

CITY AND COUNTY OF SAN FRANCISCO
WILLIE LEWIS BROWN, JR., MAYOR

GROUND LEASE

between the

CITY AND COUNTY OF SAN FRANCISCO,
THROUGH THE SAN FRANCISCO PORT COMMISSION

Landlord

and

CHINA BASIN BALLPARK COMPANY LLC

Tenant

for the lease of real property
including Piers 46B and 46C, Seawall Lot 336
and Assessor's Block 3794, Lots 3B and 27
for development and use of an open-air ballpark and complementary improvements

Dated as of November 26, 1997

Douglas F. Wong
Executive Director

SAN FRANCISCO PORT COMMISSION

Michael Hardeman, President
Denise McCarthy, Vice President
Frankie G. Lee, Commissioner
James R. Herman, Commissioner
Kimberly Brandon, Commissioner

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EXHIBIT A	Description of Premises
EXHIBIT A-1	Description of Access Parcels
EXHIBIT B	Site Plan
EXHIBIT B-2	Map of Off-Site Point of Entry for Mineral Rights Reservation
EXHIBIT C	Example of CPI Adjustment to Minimum Rent
EXHIBIT D	Permitted Title Exceptions
EXHIBIT E	Mitigation Measures
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EXHIBIT G	Sign Guidelines
EXHIBIT H	Prevailing Wage Provisions
EXHIBIT I	Program in Diversity
EXHIBIT J	Rules and Regulations
EXHIBIT K	Form of Memorandum of Lease
EXHIBIT L	Form of Non-Disturbance Agreement
EXHIBIT M	Map of Public Access Areas

GROUND LEASE

THIS GROUND LEASE (this "Lease"), dated for reference purposes as of November 26, 1997, is by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (the "City"), operating by and through the SAN FRANCISCO PORT COMMISSION ("Landlord") and CHINA BASIN BALLPARK COMPANY LLC, a Delaware limited liability company ("Tenant"). All initially capitalized terms used herein are defined in Section 47 or have the meanings given them when first defined.

THIS LEASE IS MADE WITH REFERENCE TO THE FOLLOWING FACTS AND CIRCUMSTANCES:

A. On March 26, 1996, the voters of the City approved Proposition B, which amended the City's zoning laws to allow a new ballpark for the San Francisco Giants to be built at China Basin. The purpose of this Lease is to implement the policies and intent of Proposition B. This Lease provides for a ground lease of the Property (as described in Section 1.1 below) for the private development by Tenant of a new open-air waterfront Ballpark to exhibit Major League Baseball games of the San Francisco Giants, together with complementary retail and commercial space and certain adjoining public access improvements, including a Waterfront Promenade along the northern edge of the China Basin Channel connecting the Embarcadero promenade (Herb Caen Way) with Third Street, adjacent to the Lefty O'Doul Bridge (collectively, the Property, the Ballpark and all other Improvements now or hereafter constructed on the Property, are referred to in this Lease as the "Premises").

B. The presence and conduct of Major League Baseball in the City provides recreational opportunities for the residents of the City in the form of spectator sports, stimulates direct and indirect economic activity in the City, enhances the quality of life for San Franciscans and provides other substantial intangible benefits to the City and its residents.

C. The Property, which the voters approved as the location for the Ballpark under Proposition B, has special importance to the City, including its Port. This importance is attributable, among other things, to: (i) the Property's waterfront location; (ii) the nature of the Improvements and uses contemplated for the Property, which will expand and enhance public enjoyment and access to the San Francisco Bay by bringing people of all ages to a place of public assembly and recreation adjacent to the shoreline at China Basin, and will provide unique vistas and overviews of the Bay and the City; (iii) the Property's close proximity to the City's downtown and a variety of public transportation services; (iv) the relationship of the Property under the Port's Waterfront Plan to the South Beach/China Basin Waterfront area; and (v) the relationship of the Property under the Rincon Point-South Beach Redevelopment Plan to the South Beach Subarea, including South Beach Marina and South Beach Park, and other land within such Project Area which the Port leases to the Redevelopment Agency. Accordingly, this Lease makes particular provision to assure the excellence and integrity of design and construction, availability of portions of the Project for public access amenities, and management

and control necessary and appropriate for a first-class, state-of-the-art sports and entertainment development serving San Franciscans and visitors to the City and enhancing public access to, view and enjoyment of the China Basin Channel, South Beach Marina and the Bay beyond, and the Port's waterfront property.

D. Pursuant to a Lease Disposition and Development Agreement (the "DDA") by and between Landlord and Tenant dated as of August 15, 1997, Landlord agreed to lease the Property to Tenant, and Tenant agreed to lease the Property from Landlord, upon satisfaction of certain conditions precedent contained in the DDA. By their execution and delivery of this Lease, the Parties acknowledge that such conditions precedent have been satisfied or waived.

E. The lease of the Property, the construction, development and operation of the Ballpark and other Improvements pursuant to the terms and conditions of this Lease and the DDA (described below), and the fulfillment generally of the transactions which this Lease contemplates: (i) are in the best interests of the City, including its Port; (ii) ensure a fair market return to Landlord for the use of its property; (iii) are in accord with the public purposes and provisions of applicable Laws, including, but not limited to, restrictions which are or may become applicable to uses of the Property under the Tidelands Trust, including the Burton Act; (iv) will result in the Remediation by Tenant of Hazardous Materials existing in, on and under the Property for the contemplated uses in accordance with applicable regulatory requirements; (v) provide for development of a comprehensive transportation management plan that will include, but will not be limited to, measures to encourage the use of public transit by ballpark patrons and employees and to manage traffic routing for games, and that will be implemented by a specially-formed ballpark transportation coordinating committee comprised of representatives of Tenant, the City, including its Port, public transit providers, and the community; (vi) will provide opportunities for the efficient use of existing parking resources and will not locate any permanent parking areas for the Ballpark on piers; (vii) will include site design, public access improvements, and architectural treatments for the Project which are oriented to the Bay; (viii) will attract many visitors to the waterfront and promote opportunities for restaurants, entertainment and Bay-oriented commercial recreation activities in the surrounding area before and after baseball games and other permitted events; and (ix) are in furtherance of the implementation of the land use regulations which are applicable to the Site, including the City's General Plan, Special Area Plan and Planning Code, the Port's Waterfront Plan and the Rincon Point-South Beach Redevelopment Plan.

F. Tenant was organized by the Team Owner, which holds the professional baseball franchise for the San Francisco Giants, for the purpose of leasing the Premises and financing, developing and operating the Project. Team Owner holds a controlling interest in Tenant.

G. Landlord is the fee owner of the Property, as trustee under the Tidelands Trust, and will retain such sole title and ownership of the Property at all times under this Lease.

H. The Property is subject to the Redevelopment Plan for the Rincon Point-South Beach Project Area. In furtherance of the implementation of the Redevelopment Plan and the

development of the Project, Tenant and the Redevelopment Agency have entered into an Owner Participation Agreement (the "OPA"), which Landlord has approved. Subject to the terms and conditions of the OPA, the Redevelopment Agency will use its best efforts to issue Tax Allocation Bonds in an amount sufficient to generate up to \$15 million in proceeds to finance development of certain infrastructure improvements that will support the Ballpark, including the Waterfront Promenade and other public improvements. No proceeds of the Tax Allocation Bonds will be made available to Tenant for the Project beyond the capacity of the property or possessory interest tax increment generated from the development of the Property to pay debt service on such bonds. In this way, no tax increment will be drawn for the Project from other redevelopment project areas or from other development projects in the Project Area.

I. As an essential inducement for the City to lease the Property to Tenant and to approve the transactions contemplated by this Lease and the DDA and the allocation of tax increment needed for the Redevelopment Agency's issuance of the Tax Allocation Bonds, the Team Owner has agreed for the benefit of the City to enter into (i) a Non-Relocation Agreement, whereby the Team Owner agrees to cause the Team to play its Baseball Home Games at the Ballpark from Completion of the Ballpark through the end of the Initial Term of this Lease, on the terms and conditions in such Non-Relocation Agreement and the Baseball Sublease, and (ii) a Guaranty, whereby the Team Owner agrees to guarantee certain obligations of Tenant to Landlord and the Redevelopment Agency upon the occurrence of certain enforcement events, including a breach of the Non-Relocation Agreement, as more fully set forth in such Guaranty.

ACCORDINGLY, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

SECTION 1. PREMISES; TERM

1.1 Premises.

(a) Lease of Premises; Description. For the Rent and subject to the terms and conditions of this Lease, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the real property in the City and County of San Francisco, California, bounded generally by the easterly line of Third Street, the southerly line of King Street, the easterly line of Second Street, and the China Basin Channel, as more particularly described in Exhibit A attached hereto (the "Property"), together with all rights, privileges and licenses appurtenant to the Property and owned by Landlord and Improvements hereafter constructed on the Property (subject to Section 9.2). The Property is comprised of approximately 544,858 square feet (12.5 acres) of land, and is shown generally on the Site Plan attached hereto as Exhibit B. The Property also includes all existing buildings, structures and substructures affixed to the land, but Tenant will demolish and remove most of the existing buildings in connection with the development of the Ballpark and other Improvements under the DDA. The Premises includes the Waterfront Promenade (including the pier and pier substructure supporting the Waterfront Promenade) within the Waterfront Promenade Parcel described in Exhibit A and all improvements now located or hereafter constructed by or on behalf of Tenant within the Channel Access Parcel.

(b) Access Rights.

(i) Landlord hereby grants to Tenant a non-exclusive easement appurtenant to the Property, limited in duration to the Term of this Lease and any Demolition Period under Section 34.2, in and over certain real property located east of the easterly line of Second Street, as more particularly described in Exhibit A-1 (the "Park Access Parcel"), for purposes of pedestrian and vehicular access, ingress and egress in connection with the uses permitted under this Lease. In addition, Landlord consents to the grant to Tenant by the Redevelopment Agency, pursuant to the OPA, of a non-exclusive easement (during the Term of this Lease and any Demolition Period under Section 34.2) in and over the Park Access Parcel for purposes of pedestrian and vehicular access, ingress and egress in connection with the uses permitted under this Lease, provided that if the Redevelopment Agency elects to build a parking structure in South Beach Park, the Parties agree to modify the terms of the non-exclusive easement over the Park Access Parcel to accommodate the construction of such garage so that Tenant's rights of vehicular access do not extend beyond the point within the Park Access Parcel necessary to provide access to Tenant's parking area under the left field stands of the Ballpark, as provided in the OPA. The Park Access Parcel is owned by Landlord, in trust, and is leased to the Redevelopment Agency under the lease for South Beach Park.

(ii) Landlord hereby grants to Tenant a non-exclusive easement appurtenant to the Property, limited in duration to the Term of this Lease and any Demolition Period under Section 34.2, in and over the waters of the China Basin Channel and in Landlord's retained trust lands beneath and adjacent to the Waterfront Promenade Parcel, as more particularly described in Exhibit A-1 (the "Channel Access Parcel") for purposes of access to the Waterfront Promenade Parcel, and for installation, construction, maintenance, repair, replacement and Restoration of the Improvements (including additional Improvements to be constructed by or on behalf of Tenant within the Channel Access Parcel). In addition, Landlord hereby grants to Tenant, during the Term of this Lease, an easement, appurtenant to the Property, for support for the Waterfront Promenade and other Improvements located (or to be located) on the Waterfront Promenade Parcel, in the Channel Access Parcel and in Landlord's retained lands adjacent to the Waterfront Promenade Parcel, including the right (subject to compliance with Sections 6 and 10) to install additional pilings or other structures and Improvements in the Channel Access Parcel. With respect to such right of support, Landlord shall have no obligation to maintain, repair, replace or restore the pier or pier substructure, or to install any additional pilings or other structures or substructures which may be necessary or appropriate to support Tenant's Improvements. Additional terms and conditions governing Tenant's use of the easements and rights granted in this Section 1.1(b) (collectively, the "Access Rights") are set forth in Section 36.

(c) Permitted Title Exceptions. The interests granted by Landlord to Tenant pursuant to Subsections 1.1(a) and (b) are subject to (i) the matters reflected in Exhibit D (the "Permitted Title Exceptions"), and (ii) such other matters as Tenant shall cause or suffer to arise subject to the terms and conditions of this Lease.

(d) Subsurface Mineral Rights. Under the terms and conditions of Section 2 of the Burton Act, the State of California ("State") has reserved all subsurface mineral deposits, including oil and gas deposits, on or underlying the Property. In accordance with the provisions of Sections 2 and 3.5(c) of the Burton Act, Tenant and Landlord hereby acknowledge that the State has reserved the right to explore, drill for and extract such subsurface minerals, including oil and gas deposits, solely from a single point of entry outside of the Property, the Park Access Parcel and the Channel Access Parcel, and specifically located in Zone 3, California Grid System, at a point where X equals 1, 455,000 and Y equals 471,750, shown as the "access point" on the map attached hereto as Exhibit B-2, provided that such right shall not be exercised so as to disturb or otherwise interfere with the Leasehold Estate, including the ability of the Property or the Channel Access Parcel to support the Improvements. Landlord shall have no liability under this Lease arising out of any exercise by the State of such mineral rights (unless the State has succeeded to Landlord's interest under this Lease, in which case such successor owner may have such liability).

(e) "AS-IS WITH ALL FAULTS". TENANT AGREES THAT THE PREMISES ARE BEING LEASED BY LANDLORD, AND ARE HEREBY ACCEPTED BY TENANT, IN THEIR EXISTING STATE AND CONDITION, "AS IS, WITH ALL FAULTS". TENANT ACKNOWLEDGES AND AGREES THAT NEITHER LANDLORD NOR ANY OF THE OTHER INDEMNIFIED PARTIES, NOR ANY AGENT OF ANY OF THEM, HAS MADE, AND THERE IS HEREBY DISCLAIMED, ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND, WITH RESPECT TO THE CONDITION OF THE PREMISES OR THE ACCESS PARCELS, THE SUITABILITY OR FITNESS OF THE PREMISES OR ANY APPURTENANCES THERETO (INCLUDING THE ACCESS RIGHTS) FOR THE DEVELOPMENT, USE OR OPERATION OF THE PROJECT, THE COMPLIANCE OF THE PREMISES OR THE PROJECT WITH ANY LAWS, ANY MATTER AFFECTING THE USE, VALUE, OCCUPANCY OR ENJOYMENT OF THE PREMISES, OR, EXCEPT AS MAY BE SPECIFICALLY PROVIDED IN THIS LEASE OR THE DDA, WITH RESPECT TO ANY OTHER MATTER PERTAINING TO THE PREMISES OR THE PROJECT OR ANY APPURTENANCES TO THE PREMISES.

(f) Ferry Landing Facilities. Landlord and Tenant have agreed, as set forth in Section 37, to cooperate in planning the development of Ferry Landing Facilities in China Basin Channel adjacent to the Property. If the Parties should agree in the future that the Ferry Landing Facilities are to be operated by Tenant or a Subtenant as part of the Premises, the real property containing the Ferry Landing Facilities (or the contemplated Ferry Landing Facilities, as applicable) will be added to the legal description of the Premises set forth in Exhibit A by an appropriate written instrument executed and acknowledged by the Parties. Landlord hereby reserves such rights of access in, under and over, and of attachment to, the Waterfront Promenade as may be reasonably necessary or appropriate for the construction and operation of the Ferry Landing Facilities, which access and other rights shall be more specifically identified and located in an appropriate instrument executed and acknowledged by the Parties at such time as the specific plans for the development of the Ferry Landing Facilities have been agreed upon by the Parties. Landlord shall utilize such rights in such a manner as to minimize

interference with Tenant's construction of the Improvements under this Lease and the DDA and its use and operation of the Premises under this Lease.

1.2 Term.

(a) Initial Term. The Term of this Lease shall commence on the date Landlord delivers possession of the Property to Tenant in accordance with the DDA (the "Commencement Date"). Subject to Tenant's extension rights as set forth in Section 1.2(b), the Term of this Lease shall expire on December 31, 2022, unless earlier terminated in accordance with the terms of this Lease. The period from the Commencement Date until such expiration date is sometimes referred to as the "Initial Term." Following the delivery of possession of the Property to Tenant, the Parties shall execute and deliver a memorandum confirming the date on which the Commencement Date occurred, provided that failure of the Parties to execute such memorandum shall not delay or modify the Commencement Date or affect the rights or obligations of the Parties under this Lease.

