AGENDA ITEM 6B
Treasure Island Development Authority
City and County of San Francisco
Meeting of November 6, 2026

Subject: Resolution Approving and Authorizing the Execution of Lease No. 1,595 with THE GOLD BAR SPIRITS COMPANY INC., a Delaware corporation doing business as Gold Bar, for development and operation of Gold Bar Whiskey and Pacific House Gin Martini Bar tasting rooms in the Administration Building, Treasure Island (Action Item)

Contact: Richard A. Rovetti, Deputy Director of Real Estate

Phone: 415-274-3365

BACKGROUND

THE GOLD BAR SPIRITS COMPANY INC., a California based, Delaware Corporation, doing business as Gold Bar (hereafter referred to as "Gold Bar"), is a distillery in San Francisco and Alameda. Gold Bar produces small-batch spirits created by Master Distiller Montgomery Paulsen and offer a wide selection of beer and wine. Gold Bar has been a tenant in good standing with the Treasure Island Development Authority (hereafter referred to as the "Authority") for over 10 years. Since 2015, Gold Bar has been producing whiskey and gin on Treasure Island. Their restaurant in the Administration Building has become an integral part of the social fabric of the community on the island. In 2025, Gold Bar was voted number 1 distillery in Bay Area by SF Gate / Chronicle. By 2027, Gold Bar anticipates its tasting room will rank in the top 15 of the world's most visited distilleries.

Gold Bar is seeking to further invest in their premises in the Administration Building. Their expanded tasting room will offer additional menu items and additional seating in a setting inspired by the history of the building and the island. The new location will be located on the Northside of Administration Building Lobby and will provide a different experience for visitors.

On April 1, 2025, Gold Bar entered into a Lease with the Authority for Parcel A: approximately 2,100 square feet of interior space located on the First Floor of the Administration Building including areas on the east and north sides of Suite 167; Parcel B: approximately 2,100 square feet of interior space located on the First Floor of the Administration Building including areas on the east and south sides of Suite 168; Parcel C: approximately 1,200 square feet of interior space located on the First Floor of the Administration Building, Suite 103, Parcel D: approximately 1,500 square feet of exterior space located on the westside of the Administration Building; Parcel E: approximately 1,900 square feet of office space located on the First Floor of the Administration Building, Suite 134; Parcel F: approximately 840 square feet of space located in the Basement of the Administration Building, Suite 21; and Parcel G: nonexclusive use of the

Lobby and Parking Lots of the Administration Building Treasure Island, to develop and operate Gold Bar Whiskey and Pacific House Gin Martini Bar tasting rooms.

In early 2024, Gold Bar completed its renovations of the Gold Bar tasting room and kitchen facility costing over $2 million. Now, Gold Bar is seeking to complete their buildout of the Pacific House Martini and Wine Bar that's includes an expanded menu of seafood and small plates.

Gold Bar is requesting 4 months of rent abatement so they can complete this last phase and provide another venue to Treasure Island. Gold Bar is planning to spend over $250,000 to complete this project (See Attachment #1).

Authority and Gold Bar have negotiated a five (5) year lease commencing on December 1, 2026 and provide 121 days of early entry to assist Gold Bar with construction expenses related to the buildout. During this Early Entry period, Gold Bar will not pay Base Rent or Additional Charges but shall be subject to all other terms and conditions set forth in the Lease. Commencing April 1, 2027, Gold Bar will pay the monthly Base Rent as outlined below.

LEASE TERMS AND CONDITIONS

The salient terms and conditions of the proposed Lease include the following:

Premises:	Parcel A: approximately 2,100 square feet of interior space located on the First Floor of the Administration Building including areas on the east and north sides of Suite 167; Parcel B: approximately 2,100 square feet of interior space located on the First Floor of the Administration Building including areas on the east and south sides of Suite 168; Parcel C: approximately 1,200 square feet of interior space located on the First Floor of the Administration Building, Suite 103, Parcel D: approximately 1,500 square feet of exterior space located on the westside of the Administration Building; Parcel E: approximately 1,900 square feet of office space located on the First Floor of the Administration Building, Suite 134; Parcel F: approximately 840 square feet of space located in the Basement of the Administration Building, Suite 21; and Parcel G: nonexclusive use of the Lobby and Parking Lots of the Administration Building Treasure Island.
Location:	Administration Building, Treasure Island
Commencement Date:	December 1, 2026
Lease Expiration Date:	November 30, 2031
Lease Term:	Five (5) years

Base Rent:

Commencement Date to March 31, 2027, the Premises will be provided to Tenant at no Base Rent in consideration of Tenant's obligation to develop Pacific House Martini and Wine Bar in the Administration Building.

Commencing April 1, 2027 to November 30, 2027, Monthly Base Rent shall be $15,500.00 per month or $1.61 per square foot per month

December 1, 2027 to November 30, 2028, Monthly Base Rent shall be $16,000.00 per month

December 1, 2028 to November 30, 2029, Monthly Base Rent shall be $16,500.00 per month

December 1, 2029 to November 30, 2030, Monthly Base Rent shall be $17,000.00 per month

December 1, 2030 to November 30, 2031, Monthly Base Rent shall be $17,500.00 per month

Additional Charges:

Commencement Date to March 31, 2027, the Additional Charges for utility related expenses will be provided to Tenant at no cost in consideration of Tenant's obligation to develop Pacific House Martini and Wine Bar in the Administration Building.

April 1, 2027 to November 30, 2027
Tenant shall pay Additional Charges in the amount of $2,500.00 per month to cover tenant's utility related expenses

December 1, 2027 to November 30, 2028
Tenant shall pay Additional Charges in the amount of $2,750.00 per month to cover tenant's utility related expenses

December 1, 2028 to November 30, 2029
Tenant shall pay Additional Charges in the amount of $3,000.00 per month to cover tenant's utility related expenses

December 1, 2029 to November 30, 2030
Tenant shall pay Additional Charges in the amount of $3,250.00 per month to cover tenant's utility related expenses

December 1, 2030 to November 30, 2031
Tenant shall pay Additional Charges in the amount of $3,500.00 per month to cover tenant's utility related expenses

Use:	General Tasting Rooms and kitchen operations including food accompaniments, manufacturing, production, and special events only and for no other purpose.
Security Deposit:	$42,000.00

PROPOSED MONTHLY BASE RENT

Under the Authority's Lease Policy, Early Entry is set at 31 days for the purpose of preparing for occupancy. Gold Bar is requesting a total of 121 days of early entry commencing on December 1, 2026 and ending March 31, 2027, in consideration for expenses related to construction costs related to the buildout of the Pacific House Gin Martini Bar tasting room on Treasure Island. During this Early Entry period, Gold Bar will not pay Base Rent or Additional Charges but shall be subject to all other terms and conditions set forth in the Lease. Commencing April 1, 2027, Gold Bar will pay the monthly Base Rent as outlined above.

BUDGET IMPACT

The proposed Lease will provide Gold Bar with 4 months of no rent. The Authority anticipates an impact on the Authority's budget for FY 2026-2027 of approximately $72,000.00.

RECOMMENDATION

The Authority Staff recommends that the Authority Board of Directors approve the proposed Lease No. 1,595 with THE GOLD BAR SPIRITS COMPANY INC., a Delaware corporation doing business as Gold Bar, and authorize the Executive Director or her designee to execute said Lease to develop and operate Gold Bar Whiskey and Pacific House Gin Martini Bar tasting rooms in the Administration Building, Treasure Island, for a five (5) year term and subject to the additional terms and conditions set forth above.

EXHIBIT

EXHIBIT A – Lease Amendment Lease No. 1,595 with THE GOLD BAR SPIRITS COMPANY INC., a Delaware corporation doing business as Gold Bar

ATTACHMENT #1 – Rendering of Pacific House Gin Martini Bar

Prepared by: Richard A. Rovetti, Deputy Director of Real Estate
For: Sheela Jivan, Executive Director

[THE GOLD BAR SPIRITS COMPANY INC., a Delaware corporation doing business as Gold Bar]

Resolution Approving and Authorizing the Execution of Lease No. 1,595 with THE GOLD BAR SPIRITS COMPANY INC., a Delaware corporation doing business as Gold Bar, for development and operation of Gold Bar Whiskey and Pacific House Gin Martini Bar tasting rooms in the Administration Building, Treasure Island.

WHEREAS, Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America ("the Federal Government"); and,

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

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

WHEREAS, Under the Treasure Island Conversion Act of 1997 (the "Act"), which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968, the California Legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the

Base which are subject to the Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

WHEREAS, On February 6, 1998, the Board of Supervisors adopted Resolution No. 43-98 approving the designation of the Authority as a redevelopment agency for Treasure Island and Yerba Buena Island; and,

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

WHEREAS, THE GOLD BAR SPIRITS COMPANY INC., a California based, Delaware Corporation, doing business as Gold Bar (hereafter referred to as "Gold Bar"), is a distillery in San Francisco and Alameda that produces small-batch spirits created by Master Distiller Montgomery Paulsen and offers a wide selection of beer and wine; and,

WHEREAS, Gold Bar has been a tenant in good standing with the Treasure Island Development Authority (hereafter referred to as the "Authority") for over 10 years producing whiskey and gin on Treasure Island, and their restaurant in the Administration Building has become an integral part of the social fabric of the community, and in 2025, was voted number 1 distillery in Bay Area by SF Gate / Chronicle; and,

WHEREAS, Gold Bar is seeking to further invest in their premises and is seeking to create a second tasting room that will offer additional menu items and additional seating located on the Northside of Administration Building Lobby; and,

WHEREAS, On April 1, 2025, Gold Bar entered into a Lease with the Authority for Parcel A: approximately 2,100 square feet of interior space located on the First Floor of the Administration Building including areas on the east and north sides of Suite 167; Parcel B: approximately 2,100 square feet of interior space located on the First Floor of the Administration Building including areas on the east and south sides of Suite 168; Parcel C: approximately 1,200 square feet of interior space located on the First Floor of the Administration Building, Suite 103, Parcel D: approximately 1,500 square feet of exterior space located on the westside of the Administration Building; Parcel E: approximately 1,900 square feet of office space located on the First Floor of the Administration Building, Suite 134; Parcel F: approximately 840 square feet of space located in the Basement of the Administration Building, Suite 21; and Parcel G: nonexclusive use of the Lobby and Parking Lots of the Administration Building Treasure Island, to develop and operate Gold Bar Whiskey and Pacific House Gin Martini Bar tasting rooms; and,

WHEREAS, In early 2024, Gold Bar completed its renovations of the Gold Bar tasting room and kitchen facility costing over $2 million, and now, Gold Bar is seeking to complete their buildout of the Pacific House Martini and Wine Bar that's includes an expanded menu of seafood and small plates; and,

WHEREAS, Gold Bar is requesting 4 months of rent abatement and is planning to spend over $250,000 to complete this phase of construction their buildout; and,

WHEREAS, The Authority and Authority and Gold Bar have negotiated a five (5) year lease commencing on December 1, 2026 and provide 121 days of early entry to assist Gold Bar with construction expenses related to the buildout, and will not pay Base Rent or Additional Charges but shall be subject to all other terms and conditions set forth in the Lease; and,

WHEREAS, This new lease will allow Gold Bar to complete its project which includes Gold Bar Whiskey and Pacific House Gin Martini Bar tasting rooms, and will accommodate Treasure Island residents, commercial tenant, and visitors to the island; now, therefore be it

RESOLVED, That the Board of Directors hereby approves the proposed Lease No. 1,595 with THE GOLD BAR SPIRITS COMPANY INC., a Delaware corporation doing business as Gold Bar, to develop and operate Gold Bar Whiskey and Pacific House Gin Martini Bar tasting rooms in the Administration Building, and authorizes the Treasure Island Executive Director or her designee to execute said Lease in substantially the form attached hereto as Exhibit A; and be it

FURTHER RESOLVED, That the Board of Directors hereby finds that (i) entering into the Lease will serve the goals of the Authority and the public interests of the City, and (ii) the terms and conditions of the Lease are economically reasonable; and be it

FURTHER RESOLVED, That the Board of Directors hereby authorizes the Treasure Island Director or his designee to enter into any additions, amendments or other modifications to the Agreement that the Treasure Island Executive Director or her designee determines in consultation with the City Attorney are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce the rights of the Authority, and are necessary or advisable to complete the preparation and approval of the Agreement, such determination to be conclusively evidenced by the execution and delivery by the Treasure Island Executive Director or her designee of the documents and any amendments thereto.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on November 6, 2026.

_____

Mark Dunlop, Secretary



LEASE No. 1,595

between

TREASURE ISLAND DEVELOPMENT AUTHORITY

as Landlord

and

THE GOLD BAR SPIRITS COMPANY INC.
A DELAWARE CORPORATION

as Tenant

For the Lease of a portion of
the Administration Building, Suites 167, 168, 103, 134, 21, and
nonexclusive use of the Lobby and Parking Lot

Yerba Buena Island
Treasure Island Naval Station
San Francisco, California

December 1, 2026

TREASURE ISLAND LEASE

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EXHIBIT C—Rules and Regulations
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ADDENDUM TO LEASE

TREASURE ISLAND LEASE

THIS LEASE (this "Lease"), dated for reference purposes only as of December 1, 2026, is by and between the TREASURE ISLAND DEVELOPMENT AUTHORITY, a California public benefit nonprofit corporation ("Landlord"), and THE GOLD BAR SPIRITS COMPANY INC., a Delaware corporation ("Tenant"). From time to time, Landlord and Tenant together are referred to in this Lease as the "Parties."

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

A. Landlord owns portions of the property known as the Naval Station Treasure Island (the "Property"). Landlord acquired the property from the U.S. Navy in accordance with the deed attached hereto as Exhibit A-1 (the "Navy Deed").

B. Tenant desires to lease from Landlord, and Landlord is willing to lease to Tenant, a portion of the Property on the terms and conditions contained in this Lease.

