

EXHIBIT B

**AMENDED AND RESTATED TERM SHEET
THE EXPLORATORIUM AT PIERS 15-17**

This Amended and Restated Term Sheet ("**Term Sheet**"), dated July 8, 2008 for reference purposes, is attached to and a part of the Amended and Restated Exclusive Negotiation Agreement (the "**ENA**") between the parties and supersedes all previous term sheets for Pier 15 or Pier 17. This Term Sheet sets forth the basic terms and conditions on which the parties agree to further negotiation regarding the development concept and uses described below (the "**Project**") and that will be refined and set forth in more detail in the lease (the "**Lease**"), the lease disposition and development agreement ("**LDDA**") and other transaction documents between Port and Tenant. **This Term Sheet is not intended to be, and will not become, contractually binding unless and until the parties are able and willing to execute and deliver a mutually acceptable LDDA, Lease and related transaction documents regarding the Project. In addition, under San Francisco Charter, no officer or employee of the City and County of San Francisco (the "City") has authority to commit the City to the transaction contemplated herein unless and until the San Francisco Port Commission has approved the transaction and the San Francisco Board of Supervisors has approved the Lease.**

SEC.	PROVISION	TERMS
1.	PARTIES	<p>LANDLORD: City and County of San Francisco, through the San Francisco Port Commission ("Port")</p> <p>TENANT: The Exploratorium, a California not-for-profit corporation ("Tenant") (or another entity for historic preservation tax credit purposes ("HPTC"))</p>
2.	PREMISES	<p>AS IS: Tenant shall take the Premises in "as is" condition. The Pier 17 portion of the Premises is subject to existing leases between Port and existing tenants. Except as provided in <u>Section 26</u> regarding BayDelta Maritime ("BayDelta"), Port's Pier 17 leases shall be assigned to Tenant as of the Commencement Date.</p> <p>All square footage measurements in this Term Sheet for the Premises are approximate, and all calculations in this Term Sheet using square footage measurements are illustrative only. The Premises will be measured in the field and square footage adjusted in the LDDA and Lease.</p> <p>PIER 15, as shown on the Premises Site Plan (<u>Exhibit 1</u>) (the "Pier 15 Premises")</p> <ul style="list-style-type: none"> • A portion of the Pier 15 shed and the entire connector building between Pier 15 and Pier 17 (the "Connector Building") (132,492 square feet ("sf")) • Pier 15 east apron (6,628 sf) • Open pier space between Pier 15 and Pier 17 (the "Valley") (79,746 sf) <p>PIER 17, as shown on the Premises Site Plan (<u>Exhibit 1</u>) (the "Pier 17 Premises")</p> <ul style="list-style-type: none"> • Pier 17 shed building (110,615 sf) • Pier 17 offices inside the shed (4,517 sf) • Pier 17 office building adjacent to the northern side of the shed (235 sf) • Pier 17 south loading dock (12,300 sf) • Pier 17 east apron (3,365 sf) <p>The "Premises" includes the Pier 15 Premises, the Pier 17 Premises and the following:</p> <ul style="list-style-type: none"> • Exclusive license (or leasehold) for marginal wharf area west of Pier 17 (excluding Herb Caen Way) (the "License Area") (7,920 sf) (provided that Port and its tenants have reasonable ingress and egress to leased spaces at Pier 17.)

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		<ul style="list-style-type: none"> • If authorized, an Encroachment Permit & Revocable License for sidewalk curb zones adjacent to Herb Caen Way in front of Pier 15 and Pier 17 (the "Curb Zones") (sizes and locations TBD) <p><u>RIGHT TO REDUCE PREMISES:</u> Either Port or Tenant may exercise a right to remove the entire (but not less than the entire) Pier 17 Premises from the Premises if by the 16th anniversary of the Commencement Date, Tenant either: (a) is not using at least 2/3 of the area of the Pier 17 Premises for museum use or museum-related purposes; or (b) has not commenced all of the Pier 17 Repair Work described in <u>Section 11</u>. Port's assignment to Tenant of any existing Pier 17 subleases will terminate as of the effective date of the Lease amendment reducing the Premises.</p> <p><u>RIGHT TO EXPAND PREMISES.</u> The Premises may be expanded to include the current BayDelta Premises at Pier 15 (the "Existing BayDelta Premises") and the potential new premises for BayDelta at Pier 17 (the "New BayDelta Premises"), in each instance as set forth in <u>Section 26</u>.</p>
3.	TERM	The " Term " of the Lease is 66 years, commencing upon delivery of the Premises to Tenant at the close of escrow for the Lease (the " Commencement Date ").
4.	DEVELOPMENT CONCEPT	<p><u>GENERALLY</u> The purpose of the Project is to provide a new location for The Exploratorium, a museum of science, art and human perception with exhibits, a national center for teacher development, administrative office space, an exhibit development area and fabrication space, in Premises that will serve Tenant's needs over the Term (the "Museum"). The rehabilitation of existing structures and construction of new improvements described below will be subject to the requirements of this Term Sheet and the LDDA.</p> <p><u>PIER 15</u></p> <ol style="list-style-type: none"> (1) Rehabilitation of the Pier 15 shed and the Connector Building (2) Construction of the Museum in the Pier 15 shed and Connector Building with new mezzanine areas as needed to accommodate the Museum's programs (3) Development of landscaped exterior areas in the Valley for Museum activities, outdoor exhibits and programmatic activities (4) Development of the License Area for landscaping, outdoor exhibits and use as an assembly area for school children (5) Construction of a ramp, landing or dock, location to be reasonably determined, consistent with Tenant's use and operation of the Pier 15 Premises, to accommodate water taxi service (6) Completion of the Pier 15 Repair Work, as defined in <u>Section 11</u> (7) Inclusion of office, shed, apron and water areas sufficient to accommodate BayDelta or another tug and tow operator at either Pier 15 or Pier 17 (8) If authorized, construction of an extended curb pull-out in front of Pier 15 and construction of a new curb pull-out in front of Pier 17 <p><u>PIER 17 (OPTIONAL)</u></p> <ol style="list-style-type: none"> (1) Rehabilitation of the Pier 17 shed (2) Construction of the Museum in the Pier 17 shed with new mezzanine areas as needed to accommodate the Museum's programs (3) Inclusion of office, shed, apron and water areas sufficient to accommodate

