Bulk Asbestos and Exterior Paint Survey, Pier 70, Building 104, SCA Environmental, Inc., October 1999.

Summary Report: Bulk Asbestos and Lead-Based Paint Survey, Building 111, Pier 70, SCA Environmental, Inc., March 1995.

Summary Report: Bulk Asbestos and Lead-Based Paint Survey, Pier 70 Crane #30, SCA Environmental, Inc., February 1996.

Summary report: hazardous Materials Assessment, Port of SF Pier 70 Building 21, SCA Environmental, Inc., 4/2008.

Supplement Investigation Report Former Car Crusher Building Former City Tow- Pier 70, Iris Environmental, March 3, 2005, Iris Environmental, March 3, 2005.

Survey for Asbestos and Lead-Based Paint; Noonan Building (Building #11); Pier 70; SCA Project No: B-7265, SCA Environmental, Inc., 9/2/2005.

Survey Report and Demolition and Renovation Cost Estimates; Pier 70 Building 50, SCA Environmental, Inc., January 14, 2013.

Wipe Sample Procedures & Analysis; Pier 70 Re-development Project, Nova Abatement & Construction

this Lease is an approximation which Port and Tenant agree is reasonable and that the usable square footage of the Premises may be less than the rentable square footage of the Premises. Port and Tenant further agree and acknowledge that the rentable square footage of the Premises shall be used at all times to calculate the Base Rent due and payable by Tenant under this Lease and neither the Base Rent nor any other economic term based on rentable square footage shall be subject to revision whether or not the actual rentable or usable square footage is more or less.

(b) Tenant shall have the non-exclusive right to use, together with other tenants, the Common Areas. All of the Common Areas shall at all times be subject to the exclusive control, regulation, and management of Port. Port shall have the right to construct, maintain, and operate lighting facilities on all Common Areas; to patrol all Common Areas; to temporarily close any Common Areas for maintenance, repairs or alterations; from time to time to change the area, level, location and arrangement of Common Area facilities; to use the Common Areas and restrict access and use of the same during the maintenance, repair, construction or reconstruction of buildings, additions or improvements; to erect buildings, additions and improvements on the Common Areas from time to time; and to restrict parking by tenants, their Agents and Invitees. Port may operate and maintain the Common Areas and perform such other acts and make such other changes at any time and from time to time in the

Article 22A Compliance; Former Car Crusher Building; Former City Tow, Pier 70; EHS-HWU Case Number 69, San Francisco Department of Public Health, September 1, 2005.

Asbestos roof sampling report; Pier 70; building numbers 113 and 114, North Tower environmental, October 23, 2009.

Bunker Oil Characterization, North Embarcadero Roadway and F-Line Extension, Camp Dresser & McKee, 12/29/95.

Certification Report; Pick Your Part, Inc.; Pier 70, San Francisco, CA, Iris Environmental, December 19, 2003.

Embarcadero Roadway Urban Design Project, Hazardous Waste Investigation, Site History Report, Bechtel Environmental, Inc., August 11, 1989.

Embarcadero Roadway Urban Design Project, Rincon Point Block, Sampling And Testing Plan, Geo/Resource Consultants, Inc., October 16, 1989.

Geotechnical Investigation, Mariposa Storage/Transport Facilities, AGS, Inc., June 1989.

Groundwater Data Summary and Request to Rescind Waste Discharge Requirements; Pier 70 (Order 87-060) and Pier 94 (Order 87-061 Disposal Sites / Port of San Francisco, Port of San Francisco, August 17, 1999.

Hazardous Materials Monitoring and Management Plans, Mariposa Facilities Project, ERM-West, Inc., 1/31/92.

Hazardous Materials Survey Report; Pier 70 Renovation Project, Building 115/116, Winzler & Kelly, December 16, 2011.

Hazardous materials survey; Pier 70 Renovation; Building 114, Winzler & Kelly, December 16, 2011.

Order No. 00-030 / Rescission of Waste Discharge Requirements in Order No. 87-060; City and County of San Francisco / Pier 70 Class III Landfill, California Regional Water Quality Control Board, April 20, 2000.

Order No. 87-060 Updated Requirements; City and County of San Francisco / Pier 70 Class III Landfill, California Regional Water Quality Control Board, 1987.

Railway Track Ballast Survey, Sampling Results and Summary, North Embarcadero Roadway Project, CKY Environmental Service, 3/1/93.

Site History Report and Work Plan, City Tow, Pier 70, Iris Environmental, February 7, 2002.

Site History Report, Embarcadero Roadway Urban Design Project, Hazardous Waste Investigation, Appendix IV, Agency Site Files, Volume 1 of 4, Bechtel Environmental, Inc., August 1989.

floor entrances and exits. Tenant understands and agrees that Tenant may be subject to legal and financial liabilities if the Premises does not comply with applicable federal and state

Site History Report, Embarcadero Roadway Urban Design Project, Hazardous Waste Investigation, Appendix IV, Agency Site Files, Volume 3 of 4, Bechtel Environmental, Inc., August 1989.