NOW THEREFORE, Landlord and Tenant hereby agree as follows:

1. BASIC LEASE INFORMATION

The following is a summary of basic lease information (the "Basic Lease Information"). Each item below is deemed to incorporate all of the terms of this Lease pertaining to that item. If there is any conflict between the information in this Section and any more specific provision of this Lease, then the more specific provision will control.

Lease Reference Date:	December 1, 2026
Landlord:	TREASURE ISLAND DEVELOPMENT AUTHORITY, a California public benefit nonprofit corporation
Tenant:	THE GOLD BAR SPIRITS COMPANY INC., a Delaware corporation

Leased "Premises" (Section 2.1):	Parcel A: approximately two thousand and one hundred (2,100) square feet of interior space located on the First Floor of the Administration Building including areas on the east and north sides of Suite 167; Parcel B: approximately two thousand and one hundred (2,100) square feet of interior space located on the First Floor of the Administration Building including areas on the east and south sides of Suite 168; Parcel C: approximately one thousand and two hundred (1,200) square feet of interior space located on the First Floor of the Administration Building, Suite 103, Parcel D: approximately one thousand and five hundred (1,500) square feet of exterior space located on the westside of the Administration Building; Parcel E: approximately one thousand and nine hundred (1,900) square feet of office space located on the First Floor of the Administration Building, Suite 134; Parcel F: approximately eight hundred and forty (840) square feet of space located in the Basement of the Administration Building, Suite 21; and Parcel G: nonexclusive use of the Lobby and Parking Lots of the Administration Building, Treasure Island, San Francisco, California, as more particularly shown on Exhibit A, attached hereto.
Facility:	Administration Building
Term: (Section 3.1):	Commencement date: December1, 2026 Expiration date: November 30, 2031

Base Rent (Section 4.1):	Early Entry: Commencing December 1, 2026 and ending March 31, 2027, the Tenant shall be provided one hundred and twenty-one (121) days of Early Entry for the sole purpose of installing equipment. During the Early Entry period, Tenant shall not pay Base Rent in consideration of Tenant's obligation to buildout and maintain the Premises in accordance with Addendum Section 8.1 and shall be subject to all other terms and conditions set forth in the Lease. **Commencing April 1, 2027 to November 30, 2027**, Monthly Base Rent shall be Fifteen Thousand and Five Hundred Dollars ($15,500.00) per month or $1.61 per square foot per month. **December 1, 2027 to November 30, 2028,** Monthly Base Rent shall be Sixteen Thousand Dollars ($16,000.00) per month. **December 1, 2028 to November 30, 2029,** Monthly Base Rent shall be Sixteen Thousand and Five Hundred Dollars ($16,500.00) per month. **December 1, 2029 to November 30, 2030,** Monthly Base Rent shall be Seventeen Thousand Dollars ($17,000.00) per month. **December 1, 2030 to November 30, 2031,** Monthly Base Rent shall be Seventeen Thousand and Five Hundred Dollars ($17,500.00) per month.

Additional Charges (Section 4.3):	Commencing December 1, 2026 and ending March 31, 2027, Additional Charges for utility related expenses will be provided to Tenant at no cost in consideration of Tenant's obligation to buildout and maintain the Premises in accordance with Addendum Section 8.1 and shall be subject to all other terms and conditions set forth in the Lease. **Commencing April 1, 2027 to November 30, 2027,** Tenant shall pay Additional Charges in the amount of Two Thousand and Five Hundred Dollars ($2,500.00) per month to cover tenant's utility related expenses **December 1, 2027 to November 30, 2028** Tenant shall pay Additional Charges in the amount of Two Thousand Seven Hundred and Fifty Dollars ($2,750.00) per month to cover tenant's utility related expenses. **December 1, 2028 to November 30, 2029** Tenant shall pay Additional Charges in the amount of Three Thousand Dollars ($3,000.00) per month to cover tenant's utility related expenses. **December 1, 2029 to November 30, 2030** Tenant shall pay Additional Charges in the amount of Three Thousand Two Hundred and Fifty Dollars ($3,250.00) per month to cover tenant's utility related expenses. **December 1, 2030 to November 30, 2031** Tenant shall pay Additional Charges in the amount of Three Thousand and Five Hundred Dollars ($3,500.00) per month to cover tenant's utility related expenses.
Rent Adjustment Date(s) (Section 4.2):	Not applicable
Rent Increase Percentage (Section 4.2):	Not applicable

Use (Section 6.1):	General Tasting Rooms and kitchen operations including food accompaniments, manufacturing, production, and special events only and for no other purpose.
Security Deposit (Section 18.3):	Forty-Two Thousand Dollars ($42,000.00)
Notice Address of Landlord (Section 20.1):	Treasure Island Development Authority Treasure Island Project Office 39 Treasure Island Road Building 1, 2nd Floor Treasure Island San Francisco, CA 94130 Attn: Sheela Jivan Executive Director Email: sheela.jivan@sfgov.org with a copy to: Office of the City Attorney City Hall, Room 234 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102 Attn: Heidi J. Gewertz Email: Heidi.Gewertz@sfcityatty.org
Notice Address of Tenant (Section 20.1):	Gold Bar Bottle Company 201 Spear Street, Suite 1100 San Francisco, CA 94105 Attn: Elliott Gillespie Phone No. (613) 882-0999 Email. elliott@goldbarwhiskey.com

2. PREMISES

2.1 Leased Premises

(a) Subject to the terms, covenants, and conditions of this Lease, Landlord leases to Tenant the Premises. Tenant has the non-exclusive right to use, together with other tenants in the Facility, the lobbies, corridors, elevators, stairways and other public areas of the Facility and

the Property (collectively, the "Common Areas"), and the non-exclusive right of access to and from the Premises by the main entrances to the Facility and the Property.

(b) If Tenant uses or occupies space outside the Premises (the "Encroachment Area") without the prior written consent of Landlord, then upon written notice from Landlord ("Notice to Vacate"), Tenant will immediately vacate the Encroachment Area and pay as additional rent for each day Tenant used or occupied the Encroachment Area, an amount equal to the rentable square footage of the Encroachment Area, multiplied by the higher of the (a) highest rental rate then approved by Landlord's Board of Directors for the Premises or the Facility, or (b) then current fair market rent for the Encroachment Area, as reasonably determined by Landlord (the "Encroachment Area Charge"). If Tenant uses or occupies the Encroachment Area for a fractional month, then Landlord will prorate the Encroachment Area Charge for that period based on a thirty (30) day month. No acceptance by Landlord of the Encroachment Area Charge will be deemed a consent by Landlord to the use or occupancy of the Encroachment Area by Tenant or a waiver (or be deemed as waiver) by Landlord of any other rights and remedies of Landlord under this Lease (including Tenant's obligation to indemnify, defend, and hold Landlord harmless as set forth in the last paragraph of this Section 2.1), at law or in equity.

(c) In addition to the foregoing amount, Tenant will pay to Landlord, as additional rent, Two Hundred Dollars ($200.00) upon delivery of the initial Notice to Vacate plus the actual cost associated with an inspection of the Encroachment Area. If Landlord determines during subsequent inspection(s) that Tenant has failed to vacate the Encroachment Area, then Tenant will pay Landlord, as additional rent, Three Hundred Dollars ($300.00) for each additional Notice to Vacate, if applicable, delivered by Landlord to Tenant following each inspection. The Parties agree that the charges associated with each inspection of the Encroachment Area and delivery of each Notice to Vacate represent a fair and reasonable estimate of the administrative cost and expense that Landlord will incur to inspect the Encroachment Area and to issue a Notice to Vacate. Tenant's failure to comply with the applicable Notice to Vacate and Landlord's right to impose the foregoing charges are in addition to and not in lieu of any and all other rights and remedies of Landlord under this Lease, at law or in equity. The amounts set forth in this Section 2.1 will be due within three (3) business days following each Notice to Vacate and/or separate invoice relating to the actual cost associated with inspection(s) of the Encroachment Area.

(d) In addition to the rights and remedies of Landlord as set forth in the immediately foregoing two paragraphs of this Section 2.1, the terms and conditions of the indemnity and exculpation provision set forth in Section 15 below will also apply to Tenant's use and occupancy of the Encroachment Area as if the Premises originally included the Encroachment Area, and Tenant will additionally Indemnify (as defined in Section 10.2 below) Landlord from and against any and all Losses (as defined in Section 10.2 below) resulting from delay by Tenant in so surrendering the Encroachment Area including, without limitation, any Losses resulting from any claims against Landlord made by any tenant or prospective tenant founded on or resulting from the delay, and Losses to Landlord due to lost opportunities to lease any portion of the Encroachment Area to any tenant or prospective tenant.

(e) By placing their initials below, each party specifically confirms the accuracy of the statements made in this Section 2.1 and the reasonableness of the amount of the charges described in this Section 2.1.

Initials: _____ Landlord _____ Tenant

2.2 As Is Condition of Premises.

(a) Inspection of Premises. Tenant represents and warrants that Tenant has conducted a thorough and diligent inspection and investigation, either independently or through its officers, directors, employees, or agents, affiliates, subsidiaries, and contractors, and their respective heirs, legal representatives, successors and assigns, and each of them ("Tenant's Agents"), of the Premises and the suitability of the Premises for Tenant's intended use. Tenant is fully aware of the needs of its operations and has determined, based solely on its own investigation, that the Premises are suitable for its operations and intended uses. As part of its inspection of the Premises, Tenant acknowledges its receipt and review of the Seismic Report referenced in Section 2.2(c) below and the Joint Inspection Report.

(b) As Is; Disclaimer of Representations. Tenant acknowledges and agrees that the Premises are being leased and accepted in their "AS IS, WITH ALL FAULTS" condition, without representation or warranty of any kind, and subject to all applicable laws, statutes, ordinances, resolutions, regulations, proclamations, orders or decrees of any municipal, county, state or federal government or other governmental or regulatory authority with jurisdiction over the Premises, or any portion thereof, whether currently in effect or adopted in the future and whether or not in the contemplation of the Parties, including without limitation the orders and citations of any regulatory authority with jurisdiction over life and safety issues concerning the Premises governing the use, occupancy, management, operation and possession of the Premises ("Laws"). Without limiting the foregoing, this Lease is made subject to all covenants, conditions, restrictions, easements and other title matters affecting the Premises, or any portion thereof, whether or not of record. Tenant acknowledges and agrees that neither Landlord nor any of its officers, directors, employees, agents, affiliates, subsidiaries, licensees, contractors, boards, commissions, departments, agencies, and other subdivisions and each of the persons acting by, through or under each of them, and their respective heirs, legal representatives, successors, and assigns, and each of them ("Landlord's Agents"), and neither the City and County of San Francisco (the "City") nor any of its officers, directors, employees, agents, affiliates, subsidiaries, licensees, contractors, boards, commissions, departments, agencies, and other subdivisions and each of the persons acting by, through or under each of them, and their respective heirs, legal representatives, successors, and assigns, and each of them ("City's Agents") have made, and Landlord hereby disclaims, any representations or warranties, express or implied, concerning (i) title or survey matters affecting the Premises, (ii) the physical, geological, seismological or environmental condition of the Premises, including, without limitation, the matters described in the Seismic Report (as defined below), (iii) the quality, nature or adequacy of any utilities serving the Premises, (iv) the feasibility, cost or legality of constructing any Alterations on the Premises if required for Tenant's use and permitted under this Lease, (v) the safety of the Premises, whether for the use by Tenant or any other person, including, but not limited to, Tenant's Agents or Tenant's clients, customers, vendors, invitees, guests, members, licensees, assignees, or subtenants and each of the persons acting by, through

or under each of them, and their respective heirs, legal representatives, successors, and assigns, and each of them ("Tenant's Invitees"; Tenant's Invitees and Tenant's Agents, and each of them, may be referred to as "Tenant Parties"), or (vi) any other matter whatsoever relating to the Premises or their use, including, without limitation, any implied warranties of merchantability or fitness for a particular purpose.

(c) Seismic Report. Without limiting Section 2.2(b) above, Tenant expressly acknowledges for itself and the Tenant Parties that it received and read that certain report dated August 1995, entitled "*Treasure Island Reuse Plan: Physical Characteristics, Building and Infrastructure Conditions*" prepared for the Office of Military Base Conversion, Department of City Planning, and the Redevelopment Agency of the City and County of San Francisco (the "Seismic Report"), a copy of the cover page of which is attached hereto as Exhibit B. Tenant has had an adequate opportunity to review the Seismic Report with expert consultants of its own choosing. The Seismic Report, among other matters, describes the conditions of the soils of the Property and points out that in the area of the Property where the Premises are located, an earthquake of magnitude 7 or greater is likely to cause the ground under and around the Premises to spread laterally to a distance of ten (10) or more feet and/or result in other risks. In that event, there is a significant risk that any structures or improvements located on or about the Premises, may fail structurally and collapse.

(d) Navy Deed. Tenant understands that the Navy made certain disclosures and retained certain rights in and to the Premises, as set forth in the Navy Deed. The Navy has the right to perform any remedial actions that may be necessary to protect human health and the environment with respect to any hazardous substance in or around the Premises in accordance with the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. Section 9620(h)(3)(A)(ii)(I), and has the right to take some or all of the Premises as may be needed in connection with those remedial actions. This Lease is subject and subordinate to the Navy's rights under the Navy Deed, and Tenant acknowledges that Landlord has the right to suspend or terminate this Lease, without payment to Tenant, if Navy requires use of the Premises as set forth in the Navy Deed.

2.3 Energy Consumption Disclosure.

Tenant consents to Tenant's utility service providers disclosing energy use data for the Premises to Landlord for use under California Public Resources Code Section 25402.10, as implemented under California Code of Regulations Sections 1680–1685, and San Francisco Environment Code Chapter 20, as they may be amended from time to time ("Energy Consumption Reporting Laws"), and for such data to be publicly disclosed under the Energy Consumption Reporting Laws.