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		<p>BayDelta or another tug and tow operator at either Pier 15 or Pier 17 (4) Completion of the Pier 17 Repair Work, as defined in <u>Section 11</u></p>
5.	USES	<p><u>PIER 15</u> <u>Required Uses:</u></p> <ul style="list-style-type: none"> • The Museum • Public access • Water taxi landing <p><u>Allowed Uses:</u></p> <ul style="list-style-type: none"> • Restaurants and other trust-consistent retail, such as a museum store • Event space • Small vessel berthing on the south apron (such as water taxi, excursion boats, private vessels, an Exploratorium-related ship, small water craft and ferries for emergency purposes) <p><u>PIER 17</u> <u>Required Uses:</u></p> <ul style="list-style-type: none"> • The Museum • Public access <p><u>Allowed Uses:</u></p> <ul style="list-style-type: none"> • Restaurants and other trust-consistent retail • Interim uses such as general office, storage, museum-related & industrial uses • Maritime uses <p><u>LICENSE AREA</u> <u>Allowed Uses:</u></p> <ul style="list-style-type: none"> • Public access • Landscaping, outdoor exhibits and assembly area for school children <p><u>PIER 15 CURB ZONE (IF AUTHORIZED)</u> <u>Allowed Use:</u></p> <ul style="list-style-type: none"> • Short-term automobile parking for passenger pick-up and drop-off <p><u>PIER 17 CURB ZONE (IF AUTHORIZED)</u> <u>Allowed Use:</u></p> <ul style="list-style-type: none"> • Short-term bus parking for passenger pick-up and drop-off
6.	INITIAL BASE RENT	<p>Tenant must pay base rent ("Base Rent") on the Premises, starting on the Commencement Date. Initial Base Rent for the Premises shall be the product of Port's rental rate for the type of space (see below), multiplied by its area, as determined by later field measurements, as set forth in the following examples, based on the development concept presented to the Waterfront Design Advisory Committee on May 5, 2008.</p> <p>In determining initial Base Rent for Pier 15, the rental rates shall be applied to the square footage existing prior to construction of the Project, as adjusted by any reduction of the asphalt decking in the Valley and any reduction of the footprint of the Pier 15 shed or Connector Building allowed under an anticipated amendment to the Bay Conservation Development Commission ("BCDC") Special Area Plan ("SAP") to be negotiated with BCDC. If the Existing BayDelta Premises at Pier 15 is added to the Pier 15 Premises, initial Pier 15 Base Rent in the immediately following example would be increased by Additional Rent of \$142,845 to</p>