Site History Report, Embarcadero Roadway Urban Design Project, Hazardous Waste Investigation, Appendix IV, Agency Site Files, Volume 4 of 4, Bechtel Environmental, Inc., August 1989.

Soils Analysis Report and Mitigation Plan For The City Tow Facility; Pier 70, San Francisco, CA, San Francisco Department of Public Health, July 29, 2002.

Soils Analysis Report and Mitigation Plan, City Tow, Pier 70, Iris Environmental, 7/10/02.

Soils Analysis Report and Mitigation Plan; City Tow; Pier 70, San Francisco PR0249798, San Francisco Department of Public Health, October 10, 2002.

Soils Analysis Report and Site Mitigation Plan, Pick Your Part, Inc. [City Tow], Pier 70, Iris Environmental, July 10, 2002, Iris Environmental, July 10, 2002.

Summary report: hazardous Materials Assessment, Port of SF Pier 70 Building 21, SCA Environmental, Inc., 4/2008.

The Industrial History of the Proposed Mariposa Facilities Project Area, ERM-West, Inc., August 1989.

Waste Classification Application, Embarcadero Roadway Project, Baseline Environmental Consulting, April 1993.

Waste Classification, Embarcadero Roadway Project (Waste Classification Unit File Number F134), Baseline Environmental Consulting, August 9, 1993.

Wong, Linda (BOS)

From: Bauer, Jeff
Sent: Tuesday, January 07, 2014 1:29 PM
To: Wong, Linda (BOS)
Cc: Moyer, Monique
Subject: FW: Information Request
Attachments: 2013 1187E_August Port Lease Agreements_cx.pdf

Hi Linda: here is the GRE Letter for the Affordable Self Storage Leases.

From: Dorland, Kanya
Sent: Tuesday, January 07, 2014 1:14 PM
To: Bauer, Jeff; Romani, Jerry
Cc: Moyer, Monique; Reynolds, Susan
Subject: RE: Information Request

Dear All: Please find attached the requested CEQA Concurrence Letter between the Port and City Planning for August 2013. This letter includes the affordable storage leases.

From: Bauer, Jeff
Sent: Tuesday, January 07, 2014 1:10 PM
To: Romani, Jerry; Dorland, Kanya
Cc: Moyer, Monique; Reynolds, Susan
Subject: RE: Informaiton Request

Sorry yes. Please send another electronic copy to Linda Wong and copy me.

Request for documents - BOS File No. 131230 & 131231 - Lease, Self Storage, Inc.

From: Romani, Jerry
Sent: Tuesday, January 07, 2014 1:07 PM
To: Bauer, Jeff; Dorland, Kanya
Cc: Moyer, Monique; Reynolds, Susan
Subject: RE: Informaiton Request

Jeff,

What leases are you requesting information on? Affordable Self Storage? I already provided electronic copies to the Clerk of the Board but can do it again.

Thanks,

Jerry

From: Bauer, Jeff
Sent: Tuesday, January 07, 2014 12:51 PM
To: Romani, Jerry; Dorland, Kanya
Cc: Moyer, Monique; Reynolds, Susan
Subject: Informaiton Request

Jerry/Kanya: please provide the following items. Please copy me on the response. Thank you.

1. A copy of both leases that are approved as to form by the City Attorney.
2. CEQA Exemption dated August 23, 2013

Also, please let me know when the leases will take into effect.

Thank you in advance.

Sincerely,

Linda Wong
Board of Supervisors/ SF LAFCo
1 Dr. Carlton B. Goodlett Place, City Hall, Room 244
San Francisco, CA 94102-4689
Phone: 415.554.7719 | Fax: (415) 554-5163
Linda.Wong@sfgov.org | www.sfbos.org

Jeffrey A. Bauer
Senior Leasing Manager
Jeff.bauer@sfport.com

Port of San Francisco
Pier 1
San Francisco, CA 94111

Direct 415-274-0514
Fax 415-544-1714
www sfport.com

2013.1187E

PORT OF SAN FRANCISCO

August 15, 2013

Monica Pereira, Environmental Planning
San Francisco Planning Department
1650 Mission Street, Suite 400
San Francisco, CA 94103

Re: Monthly CEQA Exemption Report for Port Lease Agreements & Permits

Dear Ms. Pereira:

I am writing to inform your department of the anticipated Port property agreements that will be entered into by relying on the General Rule Exclusion (GRE) category issued by Environmental Planning on February 2, 2012, effective through 2015; in addition Port Repair and Maintenance Projects, Encroachments and Special Events Permits that will be approved by relying on the Exemption from Environmental Review for these types of projects issued by Environmental Planning on February 21, 2013 effective through February 21, 2014 for the month of August 2013.

