



[DRAFT]
CITY AND COUNTY OF SAN FRANCISCO
MEMORANDUM OF UNDERSTANDING

M-16518

BY AND BETWEEN

THE SAN FRANCISCO PORT COMMISSION

and

THE SAN FRANCISCO DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING

[APRIL __, 2019]

JEFF KOSITSKY
DIRECTOR

ELAINE FORBES
EXECUTIVE DIRECTOR

SAN FRANCISCO PORT COMMISSION
KIMBERLY BRANDON, PRESIDENT
WILLIE ADAMS, VICE PRESIDENT
GAIL GILMAN, COMMISSIONER
VICTOR MAKRAS, COMMISSIONER
DOREEN WOO HO, COMMISSIONER

TABLE OF CONTENTS

	<u>Page</u>
1. RECITALS	2
2. DEFINITIONS.....	2
3. EFFECTIVE DATE.....	6
4. PREMISES	6
5. TERM	7
6. OPTION TO EXTEND TERM	7
7. PORT'S RIGHT OF TERMINATION	8
8. HSH'S RIGHT OF TERMINATION	8
9. RENTAL PAYMENTS	8
10. FINANCIAL ASSURANCES	9
11. PERMITTED USES	10
12. UTILITIES, SERVICES, MAINTENANCE AND REPAIR.....	10
13. INITIAL IMPROVEMENTS	11
14. ALTERATIONS	11
15. COMPLIANCE WITH LAWS AND REGULATIONS	13
16. SURRENDER.....	15
17. HAZARDOUS MATERIALS	15
18. DAMAGE AND DESTRUCTION.....	19
19. PORT'S ENTRY ON PREMISES	20
20. PROPERTY USE CONDITIONS	21
21. INSURANCE.....	21
22. DEFAULT; REMEDIES	22
23. ASSIGNMENT AND SUBLETTING	22
24. DAMAGES.....	22
25. NOTICES.....	22
26. SUCCESSORS AND ASSIGNS	23
27. SEVERABILITY	23
28. COOPERATION	23
29. MISCELLANEOUS	23

30. ENTIRE AGREEMENT.....24

EXHIBITS AND SCHEDULES

EXHIBIT A DEPICTION OF PREMISES
EXHIBIT B SAMPLE GOOD NEIGHBOR POLICY
EXHIBIT C RENTAL RATE METHODOLOGY
EXHIBIT D EFFECTIVE DATE AND EXPIRATION DATE MEMORANDUM
EXHIBIT E OUTREACH ZONE
EXHIBIT F SAFETY ZONE

MEMORANDUM OF UNDERSTANDING

NO. M-16518

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is entered into by and between the City and County of San Francisco, a municipal corporation ("City"), operating by and through the SAN FRANCISCO PORT COMMISSION ("Port") and the SAN FRANCISCO DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING ("HSH"), an agency of the City.

RECITALS

A. In April 2016, the City enacted Ordinance No. 57-16, declaring, pursuant to California Government Code Sections 8698 through 8698.2, a shelter crisis in the City and County of San Francisco. In that ordinance, the Board of Supervisors found that in January 2015, there were 6,686 individuals in San Francisco who were homeless. Since that time, the shelter crisis has grown. According to the January 2017 Point in Time Homeless Count administered by the Department of Homelessness and Supportive Housing (HSH), there were approximately 7,499 people experiencing homelessness in San Francisco on a single night. Of those persons, 58% were unsheltered, 21% were under the age of 25 years, and 32% were over the age of 51 years with attendant deteriorating physical and mental health.

B. On January 15, 2019, Mayor London N. Breed introduced legislation to affirm that the shelter crisis still exists in San Francisco. The legislation would allow the City to take more immediate action to address the homelessness crisis, including to streamline the contracting and permitting process for the construction of new homeless shelters as well as the contracting process for homelessness services. HSH and San Francisco Department of Public Works ("DPW") are responsible for vetting a pool of contractors who could provide construction support and homelessness services and would then choose from this pool for future shelter projects. The legislation also calls for the removal of planning code barriers to opening shelters in certain zoning districts that currently have limitations or restrictions. The Board of Supervisors has oversight of all contracts awarded under this expedited process. On April 4, 2019, Mayor London N. Breed signed the legislation approved by the Board of Supervisors amending the San Francisco Administrative Code and Planning Code to streamline contracting for and siting of homeless shelters (Ordinance 61-19).

C. On April 4, 2019, Mayor London N. Breed signed legislation approved by the Board of Supervisors amending the San Francisco Building Code to adopt standards and create an alternative approval procedure for constructing homeless shelters. (Ordinance 60-19),

D. HSH is seeking to create a temporary Shelter Access For Everyone Navigation Center (a "S.A.F.E. Navigation Center") on Port property on a portion of Seawall Lot 330 bounded by The Embarcadero, Beale and Bryant Streets to provide temporary housing and services to homeless individuals as they prepare to return home or to move into permanent housing (the "Embarcadero S.A.F.E. Navigation Center").

E. Under the Burton Act (Chapter 1333 of Statutes 1968, as amended), and City Charter Section B 3.581, the administration and control of real property transferred to the City by the State of California pursuant to the legislative trust grant, including the area encompassing Seawall Lot 330, is vested in the Port.

F. On April 19, 2019, the San Francisco Planning Department issued a determination concluding that the change of use of Seawall Lot 330 from a parking lot to a S.A.F.E. Navigation Center and all construction work associated with this change of use, satisfied the criteria for a categorical exemption pursuant to California Environmental Quality Act Guidelines Section 15332.

G. By Resolution _____, adopted by the Port Commission on _____, the Port Commission found that the use of a portion of Seawall Lot 330 bounded by The Embarcadero, Beale and Bryant Streets for the temporary operation of the Embarcadero S.A.F.E. Navigation Center is a permissible interim use of public trust lands because (i) the portion of Seawall Lot 330 to be occupied by the Embarcadero S.A.F.E. Navigation Center is not needed for public trust purposes and does not provide access to San Francisco Bay; (ii) the term of the MOU will not exceed 56 months and the Port will have the right to terminate the MOU if this site becomes necessary for public trust purposes; (iii) no permanent structures will be constructed that prevent future public trust uses on this site; and (iv) the Port will receive fair market value rent for the use of this site.

H. In order to facilitate the proposed construction and operation of the Embarcadero S.A.F.E. Navigation Center, HSH desires to enter into an agreement with the Port for use of a portion of Seawall Lot 330.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

AGREEMENT

1. RECITALS.

The foregoing recitals are true and correct and are incorporated herein by this reference.

2. DEFINITIONS.

Definitions used in this MOU are found in the specified locations in this MOU or are set forth below. Definitions that are not capitalized below are not capitalized when used in this MOU.

"ACMs" is defined in Section 14.2(d) below.

"ADA" means the Americans with Disabilities Act, a federal law codified at 42 U.S.C. §§ 12101 et seq., including, but not limited to, Title III thereof, and all regulations and guidelines related thereto, together with any and all laws, rules, regulations, ordinances, codes and statutes now or hereafter enacted by local or state agencies having jurisdiction thereof, including all requirements of Title 24 of the State of California, as the same may be in effect on the date of this MOU and may be hereafter modified, amended or supplemented.

"Additional Rent" means all taxes, assessments, insurance premiums, operating and maintenance charges, fees, costs, expenses, liabilities and obligations of every description which HSH assumes or is obligated to pay or discharge pursuant to this MOU, together with every fine, penalty, interest or other charge which may be added for non-payment or late payment, whether payable to Port or to other persons, parties or entities designated herein.

"Agents" when used with reference to either party to this MOU or any other person means the officers, directors, employees, agents, and contractors of the party or other person, and their respective heirs, legal representatives, successors, and assigns.

"Alterations" means any alterations, installations, improvements, or additions to any Improvements or to the Premises.

"Base Rent" means the monthly Base Rent specified in Section 9 hereof.

"Board of Supervisors" or "Board" means the Board of Supervisors of the City.

"Cal-OSHA" means the Division of Occupational Safety and Health of the California Department of Industrial Relations.

"Changes" is defined in Section 15.2.

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

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

"Concession" means any offered or promised rent credit, concession, abatement, or any other form of monetary consideration.

"Construction Period" means the period beginning on the Effective Date and ending upon the Opening Date, which is anticipated to be 150 days from the Effective Date.

"Demolition Period" means the period beginning on the day after the Expiration Date and terminating upon the date upon which all Improvements, including the Initial Improvements, have been removed from the Premises, not to exceed ninety (90) days after the end of the Operational Term.

"Due Date" is defined in Section 9 below.

"Effective Date" is defined as the date HSH is given possession of the Premises.

"Embarcadero S.A.F.E. Navigation Center" is defined in Recital D.

"Embarcadero S.A.F.E. Navigation Center Operator" means the entity funded by HSH through a contract or grant to operate the Embarcadero S.A.F.E. Navigation Center.

"Encroachment Area" is defined in Section 4(e) below.

"Environmental Laws" means any Laws relating to Hazardous Material (including its Handling, Release, or Remediation) or to human health and safety, industrial hygiene, or environmental conditions in the environment, including structures, soil, air, bay water, and groundwater, and any environmental mitigation measure adopted under Environmental Laws affecting any portion of the Premises.