(b) Options to Extend. At its option, Tenant may extend the Initial Term of this Lease in accordance with all the provisions of this Lease for eight (8) additional successive periods (each, an "Extended Term"). The first seven (7) Extended Terms shall be for successive periods of five (5) years each. The last Extended Term shall be for a period of six (6) years after the expiration of the seventh Extended Term. Tenant may exercise such rights to extend (each such, an "Option") by giving written notice to Landlord of the exercise of the Option ("Option Notice") as follows: (1) for the first Extended Term, Tenant must give its Option Notice on or before December 31, 2020; (2) for each subsequent Extended Term other than the fifth Extended Term, Tenant must give its Option Notice not later than one (1) year prior to the expiration date of the then-current Extended Term; and (3) for the fifth Extended Term, Tenant must give its Option Notice not later than two (2) years prior to the expiration date of the fourth Extended Term. Subject to the provisions of Section 16, Tenant may transfer the remaining Options to a transferee of its entire interest in this Lease. In addition, Tenant may at any time, or from time to time, assign the Options, or any of them, as additional security for any Mortgage permitted under Section 42, and Landlord shall recognize any Option exercised by a Mortgagee in accordance with the provisions of this Lease. Time is of the essence with respect to the date of delivery for each and every Option Notice. Landlord recognizes, however, that Tenant will invest a significant sum in the construction of the Improvements, and that an inadvertent failure to deliver such notice could result in a forfeiture of Tenant's interest. Landlord therefore agrees that if the time for delivering the Option Notice for either the first Extended Term or the fifth Extended Term has expired, and no such Option Notice has been given, Tenant may nevertheless cure such failure by delivering a delinquent Option Notice, prior to, or within five (5) business days following a written notice from Landlord specifying that the right to give a delinquent Option Notice will expire unless such notice is given within such five (5) business day period. In any event, Tenant must give Option Notice for the first Extended Term at least one year before the expiration of the Initial Term and for the fifth Extended Term at least one year before the expiration of the fourth Extended Term. The existence of any cure rights granted under Section 22 shall not extend the dates specified in this Section for the

delivery of any Option Notice. Tenant's failure to deliver a delinquent Option Notice, or otherwise to exercise an Option for any Extended Term as specified in this Section shall cause the termination of the Options for such Extended Term and for any and all subsequent Extended Terms, subject only to the rights of Mortgagees under Section 42 of this Lease.

(c) Term. The Initial Term as it may be extended in accordance with the provisions of subsection (b) above is referred to as the "Term". Tenant's possession of the Premises during any Extended Term shall be upon all of the terms and conditions of this Lease, except that Minimum Rent shall be adjusted at the beginning of the first and fifth Extended Terms as specified in Section 2.5, and at the beginning of the other Extended Terms as specified in Section 2.7. Notwithstanding anything to the contrary contained in this Lease, the maximum Term of this Lease shall not exceed sixty-six (66) years from the Commencement Date.

1.3 Definitions.

All initially capitalized terms used herein are defined in Section 47 or have the meanings given them when first defined.

1.4 Relationship of Lease to DDA.

This Lease describes the rights and obligations of Tenant and Landlord during the Term, provided that this Lease shall be subject to the provisions of the DDA until the Completion of the Improvements by Tenant in accordance with the DDA. Until Completion, the DDA will govern the development of the Initial Improvements in the event of any inconsistency between this Lease and the DDA. From and after Completion, this Lease will govern the rights and obligations of the Parties with respect to the Premises. The recordation of a Certificate of Completion under the DDA shall conclusively establish, for the purposes of this Lease, that all requirements of the DDA relating to the construction and completion of the Improvements have been waived or satisfied, and that the DDA is no longer applicable. If at such time, there exist any Deferred Items (as defined in the DDA), Tenant shall be responsible under this Lease for completing such Deferred Items in a timely and workerlike fashion, and Landlord agrees, upon satisfactory completion of such work, to release in accordance with Tenant's instructions any security deposited in escrow or with Landlord under the DDA. The Parties acknowledge that any and all provisions contained in the DDA which the Parties intend to have continuing application following the recordation of a Certificate of Completion have been inserted by the Parties into this Lease as well, and that following recordation of a Certificate of Completion, no Person shall be deemed to have notice of any matter relating to the Property by virtue of the filing or recordation of the DDA in the Official Records.

SECTION 2. RENT

2.1 Tenant's Covenant to Pay Rent.

During the Term of this Lease, Tenant shall pay Rent for the Premises to Landlord at the times and in the manner provided in this Section 2.

2.2 Rent Definitions.

The following terms shall be defined as set forth below.

"Adjustment Period" means a period for which Minimum Rent may be adjusted to reflect changes in the Index pursuant to either Section 2.4 or Section 2.7.

"Index" means the Consumer Price Index for All Urban Consumers (base years 1982-1984 = 100) for the San Francisco-Oakland-San Jose area, published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is modified during the Term hereof, the modified Index shall be used in place of the original Index. If compilation or publication of the Index is discontinued during the Term, Landlord shall select another similar published index, generally reflective of increases in the cost of living, subject to Tenant's approval, which shall not be unreasonably withheld or delayed, in order to obtain substantially the same result as would be obtained if the Index had not been discontinued.

"Minimum Rent" means the annual minimum rent specified in Section 2.3, as adjusted from time to time pursuant to the provisions of this Lease.

"Rent" means the sum of Minimum Rent and Additional Rent. For purposes of this Lease, Rent includes all unpaid sums that are payable as Rent, but that are unpaid when earned or accrue for payment at a later time in accordance with the provisions of this Lease.

2.3 Minimum Rent.

Tenant shall pay to Landlord, as Minimum Rent, the annual sum of One Million Two Hundred Thousand Dollars (\$1,200,000), subject to adjustment as provided in Section 2.4, Section 2.5 and Section 2.7, and subject to the Extension Fee Rent Credits provided for in Section 2.6. Minimum Rent shall be payable in advance, in equal quarterly installments beginning on the Commencement Date, and thereafter on or before the first day of each and every calendar quarter during the Term (each, a "Rent Payment Date"). In the event the Commencement Date occurs on a day other than the first day of a calendar quarter, or if the Term ends on a day other than the last day of a calendar quarter, then Minimum Rent for such fractional quarter shall be computed by dividing the annual Minimum Rent by 365 (or 366, if the year in question is a leap year), and multiplying the per-diem rental rate so computed by the number of days in such fractional quarter.

2.4 CPI Adjustments to Minimum Rent During Initial Term.

(a) First CPI Adjustment. On April 1, 2003, the annual Minimum Rent specified in Section 2.3 shall be adjusted to the amount determined by multiplying the initial Minimum Rent by a factor (the "First Adjustment Factor") determined in the following manner:

(i) Determine the value of the Index as published for the month in which the Commencement Date occurred (the "Beginning Index").

(ii) Determine the value of the Index as published for the month of December, 2002 (the "December 2002 Index").

(iii) Compute the value of the fraction whose numerator is the December 2002 Index, and whose denominator is the Beginning Index (the "Tentative First Adjustment Factor").

(iv) If the Commencement Date does not occur on January 1, divide the number of months in the partial year in which the Commencement Date occurs (rounded up or down to the nearest whole number) by 12, multiply the result by 0.03, and add the number 1.00 (the "First Year Maximum").

(v) Compute the value of the number $(1.03)^n$, where n is the number of full calendar years falling within that portion of the Term beginning on the Commencement Date and ending on December 31, 2002 (the "Annualized Maximum").

(vi) Multiply the First Year Maximum by the Annualized Maximum (the "Maximum First Adjustment"). For example, if the Commencement Date occurs on October 20, 1997, the First Year Maximum would be 1.005, the Annualized Maximum would be 1.159274 (or 1.03^5), and the Maximum First Adjustment would be 1.16507.

(vii) Compare the Tentative First Adjustment Factor to the Maximum First Adjustment. The smaller of the two is the First Adjustment Factor. The First Adjustment Factor may be more or less than 1, but may not be more than the Maximum First Adjustment. The annual Minimum Rent during the three (3) year period (the "First Adjustment Period") beginning April 1, 2003 (the "First Adjustment Date") shall be the initial annual Minimum Rent, multiplied by the First Adjustment Factor, but shall not be less than \$1,200,000 per year.

(b) Subsequent CPI Adjustments. On April 1, 2006 and on the first day of April in each third (3rd) year thereafter during the Initial Term (each a "Subsequent Adjustment Date", and together with the First Adjustment Date, each, an "Adjustment Date"), the annual Minimum Rent, as previously adjusted (but without regard to the effect of the \$1,200,000 floor on Minimum Rent), shall be further adjusted for the forthcoming three-year period (each, a

"Subsequent Adjustment Period", and together with the First Adjustment Period, each, an "Adjustment Period") to an amount determined under this Section 2.4(b). If there is no Carryforward or Negative Carryforward available from the previous Adjustment Period, Minimum Rent will be determined in accordance with the procedure described in Section 2.4(b)(i). There will be no Carryforward or Negative Carryforward available from the First Adjustment Period (i.e., available to be applied on April 1, 2006). If there is a Carryforward available from the previous Adjustment Period, Minimum Rent will be determined in accordance with the procedure described in Section 2.4(b)(ii). If there is a Negative Carryforward available from the previous Adjustment Period, Minimum Rent will be determined in accordance with the procedure described in Section 2.4(b)(iii).

(i) If there is no Carryforward or Negative Carryforward available from the previous Adjustment Period, Minimum Rent will be determined by multiplying the annual Minimum Rent then in effect (or if the Minimum Rent is then \$1,200,000 due to the operation of the \$1,200,000 floor on Minimum Rent, by the annual Minimum Rent which would have been payable for the previous Adjustment Period had such floor not been in effect) by a factor (each, an "Adjustment Factor") determined in the following manner:

(A) Determine the value of the Index for the month of December in the year immediately preceding the current Adjustment Date, and for the month of December three years earlier (each such, a "December Index Value"). For example, to compute the CPI adjustment in April, 2006, determine the December Index Value for December 2005 and December 2002. Compute the value of the fraction whose numerator is the December Index Value for the year immediately preceding the current Adjustment Date, and whose denominator is the December Index Value for the month of December three (3) years earlier (the "Tentative Adjustment Factor").

(B) Compare the Tentative Adjustment Factor to the number 1.157625 (the "Maximum Adjustment"), and to the number 0.857375 (the "Minimum Adjustment").

(C) If the Tentative Adjustment Factor is greater than or equal to 1.157625, the Adjustment Factor for the current Adjustment Period is 1.157625. In that case, multiply the annual Minimum Rent previously in effect by 1.157625, unless the annual Minimum Rent previously in effect was equal to \$1,200,000 due to the operation of the \$1,200,000 floor on Minimum Rent. In that case, multiply the Minimum Rent which would have been payable during the previous Adjustment Period (without regard to the operation of the \$1,200,000 floor), by 1.157625. The resulting product is the Minimum Rent which will become effective as of the current Adjustment Date, provided that in no event may Minimum Rent during the Initial Term be less than \$1,200,000 per year. If the Tentative Adjustment Factor is greater than 1.157625, there will be a Carryforward available on the next Adjustment Date.

(D) If the Tentative Adjustment Factor is more than the Minimum Adjustment and less than the Maximum Adjustment, the Adjustment Factor for the

current Adjustment Period is the Tentative Adjustment Factor. In that case, multiply the annual Minimum Rent previously in effect by the Tentative Adjustment Factor, unless the annual Minimum Rent previously in effect was equal to \$1,200,000 due to the operation of the \$1,200,000 floor on Minimum Rent. In that case, multiply the Minimum Rent which would have been payable during the previous Adjustment Period (without regard to the operation of the \$1,200,000 floor) by the Tentative Adjustment Factor. The resulting product is the Minimum Rent which will become effective as of the current Adjustment Date, provided that in no event may Minimum Rent during the Initial Term be less than \$1,200,000 per year. If the Tentative Adjustment Factor is more than the Minimum Adjustment and less than the Maximum Adjustment, there will be no Carryforward available on the next Adjustment Date.

(E) If the Tentative Adjustment Factor is less than or equal to the Minimum Adjustment, the Adjustment Factor for the current Adjustment Period is 0.857375. In that case, multiply the annual Minimum Rent previously in effect by 0.857375. The resulting product is the Minimum Rent which will become effective as of the current Adjustment Date, provided that in no event may Minimum Rent during the Initial Term be less than \$1,200,000 per year. If the Tentative Adjustment Factor is less than 0.857375, there will be a Negative Carryforward available on the next Adjustment Date.

(ii) If there is a Carryforward available from the previous Adjustment Period, Minimum Rent will be determined by multiplying the annual Minimum Rent then in effect (or if the Minimum Rent is then \$1,200,000 due to the operation of the \$1,200,000 floor on Minimum Rent, by the annual Minimum Rent which would have been payable for the previous Adjustment Period had such floor not been in effect) by an Adjustment Factor determined in the following manner:

(A) Determine the December Index Values for the month of December in the year immediately preceding the current Adjustment Date, and for the month of December three years earlier, and for the month of December six years earlier. For example, if the CPI adjustment in April, 2006 results in a Carryforward, then in April, 2009, determine the December Index Values for December 2008, December 2005 and December 2002. Compute the Tentative Adjustment Factor in the manner specified in Section 2.4(b)(i)(A). If the Tentative Adjustment Factor is greater than or equal to the Maximum Adjustment, the Carryforward from the previous Adjustment Period will not be applied, and will expire. In that case, Minimum Rent will be adjusted in the manner specified in Section 2.4(b)(i), and there will be a Carryforward to the next Adjustment Period, but only because the current Tentative Adjustment Factor is greater than the Maximum Adjustment.

(B) If the Tentative Adjustment Factor is less than the Maximum Adjustment, compute the fraction whose numerator is the December Index Value for the year immediately preceding the current Adjustment Date, and whose denominator is the December Index Value for the month of December six (6) years earlier (the "Carryforward Adjustment Factor"). Compare the Carryforward Adjustment Factor to the number 1.340096 (the "Maximum Carryforward Adjustment"). Divide the lesser of the Carryforward Adjustment

Factor and the Maximum Carryforward Adjustment, by the Maximum Adjustment (the resulting quotient, the "Tentative Carryforward Adjustment"). The lesser of the Tentative Carryforward Adjustment and the Maximum Adjustment is the Adjustment Factor. Multiply the annual Minimum Rent previously in effect by the Adjustment Factor. The resulting product is the Minimum Rent which will become effective as of the current Adjustment Date, provided that in no event may Minimum Rent during the Initial Term be less than \$1,200,000 per year. Since the Tentative Adjustment Factor is less than the Maximum Adjustment, there can be no Carryforward to the next Adjustment Period. If the Tentative Adjustment Factor is also less than the Minimum Adjustment, there will be a Negative Carryforward to the next Adjustment Period. If the Tentative Adjustment Factor is greater than the Minimum Adjustment, there will be no Carryforward or Negative Carryforward to the next Adjustment Period.

(iii) If there is a Negative Carryforward available from the previous Adjustment Period, Minimum Rent will be determined by multiplying the annual Minimum Rent then in effect (or if the Minimum Rent is then \$1,200,000 due to the operation of the \$1,200,000 floor on Minimum Rent, by the annual Minimum Rent which would have been payable for the previous Adjustment Period had such floor not been in effect) by an Adjustment Factor determined in the following manner:

(A) Determine the December Index Values for the month of December in the year immediately preceding the current Adjustment Date, and for the month of December three years earlier, and for the month of December six years earlier. For example, if the CPI adjustment in April, 2006 results in a Negative Carryforward, then in April, 2009, determine the December Index Values for December 2008, December 2005 and December 2002. Compute the Tentative Adjustment Factor in the manner specified in Section 2.4(b)(i)(A). If the Tentative Adjustment Factor is less than or equal to the Minimum Adjustment, the Negative Carryforward from the previous Adjustment Period will not be applied, and will expire. In that case, Minimum Rent will be adjusted in the manner specified in Section 2.4(b)(i), and there will be a Negative Carryforward to the next Adjustment Period, but only because the current Tentative Adjustment Factor is less than the Minimum Adjustment.