August GRE Leases

The Port is completing or has completed negotiations for 18 new property agreements for the month of August 2013. These property agreements fall within the scope of routine leasing activities on Port property with tenants that (1) continue an existing land use, (2) will not make any substantial physical changes to their leased site, and (3) will not generate a substantial intensification of the existing use through their operations. Please find below site information for these new lease agreements.

LEASE TYPE	TENANT NAME	LOCATION	USE	SF or LF
New	**Kimberly Ann Austin**	**Pier 70, Noonan Bldg.**	**Art Studio**	**143**
Previous	Jennifer Starkweather	Pier 70, Noonan Bldg.	Art Studio	143
New	**Cross Link dba Water**	**Pier 48**	**Berthing**	**10,000**
Previous	Westar	Pier 48	Berthing	10,000
New	**Cross Link dba Water**	**Pier 96**	**Berthing**	**10,000**
Previous	Cross Link	Pier 96	Berthing	10,000
New	**San Francisco Commercial Builders, Inc.**	**Pier 28**	**Storage**	**1,074**
Previous	Sean Hodges	Pier 28	Storage	1,074
New	**Affordable Self Storage**	**SWL 349**	**Storage**	**217,775**
Previous	Auto Return	SWL 349	Parking	217,775
New	**Affordable Self Storage**	**SWL 349**	**Storage**	**75,325**
Previous	Auto Return	SWL 349	Parking	75,325
New	**Caryll Lin**	**SWL 349**	**Studio**	**900**
Previous	Phillip Hua	SWL 349	Studio	900
New	**The Weinstein Company**	**Pier 80**	**Storage**	**2,159**
Previous	Frederickson & Ashbury	Pier 80	Storage	2,159
New	**Walker Telecomm**	**Pier 94**	**Storage**	**2,000**

during subsequent inspection(s) that Tenant has failed to vacate the Encroachment Area, then Tenant shall pay to Port, as Additional Rent, an amount equaling Three Hundred Dollars ($300.00) for each additional Notice to Vacate, if applicable, delivered by Port to Tenant following each inspection. The parties agree that the charges associated with each inspection of the Encroachment Area, delivery of each Notice to Vacate and survey of the Encroachment Area represent a fair and reasonable estimate of the administrative cost and expense which Port will incur by reason of Port's inspection of the Premises, issuance of each Notice to Vacate and survey of the Encroachment Area. Tenant's failure to comply with the applicable Notice to

LEASE TYPE	TENANT NAME	LOCATION	USE	SF or LF
New	**Alta Bike Share**	**Roundhouse Plaza, The Embarcadero & Pier 40**	**Storage**	**1,728**
Previous	Port of San Francisco	Roundhouse Plaza, The Embarcadero & Pier 40	Public ROWs	1,728
Renewal	**Osprey Seafood of CA**	**Pier 33**	**Fish Processing**	**3,650**
Renewal	**American Scooter & Cycle Rental**	**Pier 45**	**Storage**	**1,964**
Renewal	**Vulcan Construction**	**Pier 94**	**Storage**	**15,000**
Renewal	**Elliott Buchdrucker**	**Agricultural Bldg.**	**Office**	**1,025**
Renewal	**Kevin Lawson**	**Pier 90**	**Office & Parking**	**350 3,200**
Renewal	**Imperial Parking Inc.**	**401 Terry Francois Blvd**	**Office**	**2,861**
Renewal	**Turner Construction**	**Pier 29 1/2**	**Office**	**2,953**

Exempt Basic Repair, Maintenance and Encroachment Projects for the time period between November 15, 2012 to August 15, 2013. These activities are determined to be categorically exempt under State CEQA Guidelines Section 15301 or Class 1(d), Section 15305 or Class 5(b) and Section 15306 or Class 6.

Location	Use	Consistent w/Historic Preservation Standards	Repair, Maintenance Encroachment Description
Pier 9	Office & Maritime	Yes	Security Equipment

August Special Event Exemptions

These activities are determined to be categorically exempt under State CEQA Guidelines Section 15304(e) or Class 4(e) and Section 15311(c) or Class 11(c)

Location	Name/Sponsor	Date & Duration	Attendees	Event Type
Pier 70	Urban Air Market/Forest City	8/18/13	2,000	Temporary Events
The Embarcadero	AGU 5K	12/11/13	400	Temporary Improvements
Pier 39	Coca-Cola/Pier 39	8/4/13	3,000	Temporary Improvements

Premises. Tenant is aware that the construction of such project(s) and the activities associated with such construction will generate certain adverse impacts which may result in some inconvenience to or disturbance of Tenant. Impacts may include, but are not limited to, increased vehicle and truck traffic, traffic delays and re-routing, loss of street and public parking,