2.4 Flood Risk.

On November 2, 2015, the Federal Emergency Management Agency ("FEMA") issued a preliminary Flood Insurance Rate Map ("FIRM") that identifies Special Flood Hazard Areas along City's shoreline, with designations of "Zone A" (areas subject to coastal flooding) and "Zone V" (areas subject to coastal flooding and hazards that accompany wave action). The affected City property includes Treasure and Yerba Buena Islands, among other areas. FEMA expects to finalize the FIRM in mid-2020, which may have significant impacts for developing

new structures and reconstructing or repairing existing structures in the identified areas. Accordingly, the Premises may be subject to flooding, but the extent of any potential flooding is not known, and Tenant expressly acknowledges and accepts this risk. FEMA provides status information on its mapping process here: http://arcg.is/0P8mjD.

3. TERM

3.1 Term of Lease

The term of this Lease (the "Term") will commence on the Commencement Date set forth in the Basic Lease Information, and expire on the Expiration Date set forth in the Basic Lease Information, unless sooner terminated under to the terms of this Lease.

3.2 Effective Date

This Lease will become effective on the date (the "Effective Date") that is the later of (a) the Parties' execution and delivery of this Lease, (b) Landlord's Board of Director's approval of this Lease at a duly noticed meeting, if that approval is required, or (c) the Commencement Date.

3.3 Termination

Either Landlord or Tenant, each in their sole discretion, may terminate this Lease for any reason without liability or expense upon delivery of not less than thirty (30) days' prior written notice to the other party. Tenant must to surrender possession of the Premises by the end of that thirty (30) day period.

3.4 No Relocation Assistance.

Tenant acknowledges that Tenant has been informed that the Premises is part of an area that is proposed for redevelopment and that Landlord may terminate this Lease or require Tenant to move from the Property to accommodate the redevelopment project. Tenant acknowledges that, when this Lease is terminated and Tenant is required to move, Tenant will not be a displaced person as defined under any Laws related to relocation benefits or assistance, including, but not limited to, the California Government Code Section 7260 et seq. ("California Relocation Act") and the Uniform Relocation Assistance and Real Property Policies Act, 42 U.S. C. 4601 et seq. ("URA"). Tenant farther acknowledges that Tenant will not be entitled to any relocation benefits provided under any relocation Laws, including any moving expenses, reimbursement for costs associated with increased rent, loss of goodwill, or other costs related to the termination of Tenant's Lease and Tenant's relocation from the Premises. Tenant fully RELEASES AND DISCHARGES the Indemnified Parties (as defined in Section 10.2 below) from any and all Losses (as defined in Section 10.2 below) and any and all claims, demands or rights against, and covenants not to sue, any of the Indemnified Parties under any present or future Laws, including, without limitation, any and all claims for relocation benefits or assistance from the Indemnified Parties under federal and state relocation assistance Laws. Tenant understands and acknowledges that Landlord would not be willing to enter into this Lease without Tenant's agreement that it is not entitled to any relocation benefits or assistance.

Initials: _____Tenant

4. RENT

4.1 Base Rent

Throughout the Term Tenant will pay to Landlord Base Rent in the amount set forth in the Basic Lease Information. Tenant will pay the Base Rent to Landlord without prior demand and without any deduction, setoff, or counterclaim whatsoever, on or before the first day of each month, in advance, at the Notice Address of Landlord provided in Section 20.1 below or as otherwise designated by Landlord in writing. If the Commencement Date occurs on a date other than the first day of a calendar month, or the Lease terminates on a day other than the last day of a calendar month, then the monthly payment of Base Rent for the partial month will be prorated based on a thirty (30) day month.

4.2 Adjustments in Base Rent

If this Lease has not been terminated, then on each Rent Adjustment Date set forth in the Basic Lease Information, the Base Rent will increase by the Rent Increase Percentage set forth in the Basic Lease Information.

4.3 Additional Charges

In addition to Base Rent, Tenant will pay all other charges related to the Premises otherwise payable by Tenant to Landlord under this Lease, including, without limitation, all late charges and default interest attributable to late payments and/or defaults of Tenant, all utility charges, and any amounts other than Base Rent that may become due and payable by Tenant under this Lease (together, the "Additional Charges"). Together, Base Rent and Additional Charges are referred to as the "Rent."

4.4 Late Charge

If Tenant fails to pay any Rent within ten (10) days after the date it is due, then the unpaid amount will be subject to a late payment charge equal to six percent (6%) of the unpaid amount in each instance. The late payment charge has been agreed upon by Landlord and Tenant, after negotiation, as a reasonable estimate of the additional administrative costs and detriment that Landlord will incur as a result of the failure by Tenant to timely pay Rent, the actual costs thereof being extremely difficult if not impossible to determine, but no payment by Tenant of any late charge will limit Landlord's rights for Tenant's default of this Lease, whether at law or in equity.

4.5 Costs of Collection

In addition to any interest or late charges, if Tenant does not pay Rent in immediately available funds or by good check, then Tenant will pay to Landlord immediately upon demand as Additional Charges the amount of any fees, charges, or other costs incurred by Landlord, including, but not limited to, dishonored check fees and any costs of collection.

5. TAXES, ASSESSMENTS AND OTHER EXPENSES

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

(a) Taxability of Possessory Interest. 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 its possessory interest.

(b) Payment Responsibility. Tenant will pay all taxes of any kind, including, but not limited to, possessory interest taxes, that may be assessed under any Laws on the leasehold interest created by this Lease and to pay all other taxes, excises, licenses, permit charges, and assessments based on Tenant's use of the Premises or Tenant's property that may be imposed upon Tenant by any Laws, all of which must be paid when they become due and payable and before delinquency. For real property taxes and assessments levied on or assessed against the Premises and billed directly to Landlord by the taxing authority, Tenant will reimburse Landlord for those payments immediately upon demand.

(c) No Liens. Tenant will not allow or suffer a lien for any taxes payable by Tenant under this Lease to be imposed upon the Premises or upon any equipment or other property located on the Premises without discharging the lien as soon as practicable.

(d) Reporting Information. Tenant agrees to provide all information that Landlord may request to enable Landlord to comply with any possessory interest tax reporting requirements applicable to this Lease.

5.2 Evidence of Payment

Within ten (10) days after Landlord's request, Tenant will furnish to Landlord official receipts of the appropriate taxing authority or other evidence evidencing payment reasonably satisfactory to Landlord.

6. USE; COVENANTS TO PROTECT PREMISES

6.1 Tenant's Permitted Use

Tenant may use the Premises for the Permitted Use set forth in the Basic Lease Information only and for no other purpose without the prior written consent of Landlord, which consent may be given or withheld in Landlord's sole and absolute discretion. Tenant acknowledges that that this prohibition on the change in use is expressly authorized by California Civil Code section 1997.230 and is fully enforceable.

6.2 Tenant's Access to the Premises

Tenant will have access to the Premises twenty-four (24) hours per day, seven (7) days per week.

6.3 Rules and Regulations

Tenant will adhere to all rules and regulations regarding the Premises attached hereto as Exhibit C, and any additional rules prescribed by Landlord from time to time.

6.4 Easements

This Lease is subject to all outstanding easements and rights-of-way for location of any type of facility over, across, in, and upon the Premises or any portion thereof, and to the right of Landlord to grant additional easements and rights-of-way over, across, in, and upon the Premises as Landlord may determine to be in the public interest ("Additional Easements"); provided that, (a) Landlord will use its best efforts to minimize any interference with Tenant's operations at the Premises for the Permitted Use caused by the Additional Easements and (b) Landlord's grant of any Additional Easements must be conditioned on grantee's assumption of liability to Tenant for any damages that Tenant may suffer for property destroyed or property rendered unusable for the Permitted Use due to the Additional Easements. Landlord reserves for the benefit of the holders of the Additional Easements and any workers officially engaged in the construction, installation, maintenance, operation, repair or replacement of facilities located in the easement area, and to any federal, state or local official engaged in the official inspection thereof, reasonable rights of ingress and egress over the Premises as may be necessary for the performance of their duties with regard to the facilities.

6.5 No Interference with Navy Operations

Tenant may not conduct operations, or make any Alterations (defined in Section 7.1 below), that would interfere with or otherwise restrict Navy's operations or environmental cleanup or restoration actions by the Navy, Landlord, the Environmental Protection Agency, the State of California or their contractors. Environmental cleanup, restoration, or testing activities by the Navy, Landlord, the Environmental Protection Agency, the State of California or their contractors will take priority over Tenant's use of the Premises in the event of any conflict; provided, however, if the clean-up, restoration, or testing activities are performed by Landlord, then Landlord will use its best efforts to minimize any disruption of Tenant's operation.

6.6 No Unlawful Uses, Nuisances or Waste

Without limiting the foregoing, Tenant may not use, occupy, or permit the use or occupancy of any of the Premises in any unlawful manner or for any illegal purpose, or permit any offensive, noisy or hazardous use or any waste on or about the Premises. Tenant must eliminate any nuisances or hazards relating to its activities on or about the Premises. Tenant will not conduct any business, place any sales display, or advertise in any manner in areas on or about the Property outside of the Premises.

7. ALTERATIONS

7.1 Alterations

Tenant may not construct, install, make, or permit to be made any alterations, installations, or additions ("Alterations") in, to, or about the Premises, without Landlord's prior

written consent each time, which consent may be given or withheld in Landlord's sole and absolute discretion. Subject to Landlord's consent as provided above, any Alterations will be done at Tenant's sole expense (a) in strict accordance with plans and specifications approved in advance by Landlord in writing, (b) by duly licensed and bonded contractors or mechanics approved by Landlord, (c) in a good and professional manner, (d) in strict compliance with all Laws, and (e) subject to all other conditions that Landlord may reasonably impose. In no event may the construction, installation, or the making of any Alterations impair the use or operation of the Property, or any portion of it, or Landlord's access to the Property or any portion of it. Before the commencement of any work on the Premises to construct any Alterations, Tenant, at its sole expense, will procure all required permits and approvals and will promptly upon receipt deliver copies of all the documents to Landlord. No material change from the plans and specifications for any Alterations approved by Landlord may be made without Landlord's prior consent. Landlord and Landlord's Agents will have the right to inspect the course of construction on the Premises at all times.

(a) Asbestos-Containing Materials. Without limiting Section 19.1 (No Hazardous Materials) below, if asbestos-containing materials ("ACM") are determined to exist in or about the Premises, then Tenant will ensure that all Alterations and any asbestos related work, as defined in California Health & Safety Code Section 25914.1(b), is performed in compliance with all laws relating to asbestos, including, but not limited to, California Occupational Safety and Health (OSHA) regulations found in Title 8 of the California Code of Regulations, Sections 1502 and 1529. Additionally, Tenant will distribute notifications to all employees and contractors as required under California Health & Safety Code Section 25915 et seq. informing them of the existence of ACM and that moving, drilling, boring, or otherwise disturbing ACM may present a health risk and should not be attempted by an unqualified employee. No Alterations affecting ACM-containing areas or any asbestos related work may be performed without Landlord's prior written consent in each instance.

(b) Tenant's Improvements or Alterations that Disturb or Remove Lead Based Paint. Tenant will comply with all requirements of the San Francisco Building Code, Section 3407, all other applicable present or future Laws, the requirements of any board of fire underwriters or similar body, and any directive or occupancy certificate issued by any public officer or officers acting in their regulatory capacity, including, without limitation, the California and United States Occupational Health and Safety Acts and their implementing regulations, when the work of improvement or alteration disturbs or removes exterior lead-based or "presumed" lead-based paint (as defined below). Tenant must give to Landlord three (3) business days prior written notice of any disturbance or removal of exterior lead-based or presumed lead-based paint. Further, Tenant, when disturbing or removing exterior lead-based or presumed lead-based paint, may not use or cause to be used any of the following methods: (a) acetylene or propane burning and torching; (b) scraping, sanding or grinding without containment barriers or a High Efficiency Particulate Air filter ("HEPA") local vacuum exhaust tool; (c) hydroblasting or high pressure wash without containment barriers; (d) abrasive blasting or sandblasting without containment barriers or a HEPA vacuum exhaust tool; and (e) heat guns operating above 1,100 degrees Fahrenheit. Paint on the exterior of buildings built before December 31, 1978, is presumed to be lead-based paint unless lead-based paint testing, as defined in San Francisco Building Code section 3407, demonstrates an absence of lead-based paint on the exterior surfaces of the buildings. Under this Section, lead based paint is "disturbed or removed" if the

work of improvement or alteration involves any action that creates friction, pressure, heat, or a chemical reaction upon any lead-based or presumed lead-based paint on an exterior surface to abrade, loosen, penetrate, cut through, or eliminate paint from that surface. Notice to Landlord under this Lease will not constitute notice to the City's Department of Building Inspection required under San Francisco Building Code section 3407.

7.2 Historic Properties

Without limiting the generality of the foregoing, Tenant acknowledges and agrees that no Alterations may be made to any improvements on the Premises (i) that will affect the historic characteristics of the improvements on the Premises or modify the appearance of the exterior of the improvements of the Premises without Landlord's prior written consent, or (ii) if the Alterations would preclude the Premises from inclusion on the National Register of Historic Places.

7.3 Ownership of Alterations

Any Alterations constructed on or affixed to the Premises by or on behalf of Tenant under the terms and limitations of this Section 7 are and will remain Tenant's property during the Term. Upon the expiration or earlier termination of this Lease, Tenant must remove all Alterations from the Premises in accordance with the provisions of Section 18 below, unless Landlord, at its sole option and without limiting any of the provisions of Section 7.1 above, requires that any of Alterations remain on the Premises.

7.4 Tenant's Personal Property

All furniture, furnishings, and articles of movable personal property and equipment used upon or installed in the Premises by or for the account of Tenant that can be removed without structural or other material damage to the Premises ("Tenant's Personal Property") are and will remain the property of Tenant. Tenant must remove all of Tenant's Personal Property from the Premises at the end of the Term or earlier termination of this Lease, subject to the provisions of Section 19 below. Tenant is solely responsible for providing any security or other protection of or maintenance to Tenant's Personal Property.