(B) If the Tentative Adjustment Factor is more than the Minimum Adjustment, compute the Carryforward Adjustment Factor. Compare the Carryforward Adjustment Factor to the number 0.735092 (the "Minimum Carryforward Adjustment"). Divide the greater of the Carryforward Adjustment Factor and the Minimum Carryforward Adjustment, by the Minimum Adjustment (the resulting quotient, the "Tentative Carryforward Adjustment"). The greater of the Tentative Carryforward Adjustment and the Minimum Adjustment is the Adjustment Factor. Multiply the annual Minimum Rent previously in effect by the Adjustment Factor. The resulting product is the Minimum Rent which will become effective as of the current Adjustment Date, provided that in no event may Minimum Rent during the Initial Term be less than \$1,200,000 per year. Since the Tentative Adjustment Factor is more than the Minimum Adjustment, there can be no Negative Carryforward to the next Adjustment Period. If the Tentative Adjustment Factor is also more than the Maximum Adjustment, there will be a Carryforward to the next Adjustment Period. If the Tentative

Adjustment Factor is less than the Maximum Adjustment, there will be no Carryforward or Negative Carryforward to the next Adjustment Period.

(c) General Provisions Relating to Carryforwards and Negative Carryforwards. There shall be no Carryforward or Negative Carryforward created on or carried forward from the First Adjustment Date, and thus the adjustment to Minimum Rent occurring on April 1, 2006 shall be calculated in accordance with the provisions of Section 2.4(b)(i). In addition, there shall be no Carryforward or Negative Carryforward applied at the time of, or carried forward past the time of, an adjustment to Minimum Rent under Section 2.5 (and any Carryforward or Negative Carryforward then existing shall expire). Any Carryforward or Negative Carryforward created on any Adjustment Date shall be carried forward for possible application at the next Adjustment Date (but only at the next Adjustment Date). Any Carryforward or Negative Carryforward not used on the Adjustment Date occurring three (3) years after its creation shall expire.

(d) An example of the operation of the CPI provisions of this Section 2.4 is contained in Exhibit C.

2.5 Market Adjustment to Minimum Rent for Extended Terms.

At the beginning of the first Extended Term and again at the beginning of the fifth Extended Term, Minimum Rent shall be determined in the manner specified in this Section 2.5 (subject to subsequent CPI adjustment under Section 2.7):

(a) Agreement Upon Fair Market Value. Following delivery of Tenant's Option Notice for the first Extended Term or the fifth Extended Term, pursuant to Section 1.2(b), Landlord and Tenant shall attempt in good faith to agree upon the Fair Market Rent for the Property. As used herein, "Fair Market Rent" means the annual fair market rental value of the Property, which shall be calculated by (i) determining the value of the fee interest in the Property in accordance with the provisions of this Section ("Fair Market Value") at the time of the rental adjustment ("date of value"), without regard to the value of the Ballpark or other Improvements and as if such fee interest were unencumbered by this Lease or any Mortgage on the Improvements or Tenant's Leasehold Estate, and (ii) applying an appropriate rate of return to the Fair Market Value, taking into account in determining such rate of return the effect, if any, of the remaining Term of this Lease and the provisions of this Lease regarding subsequent adjustment of such Fair Market Rent as set forth in this Section 2.5 and in Section 2.7 below. The Property shall be valued under a reasonably achievable development scenario consistent with the land use regulations in effect on the date of value. The Parties shall not assume that such land use regulations will be amended or modified after the date of value, other than as permitted under then-existing procedures for exceptions, variances or conditional use authorizations. As used in this Section, the term "land use regulations" means all federal, state and local laws, regulations, rulings, ordinances, codes, resolutions, plans and guidelines governing the uses of land and the improvements thereon which may be applicable to the Property, including, without limitation, those relating to urban design, density, height and bulk of

structures, compatibility with surrounding land uses, requirements to mitigate or avoid environmental impacts, mitigation fees, and the Investigation or Remediation of Hazardous Materials, as all of the same would reasonably and probably be applied to any particular development proposal at the location of the Property. In addition to uses permitted (or conditionally permitted) under the Redevelopment Plan, any alternative development scenario of the Property which is reasonably achievable under all applicable land use regulations other than the Redevelopment Plan, shall be treated as consistent with existing land use regulations for purposes of this Section, even if such uses are not permitted under the Redevelopment Plan in effect on the date of value. If the Fair Market Rent of the Property is determined based on any development scenario which would require the Demolition of all or some of the then-existing Improvements, including the Ballpark, the estimated cost of such Demolition shall be reflected as a deduction in the determination of Fair Market Value, upon which Fair Market Rent is calculated. If the Parties reach an agreement as to the Fair Market Rent, they shall promptly execute a written instrument to evidence such agreement, and such written instrument shall constitute a conclusive determination of Fair Market Rent for the first Extended Term or fifth Extended Term, as applicable.

(b) Appraisal; Arbitration. If the Parties have not agreed on the Fair Market Rent for the first Extended Term by December 31, 2021, or if the Parties have not agreed on the Fair Market Rent for the fifth Extended Term by December 31, 2041, Tenant shall have the right to elect by written notice to Landlord to either: (1) withdraw its Option Notice ("Withdrawal Notice"); or (2) irrevocably confirm its Option Notice and the exercise of the Option ("Confirmation Notice"), in which case the Fair Market Rent for the Premises shall be determined by the appraisal and arbitration procedure set forth below. Tenant shall give such notice not later than March 31, 2022 in the case of the first Extended Term, and March 31, 2042 in the case of the fifth Extended Term. If Tenant fails to deliver either a Withdrawal Notice or a Confirmation Notice to Landlord on or before such date (as applicable), Tenant shall be deemed to have given a Confirmation Notice on March 31, 2022 or on March 31, 2042, as applicable.

The appraisal or arbitration shall be carried out as follows:

(i) Appointment of Appraisers; Appraisal Instructions. Each Party shall appoint one (1) appraiser within thirty (30) days after Tenant gives (or is deemed to have given) its Confirmation Notice in accordance with subsection (b) above. Upon selecting its appraiser, each Party shall promptly notify the other Party in writing of the name of the appraiser selected. Each such appraiser shall be competent, licensed, qualified by training and experience in the City, disinterested and independent, and shall be a member in good standing of the Appraisal Institute (MAI), or, if the Appraisal Institute no longer exists, shall hold the senior professional designation awarded by the most prominent organization of appraisal professionals then awarding professional designations. Without limiting the foregoing, each appraiser shall have at least ten (10) years' experience valuing commercial real estate development sites in the City of San Francisco. If either Party fails to appoint its appraiser within such 30-day period, the appraiser appointed by the other Party shall individually determine the Fair Market Rent in accordance with the provisions hereof. Each appraiser will make an independent determination

of the Fair Market Rent. The appraisers may share and have access to objective information in preparing their appraisals, but they will independently determine the appropriate assumptions to make based on the provisions of this Section of this Lease and each appraiser's own assessment of the market. Neither of the appraisers shall have access to the appraisal of the other (except for the sharing of objective information contained in such appraisals) until both of the appraisals are submitted in accordance with the provisions of this Section. Neither Party shall communicate with the appraiser appointed by the other Party regarding the instructions contained in this Section before the appraisers complete their appraisals. If either appraiser has questions regarding the instructions in this Section or the interpretation of this Lease, such appraiser shall use his or her own professional judgment and shall make clear all assumptions upon which his or her professional conclusions are based, including any supplemental instructions or interpretative guidance received from the Party appointing such appraiser. There shall not be any arbitration or adjudication of the instructions to the appraisers contained in this Section. Each appraiser shall complete, sign and submit its written appraisal setting forth the Fair Market Rent to the Parties within sixty (60) days after the appointment of the last of such appraisers. If the higher appraised Fair Market Rent is not more than one hundred ten percent (110%) of the lower appraised Fair Market Rent, then the Fair Market Rent shall be the average of such two (2) Fair Market Rent figures.

(ii) Arbitration. If the higher appraised Fair Market Rent is more than one hundred ten percent (110%) of the lower appraised Fair Market Rent, then the Parties shall agree upon and appoint an independent arbitrator within thirty (30) days after both of the first two (2) appraisals have been submitted to the Parties. The arbitrator shall have the minimum qualifications as required of an appraiser pursuant to paragraph (i) above, and shall also have experience acting as an arbitrator of disputes involving commercial real estate or real estate development opportunities, including ground leases and rental valuation. If the Parties do not appoint such arbitrator within such 30-day period, then either Party may apply to the Superior Court of the State of California in and for the County of San Francisco for appointment of an arbitrator meeting the foregoing qualifications. If the court denies or otherwise refuses to act upon such application, either Party may apply to the American Arbitration Association, or any similar provider of professional commercial arbitration services, for appointment in accordance with the rules and procedures of such organization of an independent arbitrator meeting the foregoing qualifications. Such arbitrator shall consider the appraisals submitted by the Parties as well as any other relevant written evidence which the Parties may choose to submit. If a Party chooses to submit any such evidence, it shall deliver a complete and accurate copy to the other Party at the same time it submits the same to the arbitrator. Neither Party shall conduct ex parte communications with the arbitrator regarding the subject matter of the arbitration. Within thirty (30) days after his or her appointment, the arbitrator shall conduct a hearing, at which Landlord and Tenant may each make supplemental oral and/or written presentations, with an opportunity for testimony by the appraisers and questioning by the Parties and the arbitrator. Within thirty (30) days following the hearing, the arbitrator shall select the appraised Fair Market Rent determined by one or the other of the first two (2) appraisers that is the closer, in the opinion of the arbitrator, to the actual Fair Market Rent. The determination of the arbitrator shall be limited solely to the issue of deciding which of the appraisals of the two

appraisers is closest to the actual Fair Market Rent. The arbitrator shall have no right to propose a middle ground or to modify either of the two appraisals, or any provision of this Lease.

(iii) Conclusive Determination. Except as provided in California Code of Civil Procedure Section 1286.2 (as the same may be amended from time to time), the determination of the Fair Market Rent by appraisal or arbitration shall be conclusive, final and binding on the Parties. Neither the appraisers nor the arbitrator shall have any power to modify any of the provisions of this Lease and must base their decision on the definitions, standards, assumptions, instructions and other provisions contained in this Lease. Subject to the provisions of this Section, the Parties will cooperate to provide all appropriate information to the appraisers and the arbitrator. The appraisers (but not the arbitrator) can utilize the services of special experts, including experts to determine property condition, market rates, leasing commissions, renovation costs and similar matters. The appraisers and the arbitrator will each produce their determination in writing, supported by the reasons for the determination.

(iv) Conduct of Arbitration Proceeding. Any arbitration proceeding in connection with the determination of such Fair Market Rent shall be subject to California Code of Civil Procedure Sections 1280 to 1294.2 (but excluding Section 1283.05 with respect to discovery), or successor California laws then in effect relating to arbitration generally. Any such proceeding shall be conducted in the City of San Francisco.

(v) Fees and Costs; Waiver. Each Party shall bear the fees, costs and expenses of the appraiser it selects under subsection (b)(i) and of any experts and consultants used by the appraiser. The fees, costs and expenses of the arbitrator and the costs and expenses of the arbitration proceeding, if any, under subsection (b)(ii) shall be shared equally by Landlord and Tenant. Each Party waives any claims against the appraiser appointed by the other Party, and against the arbitrator, for negligence, malpractice or similar claims in the performance of the appraisals or arbitration contemplated by this Section.

(vi) ARBITRATION OF DISPUTES. With respect to the arbitration provided for in this Section 2.5, the Parties agree as follows:

NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISIONS IN THIS LEASE DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA

CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION TO NEUTRAL ARBITRATION.



Landlord's Initials



Tenant's Initials

Any judgment upon the award rendered by the arbitration may be entered in any court having jurisdiction of such arbitration in accordance with the terms of this Lease. This arbitration provision does not affect the rights of either Party to seek confirmation, correction or vacation of the arbitration award pursuant to California Code of Civil Procedure Section 1285 et seq.

(c) Floor and Ceiling. Once Fair Market Rent for the Premises has been determined under Section 2.5(a) or (b), Minimum Rent shall be determined in the following manner: If Fair Market Rent has been determined by appraisal under Section 2.5(b), Minimum Rent shall equal the Fair Market Rent so determined, but not less than the Floor nor more than the Ceiling. If Fair Market Rent has been determined by agreement of the Parties under Section 2.5(a), Minimum Rent shall equal the Fair Market Rent so agreed upon, but not less than the Floor nor more than the Ceiling, unless the Parties have, in their respective sole discretion, specifically agreed in writing that the Floor and/or the Ceiling will not apply to such adjustment. The Floor and Ceiling shall be determined as follows:

(i) Determination of Floor and Ceiling for First Extended Term. At the beginning of the first Extended Term, the Floor shall be determined by multiplying the difference between the Extrapolated Minimum Rent (as defined in Section 2.5(c)(iii)) for the last year of the Initial Term and \$1,200,000 by one-half (0.5) and adding the result to \$1,200,000, provided that the Floor shall not be less than \$1,200,000. The Ceiling shall be determined by multiplying the difference between the Extrapolated Minimum Rent for the last year of the Initial Term and \$1,200,000 by one and one-half (1.5), and adding the result to \$1,200,000. For example, if the Extrapolated Minimum Rent for the last year of the Initial Term is \$3,500,000 then the Floor equals \$2,350,000 $((\$3,500,000 - \$1,200,000) \times 0.5 + \$1,200,000)$, and the Ceiling equals \$4,650,000 $((\$3,500,000 - \$1,200,000) \times 1.5) + \$1,200,000$.

(ii) Determination of Floor and Ceiling for Fifth Extended Term. At the beginning of the fifth Extended Term, the Floor shall be determined by multiplying the difference between the Extrapolated Minimum Rent for the last year of the fourth Extended Term and the Minimum Rent in effect during the first year of the first Extended Term by one-half (0.5), and adding the result to the Minimum Rent in effect during the first year of the first Extended Term, provided that the Floor shall not be less than \$1,200,000. The Ceiling shall be determined by multiplying the difference between the Extrapolated Minimum Rent for the last

year of the fourth Extended Term and the Minimum Rent in effect during the first year of the first Extended Term by one and one-half (1.5), and adding the result to the Minimum Rent in effect during the first year of the first Extended Term.

(iii) Extrapolated Minimum Rent. The term "Extrapolated Minimum Rent" means, with respect to the last year of the Initial Term or the last year of the fourth Extended Term, respectively, the Minimum Rent otherwise in effect for such year (or if the Minimum Rent is then \$1,200,000 due to the operation of the \$1,200,000 floor on Minimum Rent, then the annual Minimum Rent which would have been payable during such year had such floor not been in effect), multiplied by an extrapolation factor equal to the Adjustment Factor which would result under Section 2.4(b) if April 1 of such year were an Adjustment Date, except that (A) such computation shall be based on the December Index Value for the immediately preceding year and the December Index Value for the year preceding the most recent Adjustment Date, (B) the Minimum Adjustment shall be $(0.95)^n$ and the Maximum Adjustment shall be $(1.05)^n$, where n equals the number of years between the December Index Values described above, and (C) the Minimum Carryforward Adjustment shall be $(0.95)^{n+3}$ and the Maximum Carryforward Adjustment shall be $(1.05)^{n+3}$.

2.6 Rent Credits.

(a) DDA Extension Fees. Tenant shall be entitled to offset against installments of Minimum Rent, but only to the extent specified in this Section 2.6(a), the total amount of any DDA Extension Fees (as that term is defined in the DDA) paid by Tenant under the DDA (the "Extension Fee Rent Credits"). No Extension Fee Rent Credits may be taken unless and until CPI Adjustments under Section 2.4 cause Minimum Rent to be payable at a rate which exceeds \$1,200,000 per year. Beginning with the first quarterly installment of Minimum Rent which exceeds \$300,000, Tenant shall be entitled to apply Extension Fee Rent Credits to reduce Minimum Rent then due, but not below \$300,000 per quarter. Thereafter, on each succeeding Rent Payment Date, Tenant shall be entitled to apply any remaining Extension Fee Rent Credits to reduce the quarterly installment of Minimum Rent then coming due, but never below \$300,000 per quarter, until all remaining Extension Fee Rent Credits have been fully applied. Any Extension Fee Rent Credits which have not been applied against Minimum Rent in the foregoing manner by the end of the Initial Term shall expire. If this Lease is terminated prior to the scheduled expiration of the Initial Term, the provisions of Section 2.6(c) shall govern any unapplied Extension Fee Rent Credits.

(b) Adjustments to Minimum Rent. The Extension Fee Rent Credits shall not be taken into account in calculating the amount of any CPI adjustments under Section 2.4, or the Floor or Ceiling for the first Extended Term under Section 2.5(c)(i).