"Environmental Regulatory Action" when used with respect to Hazardous Materials means any inquiry, investigation, enforcement, Remediation, agreement, order, consent decree, compromise, or other action that is threatened, instituted, filed, or completed by an Environmental Regulatory Agency in relation to a Release of Hazardous Materials, including both administrative and judicial proceedings.

"Environmental Regulatory Agency" means the United States Environmental Protection Agency, OSHA, any California Environmental Protection Agency board, department, or office, including the Department of Toxic Substances Control and the San Francisco Bay Regional Water Quality Control Board, Cal-OSHA, the Bay Area Air Quality Management District, the San Francisco Department of Public Health, the San Francisco Fire Department, the SFPUC, Port, or any other Regulatory Agency now or later authorized to regulate Hazardous Materials.

"Environmental Regulatory Approval" means any approval, license, registration, permit, or other authorization required or issued by any Environmental Regulatory Agency, including any hazardous waste generator identification numbers relating to operations on the Premises and any closure permit.

"Exacerbate" or "Exacerbating" when used with respect to Hazardous Materials means any act or omission that increases the quantity or concentration of Hazardous Materials in the affected area, causes the increased migration of a plume of Hazardous Materials in soil, groundwater, or bay water, causes a Release of Hazardous Materials that had been contained until the act or omission, or otherwise requires Investigation or Remediation that would not have been required but for the act or omission. Exacerbate also includes the disturbance, removal or generation of Hazardous Materials in the course of HSH's operations, Investigations,

maintenance, repair, Improvements and Alterations under this MOU. "Exacerbation" has a correlating meaning.

"**Expiration Date**" is defined in Section 5 below.

"**Event of Default**" is defined in Section 22 below.

"**Good Neighbor Policy**" means that policy adopted by HSH and the Embarcadero S.A.F.E. Navigation Center Operator, which shall be in substantially the form of the Sample Good Neighbor Policy attached to this MOU as Exhibit B.

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

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

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

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

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

"**Improvements**" means any and all buildings, structures, fixtures or other improvements constructed or installed on the Premises, including those constructed by or on behalf of HSH pursuant to this MOU (including, without limitation, any trailers, signs, roads, trails, driveways, parking areas, curbs, walks, fences, walls, stairs, poles, plantings and landscaping).

"**Initial Improvements**" is defined in Section 13.

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

"**Invitees**" means HSH's clients, customers, invitees, patrons, guests, members, licensees, permittees, concessionaires, assignees, subtenants, and any other person whose rights arise through them.

"**Law**" means any present or future law, statute, ordinance, code, resolution, rule, regulation, judicial decision, requirement, proclamation, order, decree, policy (including the Waterfront Land Use Plan), and Regulatory Approval of any Regulatory Agency with jurisdiction over any portion of the Premises, including Regulatory Approvals issued to Port which require HSH's compliance, and any and all recorded and legally valid covenants, conditions, and restrictions affecting any portion of the Premises, whether in effect when this MOU is executed or at any later time and whether or not within the present contemplation of the parties, as amended from time to time.

"**MOU**" is defined in the preamble to this MOU.

"**Notice of Removal**" is defined in Section 14.3 below.

"**Notice to Vacate**" is defined in Section 4(e) below.

"**Opening Date**" means the date on which HSH opens the Embarcadero S.A.F.E. Navigation Center for occupancy by clients.

"**Operational Term**" is defined in Section 5 below.

"**Option Period**" is defined in Section 6 below.

"**OSHA**" means the United States Occupational Safety and Health Administration.

"**Outreach Zone**" means the area around the Premises bounded by Market Street, Fourth Street and the Bay, and is depicted on Exhibit E.

"**PACMs**" is defined in Section 17.6 below.

"**Permitted Use**" is defined in Section 11.1 below.

"**Person**" means any natural person, corporation, limited liability entity, partnership, joint venture, or governmental or other political subdivision or agency.

"**Port**" means the San Francisco Port Commission.

"**Port program or project**" means (a) any development, removal or renovation, by public and/or private parties, of the building, pier or seawall lot in, on or in the vicinity of the Premises, or (b) with respect to any areas owned by Port or under Port's jurisdiction between and including Piers 80-96, maritime uses (by way of example only and not as a limitation, cargo shipping, fishing, passenger cruises, ship repair, ferries and excursion boats, historic ships and recreational boating), or (c) the Seawall Earthquake Safety Program.

"**Premises**" means the real property described in Section 4(a) below and depicted on Exhibit A.

"**Prohibited Use**" is defined in Section 11.2 below.

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

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

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

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

"**Rent**" means the Base Rent and all other sums payable by HSH to Port hereunder, including, without limitation, any Late Charge, Additional Rents and any interest assessed pursuant to Section 9.

"**Repair Period**" means two hundred ten (210) days after the date of damage to the Premises by fire or other casualty.

"**S.A.F.E. Navigation Center**" is defined in Recital D.

"**Safety Zone**" means the area around the Premises bounded by Harrison Street, Second Street and the Bay, and is set depicted on Exhibit F.

"**Sample Good Neighbor Policy**" means that draft policy attached to this MOU as Exhibit B.

"**Seawall Lot 330**" means those two parcels identified as San Francisco Assessor's Block/Lot 3771/002 and Block/Lot 3700/02.

"**Security Deposit**" means the amount specified in Section 10 below.

"**SWPPP**" is defined in Section 17.8(a) below.

"**Term**" is defined in Section 5 below.

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

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

"**Vacate Date**" means the end of the Demolition Period, which will be no later than ninety (90) days after the Expiration Date.

"**Work**" when used in reference to construction is defined in Section 14.2(c) below.

3. EFFECTIVE DATE.

The Port and HSH hereby mutually agree that the Effective Date is anticipated to be June 1, 2019. Promptly following the actual Effective Date, Port and HSH shall execute an Effective Date and Expiration Date Memorandum substantially in the form attached hereto as Exhibit D, confirming the actual Effective Date and Expiration Date, but either party's failure to do so shall not affect the commencement or expiration of the Term.

4. PREMISES.

(a) For the Rent and subject to the terms and conditions of this MOU, Port hereby grants HSH a personal non-transferable, non-assignable right to use the area located on a portion of Seawall Lot 330, in the City and County of San Francisco, California, shown on Exhibit A, attached hereto and made a part hereof, consisting of approximately 46,659 square feet of paved land (the "**Premises**").

(b) HSH acknowledges that the Premises is located in residential area adjacent to the Watermark Condominiums.

(c) AS IS CONDITION. HSH ACKNOWLEDGES AND AGREES THAT HSH IS FAMILIAR WITH THE PREMISES, THE PREMISES ARE BEING RENTED BY HSH AND ACCEPTED IN THEIR "AS IS" CONDITION, WITHOUT ANY IMPROVEMENTS OR ALTERATIONS BY PORT, WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND, AND SUBJECT TO ALL APPLICABLE LAWS GOVERNING THEIR USE, OCCUPANCY AND POSSESSION. HSH REPRESENTS AND WARRANTS TO PORT THAT HSH HAS INVESTIGATED AND INSPECTED, EITHER INDEPENDENTLY OR THROUGH AGENTS OF HSH'S OWN CHOOSING, THE CONDITION OF THE PREMISES AND THE SUITABILITY OF THE PREMISES FOR HSH'S BUSINESS AND INTENDED USE. HSH ACKNOWLEDGES AND AGREES THAT NEITHER PORT NOR ANY OF ITS AGENTS HAVE MADE, AND PORT HEREBY DISCLAIMS, ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, CONCERNING THE RENTABLE AREA OF THE PREMISES, THE PHYSICAL OR ENVIRONMENTAL CONDITION OF THE PREMISES, THE PRESENT OR FUTURE SUITABILITY OF THE PREMISES FOR HSH'S BUSINESS, OR ANY OTHER MATTER WHATSOEVER RELATING TO THE PREMISES, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

(d) No Representations. HSH acknowledges that Port has made no representations or warranties concerning the Premises, including without limitation, the seismological condition thereof. By entering onto the Premises under this MOU, HSH acknowledges its receipt of Schedule 1 regarding the presence of certain Hazardous Materials, if any, of the Premises and shall be deemed to have inspected the Premises and accepted the Premises in its "As Is" condition and as being suitable for the conduct of HSH's activity thereon.

(e) No Right to Encroach. If HSH (including, its Agents, successors and assigns) uses or occupies space outside the Premises without the prior written consent of Port (the "**Encroachment Area**"), then upon written notice from Port ("**Notice to Vacate**"), HSH shall vacate such Encroachment Area with twenty-four (24) hours of receipt of the Notice to Vacate.

5. TERM.

The term (the "**Term**") shall commence on the Effective Date and shall expire on the earliest of: (i) the Vacate Date, or (ii) the cancellation or termination of the MOU in accordance with its terms. The Embarcadero S.A.F.E. Navigation Center will be operated for a term of twenty-four (24) months (the "**Operational Term**"), commencing on the Opening Date, as it may be extended by the Option Period pursuant to Section 6 below. The end of the Operational Term shall be the "**Expiration Date**". There shall be no holding over on a month to month basis after the expiration of this MOU. "Term" shall refer to the total time period during which this MOU exists as a binding agreement between the parties. Due to the lengthened construction and take-down period for the Embarcadero S.A.F.E. Navigation Center, the maximum term of this MOU is approximately fifty-six (56) months with a final termination date of 56 months after the Effective Date. Notwithstanding the foregoing, the Port shall have the right to terminate this MOU in accordance with the provisions of Sections 7, 18 and 22.