Location	Name/Sponsor	Date & Duration	Attendees	Event Type
The Embarcadero	Bay Area Heart Walk/American Heart Association	9/20/13	5,000	Temporary Improvements
The Embarcadero	ASA Run for the Warriors	10/13/13	471	Temporary Improvements
SWL 337& The Embarcadero	Corporate Challenge/JP Morgan Chase	9/3/13	10,000	Temporary Improvements
Pier 48	Corporate Challenge/JP Morgan Chase	9/3/13	1,200	Temporary Improvements
Pier 48	MS Build After Hours/Giants	6/27/13	5,000	Temporary Improvements
Pier 48	EBay tailgate/Ebay	8/24/13	2,000	Temporary Improvements
Pier 39	35th Anniversary/Pier 39	10/5, 10/12, 10/19 and 10/26	3,000	Temporary Improvements
AT&T Park	VMWare Closing Night Party/Giants Enterprise	8/26 - 8/28	12,500	Temporary Improvements
Indiana & Islais Creek	Super Hero Street Fair	9/28/13	3,000	Temporary Improvements
The Embarcadero	The Giant Race	8/4/13	15,000	Temporary Improvements

Our intent is to provide Environmental Planning monthly reports on proposed lease agreements, basic repair and maintenance, encroachment and special event projects that the Port intends to permit before they are approved by staff or the Port Commission. We are providing this lease information to Environmental Planning pursuant to Section 31.08 (f) of Chapter 31 of the Administrative Code, which provides for posting and noticing of General Rule Exclusions. We [illegible]

shall in no way affect this Lease or impose any liability on Port, entitle Tenant to any reduction of Base Rent or Additional Rent, or affect this Lease in any way or Tenant's obligations hereunder.

3.8. ***Unique Nature of Premises.*** Tenant acknowledges that: (a) the Facility is located along the waterfront in a building on a pier and/or wharf, supported by a partially-submerged substructure in a marine environment, which was originally built approximately 100 years ago; and/or (b) Port's regular maintenance may involve activities, such as pile driving, that create noise and other effects not normally encountered in locations elsewhere in San Francisco due to the unique nature of the Premises; and (c) Port cannot guarantee that piers, decks, wharves, and aprons will be suitable for leased occupancy during the entire Term of the Lease.

3.9. ***As-Is Condition.*** Tenant acknowledges and agrees that Tenant is familiar with the Premises, the Premises are being leased and accepted in their "as-is" condition, without any improvements or alterations by Port, without representation or warranty of any kind, and subject to all applicable laws governing their use, occupancy and possession. Tenant represents and warrants to Port that Tenant has received and reviewed the FEMA disclosure notice attached as ***Schedule 2*** and Tenant represents and warrants to Port that Tenant has investigated and inspected, either independently or through agents of Tenant's own choosing, the condition of the Premises and the suitability of the Premises for Tenant's business and intended use. Tenant acknowledges and agrees that neither Port nor any of its agents have made, and Port hereby disclaims, any representations or warranties, express or implied, concerning the rentable area of the premises, the physical or environmental condition of the Premises or the Facility (including, but not limited to the substructure), the present or future suitability of the Premises for Tenant's business, or any other matter whatsoever relating to the Premises, including, without limitation, any implied warranties of merchantability or fitness for a particular purpose.

3.10. ***Port's Rights Regarding Premises.*** Port shall have the full right and authority to make, revoke, impose, and amend any Rules and Regulations pertaining to and reasonably necessary for the proper use, operation and maintenance of the Facility. If no Rules and

Items 3 and 4 Files 13-1230 and 13-1231	Department: Port

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution (File 13-1230) would approve a new 58-month lease (Port Commission Lease No. L-15690), with options to extend an additional 60 months, with Affordable Self Storage, Inc. for 74,742 square feet of paved vacant land located within Seawall Lot 349 in the Southern Waterfront at an initial monthly rent of $24,665.
- The proposed resolution (File 13-1231) would approve a new 31-month lease (Port Commission Lease No. L-15691) with Affordable Self Storage, Inc. for 144,818 square feet of paved vacant land located within Seawall Lot 349 in the Southern Waterfront.

Key Points

- The Port previously entered into two leases (Lease Nos. 12867 and 12871) with Affordable Self Storage Inc. to provide 116,099 square feet of storage facilities for the public on vacant Port property at the southeast corner of 20th and Illinois Streets. The Port also entered into two separate agreements (License-14092 and Lease-14574) with Affordable Self Storage to provide 28,000 square feet of trailer storage and parking for trucks, buses and trailers at Pier 70, which were terminated on November 30, 2013 and replaced with a month-to-month license agreement (L-15753) for trailer storage and parking.
- As a result of the phasing requirements of the Pier 70 Development Project, all three of the existing Port agreements with Affordable Self Storage would terminate upon approval of the two leases that are the subject of the proposed two resolutions.

Fiscal Impacts

- From 2000 through January 31, 2014, Affordable Self Storage paid the Port $4,460,753 in rent, including annual rent payments of $413,368 in 2013.
- Under the initial terms of the proposed two leases, the Port would receive total rent of $2,911,540. During the first year of the new leases, the Port would receive total rent of $747,584, an increase of $334,216 or approximately 81% from 2013 rent payments.