7.5 Landlord's Alterations

Landlord reserves the right at any time to make alterations, additions, repairs, deletions, or improvements to the Common Areas or any other part of the improvements on the Premises; provided that Landlord's alterations or additions may not materially adversely affect the functional use of the Premises for the Permitted Use.

8. REPAIRS AND MAINTENANCE

8.1 Tenant Responsible for Maintenance and Repair

Tenant assumes full and sole responsibility for the condition, operation, repair, and maintenance and management of the Premises from and after the Commencement Date and will keep the Premises in good condition and repair. Landlord will not be responsible for the

performance of any repairs, replacements, changes, or alterations to the Premises, and Landlord will not be liable for any portion of the cost thereof. Tenant will make all repairs and replacements, interior and exterior, structural as well as non-structural, ordinary as well as extraordinary, foreseen and unforeseen, that may be necessary to maintain the Premises at all times in a clean, safe, attractive, and sanitary condition and in good order and repair, to Landlord's reasonable satisfaction, provided, however, that neither Tenant nor Landlord shall be required to make structural repairs to correct conditions affecting the Premises existing before the Commencement Date. If structural repairs are required to correct conditions affecting the Premises existing before the Commencement Date, then Tenant may elect to either (i) terminate this Lease upon thirty (30) days prior written notice to Landlord, or (ii) perform the structural repairs at no cost to Landlord in accordance with the requirements of Section 7 of this Lease (i.e., as if the structural repairs were an Alteration). Notwithstanding anything in Section 12 to the contrary, if any portion of the Premises is damaged by any activities conducted by Tenant or Tenant Parties, Tenant will immediately, at its sole cost, repair all of the damage and restore the Premises to its previous condition.

8.2 Utilities

Landlord will provide the basic utilities and services described in Exhibit D (the "Standard Utilities and Services") to the Premises, subject to the terms and conditions contained therein. Tenant is responsible for furnishing, at its sole cost, any utilities or services other than or in excess of the Standard Utilities and Services that Tenant may need for its use of the Premises. Tenant will pay, without set off or counterclaim, all amounts due and owing for the Standard Utilities and Services at the rates provided in and as otherwise set forth in Exhibit D.

8.3 Landscaping

Landlord will maintain the exterior landscaping of the Premises in good condition and repair at no cost to Tenant.

8.4 Janitorial Services

Tenant will provide all janitorial services for the Premises at Tenant's sole expense.

8.5 Pest Control

Tenant will provide and pay for all pest control services required within the Premises, and will keep the Premises free of all pests at all times at Tenant's sole expense.

8.6 Trash

Tenant will deposit all trash into designated containers in the Premises in compliance with the Rules and Regulations attached as Exhibit C. Tenant will pay for the removal of trash from the designated containers. Tenant will abide by all rules established by Landlord for the handling of trash.

8.7 No Right to Repair and Deduct

Tenant expressly waives the benefit of any existing or future Laws or judicial or administrative decision that would otherwise permit Tenant to make repairs or replacements at Landlord's expense, or to terminate this Lease because of Landlord's failure to keep the Premises or any part thereof in good order, condition, or repair, or to abate or reduce any of Tenant's obligations under this Lease because the Premises or any part thereof needs repair or replacement. Without limiting the foregoing, Tenant expressly waives the provisions of California Civil Code sections 1932, 1941, and 1942 or any similar Laws granting a tenant a right to terminate a lease, or the obligations of a landlord, or any right of a tenant to make repairs or replacements and deduct the cost from rent.

9. LIENS

Tenant will keep the Premises free from any liens arising out of any work performed, material furnished, or obligations incurred by or for Tenant. If Tenant does not, within five (5) days following the imposition of any lien, cause the lien to be released of record by payment or posting of a proper bond, then Landlord will have (in addition to all other remedies provided in this Lease, at law or in equity) the right, but not the obligation, to cause the lien to be released by any means Landlord deems proper, including, but not limited to, payment of the claim giving rise to the lien. All sums paid by Landlord and all expenses it incurs in connection a lien (including, without limitation, reasonable attorneys' fees) will be payable to Landlord by Tenant upon demand. Landlord will have the right to post and keep posted on the Premises any notices permitted or required by law or that Landlord deems proper for its protection and protection of the Premises from mechanics' and materialmen's liens. Tenant will give Landlord at least fifteen (15) days' prior written notice of the commencement of any repair or construction on any of the Premises.

10. COMPLIANCE WITH LAWS

10.1 Compliance with Laws

(a) Tenant will, at its sole expense, maintain the Premises and cause Tenant's use of and operations at the Premises to strictly comply with all present and future Laws, whether foreseen or unforeseen, ordinary as well as extraordinary; provided, however Tenant will not be required to make structural repairs or structural changes to the Premises required solely to correct conditions affecting the Premises existing before the Commencement Date or not related to Tenant's use of the Premises, unless the requirement for the changes is imposed as a result of any Alterations made or requested to be made by Tenant. Tenant expressly acknowledges that the term "Laws" includes, without limitation, all Laws relating to health and safety and disabled accessibility including, without limitation, the Americans with Disabilities Act, 42 U.S.C. § 12101 et seq. and Title 24 of the California Code of Regulations, all present and future Environmental Laws (as defined in Section 19.1 below), and all applicable provisions of the San Francisco Environment Code. No occurrence or situation arising during the Term, or any present or future Law, whether foreseen or unforeseen, and however extraordinary, will give Tenant any right to seek redress against Landlord for failing to comply with any Laws. Tenant waives any

right under any Laws (whether now existing or enacted in the future) to compel Landlord to make any repairs to comply with any Laws.

(b) **Qualified to Do Business.** Tenant understands that each person engaging in business within the City, as determined under San Francisco Business and Revenue and Tax Code section 6.2-12, shall apply to the San Francisco Tax Collector for a registration certificate, using the form provided by the Tax Collector, and pay any applicable taxes. In addition, foreign and out of state businesses must qualify with the California Secretary of State before transacting business in the State, as set forth in the California Corporations Code. Tenant agrees to comply with these requirements.

10.2 Regulatory Approvals; Responsible Party

Tenant understands and agrees that Tenant's use of the Premises and construction of any Alterations permitted under this Lease may require authorizations, approvals, or permits from governmental regulatory agencies with jurisdiction over the Premises. Tenant will be solely responsible for obtaining all regulatory approvals, including without limitation, any liquor permits or approvals. Tenant will not seek any regulatory approval without first obtaining the written consent of Landlord. Tenant will bear all costs associated with applying for, obtaining and maintaining any necessary or appropriate regulatory approval and will be solely responsible for satisfying any and all conditions imposed by regulatory agencies as part of a regulatory approval. Tenant will be immediately pay and discharge any fines or penalties levied because of Tenant's failure to comply with the terms and conditions of any regulatory approval and Landlord will have no liability, monetary or otherwise, for any fines or penalties. Tenant will indemnify, protect, defend, and hold harmless forever ("Indemnify") Landlord and City, including, but not limited to, all of Landlord's Agents and City's Agents (the "Indemnified Parties"), against any and all claims, demands, losses, liabilities, damages, liens, injuries, penalties, fines, lawsuits and other proceedings, judgments and awards and costs and expenses, including, without limitation, reasonable attorneys' and consultants' fees and costs ("Losses") arising in connection with Tenant's failure to obtain or comply with the terms and conditions of any regulatory approval.

10.3 Compliance with Landlord's Risk Management Requirements

Tenant will not do anything, or permit anything to be done, in or about the Premises or to any Alterations that would create any unusual fire risk, and will take commercially reasonable steps to protect Landlord from any potential premises liability. Tenant will faithfully observe, at its expense, all reasonable requirements of Landlord's Risk Manager and with the requirements of any policies of commercial general liability, all risk/special form property, or other policies of insurance at any time required or in force for the Premises and any Alterations.

11. ENCUMBRANCES

Notwithstanding anything to the contrary contained in this Lease, Tenant will not under any circumstances whatsoever create any mortgage, deed of trust, assignment of rents, fixture filing, security agreement, or similar security instrument, or other lien or encumbrance or

assignment or pledge of an asset as security in any manner against the Premises or Landlord's or Tenant's interest under this Lease.

12. DAMAGE OR DESTRUCTION

12.1 Damage or Destruction to the Premises

If damage to or destruction of the Premises by earthquake, fire, flood, or any other casualty occurs that (i) is not caused by Tenant or Tenant Parties, (ii) is not covered by the insurance described in Section 16 below, (iii) prevents Tenant from operating the Premises for the Permitted Use, and (iv) costs more to repair than the Repair amount set forth in the Basic Lease Information, then either party may terminate this Lease upon thirty (30) days prior written notice. Upon termination, Tenant will surrender the Premises in accordance with Section 18 (except for damage caused by a casualty for which this Lease may be terminated under this Section 12.1) and both Parties will be relieved of any liability for the termination or for repairing the damage. If neither Party terminates this Lease as provided in this Section 12.1, then Tenant will, at its sole cost, promptly restore, repair, replace, or rebuild the Premises to the condition the Premises were in before the damage or destruction, subject to any Alterations made in strict accordance with the requirements of Section 7.1 above. If any portion of the Premises is damaged by any activities conducted by Tenant or Tenant Parties, Tenant will immediately, at its sole cost, repair all of the damage and restore the Premises to its previous condition. Under no circumstances will Landlord have any obligation to repair, replace, or rebuild the Premises in the event of a casualty.

12.2 No Abatement in Rent

In the event of any damage or destruction to the Premises, and if neither party terminates this Lease as provided in Section 12.1 above, there will be no abatement in the Rent.

12.3 Waiver

The Parties understand and agree that the foregoing provisions of this Section are intended to govern fully the rights and obligations of the Parties in the event of damage or destruction to the Premises or Alterations, and Landlord and Tenant each hereby waives and releases any right to terminate this Lease in whole or in part under Civil Code of California sections 1932.2 and 1933.4 or under any similar Laws now or later in effect, to the extent those rights are inconsistent with the provisions of this Lease.

13. ASSIGNMENT AND SUBLETTING

13.1 Restriction on Assignment and Subletting

Tenant may not directly or indirectly (including, without limitation, by merger, acquisition, or other transfer of any controlling interest in Tenant), voluntarily or by operation of Law, sell, assign, encumber, pledge, lease, or otherwise transfer any part of its interest in or rights to the Premises, any Alterations, or its interest in this Lease, or permit any portion of the Premises to be occupied by anyone other than itself, or sublet any portion of the Premises (a "Transfer"), without Landlord's prior written consent in each instance, which Landlord may

grant or withhold in its sole and absolute discretion. Tenant will provide Landlord with a written notice of its intention to Transfer this Lease or the Premises, together with a copy of the proposed Transfer agreement at least thirty (30) days before the commencement date of the proposed Transfer. Tenant will provide Landlord with all information regarding the proposed Transfer that Landlord may reasonably request.

13.2 Bonus Rental

If Landlord consents to a Transfer of any of Tenant's interest in or rights with respect to the Premises under Section 13.1 above, then one hundred percent (100%) of any rent or other consideration payable to Tenant in excess of the Base Rent (or the proportionate share thereof applicable to the portion of the Premises that is subject to the Transfer) will be paid to Landlord immediately upon receipt by Tenant.

14. DEFAULT; REMEDIES

14.1 Events of Default

Any of the following will constitute an event of default ("Event of Default") by Tenant under this Lease:

(a) Failure to Pay Rent. Any failure to pay any Rent or any other sums payable by Tenant under this Lease, including sums due for utilities, within five (5) days after the date due;

(b) Covenants, Conditions and Representations. Any failure to perform or comply with any other covenant, condition, or representation made under this Lease; provided, Tenant will have a period of ten (10) days from the date of written notice from Landlord of the failure within which to cure the default, or, if due to the nature of the default, it is not capable of cure within the 10-day period, then Tenant will have a reasonable period to complete the cure if Tenant promptly undertakes action to cure the default within the 10-day period then diligently prosecutes the cure to completion and uses its best efforts to complete the cure within sixty (60) days after the receipt of notice of default from Landlord;

(c) Vacation or Abandonment. Any vacancy or abandonment of the Premises for more than fourteen (14) consecutive days;

(d) Bankruptcy. The appointment of a receiver to take possession of all or substantially all of the assets of Tenant, or an assignment by Tenant for the benefit of creditors, or any action taken or suffered by Tenant under any insolvency, bankruptcy, reorganization, moratorium, or other debtor relief act or statute; and

(e) Notices of Default. The delivery to Tenant of three (3) or more notices of default within any twelve (12) month period, irrespective of whether Tenant actually cures the default within the specified time period, may, in the sole and absolute discretion of Landlord, be deemed an incurable breach of this Lease allowing Landlord to seek its remedies for an Event of Default under this lease, at Law, or in equity without further notice or demand to Tenant.

14.2 Remedies

Upon the occurrence of an Event of Default by Tenant, Landlord will have the following rights and remedies in addition to all other rights and remedies available to Landlord at Law or in equity:

(a) Terminate Lease and Recover Damages. The rights and remedies provided by California Civil Code section 1951.2 (damages on termination for breach), including, but not limited to, the right to terminate Tenant's right to possession of the Premises and to recover the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of rental loss for the same period that Tenant proves could be reasonably avoided, as computed under subsection (b) of section 1951.2. Landlord's efforts to mitigate the damages caused by Tenant's breach of this Lease will not waive Landlord's rights to recover unmitigated damages upon termination.

(b) Appointment of Receiver. The right to have a receiver appointed for Tenant upon application by Landlord to take possession of the Premises and to apply any rental collected from the Premises and to exercise all other rights and remedies granted to Landlord under this Lease.