6. OPTION TO EXTEND TERM.

6.1. Option to Extend. Provided all the terms and conditions of this Section 6 are satisfied by HSH, Port grants to HSH one (1) Option to Extend for two years (the "**Option Period**"), as to the entire Premises only, commencing upon the first day after the Expiration Date. HSH may exercise the Option to Extend by, not more than one hundred eighty (180) days and not less than ninety (90) days prior to the Expiration Date, (i) demonstrating to the Port Commission that (A) over a two year period, there has been a decrease in the number of

unsheltered homeless people in the Outreach Zone, as set forth on Exhibit E, (B) the City has provided dedicated beat officers within the Safety Zone and HSH has provided dedicated cleaning services in the area (days and hours of cleaning), through a partnership with a nonprofit organization, (C) HSH has provided quarterly reports to the Port that include (x) information on publicly available crime statistics and other community impact measures in the Safety Zone, as set forth on Exhibit F, (y) program utilization and outcomes, (z) cleaning efforts, and (D) HSH and its Embarcadero S.A.F.E. Navigation Center Operator have complied with the Good Neighbor Policy ((A)-(D) collectively referred to as the “**Option Exercise Conditions**”); and (ii) providing Port written notice of its intent to exercise the Option to Extend. If the Port Commission determines that HSH has complied with the Option Exercise Conditions (the “**Port Commission Determination**”), which determination shall occur within 30 days of HSH’s invocation of the option, Port Commission shall affirm HSH’s exercise of the Option to Extend. Upon receipt by HSH of the Port Commission Determination, HSH’s exercise of its Option to Extend shall be irrevocable by HSH. If Port Commission determines that HSH has not satisfied the Option Exercise Conditions then Port may elect, by written notice to HSH, to reject HSH’s exercise of the Option to Extend, whereupon the Option to Extend shall be null and void and the Term shall expire on the day the Term would have expired had HSH never exercised the Option to Extend.

6.2. Base Rent and Other Terms. Upon the Port Commission Determination, this MOU for the Extension Term shall cover the entire Premises and shall be upon all of the terms, covenants and conditions of this MOU, except that the Expiration Date shall mean the last day of the Extension Term and the Base Rent hereunder shall be determined as set forth in Section 9 (Rental Payments).

6.3. Port’s Right to Terminate. Notwithstanding the foregoing, the Port shall have the right to terminate this MOU, as it may be extended pursuant to this Section 6, in accordance with the provisions of Sections 7, 18 and 22.

7. PORT’S RIGHT OF TERMINATION.

Port has the right to terminate this MOU under this Section when the Premises is needed in connection with a Port program or project. Port may exercise this right without liability or expense, except as specifically set forth in this Section, upon one hundred eighty (180) days’ prior written notice. HSH agrees and shall be required to surrender possession of the Premises by the end of the 180-day period. In no event shall the Port be liable to HSH or any other party for any loss of business or any other costs of losses of any kind or nature whatsoever incurred by HSH or any other party as a result of Port’s termination of this MOU under this Section.

8. HSH’S RIGHT OF TERMINATION.

HSH may cancel the agreement upon thirty (30) days written notice to the Port; provided, however, that if HSH has commenced construction of the Initial Improvements, the Term shall not expire until HSH has removed the Initial Improvements from the Premises. HSH shall hold Port harmless from and against any and all loss or liability resulting from HSH’s delay in surrendering the Premises including, without limitation, any loss or liability resulting from any claim against Port made by any succeeding tenant or prospective tenant or developer founded on or resulting from such delay and losses to Port due to lost opportunities to lease any portion of the Premises to any such succeeding tenant or prospective tenant or developer, together with, in each case, actual attorneys’ fees and costs.

9. RENTAL PAYMENTS.

9.1. Rent. Commencing on the Effective Date, HSH will cause Base Rent to be paid on the first day of each calendar quarter during the Term (the “**Due Date**”) to Port according to the following schedule:

<i>Monthly Base Rent:</i>	Months	Sq. Ft.	Monthly Base Rate	Total Monthly Base Rent
Construction Period	Period anticipated to be 150 days	46,659	\$0.79	\$36,860.61
Opening Date	1-12	46,659	\$0.79	\$36,860.61
	13-24	46,659	\$0.81	\$37,793.79
Option Period	25-36	46,659	\$0.83	\$38,726.97
	37-48	46,659	\$0.85	\$39,660.15
Demolition Period	Period NTE 90 days	46,659	\$0.81 \$0.85 as applicable	\$37,793.79/ \$39,660.15 as applicable

The Port and HSH will cooperate to establish a work order in the City’s financial system to facilitate quarterly payments.

9.2. Rent Credits. Port shall deduct from Rent the total amount of the actual cost of infrastructure improvements to the real property that will remain beyond the term of this MOU. Such costs are anticipated to include, but are not be limited to:

Domestic Water & Fire Water Joint Trench Only (Pipe by Others)	53,000
Domestic Water & Fire Water Pipe Installation	80,000
Sewer line including pipe installation, trench, and backfill	53,000
Electrical underground including conduits, trench, and back fill	81,000
Electrical wiring & switchgear	50,000

The actual amount will be provided at construction completion, but shall not exceed \$364,550, and shall be amortized in a rent deduction over the remainder of the initial Operational Term.

10. FINANCIAL ASSURANCES.

Prior to the Effective Date, HSH agrees that it shall encumber funds through a work order to provide the Port with a security deposit of at least \$75,587.58 to secure its obligations under this MOU (the “Security Deposit”). The Security Deposit will not be escalated annually or through the option period, if exercised by the Port and HSH.

11. PERMITTED USES.

11.1. *Permitted Use* The Premises shall be used for the construction and operation of a 200 bed S.A.F.E. Navigation Center to provide temporary housing and services for individuals experiencing homelessness which may include: food preparation and service, storage of personal property, restroom and personal hygiene facilities, laundry services, provision of social services and kennel services for pets (the “**Permitted Use**”). The Embarcadero S.A.F.E. Navigation Center will commence and maintain operations with a bed capacity not to exceed 130 beds for the first three (3) months of the Operational Term. The bed count shall not exceed 165 beds during months 4-6 of the Operational Term, and shall operate at the maximum capacity of 200 beds from and after month 7 of the Operational Term.

11.2. *Restrictions On Use/Prohibited Use.* HSH shall not use or permit the Premises, or any part thereof, to be used for any purposes other than the purposes set forth in Section 11.1.

11.3. *Embarcadero S.A.F.E. Navigation Center Operator.* Port acknowledges that HSH will contract with the Embarcadero S.A.F.E. Navigation Center Operator to manage and operate the Embarcadero S.A.F.E. Navigation Center. HSH’s contract with the Embarcadero S.A.F.E. Navigation Center Operator shall not be deemed a transfer or sublease hereunder; the Embarcadero S.A.F.E. Navigation Center Operator will be HSH’s Agent. The Embarcadero S.A.F.E. Navigation Center Operator must comply with all terms and conditions of this MOU that are applicable to HSH, and with all laws relating to or affecting the condition, use or occupancy of the Premises. A breach by the Embarcadero S.A.F.E. Navigation Center Operator constitutes a breach by HSH. HSH is solely responsible for ensuring that the Embarcadero S.A.F.E. Navigation Center Operator is aware of and complies with all of the applicable provisions of this MOU and HSH acknowledges that HSH shall be subject to default and termination provisions under this MOU if the Embarcadero S.A.F.E. Navigation Center Operator fails to comply with applicable terms and conditions of this MOU. HSH’s contract with the Embarcadero S.A.F.E. Navigation Center Operator shall include a good neighbor policy thirty (30) days prior to the Opening Date, in substantially the form of the Sample Good Neighbor Policy attached as Exhibit B. Once HSH and Embarcadero S.A.F.E. Navigation Center Operator have come to agreement on a final good neighbor policy for the Embarcadero S.A.F.E. Navigation Center, HSH shall deliver the final policy to the Port.

12. UTILITIES, SERVICES, MAINTENANCE AND REPAIR.

12.1. *Utilities.* Port has no responsibility or liability of any kind with respect to any utilities that may be on, in, to or under the Premises. HSH shall make arrangements and shall pay all charges for all Utilities to be furnished to the Premises or to be used by HSH, including but not limited to electricity, water, sewer, gas and telephone. The parties agree that any and all utility improvements shall become part of the realty and are not trade fixtures.

12.2. *Services.* Port has no responsibility or liability of any kind with respect to the provision of any services to HSH or on, in, or to the Premises. HSH shall make arrangements and shall pay all charges for all services to be furnished on, in or to the Premises or to be used by HSH, including, without limitation, security service, garbage and trash collection, janitorial service and extermination service.

12.3. *Maintenance and Repair.* HSH shall at all times during the Term, at its sole cost and expense, maintain and repair in good and working order, condition and repair the Premises and all improvements and alterations thereon. Port shall not be obligated to make any repairs, replacement or renewals of any kind, nature or description whatsoever to the Premises or to any improvements or alterations now or hereafter located thereon. In the event that HSH or its Agents or Invitees cause any damage (excepting ordinary wear and tear) to the Premises or any other Port property, HSH shall be responsible and Port may, at its sole and absolute discretion, elect to repair the same itself or require HSH to repair the same, all at HSH's sole cost and expense, provided that Port has given HSH written notice of the need for maintenance and/or

repairs, and an opportunity to cure any defects. Upon receipt of any invoice from Port for costs incurred by Port related to any repair performed by Port in accordance with this Section, HSH shall immediately reimburse Port therefor. This provision shall survive the expiration or earlier termination of this MOU.