Policy Considerations

- There was not a competitive bid for either of the proposed leases because such bids were impractical and may have resulted in less revenue than the proposed leases due primarily to the Pier 70 development phasing and the need for shorter-term leases that provide for termination at the Port's option. Furthermore, the proposed rental rates are consistent with Port FY 2013-14 rates.

Recommendation

- Approve the two proposed resolutions (Files 13-1230 and 13-1231).

MANDATE STATEMENT

City Charter Section 9.118(c) requires that any lease that has a term of ten years or more, including options to extend, or that has anticipated revenues of $1 million or more be subject to Board of Supervisors approval.

BACKGROUND

Existing Leases and Licenses between the Port and Affordable Self Storage

The Port entered into two leases (Lease Nos. 12867 and 12871) with Affordable Self Storage Inc. to provide storage facilities for the public on vacant Port property at the southeast corner of 20th and Illinois Streets (901 Illinois Street), as shown in the attached aerial map, for an initial five-year period from March of 2000 through February 2005. Since March 1, 2005, these two Port leases have continued on a month-to-month hold over basis. As [illegible]

Regulations currently exist for the Facility, Tenant agrees to be bound by any Rules and

In addition, as shown in Table 1 above, in 2006 and 2008, the Port entered into two separate agreements (License-14092 and Lease-14574) with Affordable Self Storage for a total of 28,000 square feet of paved vacant land on Pier 70 (Seawall Lot 349) to provide trailer storage and parking for trucks, buses and tractor trailers, as well as 1,638 square feet of office space in the adjacent Noonan Building. Both of these agreements were terminated as of November 30, 2013 and replaced with one month-to-month license agreement (L-15753) for a total of 28,000 square feet of paved vacant land for trailer storage and parking for various trucks. The 1,638 square feet of office space was not included in this month-to-month existing license agreement. This month-to-month existing license agreement is estimated to terminate on January 31, 2014, with the commencement of the proposed two leases that are the subject of the proposed two resolutions. Table 1 above summarizes the rents paid to the Port under each of these previous and current lease and license agreements.

Pier 70 Development Project

The Pier 70 Development Project would be a 69-acre mixed-use development between the Southern Waterfront and Mariposa, Illinois and 22nd Streets that includes commercial office, retail, arts, and residential uses, as well as seven acres of open space and three parking facilities. Forest City Development California, Inc. was selected through a competitive process and has entered an exclusive negotiating agreement with the Port to complete this project. The Pier 70 Development Project would be completed in four phases over multiple years.

According to Mr. Brad Benson, the Port's Special Projects Manager, as a result of the phasing requirements of the Pier 70 Development Project, the two existing Affordable Self Storage leases at 901 Illinois Street cannot be renewed, as the Illinois Street location at 20th Street is planned to be competitively bid in the near future to provide upfront pre-development proceeds for Forest City, the Pier 70 developer, and for temporary vehicle parking.

Mr. Jerry Romani, Commercial Property Manager at the Port, also advises that as part of the Pier 70 Development Project, the current L-14092 license and L-14574 lease were needed for a new Port vehicle parking lease with San Francisco Honda (SF Honda). This 31-month lease with SF Honda to park vehicles commenced on December 1, 2013 and provides 61,409 square feet of paved vacant land at a monthly rent of $21,493 or $0.35 per square foot per month.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution (File 13-1230) would approve a new 58-month lease (Port Commission Lease No. L-15690), with an option to extend up to an additional 60 months, with Affordable Self Storage, Inc. for approximately 74,742 square feet of paved vacant land located within Seawall Lot 349 in the Southern Waterfront for operation of a storage facility and office trailer, at an initial monthly rent of $24,665.

days' prior written notice. Tenant agrees and shall be required to surrender possession of the Premises by the end of the 30-day period.

(b) Port has the right to terminate the Lease under this Section if Port

The proposed resolution (File 13-1231) would approve a new 31-month lease (Port Commission Lease-15691) with Affordable Self Storage, Inc. for approximately 144,818 square feet of paved vacant land located within Seawall Lot 349 in the Southern Waterfront for operation of storage facilities and parking for trucks, buses and tractor trailers at an initial monthly rent of $47,789.

Both of the proposed resolutions authorize the Port's Executive Director to execute these two leases (a) in substantially the form of the lease on file with the Clerk of the Board of Supervisors, and (b) any amendments or modifications that the Executive Director in consultation with the City Attorney determines to be in the best interest of the Port, that do not materially increase the obligations or liabilities of the Port or the City, or materially decrease the public benefits to the Port. On November 12, 2013, the Port Commission approved the proposed two leases between the Port and Affordable Self Storage. Table 2 below summarizes the major provisions in the two proposed leases.