14.3 Landlord's Right to Cure Tenant's Defaults

If Tenant defaults in the performance of any of its obligations under this Lease, then Landlord may at any time thereafter with three (3) days prior written notice (except in the event of an emergency as determined by Landlord where prior notice by Landlord is impractical), remedy the Event of Default on Tenant’s behalf and at Tenant's expense. Tenant will pay to Landlord, as Additional Charges, promptly upon demand, all sums expended by Landlord, or other costs, damages, expenses, or liabilities incurred by Landlord, including, without limitation, reasonable attorneys’ fees, in remedying or attempting to remedy an Event of Default. Tenant's obligations under this Section will survive the termination of this Lease. Nothing in this Lease implies any duty of Landlord to perform any of Tenant’s obligations under any provision of this Lease, and Landlord's cure or attempted cure of Tenant's Event of Default will not constitute a waiver of Tenant's Event of Default or any of Landlord’s rights or remedies upon the occurrence a default or an Event of Default.

15. RELEASE AND WAIVER OF CLAIMS; INDEMNIFICATION

15.1 Release and Waiver of Claims

Tenant, on behalf of itself and Tenant Parties, covenants and agrees that the Indemnified Parties will not be responsible for or liable to Tenant for, and, to the fullest extent allowed by any Laws, Tenant hereby waives all rights against the Indemnified Parties and releases them from, any and all Losses, including, but not limited to, incidental and consequential damages, relating to any injury, accident or death of any person or loss or damage to any property, in or about the Premises, from any cause whatsoever, including without limitation, partial or complete collapse of the Premises due to an earthquake or subsidence, except only to the extent those Losses are caused solely by the active gross negligence or willful misconduct of the Indemnified Parties. Without limiting the generality of the foregoing:

(a) Tenant expressly acknowledges and agrees that the Rent does not take into account any potential liability of the Indemnified Parties for any consequential or incidental damages including, but not limited to, lost profits arising out of disruption to Tenant's Permitted Use of the Premises. Landlord would not be willing to enter into this Lease in the absence of a complete waiver of liability for consequential or incidental damages due to the acts or omissions of the Indemnified Parties, and Tenant expressly assumes the risk with respect thereto. Accordingly, without limiting any indemnification obligations of Tenant or other waivers contained in this Lease and as a material part of the consideration for this Lease, Tenant fully RELEASES, WAIVES, AND DISCHARGES forever any and all claims, demands, rights, and causes of action for consequential and incidental damages and covenants not to sue the Indemnified Parties for damages arising out of this Lease or the Permitted Use, including, without limitation, any interference with uses conducted by Tenant regardless of the cause.

(b) Without limiting any indemnification obligations of Tenant or other waivers contained in this Lease, and as a material part of the consideration for this Lease, Tenant fully RELEASES, WAIVES, AND DISCHARGES forever any and all claims, demands, rights, and causes of action against, and covenants not to sue the Indemnified Parties under any present or future Laws, statutes, or regulations, including, but not limited to, any claim for inverse condemnation or the payment of just compensation under the law of eminent domain, or otherwise at equity, if Landlord terminates this Lease because of a claim for inverse condemnation or eminent domain.

(c) As part of Tenant's agreement to accept the Premises in its "As Is" condition, and without limiting that agreement or any waiver contained in this Lease, Tenant, on behalf of itself and its successors and assigns, waives its right to recover from, and forever RELEASES, WAIVES, AND DISCHARGES, the Indemnified Parties from any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise from, or in any way be connected with, the physical or environmental condition of the Premises and any related improvements or any Laws or regulations applicable thereto or the suitability of the Premises for Tenant's intended use.

(d) Without limiting any other waiver contained in this Lease, Tenant, on behalf of itself and its successors and assigns, waives its right to recover from, and forever RELEASES, WAIVES, AND DISCHARGES, the Indemnified Parties from any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any way connected with the Indemnified Parties' decision to Lease the Premises to Tenant, regardless of whether or not that decision is or may be determined to be an act of active gross negligence or willful misconduct of the Indemnified Parties.

(e) Tenant covenants and agrees never to file, commence, prosecute, or cause to be filed, commenced, or prosecuted against the Indemnified Parties any claim, action or proceeding based upon any claims, demands, causes of action, obligations, damages, losses, costs, expenses, or liabilities of any nature whatsoever encompassed by the waivers and releases set forth in this Lease (including, but not limited to, Sections 3.4, 10.1, 12.3, 15.1, and 17).

(f) In agreeing to all of the waivers and releases contained in this Lease Tenant has not relied upon any representation or statement of any Indemnified Party.

(g) Tenant had made all investigations of the facts related to all of the waivers and releases as it has deemed necessary and Tenant assumes the risk of mistake with respect to the facts and its investigations of the facts. The waivers and releases are intended to be final and binding on Tenant regardless of any claims of mistake.

(h) In connection with the releases contained in this Lease, Tenant acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads:

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

Tenant acknowledges that the releases contained in this Lease include all known and unknown, disclosed and undisclosed, and anticipated and unanticipated claims. Tenant knowingly has agreed to this Lease and the releases contained in this Lease, being fully aware of the ramifications of the releases, and Tenant nevertheless intends to waive the benefit of Civil Code Section 1542, and any statute or other similar law now or later in effect. The waivers and releases contained in this Lease will survive any termination of this Lease.

15.2 Tenant's Indemnity

Tenant, on behalf of itself and Tenant Parties, will Indemnify the Indemnified Parties from and against any and all Losses arising out of Tenant's use of the Premises, including but not limited to, any Losses arising directly or indirectly, in whole or in part, out of: (a) any damage to or destruction of any property owned by or in the custody of Tenant or Tenant Parties; (b) any accident, injury to, or death of a person, including, without limitation, Tenant Parties, howsoever or by whomsoever caused, occurring in, on, or about the Premises; (c) any default by Tenant in the observation or performance of any of the terms, covenants, or conditions of this Lease to be observed or performed on Tenant's part; (d) the use, occupancy, conduct, or management, or manner of use, occupancy, conduct, or management by Tenant, Tenant Parties, of the Premises or any Alterations; (e) any construction or other work undertaken by or for Tenant on or about the Premises; and (f) any acts, omissions, or negligence of Tenant or Tenant Parties, in, on, or about the Premises or any Alterations, except to the extent that the Indemnity is void or otherwise unenforceable under any applicable Laws in effect on or validly retroactive to the date of this Lease and further except only to the extent the Losses are caused solely by the active gross negligence or intentional wrongful acts or omissions of the Indemnified Parties. The foregoing Indemnity includes, without limitation, reasonable fees of attorneys, consultants, and experts and related costs and Landlord's costs of investigating any Loss. Tenant specifically acknowledges and agrees that it has an immediate and independent obligation to defend Landlord and the other Indemnified Parties from any claim that actually or potentially falls within this indemnity provision even if the claim is or may be groundless, fraudulent, or false, which obligation arises when the claim is tendered to Tenant by Landlord and continues at all times thereafter. Tenant's obligations under this Section will survive the expiration or sooner termination of this Lease.

16. INSURANCE

16.1 Required Insurance Coverage

Tenant, at its sole cost and expense, must maintain, or cause to be maintained, through the Term of this Lease, the following insurance:

(a) General Liability Insurance. Comprehensive or commercial general liability insurance, with limits not less than One Million Dollars ($1,000,000) each occurrence, Two Million Dollars ($2,000,000) aggregate for bodily injury and property damage, including coverages for contractual liability, independent contractors, broad form property damage, personal injury, products and completed operations, fire damage and legal liability with limits not less than One Million Dollars ($1,000,000), explosion, collapse and underground (XCU).

(b) Automobile Liability Insurance. Comprehensive or business automobile liability insurance with limits not less than One Million Dollars ($1,000,000) each occurrence combined single limit for bodily injury and property damage, including coverages for owned and hired vehicles and for employer's non-ownership liability, which insurance will be required if any automobiles or any other motor vehicles are operated in connection with Tenant's activity on the Premises or the Permitted Use.

(c) Worker's Compensation and Employer's Liability Insurance. If Tenant has employees, Worker's Compensation Insurance in statutory amounts with Employer's Liability with limits not less than One Million Dollars ($1,000,000.00) for each accident, injury, or illness, on employees eligible for each.

(d) Property Insurance. Tenant, at its sole cost and expense, shall procure and maintain on all of its personal property and Alterations, in, on, or about the Premises, property insurance on an all risk form, excluding earthquake and flood, to the extent of full replacement value. Tenant shall use the proceeds from any such policy for the replacement of Tenant's personal property.

(e) Other Coverage. Any other insurance or different coverage amounts as is required by law or as is generally required by commercial owners of property similar in size, character, age and location as the Premises, as may change from time to time, or as may be required by the City's Risk Manager. Landlord may require Tenant's vendors and contractors to carry the insurance that Landlord reasonably determines to be necessary and to name Landlord as an additional insured, and satisfactory evidence of that insurance must be delivered to Landlord before the vendor or contractor enters the Premises.

16.2 Claims-Made Policies

If any of the insurance required in Section 16.1 above is provided under a claims-made form of policy, Tenant must maintain the coverage continuously throughout the Term and without lapse for a period of three (3) years beyond the termination of this Lease, to the effect that if occurrences during the Term give rise to claims made after termination of this Lease, those claims will be covered by the claims-made policies.

16.3 Annual Aggregate Limits

If any of the insurance required in Section 16.1 above is provided under a form of coverage that includes an annual aggregate limit or provides that claims investigation or legal defense costs are included in the annual aggregate limit, the annual aggregate limit must be double the occurrence limits specified above.

16.4 Payment of Premiums

Tenant will pay the premiums for maintaining all required insurance.

16.5 Waiver of Subrogation Rights

Notwithstanding anything to the contrary contained herein, Landlord and Tenant (each a "Waiving Party") each waives any right of recovery against the other party for any loss or damage sustained by the other party with respect to the Facility or the Premises or any portion thereof or the contents of the same or any operation therein, whether or not the loss is caused by the fault or negligence of the other party, to the extent the loss or damage is covered by insurance that is required to be purchased by the Waiving Party under this Lease or is actually covered by insurance obtained by the Waiving Party. Each Waiving Party agrees to cause its insurers to issue appropriate waiver of subrogation rights endorsements to all policies relating to the Facility or the Premises, but the failure to obtain the endorsement will not affect the above waiver.

16.6 General Insurance Matters

(a) All liability insurance policies required to be maintained by Tenant under this Lease must contain a cross-liability clause, will name as additional insureds the "THE TREASURE ISLAND DEVELOPMENT AUTHORITY, CITY AND COUNTY OF SAN FRANCISCO, AND THEIR OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS," must be primary to any other insurance available to the additional insureds with respect to claims arising under this Lease, and must provide that the insurance applies separately to each insured against whom complaint is made or suit is brought except with respect to the limits of the company's liability.

(b) All insurance policies that Tenant is required to maintain under this Lease must be issued by an insurance company or companies reasonably acceptable to Landlord with an AM Best rating of not less than A-VIII and authorized to do business in the State of California.

(c) All insurance policies that Tenant is required to maintain under this Lease must provide for thirty (30) days' prior written notice of cancellation for any reason, intended non-renewal, or reduction in coverage to Tenant and Landlord. The notice must be given in accordance with the notice provisions of Section 20.1 below.

(d) Tenant will deliver to Landlord certificates of insurance and additional insured policy endorsements in a form satisfactory to Landlord evidencing the coverages required in this Lease, together with evidence of payment of premiums, on or before the Commencement Date, and upon renewal of each policy not less than thirty (30) days before expiration of the term of the

policy. Tenant will, upon Landlord's request, promptly give Landlord a complete copy of any insurance policy required by this Lease.

(e) Not more often than every year and upon not less than sixty (60) days' prior written notice, Landlord may require Tenant to increase the insurance limits set forth in Section 16.1 above if Landlord finds in its reasonable judgment that it is the general commercial practice in San Francisco to carry insurance in amounts greater than those amounts carried by Tenant with respect to risks comparable to those associated with the use of the Premises.

(f) Tenant's compliance with the provisions of this Section will in no way relieve or decrease Tenant's indemnification obligations under this Lease or any of Tenant's other obligations or liabilities under this Lease.

(g) Notwithstanding anything to the contrary in this Lease, Landlord may elect in Landlord's sole and absolute discretion to terminate this Lease upon the lapse of any required insurance coverage by written notice to Tenant.

17. ACCESS BY LANDLORD

17.1 General Access.

Landlord reserves for itself and Landlord's Agents, the right to enter the Premises and any portion thereof at all reasonable times upon not less than twenty-four (24) hours oral or written notice to Tenant (except in the event of an emergency) for any purpose.

17.2 Emergency Access

In the event of any emergency, as determined by Landlord, Landlord may, at its sole option and without notice, enter the Premises and alter or remove any Alterations or Tenant's Personal Property on or about the Premises. Landlord will have the right to use any means Landlord considers appropriate to gain access to any portion of the Premises in an emergency. In that case, Landlord will not be responsible for any damage or injury to any property, or for the replacement of any property. Any entry during an emergency will not be deemed a forcible or unlawful entry onto or a detainer of, the Premises, or an eviction, actual or constructive, of Tenant from the Premises or any portion thereof.

17.3 No Liability

Landlord will 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 Landlord's entry onto the Premises, except damage resulting directly and exclusively from the active gross negligence or willful misconduct of Landlord or Landlord's Agents and not contributed to by the acts, omissions, or negligence of Tenant or Tenant Parties.

18. SURRENDER

18.1 Surrender of the Premises

Upon the termination of this Lease, Tenant will surrender to Landlord the Premises in the same condition as of the Commencement Date, ordinary wear and tear excepted, and free and clear of all liens, easements and other encumbrances created or suffered by, through, or under Tenant. On or before the date of termination of this Lease, Tenant will, at its sole cost, remove any and all of Tenant's Personal Property from the Premises and demolish and remove any and all Alterations from the Premises (except for any Alterations that Landlord agrees are to remain part of the Premises under Section 7.3 above). In addition, Tenant will, at its sole expense, repair any damage to the Premises resulting from the removal of Tenant's Personal Property and Alterations and restore the Premises to their condition immediately before the Tenant's Personal Property was placed in the Premises and Alterations were constructed. In connection with any removal of Alterations, Tenant will obtain all necessary permits and approvals, including, without limitation, any environmental permits, and execute any manifests or other documents necessary to complete the required demolition, removal, or restoration work. Tenant's obligations under this Section will survive the termination of this Lease. Any items of Tenant's Personal Property remaining on or about the Premises after the termination of this Lease may, at Landlord's option and after thirty (30) days written notice to Tenant, be deemed abandoned and in that case Landlord may dispose of the items in accordance with California Civil Code section 1980 et seq. or in any other manner allowed by Law.