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		<p>\$978,490, as shown by calculations in <u>Section 26</u>.</p> <p><u>PIER 15 PREMISES & LICENSE AREA</u></p> <table border="0"> <thead> <tr> <th><u>Base Rent Area</u></th> <th><u>Approx. SF</u></th> <th><u>Rate/SF/Yr</u></th> <th><u>Ann. Rent</u></th> </tr> </thead> <tbody> <tr> <td>Pier 15 shed</td> <td>115,200</td> <td>\$6.00</td> <td>\$691,200</td> </tr> <tr> <td>New Connector Building</td> <td>8,325</td> <td>\$6.00</td> <td>\$49,950</td> </tr> <tr> <td>Valley</td> <td>62,460</td> <td>\$2.40</td> <td>\$149,904</td> </tr> <tr> <td>Pier 15 east apron</td> <td>6,628</td> <td>\$0.00</td> <td>\$0</td> </tr> <tr> <td>License Area</td> <td>6,240</td> <td>\$6.00</td> <td>\$37,440</td> </tr> <tr> <td style="text-align: right;">Subtotal</td> <td></td> <td></td> <td>\$928,494</td> </tr> <tr> <td>Less Vacancy Factor (5%)</td> <td></td> <td></td> <td>(\$46,425)</td> </tr> <tr> <td>Less Utility & Operating Expenses (5%)</td> <td></td> <td></td> <td>(\$46,425)</td> </tr> <tr> <td style="text-align: right;">Total Initial Base Rent:</td> <td></td> <td></td> <td>\$835,645</td> </tr> </tbody> </table> <p><u>PIER 17 PREMISES</u></p> <table border="0"> <thead> <tr> <th><u>Base Rent Area</u></th> <th><u>Approx. SF</u></th> <th><u>Rate/SF/Yr</u></th> <th><u>Ann. Rent</u></th> </tr> </thead> <tbody> <tr> <td>Pier 17 shed *</td> <td>88,425</td> <td>\$8.40</td> <td>\$742,770</td> </tr> <tr> <td>Pier 17 offices</td> <td></td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Internal</td> <td>4,517</td> <td>\$22.20</td> <td>\$100,277</td> </tr> <tr> <td style="padding-left: 20px;">External</td> <td>235</td> <td>\$28.80</td> <td>\$6,768</td> </tr> <tr> <td>Pier 17 south loading dock</td> <td>12,300</td> <td>\$3.00</td> <td>\$36,900</td> </tr> <tr> <td>Pier 17 east apron</td> <td>3,365</td> <td>\$0.00</td> <td>\$0.00</td> </tr> <tr> <td style="text-align: right;">Subtotal</td> <td></td> <td></td> <td>\$886,715</td> </tr> <tr> <td>Less Vacancy Factor (5%)</td> <td></td> <td></td> <td>(\$44,336)</td> </tr> <tr> <td>Less Utility & Operating Expenses (5%)</td> <td></td> <td></td> <td>(\$44,336)</td> </tr> <tr> <td style="text-align: right;">Total Initial Base Rent</td> <td></td> <td></td> <td>\$798,044</td> </tr> </tbody> </table> <p>*Excludes New BayDelta Premises (5,390 sf) and internal drive lane (16,800 sf).</p> <p>Port will abate rent on rentable portions of the Pier 17 Premises that are not subleased to third parties, on a pro rata basis, until subleased, or 6 months from the Commencement Date, whichever occurs first.</p> <p><u>CURB ZONES:</u> Fees to be negotiated.</p>	<u>Base Rent Area</u>	<u>Approx. SF</u>	<u>Rate/SF/Yr</u>	<u>Ann. Rent</u>	Pier 15 shed	115,200	\$6.00	\$691,200	New Connector Building	8,325	\$6.00	\$49,950	Valley	62,460	\$2.40	\$149,904	Pier 15 east apron	6,628	\$0.00	\$0	License Area	6,240	\$6.00	\$37,440	Subtotal			\$928,494	Less Vacancy Factor (5%)			(\$46,425)	Less Utility & Operating Expenses (5%)			(\$46,425)	Total Initial Base Rent:			\$835,645	<u>Base Rent Area</u>	<u>Approx. SF</u>	<u>Rate/SF/Yr</u>	<u>Ann. Rent</u>	Pier 17 shed *	88,425	\$8.40	\$742,770	Pier 17 offices				Internal	4,517	\$22.20	\$100,277	External	235	\$28.80	\$6,768	Pier 17 south loading dock	12,300	\$3.00	\$36,900	Pier 17 east apron	3,365	\$0.00	\$0.00	Subtotal			\$886,715	Less Vacancy Factor (5%)			(\$44,336)	Less Utility & Operating Expenses (5%)			(\$44,336)	Total Initial Base Rent			\$798,044
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7.	COST OF LIVING ADJUSTMENTS TO BASE RENT	<p>Base Rent for the Pier 15 Premises & License Area and the Pier 17 Premises will escalate as provided below (each, a "Cost of Living Adjustment"). Adjustments will be based on changes in the Consumer Price Index for All Urban Consumers ("CPI") most recently published before the start of the base year and each anniversary of that date, up to and including the 5-year adjustment date.</p> <p><u>PIER 15 PREMISES & LICENSE AREA</u></p> <ul style="list-style-type: none"> Every 5 years, based on changes in CPI, but not less than 10% or more than 20% of Base Rent in effect in the year ending on the adjustment date <p><u>PIER 17 PREMISES</u></p> <ul style="list-style-type: none"> Annually beginning January 1, 2009, a 3% fixed-rate increase until the Pier 17 Rent Credit takes effect (if ever), then <p>Every 5 years, based on changes in CPI, but not less than 10% or more than 20% of Base Rent in effect in the year ending on the adjustment date, with the base year fixed on the month the Pier 17 Rent Credit commences</p>																																																																																				

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8.	MARKET RATE ADJUSTMENTS TO BASE RENT	<p><u>PIER 17 PREMISES ONLY</u> Base Rent for the Pier 17 Premises shall be reset to market rent for comparable space on the 31st, 41st and 51st anniversaries of the Commencement Date (each, a "Periodic Rent Adjustment"). "Comparable space" means northern waterfront warehouse shed space with use restrictions similar to those pertaining to Piers 15-17 (such as those arising from zoning, the public trust, historic preservation and BCDC) in a condition comparable to the Pier 17 Premises on the Commencement Date. Port shall present to Tenant 6 months before each adjustment date Port's proposed Periodic Rent Adjustment, which shall be based on the average of applicable transactions over the preceding 36-month period. If the parties cannot agree on the Periodic Rent Adjustment, it will be determined by appraisal.</p>
9.	PERCENTAGE RENT	<p>In addition to Base Rent, Tenant will be obligated to pay to Port a percentage of Gross Receipts in excess of Base Rent ("Percentage Rent"). "Gross Receipts" means all revenues from Tenant's operations on the Premises, including admissions; merchandise; food and beverage sales; event rentals; third-party special events; and docking fees, ticket sales, food & beverage sales from boat excursions. Revenue from memberships, fundraising events, grants, donations, and exhibit and educational services will be excluded from Gross Receipts.</p> <p><u>PIER 15 PREMISES & LICENSE AREA</u> Percentage Rent will be the sum of (a) 6% of Gross Receipts; plus (b) 15% of sublease rents received by Tenant.</p> <p><u>PIER 17 PREMISES</u> Percentage Rent will be the sum of (a) 6% of Gross Receipts; plus (b) 15% of sublease rents received by Tenant for retail space.</p>
10.	SECURITY DEPOSIT	<p><u>PREMISES</u> Tenant must provide Port with a security deposit equal to 2 months' Base Rent (the "Security Deposit"), payable on or before the Commencement Date.</p> <p><u>PIER 17 PREMISES ONLY</u> Tenant must increase the Security Deposit to equal 2 months' adjusted Pier 17 Base Rent on or before the effective date of each Cost of Living Adjustment and Periodic Rent Adjustment.</p>
11.	STRUCTURAL REPAIRS AND OTHER IMPROVEMENTS	<p>In addition to the improvements specified below, Tenant shall be responsible for undertaking, at its sole cost, all upgrades to the Premises required by building code (including seismic upgrades) for Tenant's use of the Premises and potential expansion area (i.e., the New BayDelta Premises) of the Pier 17 Premises. Tenant's obligation will not extend to existing interior improvements within any existing Port tenant's premises, or relieve any existing or future Port tenant occupying any portion of the Premises of any of its repair and maintenance obligations under its lease with Port.</p> <p>All improvements must be in compliance with the Secretary of the Interior's Standards for Rehabilitation of Historic Properties and Guidelines for Rehabilitating Historic Buildings (collectively, the "Secretary's Standards") and with Port's Historic Preservation Review Guidelines for Pier and Bulkhead Wharf Substructures ("Port Guidelines"), as determined by the State Office of Historic Preservation, the National Park Service, or an independent qualified historic preservation architect reasonably approved by Port.</p>