Table 2: Major Provisions of Proposed Leases

	Proposed Lease (L-15690)	Proposed Lease (L-15691)
Area	Approximately 74,742 square feet of paved vacant land	Approximately 144,818 square feet of paved vacant land
Use	Operation of a storage facility including temporary placement of portable storage containers, administrative offices and related vehicle parking.	Storage of motorized and non-motorized vehicles, including boats, recreational vehicles, trucks, buses and self-storage containers and an office trailer.
Term	February 1, 2014–November 30, 2018 (58 months; four years, ten months)	February 1, 2014-August 31, 2016 (31 months; two years, seven months)
Options to Extend	Five 12-month options (60 months)	None
Termination Rights	Port can terminate if premises needed for development purposes	Port can terminate if premises needed for development purposes
Initial Monthly Rent Per Square Foot	$24,665 per month $0.33 per square foot per month	$47,789 per month $0.33 per square foot per month
Initial One-time Rent Offsets	No rent in first 3 months due to tenant costs to bring utilities to site, complete repairs to surface, fence and lights and to move storage container onto site.	No rent in first month due to tenant costs to bring utilities to site and to complete repairs to surface, fence and lights.
Annual Rent Adjustments	Increase of $0.01 per square foot per month each year	Increase of $0.01 per square foot per month each year
Security Deposit	$55,309	$101,373
Utilities, Maintenance and Repairs	Tenant's sole cost and responsibility	Tenant's sole cost and responsibility

The proposed resolutions state that because there would be no change or substantial intensification of the existing uses or any substantial construction on the premises, the environmental effects of the proposed leases were determined to be exempt from the California Environmental Quality Act (CEQA) by the City Planning Department on August 23, 2013.

FISCAL IMPACTS

Prior Rent Payments

Table 3 below summarizes the annual rent payments made to the Port by Affordable Self Storage Inc. from March 1, 2000 through January 31, 2014, reflecting total payments of $4,460,751 over the past 14 years, including annual 2013 rent payments of $413,368.

Table 3: Annual Rent Payments under the Existing Port Leases and Licenses

Calendar Years	L-12867	L-12871	Lic-14092	L-14574	Lic-15753	Total
2000	$89,412	$0	$0	$0	$0	$89,412
2001	165,355	84,823	0	0	0	250,178
2002	168,419	88,051	0	0	0	256,470
2003	173,635	89,244	0	0	0	262,879
2004	174,862	90,472	0	0	0	265,334
2005	177,218	91,862	0	0	0	269,080
2006	182,001	93,174	29,794	0	0	304,969
2007	187,732	97,889	37,873	0	0	323,494
2008	196,053	100,024	37,873	23,871	0	357,821
2009	195,806	104,948	37,873	62,000	0	400,627

attributed to such alterations, additions or improvements if the value is approved in writing by a Port Property Manager prior to the commencement of the work and if the cost is supported by reasonable evidence of such expenditures provided by Tenant. The portion of the Improvement Costs paid by Port shall be a fraction, of which the numerator shall be the number of months remaining in the initial term of the Lease after Tenant surrenders the Premises, and the denominator shall be the number of months in the initial term of this Lease, or for work undertaken following the Commencement Date, the number of months beginning at the second month following the Port's approval of the improvements and ending at the Expiration Date of the initial term of the Lease. In no event shall Port be responsible for paying any moving or relocation expense or other expense incurred by Tenant due to any termination under this Section.

4.3. ***Waiver of Relocation Benefits.*** To the extent allowed by applicable Law, Tenant hereby waives any and all rights, benefits or privileges of the California Relocation Assistance Law, California Government Code §§ 7260 et seq., or under any similar law, statute or ordinance now or hereafter in effect, except as specifically provided this Lease.

Initials: _____ Port _____ Tenant

5. RENT.

Mr. Romani advises that the annual rent payments stayed the same for a number of the last years in the various leases and licenses, shown in Table 3 above because (a) all of the lease and license areas are within a development project area; (b) lease negotiations have been ongoing between the Port and Affordable Self Storage since early 2012 to relocate the tenant to alternate Port property; and (c) the rental rates were within the Port Commission's approved minimum monthly rent schedule through FY 2011-2012, when lease negotiations commenced.

Proposed Rent Payments

Table 4 below shows the projected annual rent payments totaling $2,911,540 to the Port based on the proposed two leases, including $1,440,203 from L-15690 and $1,471,337 from L-15691. If all 60 months to extend L-15690 are exercised, the Port is projected to receive an additional $1,794,048 in annual rent, or a total of $4,705,588, as summarized in Table 4 below.