HSH agrees to remove all graffiti from the Premises, including from the exterior of any building, within seventy-two (72) hours of HSH's discovery of the graffiti. If HSH requests Port to perform maintenance or repair which are HSH's obligation under this MOU, whether emergency or routine, Port may, in its sole discretion, elect to do so, and Port may charge HSH for the cost of the work performed at the then prevailing standard rates, and HSH agrees to pay said charges to Port promptly upon billing.

HSH shall be responsible for conducting, or causing its Agents to conduct, frequent walk throughs of the area surrounding the Embarcadero S.A.F.E. Navigation Center for trash collection and pick-up and disposal of any of used sharps along the fence on Beale, and The Embarcadero and Bryant Streets.

13. INITIAL IMPROVEMENTS.

Port hereby gives its consent for HSH to install two demountable tensile structures fabricated to serve as dormitories (total of approximately 11,350 sq. ft) and an additional demountable tensile structure of approximately 6,000 sq. ft which shall be used for office space (1,640 sq. ft), a pantry room and community/dining space (2,520 sq. ft) and 1,840 sq. ft of additional support space. Consent is also given for installation of temporary structures for 25 toilets, 6 urinals, and 18 showers and up to 12 shipping containers for client storage (collectively, the "**Initial Improvements**"). All structures will be anchored as required by code to the parking-lot surface. Fifteen of the existing trees within the parking lot are proposed to be removed and relocated or replaced by new landscaping as feasible.

14. ALTERATIONS.

14.1. Port Consent Required.

(a) HSH shall not make nor cause or suffer to be made, any Alterations or Improvements to the Premises (i) without the prior written consent of Port, which consent shall not be unreasonably withheld; provided, however, that Port shall have the right in its sole and absolute discretion to consent or to withhold its consent to any Alterations or Improvements which affect the structural portions of the Premises, and (ii) until HSH shall have procured and paid for all Port and other Regulatory Approvals of the various Regulatory Agencies having jurisdiction over the Premises, including, but not limited to, any building or similar permits required by Port or its Chief Harbor Engineer in the exercise of its jurisdiction with respect to the Premises.

(b) HSH shall seek permits for any Alterations or Improvements to the Premises from Port's Chief Harbor Engineer. Port shall follow any such review timelines at set forth by any additional MOU between Port and other City Regulatory Agencies in the spirit of prioritizing review and approval.

(c) None of the following will constitute Alterations or Improvements requiring Port's consent: (i) installation of furnishings, trade fixtures, equipment, or decorative improvements; (ii) painting the interior of the Premises; and (iii) carpeting the Premises.

14.2. Construction Requirements. All Alterations and Improvements, including the Initial Improvements, to the Premises made by or on behalf of HSH shall be subject to the following conditions, which HSH covenants faithfully to perform:

(a) All Alterations and Improvements, including the Initial Improvements, shall be performed in a good and workmanlike manner in accordance with plans and specifications previously approved by Port in writing and in compliance with the applicable

building, zoning and other applicable Laws, including, but not limited to, compliance with the ADA, and in compliance with the terms of and conditions imposed in any Regulatory Approval or any permit or authorization for the Premises.

(b) All Alterations and Improvements, including the Initial Improvements, shall be performed at the sole cost and expense of HSH, with reasonable dispatch and prosecuted to completion, and only by duly licensed and bonded contractors or mechanics working under the oversight of a general contractor, who will be subject to any conditions that Port may reasonably impose.

(c) HSH, while performing any subsequent construction or maintenance or repair of the Improvements (for purposes of this Section only, "Work"), shall undertake commercially reasonable measures in accordance with good construction practices to minimize the risk of injury or damage to adjoining portions of the Premises and Improvements and the surrounding property, or the risk of injury to members of the public, caused by or resulting from the performance of its Work. HSH shall undertake commercially reasonable measures to minimize damage, disruption or inconvenience caused by the Work and make adequate provision for the safety and convenience of all persons affected by the Work. Dust, noise and other effects of the Work shall be controlled using commercially-accepted methods customarily used to control deleterious effects associated with construction projects in populated or developed urban areas. HSH shall erect appropriate construction barricades substantially enclosing the area of such construction and maintain them until the Work has been substantially completed, to the extent reasonably necessary to minimize the risk of hazardous construction conditions.

(d) Without limiting Section 17 below (Hazardous Materials), in the event that asbestos-containing materials ("ACM") are determined to exist in or about the Premises, HSH shall ensure that all Alterations and Improvements and any asbestos related work, as further 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, Cal-OSHA regulations found in Title 8 of the California Code of Regulations, Sections 1502 and 1529. Additionally, HSH shall distribute notifications to all employees and contractors as required pursuant to California Health & Safety Code Sections 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 or Improvements affecting ACM-containing areas or any asbestos related work shall be performed without Port's prior written consent in its reasonable discretion.

14.3. Removal of Improvements. Prior to the Expiration Date or earlier termination of this MOU, Port may give written notice to HSH (herein "Notice of Removal") specifying the Alterations or Improvements that are designated as HSH's Property as defined in this MOU or as may be specifically provided in the relevant permits or plans approved by Port, which HSH shall be required to remove and relocate or demolish and remove from the Premises in accordance with Section 16. Any such removal is subject to the requirements of this Section, including the requirement to obtain a Port building or similar permit, if applicable. If termination of this MOU is the result of loss or destruction of the Premises or any Improvements thereon, Port shall deliver the Notice of Removal to HSH within a reasonable time after the loss or destruction. HSH shall be obligated at its own expense to remove all Alterations or Improvements specified in the Notice of Removal, including without limitation all telephone wiring and equipment installed by HSH. HSH shall promptly repair, at its own expense, in good and workmanlike fashion any damage occasioned thereby. If HSH fails to complete any required demolition or removal on or before the termination of this MOU, Port may perform such removal or demolition at HSH's expense, and HSH shall reimburse Port within three (3) business days after demand therefor.

14.4. Removal of Non-Permitted Improvements. If HSH constructs any Alterations or Improvements without Port's prior written consent or without complying with Section 14.2

above, then, in addition to any other remedy available to Port, Port may require HSH to remove, at HSH's expense, any or all such Alterations or Improvements and to promptly repair, at HSH's expense and in good workmanlike fashion, any damage occasioned thereby. HSH shall pay to Port all special inspection fees as set forth in any applicable building code, standard or regulation, including, without limitation, the Port Building Code, for inspection of work performed without required permits. The foregoing obligation of HSH to reimburse Port for all cost and expenses incurred by Port in connection with HSH's failure to comply with the provisions of Section 13 shall survive the expiration or earlier termination of this MOU.

14.5. All-Gender Toilet Facilities. If applicable, HSH shall comply with San Francisco Administrative Code Section 4.1-3 requiring at least one all-gender toilet facility on each floor of any new building on City-owned land and within existing buildings leased by the City, including the Premises, 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 HSH has any question about applicability or compliance, HSH should contact the Port's Property Manager for guidance.

14.6. Signs. HSH shall not install business signage, awnings or other exterior decoration or notices on the Premises without Port's prior written consent. Any sign that HSH is permitted to place, construct or maintain on the Premises shall comply with all Laws relating thereto, including but not limited to, Port's Sign Guidelines, as revised by Port from time to time, and building permit requirements, and HSH shall obtain all Regulatory Approvals required by such Laws. Port makes no representation with respect to HSH's ability to obtain such Regulatory Approval. HSH, at its sole cost and expense, shall remove all signs placed by it on the Premises at the expiration or earlier termination of this MOU.

15. COMPLIANCE WITH LAWS AND REGULATIONS.

15.1. Compliance With Laws. HSH, at HSH's sole cost and expense, promptly shall comply with all Laws relating to or affecting the condition, use or occupancy of the Premises.

15.2. Regulatory Approval. HSH understands that HSH's operations on the Premises, changes in use, or Improvements or Alterations to the Premises (individually and collectively, “**Changes**”) may require Regulatory Approvals from Regulatory Agencies, including Regulatory Approvals issued by Port in its capacity as a Regulatory Agency. HSH shall be solely responsible for obtaining any such Regulatory Approvals, and HSH shall not seek any Regulatory Approval without first obtaining the prior written approval of Port. All costs associated with applying for and obtaining any necessary Regulatory Approval shall be borne solely and exclusively by HSH. HSH shall be solely responsible for complying with any and all conditions imposed by Regulatory Agencies as part of a Regulatory Approval; provided, however, HSH shall not agree to the imposition of conditions or restrictions in connection with its efforts to obtain a permit or other entitlement from any Regulatory Agency (other than Port), if the Port is required to be a co-permittee under such permit or other entitlement, or if the conditions or restrictions it would impose on the project could affect use or occupancy of other areas controlled or owned by the Port or would create obligations on the part of the Port (whether on or off of the Premises) to perform or observe, unless in each instance the Port has previously approved such conditions in writing, in Port's sole and absolute discretion.