(c) Defaults; Termination. If an Event of Default on the part of Tenant exists on a Rent Payment Date when Tenant would otherwise be entitled to apply an Extension Fee Rent Credit, Tenant's right to apply such Extension Fee Rent Credit shall be suspended, and Tenant shall not be permitted to apply such Extension Fee Rent Credit to Minimum Rent, until

(i) the Event of Default (and any other Event of Default on the part of Tenant which may arise in the interim) has been cured or no longer exists, or (2) the date one year following such Rent Payment Date, whichever occurs first. If for any reason an Event of Default continues to exist as of the date one year following the date on which Tenant would otherwise have been entitled to claim such Extension Fee Rent Credit, and this Lease has not been terminated, then the suspension of Tenant's right to claim such Extension Fee Rent Credit shall end and Tenant shall be entitled to claim such Extension Fee Rent Credit on such date. The foregoing shall not operate to waive any other right or remedy Landlord may otherwise have against Tenant on account of such Event of Default (other than to the extent of such credit), or the suspension of any other Rent Credit which may at such time be continuing. If this Lease is terminated due to an Event of Default by Landlord, then, without limiting Tenant's other rights or remedies, Landlord shall pay to Tenant the unapplied amount of the Extension Fee Rent Credits. If this Lease is terminated due to an Event of Default on the part of Tenant, or due to the exercise by Tenant of an option to terminate as provided in Section 6.1(d) or 12, then Tenant shall have no right to recover from Landlord any unapplied Extension Fee Rent Credits. If this Lease is terminated due to a Condemnation, the unapplied amount of the Extension Fee Rent Credits shall be allocated to Tenant from the Award under Section 13.4.

2.7 CPI Adjustments to Minimum Rent During Extended Terms.

Provided the Term has been extended by Tenant's exercise of the necessary Options, Minimum Rent shall be further adjusted to reflect changes in the Index in the manner specified in Section 2.4(b), effective as of the first day of April in each of the years 2026, 2029, 2032, 2035, 2038 and 2041 (but not in 2044, since an adjustment under Section 2.5 will occur at the beginning of the fifth Extended Term), and following the adjustment under Section 2.5 at the beginning of the fifth Extended Term, as of the first day of April in each of the years 2046, 2049, 2052, 2055, 2058 and 2061. Each of the foregoing dates shall be an Adjustment Date. There shall be no Carryforward applied on the first Adjustment Date after a rent adjustment under Section 2.5. The Minimum Rent determined on any Adjustment Date during the Extended Terms may be less than the Floor or more than the Ceiling last determined under Section 2.5, but shall never be less than the greater of (A) \$1,200,000 or (B) the Fair Market Rent determined for such Extended Term under the provisions of Section 2.5.

2.8 Manner of Payment of Rent.

Minimum Rent and Additional Rent shall be paid to Landlord in lawful money of the United States of America at the address for notices to Landlord specified in this Lease, or to such other person or at such other place as Landlord may from time to time designate by notice to Tenant. Minimum Rent shall be payable at the times specified in Section 2.3, without prior notice or demand. Additional Rent shall be due and payable at the times otherwise provided in this Lease, provided that if no date for payment is otherwise specified, or if payment is stated to be due "upon demand", "promptly following notice", "upon receipt of invoice", or the like, then such Additional Rent shall be due ten (10) business days following the giving by Landlord of

such demand, notice, invoice or the like to Tenant specifying that such sum is presently due and payable.

2.9 No Abatement or Setoff.

Tenant covenants to pay all Rent, including any and all Additional Rent, at the times and in the manner in this Lease provided without any abatement, setoff, deduction, or counterclaim, except as provided in Section 2.6, Section 6.1(d), Section 12, Section 13, and Section 27.1 hereof, and, with regard to a bankruptcy of Landlord, in Section 365 of the United States Bankruptcy Code, as amended.

2.10 Interest on Delinquent Rent.

If any installment of Minimum Rent is not paid within ten (10) days following the date it is due, or if any Additional Rent is not paid within ten (10) business days following written demand for payment of such Additional Rent, such unpaid amount shall bear interest from the date of such notice or demand until paid at an annual interest rate (the "Default Rate") equal to the greater of (i) ten percent (10%) or (ii) five percent (5%) in excess of the rate the Federal Reserve Bank of San Francisco charges, as of the Effective Date of this Lease, on advances to member banks and depository institutions under Sections 13 and 13a of the Federal Reserve Act. However, interest shall not be payable to the extent such payment would violate any applicable usury or similar law. Payment of interest shall not excuse or cure any default by Tenant.

2.11 Additional Rent.

Except as otherwise provided in this Lease, all costs, fees, interest, charges, expenses, reimbursements and obligations of every kind and nature relating to the Premises that may arise or become due during or in connection with the Term of this Lease, whether foreseen or unforeseen, which are payable by Tenant to Landlord pursuant to this Lease, shall be deemed Additional Rent. Landlord shall have the same rights, powers and remedies, whether provided by law or in this Lease, in the case of non-payment of Additional Rent as in the case of non-payment of Minimum Rent.

2.12 Net Lease.

It is the purpose of this Lease and intent of Landlord and Tenant that, except as specifically stated to the contrary in Section 2.9, all Rent shall be absolutely net to Landlord, so that this Lease shall yield to Landlord the full amount of the Rent at all times during the Term, without deduction, abatement or offset. Under no circumstances, whether now existing or hereafter arising, and whether or not beyond the present contemplation of the Parties, except as may be provided in this Lease, shall Landlord be expected or required to incur any expense or make any payment of any kind with respect to this Lease or Tenant's use or occupancy of the Premises, including any Improvements.

SECTION 3. USES

3.1 Permitted Uses.

(a) Description of Permitted Uses. Tenant may use the Premises for the following uses and purposes (collectively, the "Permitted Uses"), and no others, except as otherwise provided in this Lease, including, but not limited to, Section 3.1(b):

(i) The operation of a Major League Baseball franchise, including, without limitation, the exhibition, presentation and broadcasting (or other transmission) of Baseball Home Games, and activities related thereto, including, without limitation, training, practices and baseball exhibitions, All-Star Games, promotional activities and events, community and public relations, maintenance and operation of the Ballpark and related facilities (including facilities for ticket holders, and particularly including facilities, the use of which may be limited to particular classes of ticket holders, such as holders of Seat Rights, purchasers of "club" level or luxury box seats, or the like), the exhibition of advertising (subject to Section 3.4), marketing of games and other events, ticket sales, fantasy camps and any and all other activities which, from time to time, are customarily conducted by or are related to the operation of the business of a Major League Baseball franchise;

(ii) Subject to the provisions of Section 3.2 below, the exhibition, presentation and broadcasting (or other transmission) of other amateur or professional sporting events, exhibitions and tournaments, live concerts and musical performances, theater performances and other forms of live entertainment, public ceremonies, fairs, markets, fireworks displays, shows, sporting events or other public or private exhibitions ("Other Events") and activities related thereto;

(iii) Restaurants, clubs and bars (including brew pubs and sports bars);

(iv) Sale of food and alcoholic and non-alcoholic beverages, souvenirs and other items customarily sold and marketed (whether by Tenant, Subtenants, or otherwise) in sports and entertainment facilities;

(v) Sale and display of advertising on the scoreboard or elsewhere in the Ballpark, subject to Sections 3.4 and 45.5;

(vi) Sale or grant of rights to the name of the Ballpark (including related signage rights), subject to the provisions of Section 3.3;

(vii) Operating a baseball museum open to the public;

(viii) Conducting public tours of the Ballpark and related facilities;

(ix) Providing parking in the Project's parking facilities (including parking for customers, employees and Invitees and parking for Other Events);

(x) Specialty retail uses (as distinguished from department stores and supermarkets), including such uses located in the concourses of the Ballpark, along the Waterfront Promenade, Third Street and King Street, in the Pavilion Building, adjacent to other Public Access Areas and plaza areas within the Premises, and in movable or temporary retail facilities, including kiosks and carts, within the Premises (subject to Section 3.6 for any such movable or temporary retail facilities located within the Public Access Areas); provided, however, the floor area of each individual retail store shall not exceed the following limits: (A) twenty thousand (20,000) square feet for retail stores located in the Pavilion Building, and (B) five thousand (5,000) square feet for retail stores located elsewhere in the Premises;

(xi) Entertainment (including theaters, movie theaters and arcades), museum and educational uses (including a children's learning center in which children could learn about communication and information technology);

(xii) A communications center of up to ten thousand (10,000) square feet of floor area located in the Pavilion Building, including meeting and teleconferencing facilities available for use by the public;

(xiii) Providing ferry service to and from any Ferry Landing Facilities, subject to Landlord's approval in accordance with Sections 1.1(f) and 37 and further subject to the limitations in Section 3.5(b)(ix);

(xiv) Office use by (A) Tenant, (B) the Subtenant under the Baseball Sublease, (C) other Subtenants, if such use is (1) ancillary to the operation of other Permitted Uses specified in this subsection (a), or (2) for a maritime-related purpose;

(xv) Studio and related facilities for radio, television and other broadcast and entertainment media within the Ballpark and the Improvements, including support and production facilities, transmission equipment, antennas and other transceivers, and related facilities and equipment primarily for the broadcasting or other transmission of Baseball Home Games (including Post Season Games and exhibition games), and other events taking place within the Premises;

(xvi) Storage of maintenance equipment and supplies used in connection with the operation of the Premises for all other Permitted Uses, including groundskeeping vehicles; and

(xvii) Other uses reasonably related or incidental to any of the foregoing.

3.2 Limitations on Other Events.

(a) Approval of Certain Other Events. Certain Other Events will require the approval of Landlord, as provided in the Improvement Measures.

(b) Payment for Designated Services. Subject to the approvals and limitations set forth in subsection (a) above, and compliance with any other applicable Mitigation Measures and Improvement Measures, Tenant may conduct Other Events within the Project as follows:

(i) Other Events with a maximum estimated public attendance of up to Five Thousand (5,000) persons may be conducted without prior approval by Landlord.

(ii) Following the expiration or earlier termination of the Non-Relocation Agreement, if no Major League Baseball franchise is playing its Baseball Home Games in the Ballpark, the exhibition and presentation of a comparable number of other amateur or professional sporting events may be conducted without the prior approval of Landlord.

(iii) Except as provided in subparagraph (ii), Other Events with estimated public attendance exceeding 5,000 persons, may be conducted only with the prior consent of the Executive Director. From time to time, Tenant may propose one or more Other Events (including one or more series of Other Events) by giving notice to the Executive Director describing the nature of the event(s), the expected attendance, the date(s) and time(s) of the proposed event(s), and any other facts or circumstances which may be relevant to the Executive Director's consideration of such Other Event in accordance with this Section 3.2. The Executive Director and Tenant shall negotiate in good faith with each other and with any affected City departments to determine what, if any, Designated Services would be reasonably required in connection with such Other Event(s), and the incremental costs of providing such Designated Services with respect to such Other Event(s), taking into account all the facts and circumstances, including the security, litter pick-up, parking and traffic control and other such services to be provided by Tenant and/or the sponsor of such Other Event(s). Without limiting the approval rights as to certain Other Events under subsection (a) above, the Executive Director shall not withhold consent under this subsection (b) to any such Other Event as to which Tenant has agreed to pay Landlord (or City, as applicable) for the actual and reasonable incremental cost of providing Designated Services with respect to such Other Event, in an amount (A) agreed to in advance by Tenant and the Executive Director, or (B) reasonably determined by the Executive Director. The term "Designated Services" shall mean, with respect to any Other Event, such levels of incremental police services, fire marshal services, litter pick-up, street and sidewalk cleanup, first aid and paramedic services, and parking and traffic control services, as the Parties agree in advance are reasonably required by, and will be provided by City to the Premises and/or the surrounding area in connection with, such Other Event. Tenant shall not be required to reimburse City or Landlord under this Section 3.2 for any costs of providing City services to or in connection with any Other Event, except to the extent of the incremental costs of Designated Services as agreed in advance, or as Tenant and the Executive Director otherwise agree in

writing. In particular, the Parties intend that such an agreement may, with respect to any particular Other Event, include provisions for the payment by Tenant (or the sponsor of an Other Event), if the actual attendance at such Other Event materially exceeds the estimated attendance, of costs directly resulting from the provision of Designated Services in excess of the levels which were agreed upon based on estimated attendance.

(c) Notice. Whether or not Landlord's consent is required, Tenant will give reasonable advance notice to Landlord of any Other Event (as well as any other scheduled event permitted under Section 3.1(a)(i) which will be separately ticketed from any Baseball Home Game) which Tenant anticipates, in good-faith, will generate public attendance exceeding 2,000 persons. However, Tenant's failure to give such notice shall not constitute a default under this Lease. This subsection does not limit any other notice requirements of Tenant under the Improvement Measures with regard to Other Events.

3.3 Naming Rights to Ballpark.

Subject to Sections 3.4 and 45.5, Tenant shall have the right to name the Ballpark and/or other Improvements within the Project, and to change the name of the Ballpark and/or other Improvements within the Project from time to time; provided, however, (i) Tenant shall give ninety (90) days prior notice to Landlord of any change in the name of the Ballpark to any name other than "Pacific Bell Park," and (ii) any agreement by Tenant granting to a third Person a right to name the Ballpark or other Improvements (a "Naming Rights Agreement") shall in no event extend beyond or survive the expiration or earlier termination of this Lease (subject to the provisions of Sections 23 and 42) without the consent of Landlord, which Landlord may give or withhold in its sole discretion (except as otherwise provided in Section 16.4).

3.4 Advertising and Signs.

Subject to the prohibition on tobacco advertising provided in Section 45.5, Tenant shall have the right to install signs and advertising inside the Ballpark and on the exterior of the Ballpark and the Improvements. A copy of the sign guidelines for the Premises (which shall be in lieu of any other guidelines now in effect or hereinafter promulgated by the Port) is attached hereto as Exhibit G. Any proposed signs on the exterior of the Ballpark or other Improvements that do not conform to such guidelines shall be subject to Landlord's approval, in its reasonable discretion. All signs shall comply with applicable Laws regulating signs and advertising.

3.5 Limitations on Uses by Tenant.

(a) Limitations. Tenant's use of the Premises shall comply with the following restrictions and prohibitions:

(i) Subject to the provisions of Sections 10, 12 and 13 of this Lease, and without limitation on any right given Tenant to alter, modify, Demolish, Restore, or

construct Improvements, Tenant shall not commit or permit to be committed any waste, damage or injury to the Premises or Improvements;

(ii) Tenant shall not conduct or allow to be conducted on the Premises any activity that creates a public or private nuisance;

(iii) Tenant may not use the Premises or any portion of the Premises for wholesale sales (it being understood that the foregoing limitation does not apply to retail businesses which sell merchandise at discount prices to the general public); hotels, hostels, time shares or lodging or other transient occupancy facilities; residential uses of any kind; and any unlawful use or other use of a type not generally considered appropriate for a first-class Ballpark and complementary commercial and entertainment complex conducted in accordance with good and generally accepted standards of operation;

(iv) Tenant may not use the Premises or any portion of the Premises for office space, except as permitted in Section 3.1(a)(xiv);

(v) Tenant may not use the Premises for large outdoor freestanding amusement rides, except on a temporary basis in connection with promotional activities and Other Events;

(vi) The Premises shall not be used for the landing or take-off of any aircraft, including helicopters, except on a temporary basis in connection with (A) construction (including Restoration and Subsequent Construction) of Improvements, but subject to Landlord's review and approval in its regulatory (as opposed to its proprietary) capacity, and (B) landings for emergency or medical services in connection with Baseball Home Games or Other Events;

(vii) No portion of the Premises within one hundred (100) feet of the shoreline shall be used for any of the following uses: non-maritime private clubs (it being understood by Landlord and Tenant that neither the sale of so-called Charter Seats, nor the designation of one level of the Ballpark as a so-called "club level", nor the maintenance or operation of facilities access to which is limited to persons purchasing "club-level" or so-called "luxury box" seats in the Ballpark, nor the operation of a limited-access restaurant and/or bar for certain categories of ticket holders, shall be deemed to be the operation of a private club) residential; non-accessory parking, except for interim parking; adult entertainment; non-marine animal services; mortuaries; heliports (except as provided in clause (vi) above); oil refineries; mini-storage warehouses; and hotels;

(viii) No portion of the Premises shall be used for department stores, supermarkets or "big box" retail centers; and

(ix) Ferry service permitted under Section 3.1(a)(xiii) shall not be used for excursions except as agreed upon by Landlord, which may give, withhold or

condition such approval in its sole and absolute discretion (including requiring the payment of additional rent for such use).