Table 4: Projected Rent Payments from Affordable Self Storage to the Port

		L-15690		L-15691		
Lease Years	Monthly Base Rent	Proposed Lease Monthly Rent	Proposed Lease Annual Rent	Proposed Lease Monthly Rent	Proposed Lease Annual Rent	Total Projected Annual Rent Revenue to the Port from Both Leases
1	$0.33/sf	$24,665	$221,905**	$47,789	$525,679**	$747,584
2	0.34	25,412	304,944	49,238	590,856	895,800
3	0.35	26,160	313,920	50,686	354,802***	668,722
4	0.36	26,907	322,884			322,884
5	0.37	27,655	276,550***			276,550
Total			**$1,440,203**		**$1,471,337**	**$2,911,540**
6*	0.38	28,402	340,824			340,824
7*	0.39	29,149	349,788			349,788
8*	0.40	29,897	358,764			358,764
9*	0.41	30,664	367,968			367,968
10*	0.42	31,392	376,704			376,704
Total			**$1,794,048**			**$4,705,588**

*Years 6 through 10 reflect the optional lease extension period, solely at the discretion of the Port, and may be offered in periods of four to 12 month extension periods.
**Assumes initial three months of free rent for L-15690 and one month of free rent for L-15691.
***Assumes 31 months for L-15691 such that in Lease Year 3 there would only be seven months of rent and 58 months for L-15690 such that in Lease Year 5 there would only be ten months of rent.

The Port Commission approves minimum monthly rent schedules each fiscal year for various types of leases. In FY 2013-14, the Port Commission approved $0.35 per square foot per month rate for paved vacant land. Mr. Romani notes that the Port applies a five percent discount for

land leases that exceed one acre. The proposed Lease-15690 is approximately 1.72 acres and the proposed Lease-15691 is approximately 3.32 acres[1]. Applying a five percent discount to the Port's approved $0.35 per square foot per month rate results in the proposed initial rental rate of $0.33 per square foot per month. As shown in Table 4 above, under the proposed two new leases, the initial $0.33 per square foot per month rental rate would increase by $0.01 per year, a 3% annual increase.

As shown in Table 3 above, in 2013 the Port received total rent payments of $413,368 from Affordable Self Storage. If the proposed two leases are approved, as shown in Table 4 above, the Port would receive total rent payments of $747,584 during the first year of the two new leases, an increase of $334,216 or approximately 81%.

All of the rent revenues received from Affordable Self Storage would be deposited into the Port's Operating Fund, which is used to support the Port's operations, maintenance, debt service and capital needs, subject to appropriation approval by the Board of Supervisors.

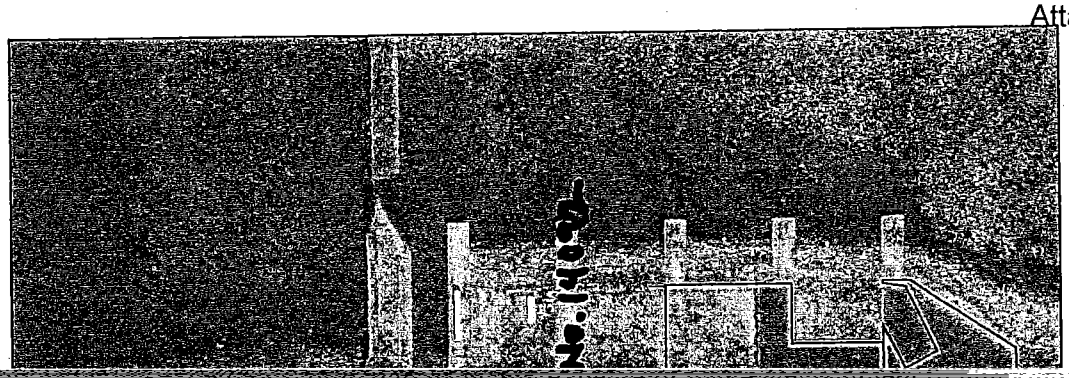
Payment of interest shall not excuse or cure any default by Tenant. Tenant shall also pay any costs, including attorneys' fees incurred by Port by reason of Tenant's failure to pay Rent or other amounts when due under this Lease.

5.3. ***Late Charges/Habitual Late Payer.*** Tenant acknowledges that late payment by Tenant to Port of Rent or other sums due under this Lease will cause Port increased costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Accordingly, if Tenant fails to pay Rent on the date due, such failure shall be subject to a Late Charge at Port's discretion. Tenant shall also pay any costs including attorneys' fees incurred by Port by reason of Tenant's failure to timely pay Rent. Additionally, in the event Tenant is notified by Port that Tenant is considered to be a Habitual Late Payer, Tenant shall pay, as Additional Rent, an amount equal to Fifty Dollars ($50.00) (as such amount may be adjusted from time to time by the Port Commission) upon written notification from Port of Tenant's Habitual Late Payer status. The parties agree that the charges set forth in this Section represent a fair and reasonable estimate of the cost that Port will incur by reason of any late payment. Such charges may be assessed without notice and cure periods and regardless of whether such late

lease may be terminated after 58 months, or extended, at the Port's option, depending on the status of the Pier 70 development project. Furthermore, Mr. Romani notes that the proposed rental rates are consistent with Port FY 2013-14 fair market rental rates, and Affordable Self Storage Inc. has been a Port tenant in good standing.