Any fines or penalties imposed as a result of the failure of HSH to comply with the terms and conditions of any Regulatory Approval shall be promptly paid and discharged by HSH, and Port shall have no liability, monetary or otherwise, for the fines and penalties. To the fullest extent permitted by Law, HSH agrees to Indemnify Port and its Agents from and against any loss, expense, cost, damage, attorneys' fees, penalties, claims or liabilities which Port may incur as a result of HSH's failure to obtain or comply with the terms and conditions of any Regulatory Approval.

Without limiting the terms and conditions of Sections 15.2 and 15.3, by signing this MOU, HSH agrees and acknowledges that (i) Port has made no representation or warranty that Regulatory Approvals to allow for the Embarcadero S.A.F.E. Navigation Center or Changes, if any, can be obtained, (ii) although Port is an agency of the City, Port has no authority or influence over any Regulatory Agency responsible for the issuance of such required Regulatory Approvals, (iii) Port is entering into this MOU in its capacity as a landowner with a proprietary interest in the Facility and not as a Regulatory Agency of the City with certain police powers, and (iv) HSH is solely responsible for obtaining any and all required Regulatory Approvals in connection with the Embarcadero S.A.F.E. Navigation Center or any Changes. Accordingly, HSH understands that there is no guarantee, nor a presumption, that any required Regulatory Approvals will be issued by the appropriate Regulatory Agency and Port's status as an agency of the City shall in no way limit the obligation of HSH to obtain approvals from any Regulatory Agencies (including Port) that have jurisdiction over the Facility. HSH hereby releases and discharges Port from any liability relating to the failure of any Regulatory Agency (including Port) from issuing any required Regulatory Approval.

15.3. *Port Acting As Owner of Property.* By signing this MOU, HSH agrees and acknowledges that (i) Port has made no representation or warranty that any required Regulatory Approval can be obtained, (ii) although Port is an agency of City, Port has no authority or influence over any other Regulatory Agency responsible for the issuance of such required Regulatory Approvals, (iii) Port is entering into this MOU in its capacity as a landowner with a proprietary interest in the Premises and not as a Regulatory Agency of City with certain police powers, and (iv) HSH is solely responsible for obtaining any and all required Regulatory Approvals in connection with the Permitted Activity on, in or around the Premises. Accordingly, HSH understands that there is no guarantee, nor a presumption, that any required Regulatory Approval(s) will be issued by the appropriate Regulatory Agency and Port's status as an agency of City shall in no way limit the obligation of HSH to obtain approvals from any Regulatory Agencies (including Port) which have jurisdiction over the Premises. HSH hereby releases and discharges Port from any liability relating to the failure of any Regulatory Agency (including Port) from issuing any required Regulatory Approval.

15.4. *Accessibility.* California Law requires commercial landlords to disclose to tenants whether the property being leased has undergone inspection by a Certified Access Specialist ("CASp") to determine whether the property meets all applicable construction-related accessibility requirements. The Law does not require landlords to have the inspections performed. HSH is hereby advised that the Premises has not been inspected by a CASp and, except to the extent expressly set forth in this MOU, Port shall have no liability or responsibility to make any repairs or modifications to the Premises in order to comply with accessibility standards. The following disclosure is required by Law:

“A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state Law. Although state Law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or HSH from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or HSH, if requested by the lessee or HSH. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.”

Further, HSH is hereby advised that the Premises may not currently meet all applicable construction-related accessibility standards, including standards for public restrooms and ground floor entrances and exits. HSH understands and agrees that HSH may be subject to legal and financial liabilities if the Premises does not comply with applicable federal and state disability access Laws. As further set forth in this Section, HSH further understands and agrees that it is

HSH's obligation, at no cost to Port, to cause the Premises and HSH's uses thereof to be conducted in compliance with the all federal or state disability access Laws.

16. SURRENDER.

Upon the expiration or earlier termination of this MOU, HSH shall surrender to Port the Premises and any pre-existing alterations and improvements in good condition (except for ordinary wear and tear). Ordinary wear and tear shall not include any damage or deterioration that would have been prevented by proper maintenance by HSH, or HSH otherwise performing all of its obligations under this MOU. The Premises shall be surrendered clean, free of debris, waste, and Hazardous Materials, and free and clear of all liens and encumbrances other than liens and encumbrances existing as of the date of this MOU and any other encumbrances created by Port. On or before the expiration or earlier termination hereof, HSH shall remove all of its personal property and, unless Port directs otherwise, any alterations and improvements that HSH has installed with Port's consent, and perform all restoration made necessary by the removal of HSH's personal property.

Without any prior notice, Port may elect to retain or dispose of HSH's personal property and any alterations and improvements that HSH has installed with or without Port's consent that HSH does not remove from the Premises prior to the expiration or earlier termination of this MOU. These items shall be deemed abandoned. Port may retain, store, remove, and sell or otherwise dispose of abandoned property, and HSH waives all Claims against Port for any damages resulting from Port's retention, removal and disposition of such property; provided, however, that HSH shall be liable to Port for all costs incurred in storing, removing and disposing of abandoned property and repairing any damage to the Premises resulting from such removal. HSH agrees that Port may elect to sell abandoned property and offset against the sales proceeds Port's storage, removal, and disposition costs without notice to HSH. HSH hereby waives the benefits of California Civil Code Section 1993 et seq., to the extent applicable.

If HSH fails to surrender the Premises as required by this Section, HSH shall Indemnify Port from all damages resulting from HSH's failure to surrender the Premises, including, but not limited to, any costs of Port to enforce this Section and Claims made by a succeeding tenant resulting from HSH's failure to surrender the Premises as required together with, in each instance, reasonable attorneys' fees and costs.

HSH's obligation under this Section shall survive the expiration or earlier termination of this MOU.

17. HAZARDOUS MATERIALS.

17.1. *Requirements for Handling.* Neither HSH nor its Agents or Invitees may Handle or permit any other person to Handle any Hazardous Material in, on, under or about the Premises or other Port property, subject only to the following exceptions, provided that Handling is at all times in full compliance with all Environmental Laws: janitorial and office supplies in limited amounts customarily used for general office purposes.

17.2. *HSH Responsibility.* HSH agrees to protect its Agents and Invitees in its operations on the Premises from hazards associated with Hazardous Materials in accordance with all Environmental Laws and also agrees, for itself and on behalf of its Agents and Invitees, that during its use and occupancy of the Premises, each of them:

- (a) will not permit any Hazardous Materials to be present in, on, under or about the Premises or other Port property except as permitted under Section 17.1;
- (b) will not cause or permit any Hazardous Material Condition; and
- (c) will comply with all Environmental Laws relating to the Premises and any Hazardous Material Condition, and will not engage in or permit any activity at the Premises,

other Port property, or in the operation of any vehicles or vessels used in connection with the Premises in violation of any Environmental Laws.

17.3. HSH's Environmental Condition Notification Requirements.

(a) HSH must notify Port immediately, orally or by other means that will transmit the earliest possible notice to Port staff, followed within twenty-four (24) hours by written notice, of and when HSH learns or has reason to believe Hazardous Materials were Released or, except as allowed under Section 17.1, Handled, in, on, or about the Premises, other Port property, or the environment, or from any vehicles or vessels that HSH or its Agents or Invitees use during HSH's occupancy of the Premises, whether or not the Release or Handling is in quantities that would be required under Environmental Laws to be reported to an Environmental Regulatory Agency.

(b) HSH must notify Port immediately, orally or by other means that will transmit the earliest possible notice to Port staff, followed within twenty-four (24) hours by written notice, and contemporaneously provide Port with an electronic copy, of:

(i) Any notice of the Release or Handling of Hazardous Materials, in, on, or about the Premises, other Port property, or the environment, or from any vehicles or vessels HSH, or its Agents and Invitees uses during HSH's occupancy of the Premises that HSH or its Agents or Invitees provides to an Environmental Regulatory Agency;

(ii) Any notice of a violation, or a potential or alleged violation, of any Environmental Law that HSH or its Agents or Invitees receives from any Environmental Regulatory Agency;

(iii) Any other Environmental Regulatory Action that is instituted or threatened by any Environmental Regulatory Agency against HSH or its Agents or Invitees and that relates to the Release or Handling of Hazardous Materials, in, on, or about the Premises, other Port property, or the environment, or from any vehicles or vessels HSH, or its Agents and Invitees uses during HSH's occupancy of the Premises;

(iv) Any Hazardous Material Claim that is instituted or threatened by any third party against HSH or its Agents or Invitees and that relates to the Release or Handling of Hazardous Materials, in, on, or about the Premises, other Port property, or the environment, or from any vehicles or vessels HSH, or its Agents and Invitees uses during HSH's occupancy of the Premises; and

(v) Any notice of the termination, expiration, or substantial amendment of any Environmental Regulatory Approval needed by HSH or its Agents or Invitees for their operations at the Premises.

(c) HSH must notify Port of any meeting, whether conducted face-to-face or telephonically, between HSH and any Environmental Regulatory Agency regarding an Environmental Regulatory Action. Port will be entitled to participate in any such meetings at its sole election.