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		<p><u>PIER 15 PREMISES</u> Tenant must make the following repairs (collectively, the "Pier 15 Repair Work") to the Pier 15 Premises plus the Existing BayDelta Premises at Pier 15 ("Tenant's Premises Plus"): <ol style="list-style-type: none"> (1) the entire substructure of Pier 15; (2) the substructure of the Connector Building between Piers 15 and 17; (3) the substructure of the Valley; (4) the substructure and deck of the east apron adjacent to Pier 15 and the Valley; (5) the substructure of the marginal wharf adjacent to Pier 15 and the Valley; and <ol style="list-style-type: none"> (6) the substructure and deck of the south apron of Pier 15. </p> <p><u>PIER 17 PREMISES & LICENSE AREA</u> Tenant may elect to make the following repairs to the Pier 17 Premises (the "Pier 17 Repair Work"); provided that, to the extent otherwise required due to Tenant's use of the Premises, Tenant must perform the Pier 17 Repair Work: <ol style="list-style-type: none"> (1) the entire substructure of Pier 17; (2) the substructure and deck of the east apron adjacent to Pier 17; (3) the substructure of the License Area; and (4) the substructure and deck of the north apron of Pier 17. </p>
12.	RENT CREDIT	<p>Rent Credits shall not apply against Percentage Rent.</p> <p><u>PIER 15 PREMISES & LICENSE AREA</u> In consideration of the performance of the Pier 15 Repair Work described in <u>Section 11</u>, Port shall grant to Tenant a rent credit equal to 50 years of Base Rent for the Pier 15 Premises (the "Pier 15 Rent Credit"). The Pier 15 Rent Credit shall commence on the Commencement Date and end on the last day of the 50th year of the Term. It shall be an event of default under the LDDA and the Lease if the Pier 15 Repair Work is not completed by the date set forth in the performance schedule that will be attached to the LDDA.</p> <p><u>PIER 17 PREMISES</u> In consideration of the performance of the Pier 17 Repair Work described in <u>Section 11</u>, Port shall grant to Tenant a rent credit for the Pier 17 Repair Work (not including seismic) performed at Pier 17 (the "Pier 17 Rent Credit"), which will be applied against Pier 17 Base Rent. The parties will negotiate a stipulated amount for the Pier 17 Rent Credit before Tenant begins the Pier 17 Repair Work as set forth in the following paragraph.</p> <p>Tenant shall complete its plans and budgets and present its cost estimates and proposed Pier 17 Rent Credit amount to Port. The stipulated Pier 17 Rent Credit amount will be the parties' best good-faith estimate of Tenant's cost of the Pier 17 Repair Work, plus a portion of Tenant's cost of repair and rehabilitation of the north apron, as described in the next paragraph. The Pier 17 Rent Credit will not be adjusted regardless of Tenant's actual cost of the Pier 17 Repair Work. The Pier 17 Rent Credit will be applied only after Tenant actually performs the Pier 17 Repair Work but in no event prior to the 11th year of the Term.</p> <p>The portion of the Pier 17 Rent Credit for the north apron repair and rehabilitation work shall be limited to the amount it would have cost to repair the north apron for public access and interim leasing uses, and not for the amount required to upgrade the north apron for BayDelta's use.</p>