18.2 No Holding Over

Tenant will have no right to hold over without the prior written consent of Landlord, which consent Landlord may withhold in its sole and absolute discretion. If Landlord consents to Tenant's holding over of the Premises or any part thereof after expiration or earlier termination of this Lease, Tenant will be considered a Tenant at sufferance on the terms and conditions of this Lease except that the holding over will be terminable upon written notice by Landlord and the Base Rent will be increased to two hundred percent (200%) of the Base Rent in effect immediately before the holding over. Any failure of Tenant to surrender the Premises when and in the condition required by this Section 18 will be considered holding over. If Tenant fails to surrender the Premises to Landlord upon the termination of this Lease when and in the condition required by this Section 18, Tenant will Indemnify Landlord against all Losses resulting from Tenant's failure, including, without limitation, Losses made by a succeeding Tenant resulting from Tenant's failure to surrender the Premises. Acceptance of any holdover Rent by Landlord following expiration or termination of this Lease will not constitute an extension or renewal of this Lease. This Section will not be construed as Landlord's permission for Tenant to hold over.

18.3 Security Deposit

Tenant will pay to Landlord upon execution of this Lease a security deposit in the amount set forth in the Basic Lease Information as security for the faithful performance of all terms, covenants, and conditions of this Lease. Tenant waives the provisions of California Civil Code section 1950.7(c). Tenant agrees that Landlord may (but is not required to) apply the security deposit in whole or in part to remedy any damage to the Premises caused by Tenant, or Tenant

Parties, or any failure of Tenant to perform any other terms, covenants, or conditions contained in this Lease, without waiving any of Landlord's other rights and remedies hereunder or at Law or in equity. If Landlord uses any portion of the security deposit to cure any Event of Default by Tenant, Tenant will immediately replenish the security deposit to the original amount, and Tenant's failure to do so within five (5) days after Landlord's notice will constitute a material Event of Default under this Lease. Landlord's obligations with respect to the security deposit are solely that of debtor and not trustee. Landlord will not be required to keep the security deposit separate from its general funds, and Tenant will not be entitled to any interest on the deposit. The amount of the security deposit will not be deemed to limit Tenant's liability for the performance of any of its obligations under this Lease. To the extent that Landlord is not entitled to retain or apply the security deposit under this Section 18.3, Landlord will return the security deposit to Tenant within forty-five (45) days after the termination of this Lease.

19. HAZARDOUS MATERIALS; WELL PROTECTION

19.1 No Hazardous Materials

Tenant covenants and agrees that neither Tenant nor any Tenant Parties will cause or permit any material that, because of its quantity, concentration, or physical or chemical characteristics, is deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment, including, without limitation, any material or substance defined as a "hazardous substance," or "pollutant" or "contaminant" under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA", also commonly known as the "Superfund" law), as amended (42 U.S.C. § 9601 et seq.), or under California Health & Safety Code section 25281; any "hazardous waste" listed under California Health & Safety Code section 25140; any asbestos and asbestos containing materials whether or not those materials are part of the structure of any existing improvements on the Premises, or are naturally occurring substances on, in, or about the Premises; and petroleum, including crude oil or any fraction thereof, and natural gas or natural gas liquids ("Hazardous Material") to be brought upon, kept, used, stored, generated, or disposed of in, on, or about the Premises or transported to or from the Premises without the prior written approval of Landlord, which approval may be withheld in Landlord's sole and absolute discretion. Tenant will immediately notify Landlord if Tenant learns or has reason to believe there has been any release of Hazardous Material in, on, or about the Premises. Landlord may from time to time request Tenant to provide adequate information for Landlord to determine if any Hazardous Material permitted on the Premises under the Lease is being handled in compliance with all applicable federal, state, or local Laws or policies relating to Hazardous Material (including, without limitation, its use, handling, transportation, production, disposal, discharge, or storage) or to human health and safety, industrial hygiene or environmental conditions in, on, under, or about the Premises and any other property, including, without limitation, soil, air, and groundwater conditions ("Environmental Laws"), and Tenant will promptly provide that information. In addition to Landlord's rights under Section 17, Landlord and Landlord's Agents have the right to inspect the Premises for Hazardous Material and compliance with the provisions of this Section 19 at all reasonable times upon reasonable advance oral or written notice to Tenant (except in the event of an emergency). Without limiting the foregoing, Tenant agrees that it will comply with San Francisco Health Code article 21, including, without limitation, obtaining and complying with the requirements of an approved

hazardous materials management plan. Tenant agrees that it will comply with the restrictions or limitations set forth in the Navy Deed, the Covenant to Restrict Use of Property (the "CRUP"), if any relate to the Premises, and any additional requirements imposed by regulators with jurisdiction over the Premises.

19.2 Tenant's Environmental Indemnity

If Tenant breaches any of its obligations contained in Section 19.1 above, or, if any act or omission or negligence of Tenant or any Tenant Parties results in any spilling, leaking, pumping, pouring, emitting, discharging, injecting, escaping, leeching, or dumping ("Release") of Hazardous Material in, on, under, or about the Premises or the Property, without limiting Tenant's general Indemnity contained in Section 15.2 above, Tenant, on behalf of itself and Tenant's Agents, will Indemnify the Indemnified Parties, and each of them, from and against any and all enforcement, investigation, remediation or other governmental or regulatory actions, agreements, or orders threatened, instituted or completed under any Environmental Laws together with any and all Losses made or threatened by any third party against Landlord, Landlord's Agents, or the Premises, relating to damage, contribution, cost recovery compensation, loss or injury resulting from the presence, Release, or discharge of any Hazardous Materials, including, without limitation, Losses based in common law, investigation, and remediation costs, fines, natural resource damages, damages for decrease in value of the Premises, the loss or restriction of the use or any amenity of the Premises and attorneys' fees and consultants' fees and experts' fees and costs ("Hazardous Materials Claims") arising during or after the Term and relating to the Release. The foregoing Indemnity includes, without limitation, all costs associated with the investigation and remediation of Hazardous Material and with the restoration of the Premises or the Property to its prior condition including, without limitation, fines and penalties imposed by regulatory agencies, natural resource damages and losses, and revegetation of the Premises or other property. Without limiting the foregoing, if Tenant or any Tenant Parties, causes or permits the Release of any Hazardous Materials in, on, under, or about the Premises or the Property, Tenant will, immediately, at no expense to Landlord, take all appropriate actions to return the Premises or other property affected by the Release to the condition existing before the Release and otherwise investigate and remediate the Release in accordance with all Environmental Laws. Tenant will provide Landlord with written notice of and afford Landlord a full opportunity to participate in any discussions with governmental regulatory agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree, permit, approvals, or other compromise or proceeding involving Hazardous Material.

19.3 Acknowledgment of Receipt of EBS and FOST

Tenant hereby acknowledges for itself and Tenant Parties that, before the execution of this Lease, Tenant has received and reviewed the Environmental Baseline Survey ("EBS") and the Finding of Suitability to Transfer ("FOST") issued by the Navy. California law requires landlords to disclose to tenants the presence or potential presence of certain Hazardous Materials. Accordingly, Tenant is hereby advised that occupation of the Premises may lead to exposure to Hazardous Materials such as, but not limited to, gasoline, diesel, and other vehicle fluids; vehicle exhaust; office maintenance fluids; tobacco smoke; methane; and building materials containing chemicals, such as formaldehyde. Further, there are Hazardous Materials located on the Premises

as described in the EBS and the FOST. In addition, California's Proposition 65 (California Health & Safety Code section 25249.6 *et seq.*), requires notice that some of these Hazardous Materials are known by the State of California to cause cancer or reproductive harm. By execution of this Lease, Tenant acknowledges that the notices and warnings set forth above satisfy the requirements of California Health & Safety Code section 25249.6 et seq., section 25359.7, and related statutes.

19.4 Well Protection

(a) Standard Requirements. Landlord has adopted a Well Protection Plan for protection of soil vapor and groundwater wells associated with the Navy environmental cleanup program [a copy will be provided by staff on request]. Tenant is responsible for compliance with the Well Protection Plan for any well located within the Premises. Tenant must keep wells within the Premises visible and accessible at all times. Visibility is defined as no equipment, vehicles, soil, fill material, or other objects or structures placed over top of the well or within a five-foot radius from the center of the well. Accessibility is defined as a five-foot wide path to the well that is free of obstacles. Accessibility must be maintained to support observation and sampling of the well by the Landlord and its agents and regulators. For wells located in indoor, unoccupied spaces, tenant must keep the building locked to the public to limit access. Any bollards protecting wells must be kept in good condition and free of damage. Tenant shall avoid vehicle operation over existing wells to limit damage. Tenant must report any well damage to wells within the Premises to Landlord within 24 hours. Damage is defined as broken or cracked well lid, broken or cracked well collar, or broken or cracked concrete associated with well construction. Tenant is informed that the Navy or Landlord may enter the Premises to observe or sample wells.

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

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

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

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

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

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

security cameras and make video recording available to Landlord upon request in the event of illegal dumping.

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

(f) Accidental Fuel Spills. Tenant will report all spills of fuels or other potentially hazardous liquids to the California Office of Emergency Services State Warning Center and the Unified Program Agency or 911 and to Landlord. Landlord will notify DTSC and Regional Water Board within 48 hours of discovery. In the event of a spill within the Premises, Tenant will contain or remove the spill source. Tenant will use roll-off bins or 55-gallon drums to control standing liquid. Absorbent material and pumping will be implemented by Tenant for active leaks. If removal of impacted soils is required due to a spill, Tenant will obtain a USA ticket and dig permit 72 hours before remediation activities and will perform the soil remediation in accordance with the Contingency Plan.

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

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

20. GENERAL PROVISIONS

20.1 Notices

Except as otherwise expressly provided in this Lease, any notice will be effective only if the notice is in writing and given by (a) delivering the notice in person, (b) certified mail with a return receipt requested, or (c) reliable commercial overnight courier, return receipt requested, with postage prepaid, to the appropriate addresses set forth in the Basic Lease Information. Any notice will be deemed to have been given on the date delivery is made to or refused by the receiving Party. Any Party may designate a new address for notice purposes at least ten (10) days before the effective date of the change. For convenience of the Parties, copies of notices may also be given by email to the email address set forth in the Basic Lease Information or such other address as may be provided from time to time; however, neither Party may give official or

binding notice by email and the date that a notice is deemed given will be the date determined under this Section above, regardless of the receipt of a notice by email.

20.2 No Implied Waiver

No failure by Landlord 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, regardless of how long the failure continues, no acceptance of full or partial payment of Rent during the continuance of any breach, and no acceptance of the keys to or possession of the Premises before the expiration of the Term by Landlord or any of Landlord's Agents, will constitute a waiver of a breach or of Landlord's right to demand strict compliance with the term, covenant, or condition, or operate as a surrender of this Lease. No express written waiver of any default or the performance of any provision will affect any other default or performance, or cover any other period, other than the default, performance, or period specified in the express waiver. One or more written waivers of a default or the performance of any provision hereof will not be deemed a waiver of any subsequent default or performance. The consent of Landlord given in any instance under the terms of this Lease will not relieve Tenant of any obligation to secure the consent of Landlord in any other instance under the terms of this Lease.

20.3 Amendments

Neither this Lease nor any term or provision hereof may be changed, waived, discharged, or terminated, except by a written instrument signed by the Parties.

20.4 Authority

If Tenant signs as a corporation, a partnership, or a limited liability company, each of the persons executing this Lease on behalf of Tenant covenants and warrants 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 Landlord's request, Tenant will provide Landlord with evidence reasonably satisfactory to Landlord confirming the foregoing representations and warranties. Without limiting the generality of the foregoing, Tenant represents and warrants that it has full power to make the waivers and releases, indemnities, and the disclosures in this Lease, and that it has received independent legal advice from its attorney as to the advisability of entering into a Lease containing those provisions and their legal effect.

20.5 Joint and Several Obligations

The term "Tenant" in this Lease includes the plural as well as the singular. If there is more than one Tenant, the obligations and liabilities under this Lease imposed on Tenant are joint and several.

20.6 Interpretation of Lease

The captions preceding the articles and sections of this Lease and in the table of contents have been inserted for convenience only and will in no way define or limit the scope or intent of any provision of this Lease. This Lease has been negotiated at arm's length between persons

sophisticated and knowledgeable in the matters dealt with in this Lease and will be interpreted to achieve the intents and purposes of the Parties, without any presumption against the party responsible for drafting any part of this Lease. Provisions in this Lease relating to number of days are calendar days, unless otherwise specified, provided that if the last day of any period to give notice, reply to a notice, or to take an action occurs on a Saturday, Sunday or a bank or City holiday, then the last day for undertaking the action or giving or replying to the notice will be the next succeeding business day. Use of the word "including" or similar words will not be construed to limit any general term, statement, or other matter in this Lease, whether or not language of non-limitation, such as "without limitation" or similar words, are used. Unless otherwise provided in this Lease, whenever the consent of Landlord is required, Landlord may give or withhold its consent in its sole and absolute discretion.

20.7 Successors and Assigns

Subject to the provisions of Section 13, the terms, covenants, and conditions contained in this Lease will bind and inure to the benefit of Landlord and Tenant and, except as otherwise provided in this Lease, their personal representatives and successors and assigns; provided, however, that upon any transfer by Landlord of its interest in the Premises as lessor, including any transfer by operation of Law, Landlord will be relieved from all obligations and liabilities arising under this Lease after the transfer.