(d) HSH must notify Port of any Environmental Regulatory Agency's issuance of an Environmental Regulatory Approval. HSH's notice to Port must state the issuing entity, the Environmental Regulatory Approval identification number, and the date of issuance and expiration of the Environmental Regulatory Approval. In addition, HSH must provide Port with a list of any plan or procedure required to be prepared and/or filed with any Environmental Regulatory Agency for operations on the Premises, including a "Spill Prevention Control and Countermeasure Plan." HSH must provide Port with copies of any of the documents within the scope of this Section upon Port's request.

(e) HSH must provide Port with copies of all communications with Environmental Regulatory Agencies and all non-privileged communications with other persons

regarding potential or actual Hazardous Material Claims arising from HSH's or its Agents' or Invitees' operations at the Premises. Upon Port's request, HSH must provide Port with a log of all communications withheld under a claim of privilege that specifies the parties to and subject of each withheld communication.

(f) Port may from time to time request, and HSH will be obligated to provide, information reasonably adequate for Port to determine that any and all Hazardous Materials are being Handled in a manner that complies with all Environmental Laws.

17.4. Requirement to Remediate.

(a) HSH's Remediation obligations under this Subsection are subject to Subsection (b).

(i) After notifying Port in accordance with Section 17.3(a), HSH must Remediate at its sole cost in compliance with all Environmental Laws and this MOU, any Hazardous Material Condition occurring during the Term or while HSH or its Agents or Invitees otherwise occupy any part of the Premises. HSH must obtain Port's approval of a Remediation work plan, whether or not required under Environmental Laws, then begin Remediation actions immediately following Port's approval of the work plan and continue diligently until Remediation is complete, as determined by Port, in its reasonable discretion, which shall be provided within ten (10) business day upon receipt of Remediation Work plan or completion of Remediation work as applicable.

(ii) In addition to its obligations under clause (i), before this MOU terminates for any reason, HSH must Remediate at its sole cost in compliance with all Environmental Laws and this MOU: (A) any Hazardous Material Condition caused by HSH's or its Agents' or Invitees' Handling Hazardous Materials during the Term; and (B) any Hazardous Material Condition discovered during HSH's occupancy that any Regulatory Agency requires to be Remediated if Remediation would not have been required but for HSH's use of or Changes to the Premises.

(iii) If Environmental Laws governing Remediation require a remedial action plan, HSH must provide a draft of its plan to Port for comment and approval before submittal to the appropriate Environmental Regulatory Agency, and a copy of the final plan as submitted.

(iv) In all situations relating to Handling or Remediating Hazardous Materials, HSH must take all actions that are reasonably necessary in Port's sole judgment to protect the value of the Premises, such as obtaining Environmental Regulatory Approvals related to Hazardous Materials and taking measures to remedy any deterioration in the condition or diminution of the value of any portion of the Premises in any manner related directly or indirectly to Hazardous Materials.

(b) Unless HSH or its Agents or Invitees Exacerbate the Hazardous Material Condition, HSH will not be obligated to Remediate any Hazardous Material Condition:

(i) caused solely by Port or its Agents during HSH's occupancy of the Premises; or

(ii) arising before the Effective Date or the date of HSH's first use of the Premises, whichever is earlier.

17.5. Port's Right to Audit. Port will have the right, but not the obligation, to inspect and audit the Premises for any Hazardous Materials, including the right to Investigate, at reasonable times under Section 19 (Port's Entry on Premises). Port's failure to inspect or obtain samples or to detect conditions attributable to HSH's operations if an inspection is conducted may not be deemed to be a release of any liability for any Hazardous Materials subsequently determined to be HSH's responsibility under this MOU.

17.6. Notification of Asbestos. Port hereby notifies HSH, in accordance with the OSHA Asbestos Rule (1995), 59 Fed. Reg. 40964, 29 CFR §§ 1910.1001, 1926.1101 (as amended, clarified and corrected) (OSHA Asbestos Rule); California Health and Safety Code §§25915-259.7 and Cal-OSHA General Industry Safety Order for Asbestos, 8 CCR § 5208, of the presence of ACMs and/or presumed asbestos-containing materials ("PACMs") (as such terms are defined in Cal-OSHA General Industry Safety Order for Asbestos), in the locations identified in the summary/table, if any, set forth in Schedule 1 attached hereto.

This notification by Port is made pursuant to a building inspection survey(s), if any, performed by Port or its contractors qualified to perform an asbestos building survey identified in the summary/table, if any, set forth in Schedule 1 attached hereto. Such survey(s), monitoring data and other information are kept at Port of San Francisco, Pier 1, San Francisco, California, 94111 and are available for inspection upon request.

HSH hereby acknowledges receipt of the notification specified in the first paragraph of Section 17.6 hereof and the notice or report attached as Schedule 1 hereto and understands, after having consulted its legal counsel, that it must make its employees and contractors aware of the presence of ACMs and/or PACMs in or about the Premises in order to avoid or minimize any damage to or disturbance of such ACMs and/or PACMs. HSH further acknowledges its obligations under Cal-OSHA General Industry Safety Order for Asbestos to provide information to its employees and contractors regarding the presence of ACMs and PACMs at the Premises and to provide a training program for its employees that conforms with 8 CCR § 5208(j)(7)(C).

HSH is aware that the presence, or possibility, of asbestos in or about the Premises may limit HSH's ability to construct Alterations to the Premises without HSH first performing abatement of such asbestos. The presence of asbestos in the Premises and the removal or non-removal by Port of all or a portion of the asbestos in the Premises, shall not, however, (i) entitle HSH to any Claim, (ii) relieve HSH of any of its obligations hereunder, including without limitation the obligation to pay Rent, (iii) constitute or be construed as a constructive or other eviction of HSH, or (iv) constitute or be construed as a breach of Port's covenant assuring HSH's quiet enjoyment of the Premises. Notwithstanding any other provisions of this MOU, HSH agrees to Indemnify Port for HSH's acts or omissions that result in (1) asbestos-related enforcement actions, including both administrative or judicial proceedings, and (2) any Claims arising from an alleged violation of Cal-OSHA General Industry Safety Order for Asbestos and/or exposures to asbestos.

17.7. Notification of Lead. Port hereby notifies HSH of the potential presence of lead-containing and presumed lead-containing materials in the Premises. Disturbance or removal of lead is regulated by, among other Laws, 29 CFR §§ 1910.1025, 1926.62; California Health & Safety Code §§ 105185-105197 and 105250-105257; Cal-OSHA Construction Safety Order for Lead, Title 8 CCR § 1532.1; Title 17 CCR Chapter 8; and Port Building Code § 3424.

HSH is aware that the presence, or possibility, of lead in or about the Premises may limit HSH's ability to perform any Improvements or Alterations to the Premises without HSH first performing abatement of such lead. The presence of lead in the Premises and the removal or non-removal by Port of all or a portion of the lead in the Premises shall not, however, (i) entitle HSH to any Claim, (ii) relieve HSH of any of its obligations hereunder, including without limitation the obligation to pay Rent, (iii) constitute or be construed as a constructive or other eviction of HSH, or (iv) constitute or be construed as a breach of Port's covenant assuring HSH's quiet enjoyment of the Premises. Notwithstanding any other provisions of this MOU, HSH agrees to Indemnify Port for its acts or omissions that result in (1) lead-related enforcement actions, including both administrative or judicial proceedings, and (2) any Claims arising from an alleged violation of Cal-OSHA Construction Safety Order for Lead and/or exposures to lead.

17.8. Storm Water Pollution Prevention.

(a) HSH must comply with the applicable provisions of the Statewide General Permit for Discharge of Industrial Storm Water issued by the State Water Resources Control Board, including filing a Notice of Intent to be covered, developing and implementing a site-specific Storm Water Pollution Prevention Plan ("SWPPP"), and conducting storm water monitoring and reporting. HSH's SWPPP and a copy of a Notice of Intent for HSH's Premises must be submitted to Port's Real Estate Division before beginning operations on the Premises.

(b) In addition to requiring compliance with the permit requirements under Subsection (a), HSH shall comply with the post-construction stormwater control provisions of the Statewide General Permit for Discharge of Stormwater from Small Municipalities and the San Francisco Stormwater Design Guidelines, subject to review and permitting by the Port's Engineering Division.

17.9. Presence of Hazardous Materials. California Law requires landlords to disclose to tenants the presence or potential presence of certain Hazardous Materials. Accordingly, HSH is hereby advised that Hazardous Materials (as herein defined) may be present on or near the Premises, including, but not limited to, vehicle fluids, janitorial products, tobacco smoke, and building materials containing chemicals, such as asbestos, naturally-occurring radionuclides, lead and formaldehyde. Further, the following known Hazardous Materials are present on the property: asbestos in building, if any, as described in Schedule 1 attached hereto, naturally occurring asbestos, contamination commonly found in fill, petroleum contamination, lead-based paint, etc. and the Hazardous Materials described in the reports listed in Schedule 4, copies of which have been delivered to or made available to HSH. By execution of this MOU, HSH acknowledges that the notice set forth in this Section satisfies the requirements of California Health and Safety Code Section 25359.7 and related Laws. HSH must disclose the information contained in this Section 17.9 to any licensee, transferee, or assignee of HSH's interest in this MOU. HSH also acknowledges its own obligations pursuant to California Health and Safety Code Section 25359.7 as well as the penalties that apply for failure to meet such obligations.