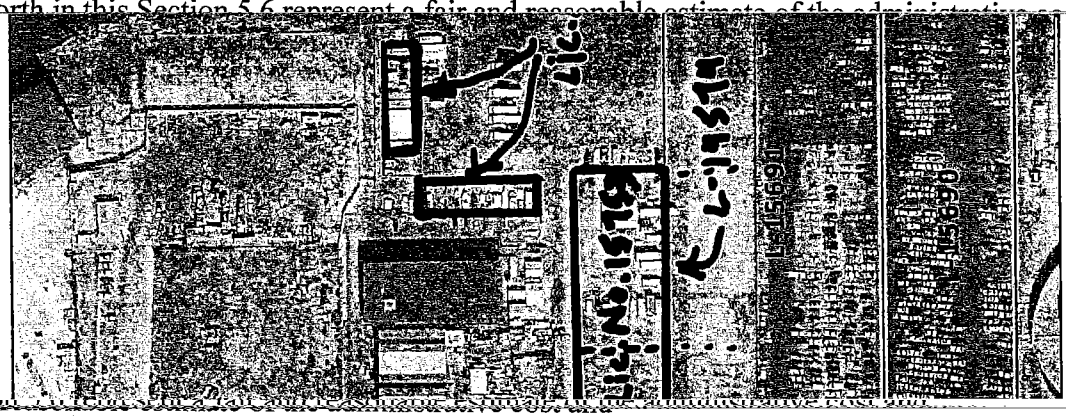
RECOMMENDATION

Approve the two proposed resolutions (Files 13-1230 and 13-1231).



expected or required to incur any expense or make any payment of any kind with respect to this Lease or Tenant's use or occupancy of the Premises, including any Improvements. Without limiting the foregoing, but except as expressly provided to the contrary in this Lease, Tenant shall be solely responsible for paying each item of cost or expense of every kind and nature whatsoever, the payment of which Port would otherwise be or become liable by reason of Port's estate or interests in the Premises and any Improvements, any rights or interests of Port in or under this Lease, or the ownership, leasing, operation, management, maintenance, repair, rebuilding, remodeling, renovation, use or occupancy of the Premises, any Improvements, or any portion thereof. No occurrence or situation arising during the Term, nor any present or future Law, whether foreseen or unforeseen, and however extraordinary, shall relieve Tenant from its liability to pay all of the sums required by any of the provisions of this Lease, or shall otherwise relieve Tenant from any of its obligations under this Lease, or shall give Tenant any right to terminate this Lease in whole or in part, except as otherwise expressly provided in this Lease. Tenant waives any rights now or hereafter conferred upon it by any existing or future Law to terminate this Lease or to receive any abatement, diminution, reduction or suspension of payment of such sums, on account of any such occurrence or situation, provided that such waiver shall not affect or impair any right or remedy expressly provided Tenant under this Lease.

5.6. ***Additional Charges***. Without limiting Port's other rights and remedies set forth in this Lease, at law or in equity, in the event Tenant fails to submit to the appropriate party, on a timely basis, the items identified in Sections 12.1, 15.4(a), 15.8, 15.10, 28.1(d), and 32 below, or to provide evidence of the required insurance coverage described in Section 16 below, then upon written notice from Port of such failure, Tenant shall pay, as Additional Rent, an amount equaling One Hundred Dollars ($100.00). In the event Tenant fails to provide the necessary document within the time period set forth in the initial notice and Port delivers to Tenant additional written notice requesting such document, then Tenant shall pay to Port, as Additional Rent, an amount equaling One Hundred Fifty Dollars ($150.00) for each additional written notice Port delivers to Tenant requesting such document. The parties agree that the charges set forth in this Section 5.6 represent a fair and reasonable estimate of the administrative cost and



expense which Port will incur by reason of Tenant's failure to provide the documents identified in this Section 5.6 and that Port's right to impose the foregoing charges shall be in addition to and not in lieu of any and all other rights under this Lease, at law or in equity.

By placing their initials below, each party specifically confirms the accuracy of the statements made in this Section 5.6 and the reasonableness of the amount of the charges described in this Section 5.6.

Initials: _____ _____

Port Tenant

File No. 131230 & 131231

FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
(S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information *(Please print clearly.)*	
Name of City elective officer(s): Members, Board of Supervisors	City elective office(s) held: Members, Board of Supervisors

Contractor Information *(Please print clearly.)*
Name of contractor: **Affordable Self Storage, Inc., a California corporation**
Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. ***Use additional pages as necessary.*** **Kosta Kasidiaris, President. Christo Kasaris, Secretary/Treasurer. 25% of capital stock owned by Spiros Tantelis, 25% owned by Angela Kasidiaris, and 50% owned by Nevada Corporation**

prohibited and are considered Prohibited Uses:

(a) any activity, or the maintaining of any object, which is not within the Permitted Use;

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

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

(d) any activity which constitutes waste or nuisance, including, but not limited to, the preparation, manufacture or mixing of anything that might emit any objectionable odors, noises or lights onto adjacent properties, or the use of loudspeakers or sound or light apparatus which can be heard or seen outside the Premises;

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

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

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

(h) the operation, use, or berthing of any vessels, watercraft or floating barges owned or operated by Tenant;