(b) Land Use Restrictions. Tenant may not enter into agreements granting licenses, easements or access rights over the Premises if the same would be binding on Landlord's reversionary interest in the Premises, or obtain zoning changes or conditional use permits for any uses not provided for hereunder, in each instance without Landlord's prior written consent, which shall not be withheld or delayed unreasonably, and subject to the provisions of Section 6.

3.6 Public Access Areas.

Landlord hereby reserves reasonable access rights over the portion of the Premises consisting of the Public Access Areas so as to permit use of such areas by the general public consistent with the Tidelands Trust, specifically recognizing, however, that (i) public access to the area labeled "Arcade Viewing Area" on Exhibit M may be limited to the times during Baseball Home Games, and (ii) the area labeled "Centerfield Terrace" on Exhibit M (the "Centerfield Terrace"), including the stairs to this area, may be closed to the public during, and for a reasonable time before and after, Baseball Home Games and Other Events, and for purposes of providing for the safety of persons and the protection of the Ballpark and other Improvements at nighttime hours reasonably approved by Landlord. Subject to Regulatory Approvals and consistent with the Tidelands Trust, Tenant and its Subtenants may locate movable or temporary retail facilities, including kiosks and carts, within the Public Access Areas, and in addition, may construct and install Improvements to the Centerfield Terrace (including retail, entertainment and restaurant improvements) designed to activate the Centerfield Terrace and enhance public access to or enjoyment of the Centerfield Terrace, provided that such Improvements do not unreasonably interfere with or restrict such public access rights.

3.7 Agreement to Negotiate for Civic Events.

Tenant recognizes that Landlord may wish to use the Ballpark from time to time to provide a venue for civic events, including public ceremonies and protocol events ("Civic Events"). Tenant agrees to negotiate in good faith with City, including Landlord, for the use of the Ballpark for Civic Events, provided that such events do not conflict with the conduct of Permitted Uses, including, without limitation, Baseball Home Games and scheduled Other Events. Tenant may require payment of such rental or other compensation and provision of such insurance and indemnification as Tenant deems appropriate for such use. Tenant shall not be required to pay for Designated Services in connection with any Civic Events at the Ballpark, and the obligations of Tenant under Section 3.2 shall not apply to Civic Events. Civic Events shall, however, be subject to the Mitigation Measures and Improvement Measures.

SECTION 4. TAXES AND ASSESSMENTS

4.1 Payment of Possessory Interest Taxes and Other Impositions.

(a) Payment of Possessory Interest Taxes. Tenant shall pay or cause to be paid, prior to delinquency, all possessory interest and property taxes assessed, levied or imposed on the Premises or any of the Improvements or Personal Property (excluding the personal property of any Subtenant whose interest is separately assessed) located on the Premises or Tenant's Leasehold Estate (but excluding any such taxes separately assessed, levied or imposed on any Subtenant), to the full extent of installments or amounts payable or arising during the Term (subject to the provisions of Section 4.1(e)). Subject to the provisions of Section 5 hereof, all such taxes shall be paid directly to the City's Tax Collector or other charging authority prior to delinquency, provided that if applicable Law permits Tenant to pay such taxes in installments, Tenant may elect to do so. In addition, Tenant shall pay any fine, penalty, interest or cost as may be charged or assessed for nonpayment or delinquent payment of such taxes. Tenant shall have the right to contest the validity, applicability or amount of any such taxes in accordance with Section 5.

(i) Acknowledgment of Possessory Interest. Tenant specifically recognizes and agrees that this Lease creates a possessory interest which is subject to taxation, and that this Lease requires Tenant to pay any and all possessory interest taxes levied upon Tenant's interest pursuant to an assessment lawfully made by the City's Assessor. Tenant further acknowledges that any Sublease or assignment permitted under this Lease and any exercise of any option to renew or extend this Lease may constitute a change in ownership, within the meaning of the California Revenue and Taxation Code, and therefore may result in a reassessment of any possessory interest created hereunder in accordance with applicable Law.

(ii) Reporting Requirements. San Francisco Administrative Code Sections 6.63-1, 6.63-2, 23.6-1 and 23.6-2 require that Landlord report certain information relating to this Lease, and the creation, renewal, extension, assignment, sublease, or other transfer of any interest granted hereunder, to the County Assessor within sixty (60) days after any such transaction. Within thirty (30) days following the date of any transaction that is subject to such reporting requirements, Tenant shall provide such information as may reasonably be requested by Landlord to enable Landlord to comply with such requirements.

(b) Other Impositions. Without limiting the provisions of Section 4.1(a), Tenant shall pay or cause to be paid all Impositions (as defined below), to the full extent of installments or amounts payable or arising during the Term (subject to the provisions of Section 4.1(e)), which may be assessed, levied, confirmed or imposed on or in respect of or be a lien upon the Premises, any Improvements now or hereafter located thereon, any Personal Property now or hereafter located thereon (but excluding the personal property of any Subtenant whose interest is separately assessed), the Leasehold Estate created hereby, or any subleasehold estate permitted hereunder, including any taxable possessory interest which Tenant, any Subtenant or any other Person may have acquired pursuant to this Lease (but excluding any such

Impositions separately assessed, levied or imposed on any Subtenant, except to the extent of possessory interest taxes Tenant is obligated to pay under the OPA in order to pay debt service on the Tax Allocation Bonds). Subject to the provisions of Section 5, Tenant shall pay all Impositions directly to the taxing authority, prior to delinquency, provided that if any applicable Law permits Tenant to pay any such Imposition in installments, Tenant may elect to do so. In addition, Tenant shall pay any fine, penalty, interest or cost as may be assessed for nonpayment or delinquent payment of any Imposition. As used herein, "Impositions" means all taxes, assessments, liens, levies, charges or expenses of every description, levied, assessed, confirmed or imposed on the Premises, any of the Improvements or Personal Property located on the Premises, Tenant's Leasehold Estate, any subleasehold estate, or any use or occupancy of the Premises hereunder. Impositions shall include all such taxes, assessments, fees and other charges whether general or special, ordinary or extraordinary, foreseen or unforeseen, or hereinafter levied or assessed in lieu of or in substitution of any of the foregoing of every character, except as otherwise provided in subsection (c) below.

(c) Exceptions. Notwithstanding the foregoing, (i) Tenant shall not pay or reimburse Landlord hereunder for any (A) franchise, corporate or capital stock taxes levied or assessed against Landlord or (B) estate, inheritance, succession or gift taxes of Landlord, and (ii) Impositions shall in no event include income taxes measured by the net income of Landlord, whether based solely on this Lease or based on all sources; provided that nothing herein is intended to suggest that any such taxes apply to Landlord during any period in which the owner of the Premises is the City or any other governmental agency.

(d) Penalties and Fines. Tenant shall pay or reimburse Landlord, as the case may be, for any fine, penalty, interest or cost which may be added by the collecting authority for the late payment or nonpayment of any Imposition required to be paid by Tenant hereunder.

(e) Prorations. All Impositions imposed for the tax years in which the Commencement Date occurs or during the tax year in which this Lease terminates shall be apportioned and prorated between Tenant and Landlord on a daily basis.

(f) Proof of Compliance. Within a reasonable time following Landlord's written request given from time to time, Tenant shall deliver to Landlord copies of official receipts of the appropriate taxing authorities, or other proof reasonably satisfactory to Landlord, evidencing the timely payment of such Impositions.

4.2 Additional Taxes.

In addition to possessory interest taxes and other Impositions described in Section 4.1, Tenant shall pay all taxes assessed by any governmental authority on any business operated by Tenant in or from the Premises and the Improvements. If (a) the State, the federal government or any other governmental body having the power to tax, taxes during any period in which the owner of the Premises is a governmental agency or a public body, corporate and

politic, but not thereafter, (i) the rental income from real estate (whether or not denominated a gross receipts or other tax with respect to receipt of rent by Landlord), (ii) the square footage of the Premises or Improvements, or any portion thereof, (iii) the act of entering into this Lease, (iv) the occupancy of or under Tenant, or (v) property or businesses of sports teams or entertainment events or facilities, or if any such entity imposes or levies any other tax, fee or excise, however described, including, without limitation, a so-called value-added tax, so as to impose a liability upon Landlord for the amount of such tax, or (b) a tax or assessment shall be levied, assessed, imposed or confirmed against Landlord's fee interest in the Premises in connection with any use permitted under this Lease or any benefit received by Tenant or any person under Tenant, then, in each such instance, Tenant shall pay all such taxes so imposed with respect to any portion of the Term, before delinquency and before any fine, penalty, interest or cost may be added thereto for the nonpayment thereof; but excluding, however, any such tax (1) imposed by City, or (2) liability for which could not lawfully be imposed on City, or be levied, assessed, imposed or confirmed as against City's property, without City's consent or approval.

4.3 Landlord's Right to Pay.

Unless Tenant is exercising its right to contest under and in accordance with the provisions of Section 5, if Tenant fails to pay and discharge any Impositions prior to delinquency, Landlord, at its sole option, may (but is not obligated to) pay or discharge the same, provided that prior to paying any such delinquent Imposition, Landlord shall give Tenant written notice specifying a date at least ten (10) business days following the date such notice is given after which Landlord intends to pay such Impositions. If Tenant fails, on or before the date specified in such notice, either to pay the delinquent Imposition or to notify Landlord that it is contesting such Imposition pursuant to Section 5, then Landlord may thereafter pay such Imposition, and the amount so paid by Landlord (including any interest and penalties thereon paid by Landlord), together with interest at the Default Rate computed from the date Landlord makes such payment, shall be deemed to be and shall be payable by Tenant as Additional Rent, and Tenant shall reimburse such sums to Landlord within ten (10) business days following demand.

4.4 Stadium Admissions Taxes.

The Parties acknowledge and agree that they have negotiated the Rent payable by Tenant under this Lease and Tenant's obligation to construct the Ballpark and other Initial Improvements under the DDA in reliance on the provisions of this Section.

(a) Agreement to Pay Admissions Tax. Except as provided in Section 4.4(b) below, Tenant agrees to collect and pay (or to require the Subtenant under the Baseball Sublease to collect and pay, as appropriate) all taxes lawfully imposed on admissions and/or admissions tickets to Baseball Home Games at the Ballpark. Specifically, Tenant consents to the imposition, extension, renewal, or substitution of a tax on admissions to Baseball Home Games at the Ballpark, in the amount of \$0.25 per ticket (the "Existing Baseball Admissions Tax").

(b) Excess Admission Taxes. If the City imposes, extends or increases a tax on admissions and/or admission tickets to Baseball Home Games played at the Ballpark during the Initial Term that is greater than the Existing Baseball Admissions Tax (an "Excess Admissions Tax"), then City shall reimburse Tenant (or the Subtenant under the Baseball Sublease, as appropriate) for one hundred percent (100%) of the Excess Admissions Tax paid by such Person with respect to any period within the Initial Term, in each instance within ninety (90) days following request for payment; provided, however, City shall not be obligated to reimburse Tenant for any portion of such Excess Admissions Tax as to which Tenant has expressly agreed in advance that this Section 4.4 shall not apply, nor shall City have any reimbursement obligation under this Lease for any Excess Admissions Tax with respect to admissions and/or admission tickets to Baseball Home Games taking place after the end of the Initial Term.

(c) Tenant's Remedies. Notwithstanding anything to the contrary in this Lease, the exclusive remedy of Tenant for any failure by City to reimburse Tenant for such Excess Admissions Taxes shall be an action for damages in the amount of the Excess Admissions Tax for the applicable period which has not been reimbursed by City. City shall make any payments required under this Section 4.4 from the proceeds of the Excess Admissions Tax or other sources of City revenues which are not impressed with the Tidelands Trust and which are not otherwise Port revenues. Without limiting the foregoing, Tenant shall not have any right to rescind, invalidate or terminate this Lease, nor shall Tenant be entitled to any credit against Minimum Rent or Additional Rent under this Lease, due to the imposition, extension or increase of any Excess Admissions Tax or City's failure to reimburse Tenant (or such Subtenant) for such Excess Admissions Tax. The limitations on Landlord's liability specified in Section 26.1 of this Lease shall not apply to any liability of City or Landlord under this Section. In addition, City shall not be released from its obligations under this Section as a result of any transfer of Landlord's interest.

(d) Amendment. Notwithstanding Section 31.1 and Section 46.9, the provisions of this Section shall not be amended without the prior approval of the City's Board of Supervisors and Mayor.

SECTION 5. CONTESTS

5.1 Right of Tenant to Contest Impositions and Liens.

Subject to any applicable provisions of the OPA and Tenant's obligations under such agreement, Tenant shall have the right to contest the amount, validity or applicability, in whole or in part, of any Imposition or other lien, charge or encumbrance against or attaching to the Premises or any portion of, or interest in, the Premises, including any lien, charge or encumbrance arising from work performed or materials provided to Tenant or any Subtenant or other Person to improve the Premises or any portion of the Premises, by appropriate proceedings conducted in good faith and with due diligence, at no cost to Landlord. Tenant shall give notice to Landlord within a reasonable period of time of the commencement of any such contest and of

the final determination of such contest. Nothing in this Lease shall require Tenant to pay any Imposition as long as it contests the validity, applicability or amount of such Imposition in good faith, and so long as it does not allow the portion of the Premises affected by such Imposition to be forfeited to the entity levying such Imposition as a result of its nonpayment. If any Law requires, as a condition to such contest, that the disputed amount be paid under protest, or that a bond or similar security be provided, Tenant shall be responsible for complying with such condition as a condition to its right to contest. Tenant shall be responsible for the payment of any interest, penalties or other charges which may accrue as a result of any contest, and Tenant shall provide a statutory lien release bond or other security reasonably satisfactory to Landlord in any instance where Landlord's interest in the Property may be subjected to such lien or claim. Tenant shall not be required to pay any Imposition or lien being so contested during the pendency of any such proceedings unless payment is required by the court, quasi-judicial body or administrative agency conducting such proceedings. If Landlord is a necessary party with respect to any such contest, or if any law now or hereafter in effect requires that such proceedings be brought by or in the name of Landlord or any owner of the Property, Landlord, at the request of Tenant and at no cost to Landlord, with counsel selected and engaged by Tenant, subject to Landlord's reasonable approval, shall join in or initiate, as the case may be, any such proceeding. Landlord, at its own expense and at its sole option, may elect to join in any such proceeding whether or not any law now or hereafter in effect requires that such proceedings be brought by or in the name of Landlord or any owner of the Property. Except as provided in the preceding sentence, Landlord shall not be subjected to any liability for the payment of any fines, penalties, costs, expenses or fees, including Attorneys' Fees and Costs, in connection with any such proceeding, and without limiting Section 17, Tenant shall Indemnify Landlord for any such fines, penalties, costs, expenses or fees, including Attorneys' Fees and Costs, which Landlord may be legally obligated to pay.

5.2 Landlord's Right to Contest Impositions.

At its own cost and after notice to Tenant of its intention to do so, Landlord may but in no event shall be obligated to contest the validity, applicability or the amount of any Impositions, by appropriate proceedings conducted in good faith and with due diligence. Landlord in so contesting any Imposition, shall Indemnify Tenant from and against any Losses Tenant suffers by reason of such contest. Nothing in this Section shall require Landlord to pay any Imposition as long as it contests the validity, applicability or amount of such Imposition in good faith, and so long as it does not allow the portion of the Premises affected by such Imposition to be forfeited to the entity levying such Imposition as a result of its nonpayment. Landlord shall give notice to Tenant within a reasonable period of time of the commencement of any such contest and of the final determination of such contest.