17.10. Survival. HSH's obligations under Section 17 shall survive the expiration or earlier termination of this MOU.

18. DAMAGE AND DESTRUCTION.

18.1. Damage and Destruction. If the Premises is damaged by fire or other casualty, then Port shall repair the same provided that funds for such repairs are appropriated by Port, in its sole discretion, for such purpose and that such repairs can be made within the Repair Period. In the event such conditions are satisfied, this MOU shall remain in full force and effect except that so long as such damage or casualty is not attributable to HSH, its Agents or Invitees, HSH shall be entitled to a proportionate reduction of Rent during the Repair Period based upon the extent to which such damage and the making of such repairs materially interferes with HSH's use or occupancy of the Premises less any insurance proceeds HSH receives, which proceeds are to be applied against the payment of Rent during any Repair Period.

Port shall use its commercially reasonable efforts to notify HSH within ninety (90) days after the date of such damage whether or not such repairs can be made within the Repair Period, and Port's determination thereof shall be binding on HSH. If such repairs cannot be made within the Repair Period, Port shall have the option to notify HSH of: (a) Port's intention to repair such damage and diligently prosecute such repairs to completion within a reasonable period after the Repair Period, subject to appropriation of funds, in which event this MOU shall continue in full force and effect and the monthly Rent shall be reduced as provided herein; or (b) Port's election to terminate this MOU as of the date specified in such notice, which date shall be not less than thirty (30) nor more than sixty (60) days after notice is given by Port. In case of termination, the monthly Rent shall be reduced as provided above, and HSH shall pay such reduced monthly Rent up to the date of termination.

If Port elects not to appropriate funds for such repair, Port shall give written notice to HSH within sixty (60) days after the date Port elects not to appropriate funds of its election to terminate this MOU as of the date specified in such notice, which date shall be not less than thirty (30) nor more than sixty (60) days after notice is given by Port. In case of termination, the monthly Rent shall be reduced as provided above, and HSH shall pay such reduced monthly Rent up to the date of termination.

If at any time during the last six (6) months of the Term of this MOU, the Premises is damaged or destroyed, then either Port or HSH may terminate this MOU by giving written notice to the other party of its election to do so within thirty (30) days after the date of the occurrence of such damage; provided, however, HSH may terminate only if such damage or destruction substantially impairs its use or occupancy of the Premises for the Permitted Use. The effective date of termination shall be specified in the notice of termination, which date shall not be more than thirty (30) days from the date of the notice.

Notwithstanding anything to the contrary in this MOU, (i) Port shall have no obligation to repair the Premises, (ii) HSH shall not be entitled to any abatement of Rent, and (iii) HSH shall not be entitled to terminate this MOU, in the event the damage or destruction is attributable to any act or omission of HSH, its Agents, or Invitees. In no event shall Port be required to repair any damage to HSH's Property or any paneling, decorations, railings, floor coverings, or any Improvements installed or made on the Premises by or at the expense of HSH. In the event the Premises is substantially damaged or destroyed and Port intends to rebuild for public purposes inconsistent with this MOU, Port may terminate this MOU upon written notice to HSH.

18.2. Waiver. Port and HSH intend that the provisions of Section 18 govern fully in the event of any damage or destruction and accordingly, Port and HSH each hereby waives the provisions of Section 1932, subdivision 2, Section 1933, subdivision 4, Sections 1941 and 1942 of the Civil Code of California or under any similar Law now or hereafter in effect.

19. PORT'S ENTRY ON PREMISES.

19.1. Entry for Inspection. Port shall have the right to enter the Premises upon reasonable notice at any time during normal business hours of generally recognized business days, provided that HSH is present on the Premises (except in the event of an emergency), for the purpose of inspecting the Premises to determine whether the Premises are in good condition and whether HSH is complying with its obligations under this MOU.

19.2. General Entry. Port and its authorized Agents shall have the right to enter the Premises at all reasonable times and upon reasonable notice to conduct any necessary maintenance, repairs or restoration or to perform any activities which Port has the right or obligation to perform to the Premises or areas adjacent to the Premises in its capacity as a landlord; and to do any other act or thing necessary for the safety or preservation of the Premises or areas adjacent to the Premises

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

19.4. No Liability. Port shall not be liable in any manner, and HSH hereby waives any claim for damages, for any inconvenience, disturbance, loss of business, nuisance, or other damage, including without limitation any abatement or reduction in Rent, arising out of Port's entry onto the Premises as provided in this Section 19 or performance of any necessary or required work on the Premises, or on account of bringing necessary materials, supplies and equipment into or through the Premises during the course thereof, except damage resulting solely from the willful misconduct of Port or its authorized representatives.

19.5. Non-Disturbance. Port shall use its commercially reasonable efforts to conduct its activities on the Premises as allowed in this Section 19 in a manner which, to the extent reasonably practicable, will minimize annoyance or disturbance to HSH.

20. PROPERTY USE CONDITIONS.

20.1. Requirement that Premises be Used. HSH shall continuously use the Premises for the uses specified in this MOU.

20.2. Mineral Rights. The State of California ("State"), pursuant to Section 2 of Chapter 1333 of the Statutes of 1968, as amended, has reserved all subsurface mineral deposits, including oil and gas deposits, on or underlying the Premises and HSH acknowledges such reserved rights including necessary ingress and egress rights. In no event shall Port be liable to HSH for any Claims arising from the State's exercise of its rights nor shall such action entitle HSH to any abatement or diminution of Rent or otherwise relieve HSH from any of its obligations under this MOU.

21. INSURANCE.

21.1. Insurance. HSH shall require the Embarcadero S.A.F.E. Navigation Center Operator to maintain, during such time that it is acting as HSH's agent to operate the Embarcadero S.A.F.E. Navigation Center, insurance as follows:

(a) Workers' Compensation, in statutory amounts, with Employers' Liability Limits not less than \$1,000,000 each accident, injury, or illness; and

(b) Commercial General Liability Insurance with limits not less than \$1,000,000 each occurrence for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations; and

(c) Commercial Automobile Liability Insurance with limits not less than \$1,000,000 each occurrence, "Combined Single Limit" for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.

(d) Other Coverage. Such other insurance as required by Law or as City's Risk Manager may require.

21.2. Additional Requirements. Commercial General Liability and Commercial Automobile Liability Insurance policies must be endorsed to provide:

(a) Name as Additional Insureds the City and County of San Francisco and the Port of San Francisco, and their Officers, Agents, and Employees.

(b) That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought.

21.3. Claims Made Policy. Should any of the required insurance be provided under a claims-made form, the Embarcadero S.A.F.E. Navigation Center Operator shall maintain such coverage continuously throughout the Term and, without lapse, for three (3) years beyond the expiration of this MOU, to the effect that, should occurrences during the Term give rise to claims made after expiration of this MOU, such claims shall be covered by such claims-made policies.

21.4. Annual Aggregate Limit. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such annual aggregate limit, such annual aggregate limit shall be not less than double the occurrence limits specified above.

21.5. General Insurance Matters. All liability insurance policies required to be maintained by the Embarcadero S.A.F.E. Navigation Center Operator hereunder shall contain a cross-liability clause, shall name as additional insureds by written endorsement the "CITY AND

COUNTY OF SAN FRANCISCO AND THE SAN FRANCISCO PORT COMMISSION AND THEIR OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS," shall be primary and non-contributory to any other insurance available to the additional insureds with respect to claims arising under this MOU, and shall provide that such insurance applies separately to each insured against whom complaint is made or suit is brought except with respect to the limits of the company's liability.

22. DEFAULT; REMEDIES.

Subject to the cure periods provided below, any of the following shall constitute an event of default (the "Event of Default") by HSH hereunder:

- (a) Failure to pay to Port any Rent or other sum payable hereunder when due;
- or
- (b) abandonment or vacation of the Premises by HSH; or
 - (c) failure to use the Premises solely for the Permitted Use; or
 - (d) failure to comply with the Good Neighbor Policy governing the operations of the Navigation Center, attached hereto as Exhibit B; or
 - (e) an assignment, sublease or other of this MOU.

Any of the events identified above shall become an Event of Default if HSH does not cure such default within forty-eight (48) hours after written notice from Port. If such default cannot reasonably be cured within such forty-eight (48) hours period, HSH shall not be in default of this MOU if HSH commences to cure the default within such forty-eight (48) hour period and diligently and in good faith continues to cure the default; provided, however, in no event shall HSH have more than thirty (30) days to cure such default.

Upon the occurrence of an Event of Default by HSH, Port may at its option, and without further notice or demand of any kind to HSH or to any other person, terminate HSH's right to possession of the Premises and this MOU.

23. ASSIGNMENT AND SUBLETTING.

Assignment or subletting is strictly prohibited under this MOU.

24. DAMAGES.

It is the understanding of the parties that Port shall not expend any funds due to or in connection with HSH's use of the Premises, including without limitation HSH's Improvements, except as otherwise specifically set forth in this MOU. Therefore, HSH agrees to be responsible for all costs associated with all claims, damages, liabilities or losses which arise (i) as a result of the handling of Hazardous Materials on or about the Premises by HSH, its agents or invitees, and its contactors and their subcontractors, agents and invitees; (ii) out of any injuries or death of any person or damage of any property occurring in, on or about the Premises or which arise as a result of HSH's or its agents' or invitees' act or omission; or (iii) out of HSH's failure to comply with the terms of this MOU, including, without limitation, compliance with all Laws and Regulatory Approvals. The foregoing obligation of HSH shall survive the expiration or termination of this MOU. In addition, HSH will ensure that Port is indemnified to the same extent that HSH is indemnified by its vendors, contractors or agents conducting any activities on the Premises.