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		<p>The Pier 17 Rent Credit shall be reduced by an amount equal to the net HPTC value actually received by Tenant for any of the Pier 17 Repair Work, which will be calculated according to a formula to be set forth in the LDDA. If Tenant does not apply for HPTC for the Pier 17 Repair Work, or if Tenant withdraws its application for HPTC before the application is granted or denied, an imputed value shall be determined by the method set forth in the LDDA, and such imputed value shall be deducted from the Pier 17 Rent Credit.</p> <p>The Pier 17 Rent Credit shall be applied against Pier 17 Base Rent in accordance with the example in the Pier 17 Rent Credit Amortization Schedule (Exhibit 2) attached hereto. Port reserves the right to prepay the outstanding principal balance of the Pier 17 Rent Credit if capital funds become available to Port for that purpose.</p> <p>The following reflects the parties' current understanding the how the Pier 17 Rent Credit will be applied against the stipulated amount:</p> <ol style="list-style-type: none"> (1) The Pier 17 Rent Credit shall be reduced each year by Pier 17 Base Rent; (2) The outstanding balance of the Pier 17 Rent Credit shall bear interest at the lesser of 5.5% per annum or a cost factor to be negotiated for inclusion in the Lease & LDDA, compounded annually; (3) To the extent that the interest due on the outstanding balance of the Pier 17 Rent Credit exceeds Pier 17 Base Rent due, the Pier 17 Rent Credit shall be increased by that amount; (4) To the extent that Pier 17 Base Rent due exceeds the interest due on the outstanding balance of the Pier 17 Rent Credit, the Pier 17 Rent Credit shall be reduced by that amount; and (5) When the outstanding balance on the Pier 17 Rent Credit is zero, Pier 17 Base Rent shall be due and payable.
13.	<p>PORT'S RESERVED RIGHTS</p>	<p><u>LEASING</u></p> <p><u>Pier 15</u> Until the close of escrow on the Lease, Port reserves the right to lease or license space at Pier 15 for any legally permitted use without Tenant's prior written consent, provided that the term of such lease or license, as applicable, expires or is terminable by Port prior to the commencement of the Lease, and in all events, Port shall be obligated under the LDDA to deliver the Pier 15 Premises vacant).</p> <p><u>Pier 17</u> Until the close of escrow on the Lease, Port reserves the right to continue to lease or license space at Pier 17 for any legally permitted use and for any term not to exceed 5 years, including renewals, without Tenant's prior written consent.</p> <p>The parties' respective rights with respect to the New BayDelta Premises will be subject to <u>Section 26</u>. Unless the New BayDelta Premises are assigned to Tenant or added to the Premises in accordance with <u>Section 26</u>, Port retains all rights to lease or license the New BayDelta Premises for any legally permitted use.</p> <p>Port will provide Tenant with copies of all leases negotiated for any space at the Premises after the effective date of the ENA, under terms to be included in the LDDA.</p> <p><u>BERTHING AND RELATED RIGHTS</u> Port reserves the right throughout the Term, without rent or fees, to use the</p>

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		<p>following portions of the Premises (including public access areas) for the following uses:</p> <p><u>East Apron & Berth at Piers 15 & 17</u></p> <ul style="list-style-type: none"> • docking of ceremonial and visiting ships, including ships of the United States Navy and foreign navies • staging and berthing support <p><u>Pier 17 North Apron & Berth</u></p> <ul style="list-style-type: none"> • docking of vessels that draw less than 22 feet • staging and berthing support <p><u>Pier 17 Loading Dock</u></p> <ul style="list-style-type: none"> • vehicular access to the east apron to service ships <p><u>Pier 17 Shed</u></p> <ul style="list-style-type: none"> • routing a hose to service ships on the east apron until a permanent sewer hook-up to service ships is established at the Premises <p><u>CONDITIONS TO PORT'S EXERCISE OF RESERVED RIGHTS</u></p> <ul style="list-style-type: none"> • Except as specifically provided in this Term Sheet or in the Transaction Documents, Tenant shall not be responsible for any improvements or incur any costs in accommodating Port's leasing, use of berthing, staging or other reserved rights. • Port's activities shall be undertaken in a manner to minimize interference with Tenant's operations, and shall be subject to negotiated provisions related to scheduling, frequency, length of stay, maintenance, security, insurance, indemnification, and other issues related to joint use.
14.	PARKING	<p>To provide parking for Museum's customers, Port agrees to enter into a separate Parking Agreement with Tenant for the non-exclusive license to use 200 parking spaces for standard size passenger automobiles (which number may be reduced in accordance with the Tripartite Agreement) at Seawall Lot 321 (the "Parking Area"), with a term commencing when the Museum opens and expiring at the end of the 16th year of the Term (the "Parking Term"). Port also shall allow Tenant non-exclusive use of additional parking spaces located in the Union Street Right of Way ("ROW") adjacent to Seawall Lot 321 for so long as the ROW is used as a surface parking lot, with no guarantee of length of time, but in no case longer than the Parking Term.</p> <p>Port will offer the Parking Area for short-term parking at hourly rates that will be determined by Port or its parking operator. Days and hours of operation are to be determined but will cover at least the normal hours that the Museum is open to the public. Customers of Tenant shall be entitled to a discounted hourly rate during normal hours that the Museum is open to the public throughout the Parking Term through a validation program at the Museum. Initial validated rates shall be commensurate with public parking facilities serving retail and entertainment visitors and at a rate intended to discourage commuter parking. From and after Year 6 of the Parking Term, the validated rate may be increased annually by increases in the cost of living, at the sole discretion of Port.</p> <p>Monthly or daily parking shall be allowed in the Parking Area only for periods of time not needed for short-term parking. Tenant may reserve up to 30 spaces for its</p>