20.8 Brokers

Neither party has had any contact or dealings regarding the leasing of the Premises, or any communication in connection with leasing the Premises, through any licensed real estate broker or other person who could claim a right to a commission or finder's fee in connection with the Lease contemplated herein. If any broker or finder perfects a claim for a commission or finder's fee based upon any contact, dealings, or communication, then the party through whom the broker or finder makes a claim will be responsible for the commission or fee and will Indemnify the other party from any and all Losses incurred by the indemnified party in defending against the claim. The provisions of this Section will survive the expiration or termination of this Lease.

20.9 Severability

If any provision of this Lease or the application of the provision to any person, entity, or circumstance is, to any extent, invalid or unenforceable, the remainder of this Lease, or the application of the provision to persons, entities or circumstances other than those to which it is invalid or unenforceable, will not be affected, and each other provision of this Lease will be valid and be enforceable to the fullest extent permitted by Law.

20.10 Governing Law

This Lease will be construed and enforced in accordance with the Laws of the City and County of San Francisco, the State of California, and the federal government.

Any legal suit, action, or proceeding arising out of or relating to this Lease shall be instituted in the Superior Court for the City and County of San Francisco, and each party agrees

to the exclusive jurisdiction of such court in any such suit, action, or proceeding (excluding bankruptcy matters). The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action, or proceeding in such court and irrevocably waive and agree not to plead or claim that any suit, action, or proceeding brought in San Francisco Superior Court relating to this Lease has been brought in an inconvenient forum.

20.11 Entire Agreement

This instrument (including the attached exhibits and addendum, if any) contains the entire agreement between the Parties and supersedes all prior written or oral negotiations, discussions, understandings, and agreements. The Parties further intend that this Lease will constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including prior drafts of this Lease and any changes to those drafts) may be introduced in any judicial, administrative, or other legal proceeding involving this Lease. Tenant hereby acknowledges that neither Landlord nor Landlord's Agents have made any representations or warranties about the Premises or this Lease except as expressly set forth in this Lease, and no rights, easements, or licenses are or will be acquired by Tenant by implication or otherwise unless expressly set forth in this Lease.

20.12 Attorneys' Fees

If either Landlord or Tenant fails to perform any of its obligations under this Lease or if a dispute arises concerning the meaning or interpretation of any provision of this Lease, then the defaulting party or the party not prevailing in the dispute, as the case may be, will pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights (whether or not the action is prosecuted to judgment), including, without limitation, court costs and reasonable attorneys' fees. For purposes of this Lease, reasonable fees of attorneys in the Office of the San Francisco City Attorney (Landlord's General Counsel) will be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's services were rendered who practice in the City and County of San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney. Further, for purposes of this Lease, the term "attorneys' fees" means the fees and expenses of counsel to the Parties, which may include printing, duplicating, and other expenses, air freight charges, hiring of experts, and fees billed for law clerks, paralegals, librarians, and others not admitted to the bar but performing services under the supervision of an attorney. The term "attorneys' fees" also includes, without limitation, all fees and expenses incurred with respect to appeals, mediations, arbitrations, and bankruptcy proceedings, and whether or not any action is brought with respect to the matter for which the fees and costs were incurred. "Attorney" has the same meaning as "counsel."

20.13 Time of Essence

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

20.14 Cumulative Remedies

All rights and remedies of either party set forth in this Lease are cumulative, except as may otherwise be provided in this Lease.

20.15 Survival of Indemnities

Termination of this Lease will 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, and it will not affect any provision of this Lease that expressly states it will survive termination hereof. Tenant specifically acknowledges and agrees that, with respect to each of the indemnities contained in this Lease, Tenant has an immediate and independent obligation to defend Landlord and the other Indemnified Parties from any claim that actually or potentially falls within the indemnity provision even if the claim is or may be groundless, fraudulent, or false, which obligation arises at the time the claim is tendered to Tenant by Landlord and continues at all times thereafter.

20.16 Relationship of Parties

Landlord is not, and none of the provisions in this Lease will be deemed to render Landlord, a partner in Tenant's business, or joint venture, or member in any joint enterprise with Tenant. This Lease is not intended and it will not be construed to create any third party beneficiary rights in any third party, unless otherwise expressly provided in this Lease. The granting of this Lease by Landlord does not constitute authorization or approval by Landlord of any activity conducted by Tenant on, in or relating to the Premises.

20.17 Recording

Tenant agrees that it will not record this Lease or any memorandum or short form in the official records of any county.

20.18 Non-Liability of Indemnified Parties' Officials, Employees and Agents

No Indemnified Party will be personally liable to Tenant, its successors and assigns, in the event of any default or breach by Landlord or for any amount that may become due to Tenant, its successors and assigns, or for any obligation of Landlord under this Lease.

20.19 Counterparts

This Lease may be executed in two or more counterparts, each of which will be deemed an original, but all of which taken together will constitute the same instrument.

21. SPECIAL PROVISIONS

21.1 Signs

Tenant will not erect or maintain, or permit to be erected or maintained, any signs, notices or graphics on or about the Premises that are visible in or from public corridors or other

portions of any Common Areas or from the exterior of the Premises, without Landlord's prior written consent, which Landlord may withhold or grant in its sole discretion.

21.2 Public Transit Information

Tenant, at its sole expense, will 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, distributing written material to its employees explaining the convenience and availability of public transportation facilities adjacent or near the Premises and encouraging use of those facilities.

21.3 One Treasure Island Job Broker

Tenant will comply with the requirements of the One Treasure Island Work Force Hiring Plan attached hereto as Exhibit E.

21.4 Local Hiring Requirements

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

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

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

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

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

21.5 Non-Discrimination in City Contracts and Benefits Ordinance

(a) Covenant Not to Discriminate. In the performance of this Lease, Tenant will not to discriminate against any employee, any Landlord or City employee working with Tenant, or applicant for employment with Tenant, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of protected classes, or in retaliation for opposition to discrimination against protected classes.

(b) Subleases and Other Subcontracts. Tenant will include in all Subleases and other subcontracts relating to the Premises a non-discrimination clause applicable to the Tenant or other subcontractor in substantially the form of subsection (a) above. In addition, Tenant will incorporate by reference in all subleases and other subcontracts the provisions of San Francisco Administrative Code sections 12B.2(a), 12B.2(c)-(k), and 12C.3 and require all subtenants and other subcontractors to comply with those provisions. Tenant's failure to comply with the obligations in this subsection will constitute a material breach of this Lease.

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

(d) CMD Form. As a condition to this Lease, Tenant must execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form CMD-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Contract Monitoring Division (the "CMD"). Tenant represents that before execution of this Lease, (i) Tenant executed and submitted to the CMD Form CMD-12B-101 with supporting documentation, and (ii) the CMD approved the form.

(e) Incorporation of Administrative Code Provisions by Reference. The provisions of San Francisco Administrative Code Chapters 12B and 12C relating to non-discrimination by parties contracting for the lease of City property are incorporated in this Section by reference and made a part of this Lease as though fully set forth. Tenant will comply fully with and be bound by all of the provisions that apply to this Lease under those

Administrative Code Chapters, including but not limited to the remedies provided in those Chapters. Without limiting the foregoing, Tenant understands that under San Francisco Administrative Code section 12B.2(h), a penalty of Fifty Dollars ($50) for each person for each calendar day during which that 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.

21.6 MacBride Principles -Northern Ireland

The provisions of San Francisco Administrative Code section 12F are incorporated by this reference and made part of this Lease. By signing this Lease, Tenant confirms that Tenant has read and understood that the City urges companies doing business in Northern Ireland to resolve employment inequities and to abide by the MacBride Principles, and urges San Francisco companies to do business with corporations that abide by the MacBride Principles.

21.7 Tropical Hardwood and Virgin Redwood Ban; Preservative-Treated Wood Containing Arsenic

The City urges companies not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood, or virgin redwood product. Except as expressly permitted by the application of San Francisco Environment Code sections 802(b) and 803(b), Tenant will not provide any items to the construction of tenant improvements or Alterations in the Premises, or otherwise in the performance of this Lease, that are tropical hardwoods, tropical hardwood wood products, virgin redwood, or virgin redwood wood products. If Tenant fails to comply with any of the provisions of San Francisco Environment Code Chapter 8, Tenant will be liable for liquidated damages for each violation in an amount equal to Tenant's net profit on the contract, or five percent (5%) of the total amount of the contract dollars, whichever is greater. Tenant may not purchase preservative-treated wood products containing arsenic in the performance of this Lease unless an exemption from the requirements of Environment Code Chapter 13 is obtained from the Department of Environment. This provision does not preclude Tenant from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" means a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

21.8 Prevailing Wages and Working Conditions

(a) Any undefined, initially-capitalized term used in this Section has the meaning given to that term in San Francisco Administrative Code Section 23.61. Tenant will require its Contractors and Subcontractors performing **(i)** labor in connection with a "public work" as defined under California Labor Code Section 1720 *et seq.* (which includes certain construction, alteration, maintenance, demolition, installation, repair, carpet laying, or refuse hauling work if paid for in whole or part out of public funds) or **(ii)** Covered Construction, at the Premises to **(1)** pay workers performing that work not less than the Prevailing Rate of Wages, **(2)** provide the same hours, working conditions, and benefits as in each case are provided for similar work performed in San Francisco County, and **(3)** employ Apprentices in accordance with San Francisco Administrative Code Section 23.61 (collectively, "Prevailing Wage

Requirements"). Tenant agrees to cooperate with the City in any action or proceeding against a Contractor or Subcontractor that fails to comply with the Prevailing Wage Requirements.

(b) Tenant will include, and will require its subtenants, and Contractors and Subcontractors (regardless of tier), to include the Prevailing Wage Requirements and the agreement to cooperate in City enforcement actions in any Construction Contract with specific reference to San Francisco Administrative Code Section 23.61. Each Construction Contract must name the City and County of San Francisco, affected workers, and employee organizations formally representing affected workers as third party beneficiaries for the limited purpose of enforcing the Prevailing Wage Requirements, including the right to file charges and seek penalties against any Contractor or Subcontractor in accordance with San Francisco Administrative Code Section 23.61. Tenant's failure to comply with its obligations under this Section will constitute a material breach of this Lease. A Contractor's or Subcontractor's failure to comply with this Section will enable the City to seek the remedies specified in San Francisco Administrative Code Section 23.61 against the breaching party. For the current Prevailing Rate of Wages, see www.sfgov.org/olse or call the City's Office of Labor Standards Enforcement at 415-554-6235.

(c) Tenant will also pay, and will require its subtenants, and Contractors and Subcontractors (regardless of tier) to pay, the Prevailing Rate of Wage for the following activities on the Premises as set forth in and to the extent required by San Francisco Administrative Code Chapter 21C: a Public Off-Street Parking Lot, Garage or Automobile Storage Facility (as defined in Section 21C.3), a Show (as defined in Section 21C.4), a Special Event (as defined in Section 21C.8), Broadcast Services (as defined in Section 21C.9), Commercial Vehicles, Loading and Unloading for Shows and Special Events (as defined in Section 21C.10), and Security Guard Services for Events (as defined in Section 21C.11).

21.9 Pesticide Prohibition

(a) Tenant may not use or apply or allow the use or application of any pesticides on the Premises or contract with any party to provide pest abatement or control services to the Premises without first receiving City's written approval of an integrated pest management (**"**IPM") plan that **(i)** lists, to the extent reasonably possible, the types and estimated quantities of pesticides that Tenant may need to apply to the Premises during the term of this Lease, **(ii)** describes the steps Tenant will take to meet the City's IPM Policy described in San Francisco Environment Code Chapter 3, section 300 (the Integrated Pest Management Program Ordinance or "IPM Ordinance"), and **(iii)** identifies, by name, title, address, and telephone number, an individual to act as the Tenant's primary IPM contact person with the City. Tenant will comply, and will require all of Tenant's contractors to comply, with the IPM plan approved by the City and will comply with the requirements of Sections 300(d), 302, 304, 305(f), 305(g), and 306 of the IPM Ordinance, as if Tenant were a City department. Among other matters, the provisions of the IPM Ordinance: **(A)** provide for the use of pesticides only as a last resort, **(B)** prohibit the use or application of pesticides on property owned by the City or Landlord, except for pesticides granted an exemption under Section 303 of the IPM Ordinance (including pesticides included on the most current Reduced Risk Pesticide List compiled by City's Department of the Environment), **(C)** impose certain notice requirements, and **(D)** require Tenant to keep certain records and to report to City all pesticide use at the Premises by Tenant's staff or contractors.

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

21.10 First Source Hiring Agreement

Tenant and City are parties to the First Source Agreement attached to this Lease as Exhibit F under San Francisco Administrative Code, Chapter 83 (the "First Source Agreement"). Any default by Tenant under the First Source Agreement will be a default under this Lease.

21.11 Sunshine Ordinance

In accordance with San Francisco Administrative Code section 67.24(e), contracts, contractors' bids, leases, agreements, responses to Requests for Proposals, and all other records of communications between City departments 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 that is covered by this Section will be made available to the public upon request.

21.12 Conflicts of Interest

By executing this Lease, Tenant certifies that it does not know of any fact which constitutes a violation of Section 15.103 of the City's Charter; Article III, Chapter 2 of City's Campaign and Governmental Conduct Code; Title 9, Chapter 7 of the California Government Code (Section 87100 et seq.), or Title 1, Division 4, Chapter 1, Article 4 of the California Government Code (Section 1090 et seq.), and further agrees promptly to notify the City if it becomes aware of any such fact during the term of this Lease.

21.13 Charter Provision

This Lease is governed by and subject to the Charter of the City and County of San Francisco.

21.14 Drug-Free Workplace

Tenant acknowledges that under the Federal Drug-Free Workplace Act of 1988, the unlawful manufacture, distribution, possession, or use of a controlled substance under federal Laws is prohibited on City premises. Tenant agrees that any violation of this prohibition by Tenant, its Agents, or assigns will be a material breach of this Lease.