25. NOTICES.

All notices, demand, consents or approvals which are or may be required to be given by either party to the other under this MOU shall be in writing and shall be deemed to have been fully given when delivered in person to such representatives of Port and HSH as shall from time

to time be designated by the parties for the receipt of notice, or when deposited in the United States mail, postage prepaid, and addressed, to:

If to Port: Director of Real Estate
Port of San Francisco
Pier 1
San Francisco, CA 94111
FAX No: (415) 274-0508
Telephone No: (415) 274-0501

And if to HSH to: San Francisco Department of Homelessness and Supportive
Housing
City and County of San Francisco
Attention: Scott Walton
P.O. Box 427400
San Francisco, CA 94142-7400

Tel: (415) 355-5326

26. SUCCESSORS AND ASSIGNS.

The covenants and conditions contained herein shall inure and bind the heirs, successors, executors and assigns of the Port and the HSH.

27. SEVERABILITY.

The invalidity or unenforceability of a particular provision of this MOU shall not affect the other provisions hereof.

28. COOPERATION.

Subject to the terms and conditions of this MOU, Port and HSH agree to use reasonable efforts to do, or cause to be done, all things reasonably necessary or advisable to carry out the purposes of this MOU and HSH's request for the use of the Premises as expeditiously as practicable, including performance of further acts and the execution and delivery of any additional documents in form and content reasonably satisfactory to both parties. Nothing in this MOU in any way limits the right of either party, or any department, board or commission with jurisdiction over the matters addressed in this MOU, to exercise any discretion available to such party, department, board or commission with respect to the same. In addition to any conditions described in this MOU, the obligations of Port and HSH are expressly subject to the receipt of all legally required approvals following environmental review.

29. MISCELLANEOUS.

29.1. Modification. This MOU may be amended or modified only by a writing signed by Port and HSH.

29.2. Waiver. No waiver by any party of any of the provisions of this MOU will be effective unless in writing and signed by an authorized representative, and only to the extent expressly provided in such waiver.

29.3. Integration. This MOU (including any exhibits) contains the entire understanding between the parties as of the date of this MOU, and all prior written or oral negotiations, discussions, understandings and agreements are merged herein.

29.4. *Applicable Laws.* All transactions described herein are subject to and must be conducted in accordance with the applicable requirements of the City's Charter and codes and applicable state and federal laws.

29.5. *Parties.* References to Port and HSH include their respective employees, agents, invitees, contractors, vendors any other person whose rights arise through them.

29.6. *No Third Party Beneficiary Rights.* The parties do not intend to confer, and this MOU shall not be construed to confer, any rights or any benefits to any person other than the parties. No person not a party to this MOU shall have any right to enforce any terms of this Agreement.

30. ENTIRE AGREEMENT.

This MOU (including attached exhibits) contains the entire understanding between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed as of the date first written above.

[REMAINDER OF PAGE LEFT BLANK]

AGREED TO AS WRITTEN ABOVE:
CITY AND COUNTY OF SAN FRANCISCO
a municipal corporation, through the PORT
COMMISSION

AGREED TO AS WRITTEN ABOVE:
SAN FRANCISCO DEPARTMENT OF
HOMELESSNESS AND SUPPORTIVE
HOUSING

By: _____
ELAINE FORBES
Executive Director
Port of San Francisco

By: _____
JEFF KOSITSKY
Director
San Francisco Homelessness and
Supportive Housing

Date: _____

Date : _____

REVIEWED:
DENNIS J. HERRERA, City Attorney

By: _____
Annette Mathai-Jackson
Deputy City Attorney

Prepared by: Kimberley Beal, Property Manager _____(initial)

[REMAINDER OF PAGE LEFT BLANK.]

EXHIBIT A
DEPICTION OF PREMISES

[PAGE INTENTIONALLY LEFT BLANK]

EXHIBIT B

SAMPLE GOOD NEIGHBOR POLICY

“Good Neighbor Policies” are commonly included in City contracts in order to support productive and communicative relationships between service organizations and the communities/neighborhoods in which they are located. Organizations who wish to operate the contracted services or facilities, agree to follow all provisions of the policy.

The Department of Homelessness and Supportive Housing will include a Good Neighbor Policy in its contract or grant agreement with the operator of the S.A.F.E. Navigation Center located at Seawall Lot 330 (“**Embarcadero S.A.F.E. Navigation Center**”) with the same or similar language to the following provisions. This policy is part of the scope of work within the contract or grant and will include the provisions outlined below.

The non-profit agency contracted to operate the Embarcadero S.A.F.E. Navigation Centers will:

- A. Work with neighbors, DSHS, SFPD, Public Works, DPH and other relevant city agencies to ensure that neighborhood concerns about the facility are heard and addressed.
- B. Assign a director, manager, or representative to participate in and attend appropriate neighborhood and community meetings.
- C. provide a phone number to all interested neighbors that will be answered at all times by a manager or other responsible person who has the authority to respond to complaints and issues at the Embarcadero S.A.F.E. Navigation Center as they arise.
- D. Minimize the impact on the neighborhood of Embarcadero S.A.F.E. Navigation Center guests entering, exiting, or waiting for services. The Embarcadero S.A.F.E. Navigation Center will do this by limiting referrals, not allowing walk-ins, and having 24/7 access to the site for registered guests.
- E. Actively discourage and address excessive noise from program clients and others who may be just outside the program site.
- F. Actively discourage loitering in the area immediately surrounding the program. Coordinate with other service providers and City agencies, as necessary, to address this issue.
- G. In conjunction with the DSHS and other City agencies, inform neighborhood businesses and residents of the services available at the Embarcadero S.A.F.E. Navigation Center and how individuals are referred.
- H. Implement management practices necessary to insure that staff and clients maintain the safety and cleanliness of the area immediately surrounding the facility and do not block driveways of neighboring residents or businesses.
- I. Take all reasonable measures to ensure the sidewalks adjacent to the facility are not blocked.

[PAGE INTENTIONALLY LEFT BLANK]

EXHIBIT C

RENTAL RATE METHODOLOGY

1. The rental rate based on the parking lot operator's projected revenue for Seawall Lot 330 for fiscal year 2018/2019 is as follows:
 - a. Total projected parking rent for Seawall Lot 330 = \$990,000/year
 - b. Rental rate = \$990,000 divided by 100,598 sq ft divided by 12 months = **\$0.82/sq ft per month**

2. Based on actual revenues for fiscal year 2017/2018 and the percentage increase in revenue from the previous year, the monthly rate per square foot was calculated as follows:
 - a. Parking lot revenue for Seawall Lot FY 17-18: \$817,484.59 x 17% = \$956,456.97/year
 - b. Rental rate = \$956,456.97/year divided by 100,598 sq ft divided by 12 months = **\$0.79/sq ft per month**

EXHIBIT D

EFFECTIVE DATE AND EXPIRATION DATE MEMORANDUM

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

HSH: **SAN FRANCISCO DEPARTMENT OF HOMELESSNESS AND
SUPPORTIVE HOUSING**, a department of the **CITY AND COUNTY OF
SAN FRANCISCO**, a municipal corporation

MOU Number:

MOU Date:

Premises: A portion of Seawall Lot 330
San Francisco, California

The Effective Date of the MOU is hereby established as _____, 20____ and the
Expiration Date as _____, 20____.

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

By: _____
Michael J. Martin
Deputy Director, Real Estate and Development

Date Signed: _____

HSH: **SAN FRANCISCO DEPARTMENT OF HOMELESSNESS AND
SUPPORTIVE HOUSING**, a department of the **CITY AND COUNTY OF
SAN FRANCISCO**, a municipal corporation

By: _____
Name: Jeff Kositsky
Title: Director

Date Signed: _____

EXHIBIT E

OUTREACH ZONE

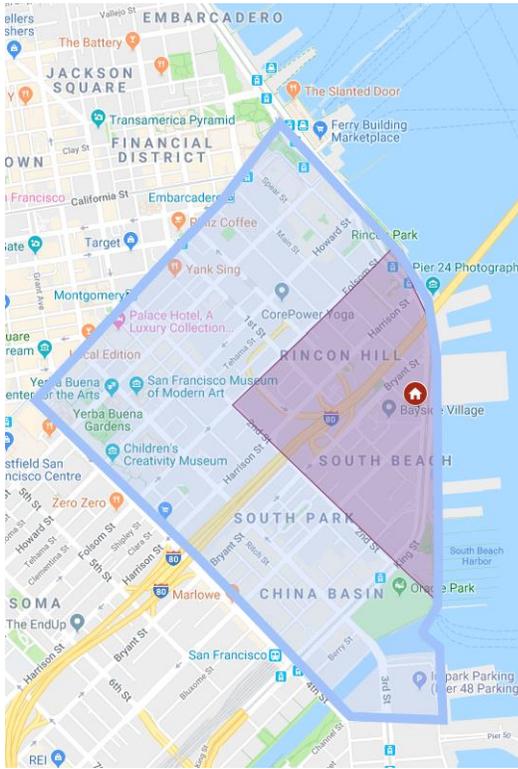


EXHIBIT F
SAFETY ZONE