SECTION 6. COMPLIANCE WITH LAWS

6.1 Compliance with Laws and Other Requirements.

(a) Tenant's Obligation to Comply. Tenant shall comply, at no cost to Landlord, (i) with all applicable Laws (including Regulatory Approvals), (ii) for so long as Major League Baseball is played in the Ballpark, with all Baseball Rules and Regulations applicable to the Ballpark and its operations, (iii) with all Mitigation Measures imposed on the sponsor of the Project, (iv) with the Improvement Measures, (v) with the requirements of all policies of insurance required to be maintained pursuant to Section 18 of this Lease, (vi) with the DDA (so long as it remains in effect), (vii) with the Rules and Regulations, if any are adopted by Landlord, to the extent that such Rules and Regulations do not materially interfere with or affect Tenant's rights hereunder or the Permitted Uses, and further provided that to the extent of any conflict between such Rules and Regulations and the provisions of this Lease, this Lease shall control. The foregoing sentence shall not be deemed to limit Landlord's ability to act in its legislative or regulatory capacity, including the exercise of its police powers, nor to waive any claim on the part of Tenant that any such action on the part of Landlord constitutes a Condemnation or an impairment of Tenant's contract with Landlord. In particular, Tenant acknowledges that the Permitted Uses under Section 3.1 do not limit Tenant's responsibility to obtain Regulatory Approvals for such uses, including but not limited to, building permits, nor do such uses limit Landlord's responsibility in the issuance of any such Regulatory Approvals to comply with applicable Laws, including the California Environmental Quality Act. It is understood and agreed that Tenant's obligation to comply with Laws shall include the obligation to make, at no cost to Landlord, all additions to, modifications of, and installations on the Premises which may be required by any Laws regulating the Premises, subject to the provisions of Sections 6.1(b) and 6.1(d). Tenant's obligations with respect to the Park Access Parcel, and any improvements constructed on the Park Access Parcel, shall be governed by Section 36.1 of this Lease.

(b) Unforeseen Requirements. The Parties acknowledge and agree that Tenant's obligation under this Section 6.1 to comply with all present or future Laws is a material part of the bargained-for consideration under this Lease. Except as otherwise provided in this Section 6.1, Tenant's obligation to comply with Laws shall include, without limitation, the obligation to make substantial or structural repairs and alterations to the Premises (including the Improvements and the bulkhead wall and pier substructure), regardless of, among other factors, the relationship of the cost of curative action to the Rent under this Lease, the length of the then remaining Term hereof, the relative benefit of the repairs to Tenant or Landlord, the degree to which curative action may interfere with Tenant's use or enjoyment of the Premises, the likelihood that the Parties contemplated the particular Law involved, or the relationship between the Law involved and Tenant's particular use of the Premises. Except as provided in Section 6.1(d) or in Sections 12, 13 or 27.1, no occurrence or situation arising during the Term, nor any present or future Law, whether foreseen or unforeseen, and however extraordinary, shall relieve Tenant of its obligations hereunder, nor give Tenant any right to terminate this Lease in whole or in part or to otherwise seek redress against Landlord. Tenant waives any rights now or hereafter conferred upon it by any existing or future Law to terminate this Lease, to receive any abatement,

diminution, reduction or suspension of payment of Rent, or to compel Landlord to make any repairs to comply with any such Laws, on account of any such occurrence or situation, except to the extent provided in Section 6.1(d) or in Sections 12, 13 or 27.1.

(c) Proof of Compliance. Tenant shall promptly upon request provide Landlord with evidence of its compliance with any of the obligations required under this Section.

(d) Right to Terminate Lease. Notwithstanding any other provision of this Section 6.1, in the event of any change in Laws after the first twenty (20) years of the Term that would require capital repairs or improvements, including upgrades or other capital expenditures for reconstruction, replacement, expansion, Restoration, alteration or modification of the Premises (including any Improvements), the cost of which will exceed the cost of Demolition of the Improvements, Tenant shall have the option (subject to the rights of Mortgagees), in lieu of performing such capital repairs or capital improvements, to Demolish the Improvements and terminate this Lease on the following terms and conditions of this Section 6.1. Tenant shall exercise such option by delivering written notice to Landlord of Tenant's election, which notice shall include Tenant's good faith estimate of the cost of performing such capital repairs or improvements, and of the cost of Demolition. Following receipt of Tenant's notice, Landlord shall, within ninety (90) days after receipt of Tenant's notice, give notice to Tenant electing, in Landlord's sole and absolute discretion, one of the following alternatives:

(i) to accept Tenant's exercise of such option, including Tenant's Demolition of the Improvements, in which event this Lease shall continue in effect for a reasonable time thereafter in order to permit Tenant to obtain possession of the Premises from its Subtenants and to effect the Demolition. Tenant shall continue to pay Rent during such period, and shall use commercially reasonable efforts to obtain such possession and complete the Demolition as quickly as possible. Upon completion of Demolition, Tenant shall surrender possession of the Premises to Landlord, and effective upon such surrender, this Lease shall terminate.

(ii) to accept Tenant's exercise of such option, but to accept the Premises in their then-existing condition, subject only to Subleases as to which Landlord has executed a Non-Disturbance Agreement under Section 16.4 (and any other Subleases which Landlord may specify in such notice) and with no obligation on the part of Tenant to perform any Demolition or any of the work required to cause the Premises to comply with such Laws, or

(iii) in lieu of accepting Tenant's exercise of such option, to agree to pay the amount by which the cost of performing the work required to cause the Premises to comply with such Laws exceeds the cost of Demolition, provided, however that Landlord shall have no obligation to select this alternative. If Landlord does elect this alternative, the Parties shall negotiate in good faith for a period not exceeding ninety (90) days to reach an agreement between them, which is also satisfactory to any Mortgagees, with respect to the schedule for performance of required work, the timing of payments of Landlord's contribution to the costs of such work, and any other related issues which may be necessary or appropriate for resolution in

connection with such work and the payment for such work. Tenant shall not be required to pay Minimum Rent during such period. If no such agreement is reached within such period, the provisions of subparagraph (i) shall apply, unless Landlord elects, by written notice given within such period, to have subparagraph (ii) apply instead. If Landlord and Tenant reach an agreement with regard to such issues, then Landlord shall pay such costs in accordance with the terms of such agreement and this Lease shall remain in full force and effect (subject to the terms and provisions of such agreement).

(e) Failure to Choose. If Landlord fails to elect one of the three alternatives specified in Section 6.1(d) within the time specified, such failure shall not be a default on the part of Landlord, but shall be deemed (subject to Section 39.2) an election of the alternative described in Section 6.1(d)(i).

(f) Consequences of Termination. If this Lease is terminated by operation of the provisions of Section 6.1(d), the Parties shall have no further obligations to each other under this Lease following the effective date of such termination, subject to payment to Landlord of accrued and unpaid Rent up to the effective date of such termination; provided, however, the indemnification provisions of this Lease shall survive any such termination with respect to matters arising before the date of any such termination, and such termination shall not limit the right of a Mortgagee to a new lease under Section 42.12 unless such Mortgagee has agreed otherwise. At Landlord's request following any such termination, Tenant shall deliver to Landlord a duly executed and acknowledged quitclaim deed suitable for recordation in the Official Records and in form and content satisfactory to Landlord and the City Attorney.

(g) Liquidation of Cost of Demolition. If Tenant gives notice of termination of this Lease under Section 6.1(d) at any time after exercising the Option for the second Extended Term, and Landlord elects (or is deemed to have elected) the alternative described in Section 6.1(d)(i), Tenant may elect, by delivering written notice to Landlord within thirty (30) days following receipt of Landlord's notice electing the alternative described in Section 6.1(d)(i), or within thirty (30) days after Landlord is deemed to have elected the alternative described in Section 6.1(d)(i), as applicable, to pay to Landlord, in lieu of performing such Demolition, and in full liquidation and satisfaction of its obligation to Demolish the Improvements, a termination payment ("Termination Payment") equal to the lesser of (i) the cost of Demolition, or (ii) the present value (computed in the manner specified below) of the Minimum Rent scheduled to become due during the remainder of the scheduled Term (including any Extended Terms for which Options have been exercised, but without regard to any unexercised Options). In performing such computation, any scheduled CPI adjustments for which the necessary Index values have not yet been determined, will be computed by assuming the maximum increase permitted under Section 2.7. The present value of such Minimum Rent shall be computed by discounting the scheduled quarterly installments of Minimum Rent at the interest rate specified in Section 12.4(c)(iv). If Tenant elects to make the Termination Payment, this Lease shall terminate on the date such Payment is delivered to Landlord, and the provisions of Section 6.1(f) shall apply. Effective upon such termination, Tenant shall surrender possession of the Premises in their then-existing condition, subject to existing Subleases and with no

obligation on the part of Tenant to perform any Demolition or any of the work required to cause the Premises to comply with such Laws. In addition, if Tenant does not exercise its right to pay the Termination Payment within the 30-day period specified in this Section 6.1(g), Landlord shall have the right to deliver notice to Tenant, within ten (10) days after the end of such 30-day period, requiring Tenant to pay the Termination Payment in lieu of performing Demolition, in which case all of the provisions of this Section 6.1(g) will apply as if Tenant had given notice under this Section.

6.2 Regulatory Approvals.

(a) City Approvals. Tenant understands and agrees that Landlord is entering into this Lease in its proprietary capacity as the holder of fee title to the Property for the public benefit on the terms of the Tidelands Trust, and not in its capacity as a regulatory agency of the City. Tenant understands that the entry by the Port into this Lease shall not be deemed to imply that Tenant will be able to obtain any required approvals from City departments, boards or commissions which have jurisdiction over the Premises, including the Port itself in its regulatory capacity. By entering into this Lease, the Port is in no way modifying Tenant's obligations to cause the Premises to be used and occupied in accordance with all Laws, as provided herein.

(b) Approval of Other Agencies; Conditions. Tenant understands that the Project and Tenant's contemplated uses and activities on the Premises, any subsequent changes in permitted uses, and any alterations or Subsequent Construction to the Premises, may require that approvals, authorizations or permits be obtained from governmental agencies with jurisdiction, including, but not limited to, BCDC, RWQCB, the Coast Guard and the Army Corps of Engineers. Tenant shall be solely responsible for obtaining Regulatory Approvals as further provided in this Section. In any instance where Landlord will be required to act as a co-permittee, or where Tenant proposes Subsequent Construction which requires Landlord's approval under Section 10, Tenant shall not apply for any Regulatory Approvals (other than a building permit from the Port) without first obtaining the approval of Landlord, which approval will not be unreasonably withheld, conditioned or delayed. Throughout the permit process for any Regulatory Approval, Tenant shall consult and coordinate with Landlord in Tenant's efforts to obtain such Regulatory Approval, and Landlord shall cooperate reasonably with Tenant in its efforts to obtain such Regulatory Approval, provided that Landlord shall have no obligation to make expenditures or incur expenses other than administrative expenses. However, Tenant shall not agree to the imposition of conditions or restrictions in connection with its efforts to obtain a permit from any other regulatory agency than Port, if Landlord is required to be a co-permittee under such permit or the conditions or restrictions could create any obligations on the part of Landlord whether on or off the Property, unless in each instance Landlord has previously approved such conditions in writing in Landlord's sole and absolute discretion. No such approval by Landlord shall limit Tenant's obligation to pay all the costs of complying with such conditions under this Section. Subject to the conditions of this Section, Landlord shall join, where required, in any application by Tenant for a BCDC or other required Regulatory Approval, and in executing such permit, provided that Landlord shall have no obligation to join in any such application or execute the permit if the Port does not approve the conditions imposed by BCDC

or other regulatory agency under such permit as provided herein. All costs associated with applying for and obtaining any necessary Regulatory Approval shall be borne by Tenant. Tenant shall be responsible for complying, at no cost to Landlord or the City, with any and all conditions imposed by any regulatory agency as part of a Regulatory Approval. With the consent of Landlord (which shall not be unreasonably withheld or delayed) Tenant shall have the right to appeal or contest in any manner permitted by law any condition imposed upon any such Regulatory Approval. Any fines, penalties or corrective actions imposed as a result of the failure of Tenant to comply with the terms and conditions of any Regulatory Approval shall be paid and discharged by Tenant, and Landlord shall have no liability for such fines and penalties. Without limiting the indemnification provisions of Section 17, Tenant shall Indemnify Landlord and the Other Indemnified Parties from and against any and all such fines and penalties, together with Attorneys' Fees and Costs, for which Landlord may be liable in connection with Tenant's failure to comply with any Regulatory Approval.

SECTION 7. TENANT'S MANAGEMENT AND OPERATING COVENANTS

7.1 Covenants.

Following Completion of the Initial Improvements, Tenant shall maintain and operate the Premises, or cause the Premises to be maintained and operated, in a manner consistent with standards for the maintenance and operation of first-class mixed-use sports, retail and entertainment projects, subject to the provisions of Sections 12 and 13 relating to damage and destruction and Condemnation. Tenant shall be exclusively responsible, at no cost to Landlord, for the management and operation of the Improvements. In connection with managing and operating the Project, Tenant shall provide (or require others to provide), services as necessary and appropriate to the uses (including Other Events) to which the Improvements are put, including, but not limited to, (a) repair and maintenance of the Improvements, as more fully described in Section 8, (b) utility services, (c) game and event services, as more particularly described in Section 7.3, (d) cleaning and trash removal, (e) landscaping and groundskeeping, (f) security services for the Premises (as provided in Section 7.3 for Baseball Home Games and Other Events and as may be reasonably necessary or appropriate at other times during the Term), and (g) such other services as may be necessary or appropriate for a first-class sports and entertainment project.

7.2. Transportation Management Plan.

Tenant shall be responsible for developing and implementing a transportation management plan which conforms to the Mitigation Measures and satisfies any applicable Improvement Measures.

7.3 Game and Event Services.

(a) Security. Throughout the Term, Tenant will be responsible for providing (or causing others to provide), at no cost to Landlord, security on the Premises,

including crowd control and management, traffic control and first aid, during and for a reasonable period before and after Baseball Home Games and Other Events, in accordance with the Mitigation Measures and satisfying any applicable Improvement Measures.

(b) Trash Collection. Throughout the Term, Tenant shall keep the Premises (including the Waterfront Promenade and other publicly accessible areas on the Premises), the adjoining sidewalks and the Park Access Parcel, clear and free of accumulations of trash or rubbish attributable to patronage of Baseball Home Games and Other Events, and in accordance with any applicable Mitigation Measures and Improvement Measures.

SECTION 8. REPAIR AND MAINTENANCE

8.1 Covenants to Repair and Maintain the Premises.

(a) Tenant's Duty to Maintain. Throughout the Term of this Lease, Tenant shall maintain and repair, at no cost to Landlord, the Premises (including, but not limited to, the bulkhead wall, pier substructure, the Waterfront Promenade and all other Improvements), in first-class condition and repair and in compliance with all applicable Laws and the requirements of this Lease. Tenant shall promptly make (or cause others to make) all necessary or appropriate repairs, renewals and replacements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, foreseen or unforeseen, reasonable wear and tear excepted, except as otherwise provided in Sections 6.1(d), 12, or 13.

(b) Standard of Operation. Without limiting any of the foregoing, Tenant shall, commencing upon completion of construction of the Ballpark and continuing thereafter during the Term of this Lease, maintain the Ballpark in safe, clean, attractive and first-class condition and state of repair, subject to the provisions of Sections 6.1(b), 12 and 13. In addition, for so long as Major League Baseball continues to be played in the Ballpark, Tenant shall maintain (or cause others to maintain) the Ballpark in a manner that is consistent with all applicable requirements imposed by Baseball Rules and Regulations.

(c) No Obligation of Landlord; Waiver of Rights. As between Landlord and Tenant, Tenant shall be solely responsible for the condition, operation, repair, maintenance and management of the Premises, including any and all Improvements, from and after the Commencement Date. Under no circumstances shall Landlord be obligated to make repairs or replacements of any kind or maintain the Premises (including the bulkhead wall, pier substructure, the Waterfront Promenade or any other Improvements) or any portion thereof. Tenant waives the benefit of any existing or future law which would permit Tenant to make repairs or replacements at Landlord's expense, or (except as provided in Sections 6.1(d), 12 and 13) abate or reduce any of Tenant's obligations under, or terminate, this Lease, on account of the need for any repairs or replacements. Without limiting the foregoing, Tenant hereby waives any right to make repairs at Landlord's expense as may be provided by Sections 1932(1), 1941 and 1942 of the California Civil Code, as any such provisions may from time to time be amended, replaced, or restated.

(d) Other Provisions. Nothing in this Section defining Tenant's duty of maintenance and repair shall be construed as limiting any right or obligation of Tenant otherwise given or imposed in this Lease to alter, modify, Demolish, Restore or construct Improvements, or as limiting any provisions relating to Condemnation or damage and destruction.