SEC.	PROVISION	TERMS
		<p>own use, including for monthly parking, at the then current monthly market rate. Any such reserved spaces will reduce by an equal number the 200 non-exclusive spaces that Port is required to make available to the Museum's customers under the Parking Agreement.</p> <p>At the end of the Parking Term, the parties will work together in good faith in an attempt to secure a non-exclusive parking resource(s), at facilities that may be available at such time; provided, however, that Port cannot guarantee Tenant the license to use the same number of parking spaces after the expiration of the Parking Term. The parties acknowledge that a combination of parking and transit uses will be necessary throughout the Term.</p>
15.	BCDC SAP REMOVAL REQUIREMENTS	<p>Tenant acknowledges that under the BCDC SAP, the deck and pilings that form the Valley and the non-historic additions to the Pier 15 and Pier 17 sheds, including the Connector Building, are to be removed (collectively, the "Removal Requirements").</p> <p>Tenant shall be responsible for: (a) obtaining BCDC's waiver of, or consent to reduce, the Removal Requirements; (b) obtaining any amendments to the SAP required by BCDC; and (c) paying for the costs of any BCDC-imposed conditions. Port will reasonably cooperate with Tenant but Port has right to approve any conditions imposed by BCDC and in no event will Port agree or be obligated to remove an existing or potential revenue-generating asset (e.g., Pier 48 or Pier 24 Annex).</p>
16.	EXPENSES	<p>Except as provided in <u>Section 13</u>, the following shall apply with respect to expenses:</p> <p><u>Utilities.</u> Tenant shall install, connect, maintain, repair and pay all charges incurred for all utilities. Tenant is responsible for separating all utility connections in the Premises from adjacent properties or tenancies and for restoring utility connections and services to adjacent properties or tenancies. Port shall cooperate in obtaining permits for utility connections to the Premises.</p> <p><u>Insurance.</u> Tenant shall carry general liability insurance reasonably agreeable to both parties and other customary insurance.</p> <p><u>Taxes.</u> Tenant shall be subject to and responsible for all city, state and federal taxes applicable to the Premises and operations and uses on the Premises.</p>
17.	MAINTENANCE	<p>Tenant will be responsible for maintenance and repair of the Premises, including the substructure of the Premises, Tenant's Premises Plus (as defined in <u>Section 11</u>), the Pier 17 exterior wall, roof and substructure over and under the New BayDelta Premises (if applicable), and the License Area, except for:</p> <ul style="list-style-type: none"> • damage caused to the substructure by a maritime tenant of Port • damage caused to the east or north aprons or substructure of Piers 15-17 by Port's berthing activities • repair and maintenance of any other portion of the New BayDelta Premises if BayDelta relocates to Pier 17 • repair and maintenance obligations of Port's tenants <p>Tenant shall make annual contributions to a Substructure Reserve Fund to fund such required maintenance and repairs. Every 5 years during the Term, Tenant</p>

SEC.	PROVISION	TERMS
		shall perform inspections of the substructure and establish a budget and schedule for making required maintenance and repairs to the substructure. Every 5 years, the annual contribution to the Substructure Reserve Fund shall be reset for the following 5 years to an adequate funding level for the agreed-upon budget and schedule as reasonably approved by Port. Provided Tenant releases and assigns to Port the balance of the Substructure Reserve Fund remaining at the time Tenant exercises the following termination right, Tenant shall have the right to terminate the Lease in the event that during the last 11 years of the Term, either: (a) the required annual contributions to the Substructure Reserve Fund exceed the annual contributions to the Substructure Reserve Fund during the previous 5-year period; or (b) required repairs exceed the balance in the Substructure Reserve Fund as reasonably approved by Port.
18.	ASSIGNMENT OR TRANSFER OF LEASE	Assignment of the Lease shall be permitted with the prior written consent of Port, which consent may be withheld in Port's sole discretion; provided, however, Tenant may assign one or more of the Transaction Documents solely in connection with an HPTC transaction. All revenue from any transfer, less Tenant's cost of development (including capitalized costs of funds, if any) and reasonable transactional costs, shall belong to Port except for transfers in connection with obtaining HPTC and allowed transfers to another nonprofit organization that also primarily operates a museum in the Premises for the remainder of the Term.
19.	SUBLEASES	<p>Tenant shall have the right to sublease the Premises with the prior written consent of Port, which consent shall not be unreasonably withheld, provided that Tenant will not be released from liability for its obligations under the Lease. It shall be deemed reasonable for Port to withhold consent if the sublease rental rate for a non-affiliated 3rd party is more than 10% below the Port's Minimum Monthly Rental Rate Schedule (published annually). The maximum sublease term for uses that are not consistent with the public trust shall be 5 years, including renewals.</p> <p><u>Sublease Revenue.</u> Sublease revenue from Pier 17 subleases shall be allocated between Tenant and Port as follows:</p> <ul style="list-style-type: none"> • For pre-existing Port leases assigned to Tenant, all revenue in excess of Pier 17 Base Rent shall be paid to Port. • For Tenant's new subleases, all revenue in excess of Pier 17 Base Rent shall be split equally between Tenant and Port, after deducting reasonable expenses incurred by Tenant in connection with executing such subleases. "Reasonable expenses" shall include reasonable broker commissions and allowances for tenant improvements (amortized on a straight-line basis over the term of the sublease) and reasonable attorney's fees.
20.	HISTORIC PRESERVATION TAX CREDITS	Port will have no interest in any HPTC obtained by Tenant, except for their reduction of the Pier 17 Rent Credit as provided in <u>Section 12</u> .
21.	CITY REQUIREMENTS	<p>Tenant must obtain an Admin. Code Chapter 29 Fiscal Feasibility determination for the transaction reflected in this revised Term Sheet and an endorsement of this Term Sheet by the Board of Supervisors.</p> <p>Tenant is responsible for determining the applicability of any other City requirements, and for complying with such requirements, including Health Care Accountability Ordinance, Non-Discrimination in Contracts and Benefits, Prevailing Wages Ordinance, Resource-Efficiency Requirements, Equal Opportunity Program, First Source Hiring Ordinance, Pesticide Prohibition,</p>