21.15 Prohibition of Tobacco Sales and Advertising

Tenant acknowledges and agrees that no advertising of cigarettes or tobacco products is allowed on the Premises. This advertising prohibition includes the placement of the name of a company producing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. In addition, Tenant acknowledges and agrees that no Sales, Manufacture, or Distribution of Tobacco Products (as such capitalized terms are defined in Health Code Section 19K.1) is allowed on the Premises and such prohibition must be included in all subleases or other agreements allowing use of the Premises. The prohibition against Sales, Manufacture, or Distribution of Tobacco Products does not apply to persons who are affiliated with an accredited academic institution where the Sale, Manufacture, and/or Distribution of Tobacco Products is conducted as part of academic research.

21.16 Prohibition of Alcoholic Beverage Advertising

Tenant acknowledges and agrees that no advertising of alcoholic beverages is allowed on the Premises. For purposes of this section, "alcoholic beverage" is defined as set forth in California Business and Professions Code section 23004 and does 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 alcoholic beverages or the name of any alcoholic beverage in any promotion of any event or product.

21.17 Requiring Health Benefits for Covered Employees

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

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

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

(d) Tenant's failure to comply with the HCAO will constitute a material breach of this Lease. Landlord will notify Tenant if a breach has occurred. If, within thirty (30) days after receiving City's written notice of a breach of this Lease for violating the HCAO, Tenant fails to cure the breach or, if the breach cannot reasonably be cured within the thirty (30) day period, and Tenant fails to commence efforts to cure within that period, or fails diligently to pursue the cure to completion, then Landlord will have the right to pursue the remedies set forth in

Section 12Q.5(f)(1-5). Each of these remedies will be exercisable individually or in combination with any other rights or remedies available to Landlord.

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

(f) Tenant may not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying Landlord regarding Tenant's compliance or anticipated compliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

(g) Tenant represents and warrants that it is not an entity that was set up, or is being used, to evade the intent of the HCAO.

(h) Tenant will keep itself informed of the current requirements of the HCAO.

(i) Tenant will provide reports to Landlord in accordance with any reporting standards promulgated by Landlord under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

(j) Tenant will provide Landlord with access to records pertaining to compliance with the HCAO after receiving a written request from Landlord to do so and being provided at least five (5) business days to respond.

(k) Landlord may conduct random audits of Tenant to ascertain its compliance with HCAO. Tenant will cooperate with Landlord when it conducts the audits.

(l) If Tenant is exempt from the HCAO when this Lease is executed because its amount is less than Twenty-Five Thousand Dollars ($25,000), but Tenant later enters into an agreement or agreements that cause Tenant's aggregate amount of all agreements with Landlord to reach Seventy-Five Thousand Dollars ($75,000), then all the agreements will be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Tenant and the Contracting Department to be equal to or greater than Seventy-Five Thousand Dollars ($75,000) in the fiscal year.

21.18 Notification of Prohibition on Contributions

By executing this Lease, Tenant acknowledges its obligations under section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who leases, or

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

21.19 Resource Efficient City Buildings and Pilot Projects

Tenant acknowledges that the City and County of San Francisco has enacted San Francisco Environment Code Sections 700 to 713 relating to green building requirements for the design, construction, and operation of buildings owned or leased by City. Tenant must comply with all applicable provisions of those code sections.

21.20 Food Service and Packaging Waste Reduction Ordinance

Tenant is bound by and will comply with all of the provisions of the Food Service and Packaging Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including all remedies provided in that Chapter, and the implementing guidelines and rules. The provisions of Chapter 16 are incorporated into this Lease by reference and made a part of this Lease as though fully set forth. This provision is a material term of this Lease. By entering into this Lease, Tenant agrees that if it breaches this provision, Landlord will suffer actual damages that will be impractical or extremely difficult to determine. Without limiting Landlord's other rights and remedies, Tenant agrees that the sum of One Hundred Dollars ($100.00) for the first breach, Two Hundred Dollars ($200.00) for the second breach in the same year, and Five Hundred Dollars ($500.00) for subsequent breaches in the same year is a reasonable estimate of the damage that Landlord may incur based on the violation, established in light of the circumstances existing at the time this Lease was made. These amounts will not be considered a penalty, and do not limit Landlord’s other rights and remedies available under this Lease, at law, or in equity.

21.21 Estoppel Certificates

Within ten (10) days after Landlord's request, Tenant will execute, acknowledge and deliver to Landlord a statement certifying the following matters: (a) the Commencement Date and Expiration Date of this Lease; (b) that this Lease is unmodified and in full force and effect

(or if there have been modifications, that this Lease is in full force and effect as modified and the date and nature of the modifications); (c) the dates to which the Rent has been paid; (d) that there are no Events of Default under this Lease (or if there are any Events of Default, the nature of the Event of Default); and (e) any other matters reasonably requested by Landlord. Landlord and Tenant intend that any statement delivered under this paragraph may be relied upon by any assignee of Landlord's interest in the Lease, any mortgagee, or any purchaser or prospective purchaser of the building or land on which the Premises are located. Tenant irrevocably appoints Landlord, as Tenant's agent, to execute and deliver in the name of Tenant the statement if Tenant fails to do so, which failure may, at the election of Landlord, also be an Event of Default under this Lease.

21.22 Incorporation of Exhibits and Addendum

The terms of any Exhibits or Addendum attached to this Lease are incorporated into the Lease by reference. In the event of any inconsistency between the Lease and an Exhibit, the terms of the Lease will control. In the event of any inconsistency between the Lease and an Addendum, the terms of the Addendum will control.

21.23 Cooperative Drafting

This Lease has been drafted through a cooperative effort of both Parties, and both Parties have had an opportunity to have the Lease reviewed and revised by legal counsel. No party will be considered the drafter of this Lease, and no presumption or rule that an ambiguity will be construed against the party drafting the clause will apply to the interpretation or enforcement of this Lease.

21.24 Criminal History in Hiring and Employment Decisions

(a) Unless exempt, Tenant will comply with and be bound by all of the provisions of San Francisco Administrative Code Chapter 12T (Criminal History in Hiring and Employment Decisions), as amended from time to time ("Chapter 12T"), which are incorporated into this Lease as if fully set forth, with respect to applicants and employees of Tenant who would be or are performing work at the Premises.

(b) Tenant must incorporate by reference the provisions of Chapter 12T in all subleases of some or all of the Premises, and require all subtenants to comply with those provisions. Tenant's failure to comply with the obligations in this subsection will constitute a material breach of this Lease.

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

(6) information pertaining to an offense other than a felony or misdemeanor, such as an infraction.

(d) Tenant and subtenants may not inquire about or require applicants, potential applicants for employment, or employees to disclose on any employment application the facts or details of any conviction history, unresolved arrest, or any matter identified in subsection (c) above. Tenant and subtenants may not require that disclosure or make any inquiry until either after the first live interview with the person, or after a conditional offer of employment.

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

(f) Tenant and subtenants will post the notice prepared by the Office of Labor Standards Enforcement ("OLSE"), available on OLSE's website, in a conspicuous place at the Premises and at other workplaces within San Francisco where interviews for job opportunities at the Premises occur. The notice must be posted in English, Spanish, Chinese, and any language spoken by at least 5% of the employees at the Premises or other workplace at which it is posted.

(g) Tenant and subtenants understand and agree that upon any failure to comply with the requirements of Chapter 12T, the City will have the right to pursue any rights or remedies available under Chapter 12T or this Lease, including, but not limited to, a penalty of $50 for a second violation and $100 for a subsequent violation for each employee, applicant, or other person as to whom a violation occurred or continued, or termination of this Lease in whole or in part.

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

21.25 Local Hiring Requirements for Special Events

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

21.26 San Francisco Packaged Water Ordinance

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

21.27 Vending Machines: Nutritional Standards and Calorie Labeling Requirements

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

21.28 All-Gender Toilet Facilities

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

Remainder of Page Intentionally Left Blank; Signatures Appear on Following Pages

Landlord and Tenant have executed this Lease as of the date first written above.

TENANT:
THE GOLD BAR SPIRITS COMPANY INC., a Delaware corporation

By: _____

Its: _____

LANDLORD:

TREASURE ISLAND DEVELOPMENT AUTHORITY

By: _____
Sheela Jivan
Executive Director

APPROVED AS TO FORM:

DAVID CHIU, City Attorney

By: _____
Heidi Gewertz
Deputy City Attorney

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

EXHIBIT A

DIAGRAM OF PREMISES

EXHIBIT A-1

Navy Deed

EXHIBIT B

COVER PAGE OF THE SEISMIC REPORT

EXHIBIT C

RULES AND REGULATIONS

All rules and regulations set out in the Lease will prevail.

No signs, advertisements, or notices may be attached to, or placed on, the exterior or interior of the Building or elsewhere on the Property, without prior written approval of Landlord.

Tenant's contractors and invitees, while on the Premises or Tenant's parking area, will be subject to these Rules and Regulations, and will be subject to direction from Landlord and its agents, but will not be an agent or contractor of the Landlord or its agents. Tenant's contractors must be licensed by the State, insured and bonded at the amount requested by the Landlord.

Tenant will install and maintain at Tenant's expense, any life safety equipment required by governmental rules, regulations, or laws applicable to the Premises.

EXHIBIT D

STANDARD UTILITIES AND SERVICES AND RATES

Included

EXHIBIT E

ONE TREASURE ISLAND WORKFORCE HIRING PLAN

OTI Job Broker Program Requirements for Island Tenants

As part of the workforce hiring goals for Treasure Island, the Treasure Island Development Authority's (TIDA) requires that Island commercial tenants are to make good faith efforts to fill appropriate available on-Island positions through the One Treasure Island Homeless Development Initiative (OTI) OTI Job Broker Program (OJBP). All new non-supervisorial positions created by on-Island commercial tenants and businesses should be opened to consideration of OJBP candidates, and San Francisco residents should account for a majority of all new hires by on-Island commercial tenants and businesses.

In order to help commercial tenants reach these goals, the OJBP provides free and immediate access to San Francisco's extensive non-profit employment & training programs and to a resource pool of individuals with varied skill levels and work experience backgrounds.

Through the OJBP, a job description and set of qualification requirements for the new or open position is distributed to the OJBP's network of employment service agencies on behalf of the commercial tenant. Appropriate candidates from these agencies are then referred to the commercial tenant for interviewing. All of the OJBP referrals are required to meet universal standards of job readiness.

To effectively implement the Good Faith provisions of the OJBP, commercial tenants are asked to provide OTI with a written plan, list available jobs with OTI prior to before public advertisement, consider OJBP referrals, and establish an ongoing relationship with the OJBP.

Additionally, if a commercial tenant does not anticipate making any new hires, it can meet its requirements under the OJBP by contracting with one of the two on-Island social enterprise operations: Toolworks Janitorial Services and/or Rubicon Programs Landscaping. Contact the OTI Job Broker for these services and for further information on the OTI Job Broker System to discuss and develop your workforce hiring plan.

For further information on the OTI Job Broker Program, please contact:

Alex Francois
One Treasure Island Employment Project Manager
(415) 274-0311 ex. 302
afrancois@onetreasureisland.org

EXHIBIT F

FIRST SOURCE HIRING AGREEMENT

NOTE: IF THE LEASE GIVES THE TENANT EXCLUSIVE USE OF THE PREMISES FOR MORE THAN 29 DAYS, CONTACT FIRST SOURCE HIRING ADMINISTRATION (LOWELL RICE AT 701-4857 OR LILLIE ELLISON AT OEWD AT 701-4883) TO SEE IF TENANT MUST SIGN A FIRST SOURCE AGREEMENT.

ADDENDUM TO LEASE

This is an Addendum to the Lease dated as of December 1, 2026, between the TREASURE ISLAND DEVELOPMENT AUTHORITY ("Landlord"), and THE GOLD BAR SPIRITS COMPANY INC., a Delaware corporation ("Tenant"). From time to time, Landlord and Tenant together shall be referred to herein as the "Parties".

This Addendum supersedes and replaces the terms of the Lease to which it is attached to the extent of any inconsistency between the Lease and this Addendum. All capitalized terms used in this Addendum and not defined herein shall have the meanings set forth in the Lease.

Landlord and Tenant agree as follows:

1. Amended Section 8.1 – Tenant Responsible for Maintenance and Repair. Section 8.1 of the Lease is hereby deleted in its entirety and replaced with the following:

"Tenant assumes full and sole responsibility for the creation and development of a new gin martini bar / restaurant facility located on the Premises in the Administration Building, 39 Treasure Island Road, Treasure Island, San Francisco, CA (the **"Improvements"**). Tenant is responsible for the general operations, repair and maintenance and management of the Improvements from and after the Commencement Date and shall keep the Improvements in good condition and repair. Landlord shall not be responsible for the performance of any repairs, changes or alterations to the Premises, nor shall Landlord be liable for any portion of the cost thereof. Tenant shall make all other repairs and replacements, interior and exterior, structural as well as non-structural, ordinary as well as extraordinary, foreseen and unforeseen, which may be necessary to maintain the Improvements at all times in a clean, safe, attractive and sanitary condition and in good order and repair, to Landlord's reasonable satisfaction, provided, however, that neither Tenant nor Landlord shall be required to make structural repairs or Alterations to correct conditions affecting the Premises existing prior to the Commencement Date. If any portion of the Improvements is damaged by any activities conducted by Tenant or Tenant's Agents or Tenant's Invitees hereunder, Tenant shall immediately, at its sole cost, repair all such damage and restore the Improvements to its previous condition."

IN WITNESS WHEREOF, Landlord and Tenant have executed this Addendum to Lease as of the day and year first above written.

TENANT:

THE GOLD BAR SPIRITS COMPANY INC., a Delaware corporation

By: _____

Its: _____

LANDLORD:

TREASURE ISLAND DEVELOPMENT AUTHORITY

By: _____
Sheela Jivan
Executive Director

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: _____
Heidi Gewertz
Deputy City Attorney

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