(e) Notice. Tenant shall deliver to Landlord, promptly after receipt, a copy of any notice which Tenant may receive from time to time: (i) from the Office of the Commissioner of Baseball and/or other Major League Baseball authorities, asserting that the Ballpark fails to meet any applicable requirements of Baseball Rules and Regulations; or (ii) from any governmental authority having responsibility for the enforcement of any applicable Laws (including Disabled Access Laws or Hazardous Materials Laws), asserting that the Ballpark is in violation of such Laws; or (iii) from the insurance company issuing or responsible for administering one or more of the insurance policies required to be maintained by Tenant under Section 18, asserting that the Ballpark fails to satisfy the requirements of such insurance policy or policies. Tenant shall not be deemed to be in default of any provisions of this Lease relating to its obligations to maintain or repair the Premises, or to comply with applicable Laws, by virtue of the fact that a notice described in this Section has been given to Tenant (or to Landlord), whether or not the facts alleged in such notice are true.

8.2 Facilities Condition Report.

Beginning on the fifth (5th) anniversary of the first Baseball Home Game played in the Ballpark and continuing every five (5) years thereafter through the remainder of the Initial Term of this Lease, and thereafter at least once in each Extended Term at least two (2) years before the expiration of such Extended Term, Tenant shall deliver to Landlord a copy of facilities condition report prepared by a qualified contractor. The report shall describe at a minimum the condition and structural integrity of the Project, including the condition of all major building systems.

SECTION 9. IMPROVEMENTS

9.1 Tenant's Obligation to Construct the Initial Improvements.

Tenant shall construct the Initial Improvements in accordance with, and subject to all the terms, covenants, conditions and restrictions in, the DDA. Landlord's issuance and recordation of a Certificate of Completion pursuant to the DDA, shall conclusively establish Tenant's satisfactory completion of such construction, except for the completion of any Deferred Items (as defined in the DDA), which Tenant shall be obligated to complete under Section 1.4 of this Lease. Any Subsequent Construction shall be performed in accordance with Section 10.

9.2 Title to Improvements.

During the Term of this Lease, Tenant shall own all of the Improvements constructed on the Premises by or on behalf of Tenant pursuant to the DDA or this Lease, including all Subsequent Construction and all appurtenant fixtures, machinery and equipment installed therein (except for trade fixtures and other personal property of Subtenants). At the expiration or earlier termination of this Lease, title to the Improvements, including appurtenant fixtures (but excluding trade fixtures and other personal property of Tenant and its Subtenants), will vest in Landlord without further action of any Party, and without compensation or payment to Tenant (except to the extent any such earlier termination of this Lease may be due to, or constitute, a Condemnation by Redevelopment Agency, City, any of City's boards, commissions, departments, agencies and other subdivisions, including the Port, or any joint powers authority or similar entity Specially Controlled by any of the foregoing, of any property of Tenant or any of its Subtenants). Tenant and its Subtenants shall have the right at any time, or from time to time, including, without limitation, at the expiration or upon the earlier termination of the Term of this Lease, to remove trade fixtures and other personal property from the Premises.

9.3 Tenant to Furnish and Equip the Improvements.

Prior to the expiration or earlier termination of the Non-Relocation Agreement, or thereafter for so long as Major League Baseball continues to be played in the Ballpark, Tenant covenants and agrees to furnish and equip the Ballpark, or to cause others to furnish and equip the Ballpark, with all fixtures, furniture, furnishings, equipment, machinery, supplies and other Personal Property as may be required to operate the Ballpark in compliance with Baseball Rules and Regulations.

SECTION 10. SUBSEQUENT CONSTRUCTION

10.1 Landlord's Right to Approve Subsequent Construction.

(a) Construction Requiring Approval. Tenant shall have the right, from time to time during the Term, to perform Subsequent Construction in accordance with the provisions of this Section 10, provided that Tenant shall not, without Landlord's prior written approval (which approval will not be unreasonably withheld, conditioned or delayed):

(i) Construct additional buildings or other additional structures, other than to replace or Restore previously existing Improvements (except that Landlord's approval shall not be required for additional structures the cost of which does not exceed Five Hundred Thousand Dollars (\$500,000), as Indexed);

(ii) Increase the bulk or height of any Improvements (including the light standards for the Ballpark) beyond the bulk or height approved for the Initial Improvements;

(iii) Materially alter the exterior architectural design of any Improvements (other than storefronts, subject to Section 10.3, or changes reasonably required to conform to changes in applicable Law);

(iv) Materially increase the load of the Improvements on the pier substructure or bulkhead wall;

(v) Perform Subsequent Construction to the Waterfront Promenade or other Public Access Areas, or to the Ferry Landing Facilities, that would materially adversely affect (other than temporarily during the period of such Subsequent Construction) the public access to, or the use or appearance of, the Waterfront Promenade, such other Public Access Areas or Ferry Landing Facilities, as the case may be;

(vi) Perform Subsequent Construction that would materially alter or modify any Improvements the cost of which was paid, in whole or part, with proceeds of the Tax Allocation Bonds;

(vii) Subject to the rights of Mortgagees as specified in this Lease, perform Subsequent Construction to the Ballpark that would materially adversely and permanently impair (other than temporarily during the period of such Subsequent Construction) the functionality of the Ballpark as a venue for the exhibition of Major League Baseball games.

(b) Notice by Tenant. At least thirty (30) days before commencing any Subsequent Construction which could reasonably be anticipated to cost more than Five Hundred Thousand Dollars (\$500,000), as Indexed, Tenant shall notify Landlord of such planned Subsequent Construction, and whether or not, in Tenant's good faith judgment, such Subsequent Construction requires Landlord's approval. Such notice shall be accompanied by Final Construction Documents for such Subsequent Construction. Within twenty (20) days after receipt of such notice from Tenant, Landlord shall have the right to object to any such Subsequent Construction, to the extent that such Subsequent Construction requires Landlord's approval.

(c) Permits. Tenant acknowledges that the provisions of this section are subject to Sections 6.2(a) and 10.7(a)(ii). In particular, Tenant acknowledges that Landlord's approval of Subsequent Construction (or the fact that Tenant is not required to obtain Landlord's approval) does not alter Tenant's obligation to obtain all Regulatory Approvals and all permits required by applicable Law to be obtained from governmental agencies having jurisdiction, including, where applicable, from the Port itself in its regulatory capacity.

(d) Reasonable Grounds. Tenant acknowledges and agrees that prior to the expiration or earlier termination of the Non-Relocation Agreement (or thereafter for so long as Major League Baseball continues to be played in the Ballpark), and subject to the rights of Mortgagees as specified in this Lease, it shall be reasonable for Landlord to withhold its approval of proposed Subsequent Construction which would materially adversely impair (other

than temporarily during the period of such Subsequent Construction) the functionality of the Ballpark as a venue for the exhibition of Major League Baseball games.

10.2 Minor Alterations.

Notwithstanding Section 10.1, Landlord's approval hereunder shall not be required for (a) the installation, repair or replacement of furnishings, fixtures, equipment or decorative improvements which do not materially affect the structural integrity of the Improvements, (b) recarpeting, repainting, groundskeeping, or similar alterations or (c) any other Subsequent Construction which does not require a building permit, BCDC permit or approval of the Port under the Port's Rules and Regulations (collectively, "Minor Alterations").

10.3 Storefronts and Interior Alterations.

Notwithstanding Section 10.1, Landlord's approval hereunder shall not be required for the installation of tenant improvements and finishes to prepare portions of the Premises (other than the Ballpark) for occupancy or use by Subtenants, provided that the foregoing shall not alter Tenant's obligation to obtain any required Regulatory Approvals and permits, including, as applicable, a building permit from the Port, acting in its regulatory capacity.

10.4 Construction Documents in Connection with Subsequent Construction.

(a) Preparation, Review and Approval of Construction Documents.

With regard to any Subsequent Construction which requires Landlord's approval under this Section 10, Tenant shall prepare and submit to Landlord, for review and written approval hereunder, reasonably detailed Schematic Drawings, and following Landlord's approval of such Schematic Drawings, Final Construction Documents which are consistent with the approved Schematic Drawings (collectively, Schematic Drawings and Final Construction Documents are referred to as "Construction Documents"). Construction Documents shall be prepared by a duly licensed and qualified architect or structural engineer. Landlord shall approve or disapprove Construction Documents submitted to it for approval within thirty (30) days after submission. Any disapproval shall state in writing the reasons for disapproval. If Landlord deems the Construction Documents incomplete, Landlord shall notify Tenant of such fact within fifteen (15) days after submission and shall indicate which portions of the Construction Documents it deems to be incomplete. If Landlord notifies Tenant that the Construction Documents are incomplete, such notification shall constitute a disapproval of such Construction Documents. If Landlord disapproves Construction Documents, and Tenant revises or supplements, as the case may be, and resubmits such Construction Documents in accordance with the provisions of Section 10.5, Landlord shall review the revised or supplemented Construction Documents to determine whether the revisions satisfy the objections or deficiencies cited in Landlord's previous notice of rejection, and Landlord shall approve or disapprove the revisions to the Construction Documents within fifteen (15) days after resubmission. Subject to the provisions of Section 39.2, if Landlord fails to approve or disapprove Construction Documents (including

Construction Documents which have been revised or supplemented and resubmitted) within the times specified within this Section 10.4, such failure shall not constitute a default under this Lease on the part of Landlord, but such Construction Documents shall be deemed approved.

(b) Progress Meetings; Coordination. From time to time at the request of either Party during the preparation of Construction Documents, Landlord and Tenant shall hold regular progress meetings to coordinate the preparation, review and approval of the Construction Documents. Landlord and Tenant shall communicate and consult informally as frequently as is necessary to ensure that the formal submittal of any Construction Documents to Landlord can receive prompt and speedy consideration.

10.5 Landlord Approval of Construction Documents.

Upon receipt by Tenant of a disapproval of Construction Documents from Landlord, Tenant (if it still desires to proceed) shall revise such disapproved portions of such Construction Documents in a manner that addresses Landlord's written objections. Tenant shall resubmit such revised portions to Landlord as soon as possible after receipt of the notice of disapproval. Landlord shall approve or disapprove such revised portions in the same manner as provided in Section 10.4 for approval of Construction Documents (and any proposed changes therein) initially submitted to Landlord. If Tenant desires to make any substantial change in the Final Construction Documents after Landlord has approved them, then Tenant shall submit the proposed change to Landlord for its reasonable approval. Landlord shall notify Tenant in writing of its approval or disapproval within fifteen (15) days after submission to Landlord. Any disapproval shall state, in writing, the reasons therefor, and shall be made within such fifteen (15)-day period.

10.6 Construction Schedule.

(a) Performance. Tenant shall prosecute all Subsequent Construction with reasonable diligence, subject to Force Majeure.

(b) Reports and Information. During periods of construction, Tenant shall submit to Landlord written progress reports when and as reasonably requested by Landlord, but not more frequently than once every three (3) months, except that during the last three (3) months during any period of such construction, Landlord may request that such reports be submitted monthly. Tenant may satisfy the foregoing requirement by providing Landlord with copies of progress reports it submits to its Mortgagee.

10.7 Construction.

(a) Commencement of Construction. Tenant shall not commence any Subsequent Construction until the following conditions have been satisfied or waived by Landlord:

(i) Landlord shall have approved the Final Construction Documents (or those aspects of the Final Construction Documents as to which Landlord has an approval right under Section 10.1);

(ii) Tenant shall have obtained all permits and other Regulatory Approvals necessary to commence such construction in accordance with Section 6;

(iii) Tenant shall have submitted to Landlord in writing its good faith estimate, either that the anticipated total construction costs of the Subsequent Construction will be less than Two Million Five Hundred Thousand Dollars (\$2,500,000), as Indexed; or if the anticipated construction costs are in excess of Two Million Five Hundred Thousand Dollars (\$2,500,000), as Indexed, the amount of Tenant's current good faith estimate of such costs, together with evidence reasonably satisfactory to Landlord of Tenant's ability to pay such costs as and when due.

(b) Construction Standards. All Subsequent Construction shall be accomplished expeditiously, diligently and in accordance with good construction and engineering practices and applicable Laws. Tenant shall undertake commercially reasonable measures to minimize damage, disruption or inconvenience caused by such work and make adequate provision for the safety and convenience of all persons affected by such work. Dust, noise and other effects of such work shall be controlled using commercially-accepted methods customarily used to control deleterious effects associated with construction projects in populated or developed urban areas. In addition, in the case of Subsequent Construction which begins after the Improvements have opened for business to the general public, Tenant shall erect construction barricades substantially enclosing the area of such construction and maintain them until the Subsequent Construction has been substantially completed, to the extent reasonably necessary to minimize the risk of hazardous construction conditions.

(c) Costs of Construction. Landlord shall have no responsibility for costs of any Subsequent Construction. Tenant shall pay (or cause to be paid) all such costs.

(d) Rights of Access. During any period of Subsequent Construction, Landlord and its Agents shall have the right to enter areas in which Subsequent Construction is being performed, on reasonable prior notice during customary construction hours, subject to the rights of Subtenants (including the Subtenant under the Baseball Sublease) and to Tenant's right of quiet enjoyment under this Lease, to inspect the progress of the work. Nothing in this Lease, however, shall be interpreted to impose an obligation upon Landlord to conduct such inspections or any liability in connection therewith.

(e) Prevailing Wages. Tenant agrees to pay or cause to be paid prevailing rates of wages for all Subsequent Construction which requires Landlord's approval under this Section, in accordance with the provisions of Exhibit H.

10.8 Safety Matters.

Tenant, 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.

10.9 As-Built Plans and Specifications.

With respect to any Subsequent Construction costing \$100,000 as Indexed, or more, for which Landlord's approval was required under Section 10, Tenant shall furnish to Landlord one set of as-built plans and specifications with respect to such Subsequent Construction within one hundred twenty (120) days following completion. If Tenant fails to provide such as-built plans and specifications to Landlord within the time period specified herein, and such failure continues for an additional thirty (30) days following written request from Landlord, Landlord will thereafter have the right to cause an architect or surveyor selected by Landlord to prepare as-built plans and specifications showing such Subsequent Construction, and the reasonable cost of preparing such plans and specifications shall be reimbursed by Tenant to Landlord as Additional Rent. Nothing in this Section shall limit Tenant's obligations, if any, to provide plans and specifications in connection with Subsequent Construction under applicable regulations adopted by Landlord in its regulatory capacity.

SECTION 11. UTILITY SERVICES

11.1 Utility Services.

(a) Provision of Services. Landlord, in its proprietary capacity as owner of the Property and Landlord under this Lease, shall not be required to provide any utility services to the Premises or any portion of the Premises. Tenant and its Subtenants shall be responsible for contracting with, and obtaining, all necessary utility and other services, as may be necessary and appropriate to the uses to which the Premises are put (it being acknowledged that City (including its Public Utilities Commission) is the sole and exclusive provider to the Premises of certain public utility services). Tenant will pay or cause to be paid as the same become due all deposits, charges, meter installation fees, connection fees and other costs for all public or private utility services at any time rendered to the Premises or any part of the Premises, and will do all other things required for the maintenance and continuance of all such services. Tenant agrees, with respect to any public utility services provided to the Premises by City, that no act or omission of City in its capacity as a provider of public utility services, shall abrogate, diminish, or otherwise affect the respective rights, obligations and liabilities of Tenant and Landlord under this Lease, or entitle Tenant to terminate this Lease or to claim any abatement or diminution of Rent. Further, Tenant covenants not to raise as a defense to its obligations under this Lease, or assert as a counterclaim or cross-claim in any litigation or arbitration between Tenant and

Landlord relating to this Lease, any Losses arising from or in connection with City's provision (or failure to provide) public utility services, except to the extent that failure to raise such claim in connection with such litigation would result in a waiver of such claim. The foregoing shall not constitute a waiver by Tenant of any claim it may now or in the future have (or claim to have) against any such public utility provider relating to the provision of (or failure to provide) utilities to the Premises.

(b) Antennae and Telecommunications Dishes. No antennae or telecommunications dish or other similar facilities may be installed on the Premises without the prior written approval of Landlord, which approval shall not be unreasonably withheld, conditioned or delayed. Landlord acknowledges that a significant number of antennae and telecommunications dishes will be required for the operation of the Project and the broadcasting and other transmission of Baseball Home Games and Other Events. In addition, Tenant agrees, at the request of Landlord or City, to enter into good faith discussions regarding a possible license or other agreement for the placement by the City of transmission equipment for City's emergency or 800 MHz City-wide radio system communications facilities, at a location on the Premises acceptable to Tenant. Landlord acknowledges that any such license may contain, among other provisions, requirements that City provide insurance and/or Indemnify Tenant and specified other Persons with respect to Losses arising from City's activities under such license or the presence of City's equipment on the Premises.