SEC.	PROVISION	TERMS
		Prohibition on Using Preservative-Treated Wood Containing Arsenic, and Limitations on Contributions to City Officials.
22.	REGULATORY APPROVALS	Tenant is responsible for obtaining all regulatory approvals, at its sole cost and expense, including CEQA review of retail/restaurant uses at Pier 17 and submission of a written report to Port on the labor history of Piers 15-17 in accordance with Port's Labor History Scope of Work.
23.	FINANCIAL CAPACITY	As a condition to the close of escrow, Tenant shall provide evidence of adequate financing reasonably acceptable to Port to cover the estimated Construction Costs, including reasonable contingencies for overruns, and reasonable evidence of its ability to perform its obligations under the Lease.
24.	EXACTION FEES	Tenant is responsible for determining the applicability of development exaction fees, and for payment of such fees, including Childcare Fee, Affordable Housing, Transit Impact Development Fee and Public Art.
25.	EXCLUSIVE NEGOTIATION AGREEMENT	The Exclusive Negotiation Agreement between Port and Tenant, dated March 1, 2006, shall be amended and restated to substitute this Term Sheet for Piers 15-17 in lieu of the Term Sheet for Pier 15. The amended ENA shall be presented to the Port Commission and to the Exploratorium Board of Directors for their respective consideration and approval.
26.	BAYDELTA MARITIME LEASE	<p>Defined terms used in reference to matters covered in the May 5, 2008 draft of the Tripartite Agreement among Port, Tenant and BayDelta (the "Tripartite Agreement"), but not defined in this Term Sheet, have the meanings ascribed to them in the Tripartite Agreement.</p> <p><u>Premises:</u> The Pier 15 Premises excludes the Existing BayDelta Premises at Pier 15, comprising:</p> <ul style="list-style-type: none"> • shed space (11,342 sf) • office space (4,084 sf) • south apron (13,454 sf) • non-exclusive right to use submerged land adjacent to the south apron to berth vessels (20,031 sf) <p>Except as provided in this Section, BayDelta shall remain a Port tenant under the Existing BayDelta Lease at Pier 15 or under a New BayDelta Lease at Pier 17. Tenant and Port shall work diligently and in good faith with BayDelta to determine: (a) whether BayDelta's operations will remain at Pier 15 or relocate to Pier 17 during construction of the Project; and (b) the long-term location of BayDelta, or another water-dependent maritime user, upon completion of the Project. Tenant acknowledges that if BayDelta moves to Pier 17, Port may lose revenue for 16 parking spaces on the marginal wharf between Piers 17 and 19. The parties agree to negotiate an equitable solution to help reduce Port's loss.</p> <p><u>Adjustment to Pier 15 Premises if BayDelta Relocates to Pier 17:</u> If BayDelta relocates to Pier 17 in accordance with the Tripartite Agreement, the Pier 15 Premises will be expanded to add the Existing BayDelta Premises.</p> <p><u>Assignment if Tenant Applies for HPTC:</u> If Tenant decides to apply for HPTC for the Improvement Work, as described in the Tripartite Agreement, the New BayDelta Premises shall be added to the Pier 17 Premises, and Port shall assign the New BayDelta Lease to Tenant, and Tenant's Base Rent obligation for the New</p>

SEC.	PROVISION	TERMS
		<p>BayDelta Premises portion of the Pier 17 Premises will be adjusted as set forth below in this Section.</p> <p>The assignment shall be subject to a restriction that upon termination or expiration of the New BayDelta Lease at Pier 17, Port shall have the right, in its sole and absolute discretion, to designate the new subtenant for Tenant's sublease of the New BayDelta Premises, subject to the conditions for non-maritime use set forth in this Section.</p> <p><u>Tenant's Rights if BayDelta Vacates:</u> If for any reason BayDelta vacates the Existing BayDelta Premises at Pier 15, but does not move into, or moves into but later vacates the New BayDelta Premises at Pier 17, and those premises have been assigned to Tenant (except where described <u>as stated otherwise in clause (c)</u> below), Tenant's rights will be subject to the following:</p> <ol style="list-style-type: none"> a. Subject to the conditions for another Exclusive Maritime Study (the "Study") below, Port shall have the right to select and negotiate sublease terms with another water-dependent maritime user to which Tenant must sublease the New BayDelta Premises. b. If Port is unable to find another water-dependent maritime user, then Port may designate a subtenant for any allowed use for a term not to exceed 5 years after the last water-dependent maritime user has vacated the space, subject to suitable extensions during the Study. c. Port shall conduct the Study if another water-dependent maritime user cannot be found after 5 years. If the Study concludes that Pier 17 no longer is needed for maritime use, and the Port Commission concurs, then Tenant shall have the right to use or sublease the premises for any allowed use at then-current fair market rates for improved office/warehouse space (but no charge for the north apron) or, if not previously assigned, to add the New BayDelta Premises to the Premises. d. If the Study concludes that Pier 17 is needed for maritime use, and the Port Commission concurs, then Port will retain its rights as set forth in clauses (a) and (b) above. <p>Tenant acknowledges that the Port Commission has the authority to decide in its sole discretion whether or not Pier 17 should be retained for maritime use, regardless of the Study's conclusion.</p> <p><u>Contingent Early Termination Right:</u> Except as provided in this Section, if the Tripartite Agreement is not executed within period provided in the ENA (as extended), either party shall have the right to terminate the ENA; provided, however, that if BayDelta elects to vacate the Existing BayDelta Premises at Pier 15 voluntarily without executing the Tripartite Agreement, then neither party shall have the right to so terminate the ENA. In any case, Port shall not be liable for any costs incurred by Tenant in conjunction with the Tripartite Agreement (including any costs expended to renovate or prepare the New BayDelta Premises at Pier 17 for BayDelta's use or any loss associated with the potential relocation of BayDelta).</p> <p><u>Pier 15 Additional Rent:</u> If the Existing BayDelta Premises is added to the Pier 15 Premises, Pier 15 Base Rent shall be increased by the size and type of the BayDelta space using the following rental rates and calculated as follows:</p>

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		<p>Pier 15 Additional Rent for Existing BayDelta Premises:</p> <table border="0"> <thead> <tr> <th data-bbox="544 412 724 439"><u>Base Rent Area</u></th> <th data-bbox="900 412 1011 439"><u>Actual SF</u></th> <th data-bbox="1050 412 1182 439"><u>Rate/SF/Yr</u></th> <th data-bbox="1222 412 1342 439"><u>Ann. Rent</u></th> </tr> </thead> <tbody> <tr> <td data-bbox="544 443 724 470">Shed & bulkhead</td> <td data-bbox="900 443 975 470">11,342</td> <td data-bbox="1050 443 1114 470">\$6.00</td> <td data-bbox="1222 443 1310 470">\$68,052</td> </tr> <tr> <td data-bbox="544 474 612 501">Office</td> <td data-bbox="900 474 963 501">4,084</td> <td data-bbox="1050 474 1129 501">\$22.20</td> <td data-bbox="1222 474 1310 501">\$90,665</td> </tr> <tr> <td data-bbox="544 506 676 533">South apron</td> <td data-bbox="900 506 975 533">13,454</td> <td data-bbox="1050 506 1114 533">\$0.00</td> <td data-bbox="1222 506 1286 533">\$0.00</td> </tr> <tr> <td data-bbox="544 537 724 564">Submerged land</td> <td data-bbox="900 537 975 564">20,031</td> <td data-bbox="1050 537 1114 564">\$0.00</td> <td data-bbox="1222 537 1286 564">\$0.00</td> </tr> <tr> <td colspan="3"></td> <td data-bbox="1222 568 1318 595"><hr/>\$158,717</td> </tr> <tr> <td colspan="3">Less Vacancy Factor (5%)</td> <td data-bbox="1222 600 1310 627"><hr/>(\$7,936)</td> </tr> <tr> <td colspan="3">Less Utility & Operating Expenses (5%)</td> <td data-bbox="1222 631 1310 658"><hr/>(\$7,936)</td> </tr> <tr> <td colspan="3">Total Additional Rent:</td> <td data-bbox="1222 663 1318 689"><hr/>\$142,845<hr/></td> </tr> <tr> <td colspan="3">Total Base Rent for Pier 15:</td> <td data-bbox="1222 694 1318 721"><hr/>\$978,490<hr/></td> </tr> </tbody> </table> <p><u>Pier 17 Additional Rent:</u> If BayDelta does not relocate to Pier 17, and the New BayDelta Premises are added to the Pier 17 Premises, Tenant shall pay additional rent on the vacant space intended for the New BayDelta Premises at Pier 17 (excluding the north apron), at the Pier 17 Base Rent rates set forth in <u>Section 6</u>.</p> <p>If BayDelta does relocate to the New BayDelta Premises at Pier 17, and the New BayDelta Lease is assigned to Tenant, Tenant's additional Pier 17 Base Rent for the New BayDelta Premises portion of the Pier 17 Premises will be equal to the amount of rent Tenant receives from BayDelta net of ordinary sublandlord expenses actually incurred. In consideration of Port's reserved berthing rights at the north apron, however, no rent will be charged for the north apron portion of the New BayDelta Premises at Pier 17.</p> <p><u>Rent Credit:</u> If BayDelta relocates to Pier 17, the Pier 17 Rent Credit shall apply only to amount of Pier 17 Base Rent before Pier 17 additional rent is added.</p> <p><u>Maintenance:</u> If the New BayDelta Lease is assigned to Tenant, Tenant shall have full maintenance responsibilities as landlord of the New BayDelta Premises. Tenant's maintenance responsibilities will not affect BayDelta's responsibilities under its lease.</p>	<u>Base Rent Area</u>	<u>Actual SF</u>	<u>Rate/SF/Yr</u>	<u>Ann. Rent</u>	Shed & bulkhead	11,342	\$6.00	\$68,052	Office	4,084	\$22.20	\$90,665	South apron	13,454	\$0.00	\$0.00	Submerged land	20,031	\$0.00	\$0.00				<hr/> \$158,717	Less Vacancy Factor (5%)			<hr/> (\$7,936)	Less Utility & Operating Expenses (5%)			<hr/> (\$7,936)	Total Additional Rent:			<hr/> \$142,845 <hr/>	Total Base Rent for Pier 15:			<hr/> \$978,490 <hr/>
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EXHIBITS

Exhibit 1:

Premises Site Plan

Exhibit 2:

Pier 17 Rent Credit Amortization Schedule