11.2 Hetch-Hetchy Power.

At City's request from time to time, Tenant agrees to negotiate in good faith with respect to the possible provision of electricity and natural gas to the Improvements by the City's utility, Hetch-Hetchy Water and Power, at rates not exceeding then-prevailing market rates for comparable types of services and loads. Under no circumstances, however, shall the failure of Tenant to contract with City or any City utility company for the provision of utility services give rise to a default hereunder. Landlord agrees that at all times during the Term, Tenant and its Subtenants shall be entitled to negotiate freely with, and to enter freely into contracts for the provision of public utility services with, any public utility provider, without Landlord's consent. Landlord also acknowledges that Tenant's ability to negotiate as provided by the first sentence of this Section may be limited from time to time by contractual obligations and arrangements then existing between Tenant and competing public utility companies.

SECTION 12. DAMAGE OR DESTRUCTION

12.1 General; Notice; Waiver.

(a) General. If, at any time during the Term, a fire or other casualty causes damage to or destruction of the Premises, including any Improvements located on the Property, the rights and obligations of the Parties shall be as set forth in this Section 12.

(b) Notice. If the Premises, including the Improvements, or any part thereof, are damaged or destroyed by fire or other casualty, to an extent reasonably likely, in Tenant's good faith estimation, (i) to cost more than Two Hundred Fifty Thousand Dollars (\$250,000) to repair or restore, or (ii) to prevent the use or operation of the Improvements (or the affected portion) for their intended purposes for a continuous period of six (6) months or more, then Tenant shall promptly, but not more than twenty (20) days after the occurrence of the event causing such damage or destruction, give written notice thereof to Landlord describing in reasonable particularity the nature and extent of such damage or destruction. In such event, upon request of a Mortgagee, Landlord and Tenant will promptly meet with the Subtenant under the Baseball Sublease and such Mortgagee and discuss issues relating to Restoration (including the obligation to Restore, plans and specifications for Restoration, availability of insurance proceeds or financing, satisfaction of conditions set forth in Section 12.4(a) and related issues).

(c) Waiver. Landlord and Tenant each hereby waive the provisions of Sections 1932(2) and 1933(4) of the California Civil Code, as such sections may from time to time be amended, replaced, or restated.

12.2 Rent Following Damage or Destruction.

Except as otherwise provided in Section 12.3, this Lease shall not terminate, and except as otherwise provided in Section 12.5, Tenant's obligation to pay Rent shall not abate, as the result of damage to or destruction of the Premises, including the Improvements, or any portion thereof.

12.3 Damage or Destruction to Improvements.

(a) Tenant's Obligation to Restore. Except as otherwise provided in this Section 12, Tenant shall, within a reasonable time following the occurrence of any event which causes damage to or destruction of the Improvements, commence and diligently and continuously pursue to completion, subject to Force Majeure, the Restoration of the Improvements, without regard to the amount or availability of insurance proceeds. All Restoration by Tenant shall be performed in accordance with the provisions of Section 10 relating to Subsequent Construction, and shall be at no cost to Landlord. Notwithstanding the foregoing, however, if, following the Commencement Date and before Completion of the Initial Improvements under the DDA, a fire or other casualty causes damage or destruction of the improvements existing on the Property as of the Commencement Date, Tenant shall not be required to Restore any such improvements, except to the extent that repairs to or restoration of the bulkhead wall and/or pier substructure may be necessary to provide structural support to the contemplated Initial Improvements. In addition, if a fire or other casualty causes damage or destruction to the Initial Improvements prior to the issuance of a Certificate of Completion pursuant to the DDA, then notwithstanding any other provisions hereof, any insurance proceeds payable as a result of such damage or destruction may be applied by Tenant either to pay costs of Restoration or to pay costs of construction under the DDA. In addition, if such damage or destruction results in a delay in the scheduled Completion of construction of the Initial

Improvements (whether due to the time required to Restore any damage to the Improvements, the delay in other construction which reasonably results from the requirement that Restoration be performed, the time required to settle insurance claims, or otherwise), Tenant shall not be deemed to be in default hereunder or under the DDA as a consequence of any such delays, and the Force Majeure provisions hereof and of the DDA shall apply to any such delay.

(b) Option to Demolish. If any of the events described in Section 12.3(c) occur, Tenant shall have the option, in lieu of Restoring the Improvements, to terminate this Lease and Demolish the Improvements, subject to the rights of Mortgagees and the provisions of Sections 12.3(g) and 12.3(h) below. Tenant shall exercise such option, if at all, by delivering written notice to Landlord within six (6) months after delivery of Tenant's notice under Section 12.1(b) of the event causing such damage or destruction (or if later, ninety (90) days after completion of adjustment of all property damage insurance carried by or for the benefit of Tenant covering the relevant event causing damage to or destruction of the Improvements). If Tenant exercises its option to terminate under this subsection, this Lease shall terminate effective as of the later of the date of the (i) damage or destruction or (ii) ninety (90) days prior to the date of Tenant's exercise of its option to terminate this Lease and Demolish the Improvement as provided above, except that (subject to Section 12.3(h) below) Tenant shall be permitted to remain in possession of the Premises following such termination during the Demolition Period specified in Section 34.2(c), in order to complete the Demolition. If Tenant elects to terminate this Lease and Demolish the Improvements, any insurance proceeds payable on account of such damage or destruction under insurance policies required to be maintained under this Lease shall be allocated by and among Tenant, Landlord and any Mortgagees in accordance with the provisions of Section 12.4(c). Following its receipt of Tenant's notice electing Demolition, however, Landlord may, by delivering written notice to Tenant within thirty (30) days thereafter (or within such longer period, not exceeding ninety (90) additional days, as Landlord may specify by notice given to Tenant within the initial 30-day period, provided that no Minimum Rent shall be payable under this Lease during any such additional period, or during any resulting extension of the Demolition Period), (1) elect to require Tenant to deliver possession of the Premises in their then existing condition, subject to the rights of any Subtenants then remaining in possession and without obligation on the part of Tenant to perform any Demolition, in which case such insurance proceeds shall be allocated among Tenant, Landlord and any Mortgagees in accordance with Section 12.4(c), except for the provisions of Section 12.4(c)(ii) or (2) elect, in its sole and absolute discretion (without any obligation to do so) to pay the amount above the thresholds specified in subsection (c)(ii) below, provided, however, that if Landlord elects this alternative, the Parties shall negotiate in good faith during such period (as the same may be extended under the previous provisions of this sentence) to reach an agreement between them, which is also satisfactory to any Mortgagees, with respect to the satisfaction of the conditions set forth in Section 12.4(a), the schedule for performance of required work, the timing of payments of Landlord's contribution to the costs of such work, and any other related issues which may be necessary or appropriate for resolution in connection with such work and the payment for such work. If no satisfactory agreement is reached within such period, this Lease shall terminate pursuant to Tenant's election to terminate, and Tenant shall proceed with Demolition, subject to Section 12.3(h), (with appropriate extension of the Demolition Period to account for the delay

caused by the foregoing procedure), unless Landlord elects, by written notice given within such period, to have clause (1) above apply instead. If Landlord and Tenant reach an agreement with regard to such issues which is approved by the Mortgagees, then Landlord shall pay such costs in accordance with the terms of such agreement and this Lease shall remain in full force and effect, subject to the terms and provisions of such agreement.

(c) Events Permitting Demolition. Tenant shall be entitled to exercise the option to terminate this Lease and Demolish the Improvements, rather than Restore the Improvements, only in any of the following instances:

(i) If Major Damage to the Improvements occurs at a time when less than five (5) years remain on the Initial Term of this Lease, or at any time during any Extended Term.

(ii) If, at any time during the Term, damage or destruction occurs, and the cost of Restoration (including the cost of any required code upgrades) will exceed the net proceeds of any insurance payable (or which would have been payable but for Tenant's default in its obligation to maintain insurance required to be maintained hereunder) by at least:

(A) Fifteen Million Dollars (\$15,000,000) (plus the amount of any applicable policy deductible, except in the case of damage or destruction caused by earthquake or flood), if such damage or destruction occurs during the first ten (10) years of the Initial Term,

(B) Ten Million Dollars (\$10,000,000) (plus the amount of any applicable policy deductible, except in the case of damage or destruction caused by earthquake or flood), if such damage or destruction occurs during the next (10) years of the Initial Term after the expiration of the period described in clause (A) above, or

(C) The cost of Demolition (plus the amount of any applicable policy deductible, except in the case of damage or destruction caused by earthquake or flood), if such damage or destruction occurs when less than five (5) years remain on the Initial Term of this Lease, or at any time during any Extended Term.

(iii) If, at any time during the Term, the Subtenant under the Baseball Sublease validly cancels or terminates the Baseball Sublease as a result of the occurrence of damage or destruction to the Improvements, pursuant to and in accordance with the provisions of the Baseball Sublease, as previously approved by Landlord and subject to Landlord's cure and other rights under the Non-Relocation Agreement, notwithstanding Tenant's compliance with the provisions of Section 38.1.

(d) Definition of Major Damage. As used in this Section, "Major Damage" to the Improvements means damage to, or destruction of, the Improvements then existing on the Property to the extent that the cost of Restoration will exceed fifty percent (50%)

of the cost to replace all Improvements then existing on the Property in their entirety. The calculation of such percentage shall be based upon replacement costs and requirements of applicable Laws in effect as of the date of the event causing such Major Damage. In the event Landlord and Tenant cannot mutually agree upon such replacement value or cost, or the percentage of such damage or destruction, such value, cost or percentage shall be determined in accordance with the provisions of Section 12.6.

(e) Effect of Termination. If this Lease is terminated by operation of the provisions of this Section 12, the Parties shall have no further obligations to each other under this Lease following the effective date of such termination, subject to payment to Landlord of accrued and unpaid Rent up to the effective date of such termination; and provided, however, that the indemnification provisions hereof shall survive any such termination with respect to matters arising before the date of any such termination and with respect to any use of the Premises for Demolition and other rights to enter as are allowed by this Section after such date of termination. In addition, termination of this Lease under this Section 12 shall not limit the right of a Mortgagee to a New Lease under Section 42.12 unless such Mortgagee has agreed otherwise. At Landlord's request following any such termination, Tenant shall deliver to Landlord a duly executed and acknowledged quitclaim deed suitable for recordation in the Official Records and in form and content satisfactory to Landlord and the City Attorney.

(f) Restoration of Public Improvements. In the event of damage or destruction to any Improvements the cost of which was paid or reimbursed by the Redevelopment Agency pursuant to the OPA, Tenant shall restore such Improvements upon written demand by Landlord, notwithstanding Tenant's election to Demolish the remaining Improvements (provided that the cost of such Restoration shall be deemed a cost of Demolition for purposes of Section 12.4(c)(ii)), if, in Landlord's reasonable judgment such Improvements will continue, following Restoration, to provide their intended public benefit, notwithstanding the Demolition of the remaining Improvements, and, provided, that in lieu of Restoring such Improvements (and/or paying the cost of such Restoration), Tenant may elect to have paid from available insurance proceeds (and such payment will be treated as a cost of Demolition under Section 12.4(c)(ii)), an amount equal to the lesser of (a) the remaining principal balance of an amortization calculation whereby the original construction cost of said Improvements is amortized over the term specified in the OPA at an interest rate equal to the rate of interest paid on the Tax Allocation Bonds issued to finance the cost of such public improvements, or (b) the present value (discounted at an interest rate equal to the interest rate payable on such Tax Allocation Bonds) of three years' installments of that portion of the possessory interest taxes on the Premises which is fairly allocable to the cost of paying debt service on such Tax Allocation Bonds.

(g) Standstill Agreement. If Tenant gives notice to Landlord under Section 12.3(b) electing to terminate this Lease due to the occurrence of any of the events described in Section 12.3(c)(ii), Landlord may, within thirty (30) days after receipt of such notice, give notice to Tenant that it elects to suspend Tenant's notice of termination for a period not exceeding one year (the "Standstill Period") in order to conduct good-faith negotiations

towards the end of preserving (whether by Restoration or otherwise) the Property as a venue for Major League Baseball. The parties acknowledge that such discussions may encompass proposals to finance the cost of Restoring the Ballpark (to the extent insurance proceeds may be inadequate to pay such costs), or to Demolish the Ballpark and construct a new ballpark, or other proposals. No Minimum Rent shall be payable under this Lease during the Standstill Period. Landlord may terminate the Standstill Period at any time prior to its expiration on at least thirty (30) days prior written notice to Tenant. During the Standstill Period, the Parties shall negotiate in good faith with respect to any proposals either may wish to advance that may operate to preserve the Property as a venue for Major League Baseball, and neither Party shall have any obligation to enter into any agreement except in its sole discretion. If Tenant and Landlord have not reached agreement by the end of the Standstill Period, then this Lease shall thereupon terminate pursuant to Tenant's original termination notice, and the remaining provisions of this Section 12.3 shall apply, with appropriate adjustments to reflect the effect of the resulting delay. If, during the Standstill Period, repairs must be made to eliminate imminent risks to public health or safety ("Safety Repairs"), the cost of such Safety Repairs may be advanced from available insurance proceeds. If there are insufficient insurance proceeds to pay the costs of such Safety Repairs, the Standstill Period shall terminate unless Landlord agrees, within thirty (30) days after the need for such Safety Repairs becomes evident, to pay the cost of such Safety Repairs. In addition, if costs of Safety Repairs are advanced from insurance proceeds, and no agreement is otherwise reached under this paragraph within the Standstill Period and this Lease terminates, then Landlord shall be responsible for repaying any portion of such costs fairly attributable to the delay (for example, the cost of Safety Repairs to facilities which are subsequently required to be Demolished), to the extent that such costs exceed amounts Tenant would otherwise have had to pay if Landlord had not exercised its right to require a Standstill Period. Notwithstanding the foregoing, Landlord shall not have the right to suspend Tenant's notice of termination of this Lease without the consent of the Mortgagees, unless there are sufficient insurance proceeds available to pay (A) the costs of Safety Repairs (in excess of the amount which Tenant would otherwise be required to pay if there was no Standstill Period) and (B) all Mortgages in full (including debt service during the Standstill Period). In such case, Landlord may suspend Tenant's exercise of its option to terminate this Lease, but any subsequent agreement under this Section which materially impairs the security or otherwise materially adversely affects the rights of interests of any Mortgagee shall be subject to such Mortgagee's approval.

(h) Liquidation of Cost of Demolition. If at any time after Tenant has given notice exercising the Option for the second Extended Term, this Lease is terminated under this Section 12 under circumstances which require Tenant to Demolish, Tenant may elect, by delivering written notice to Landlord within thirty (30) days following the beginning of the Demolition Period, to pay to Landlord, in lieu of performing such Demolition, and in full liquidation and satisfaction of its obligation to Demolish the Improvements, a Termination Payment in the amount specified in Section 6.1(g). If Tenant elects to make the Termination Payment, this Lease shall terminate on the date such Payment is delivered to Landlord, and the provisions of Section 12.3(e) shall apply. Effective upon such termination, Tenant shall surrender possession of the Premises in their then-existing condition, subject to any existing Subleases and with no obligation on the part of Tenant to perform any Demolition or

Restoration, and any available insurance proceeds shall be allocated in accordance with Section 12.4(c), except that Section 12.4(c)(ii) shall be deemed amended to read as follows: "second, to Tenant (subject to the rights of Non-Affiliate Mortgagees), in an amount equal to any Termination Payment paid to Landlord under Section 12.3(h)." In addition, if Tenant does not exercise its right to pay the Termination Payment within the 30-day period following the start of the Demolition Period, Landlord shall have the right to deliver notice to Tenant, within ten (10) days after the end of such 30-day period, requiring Tenant to pay the Termination Payment in lieu of performing Demolition, in which case all of the provisions of this Section 12.3(h) will apply as if Tenant had given notice under this Section.

12.4 Use of Insurance Proceeds.

(a) Restoration. Subject to the rights of any Mortgagee as set forth in this Lease, all proceeds payable by reason of damage to or destruction of any Improvements (other than business interruption insurance) under property damage insurance required to be carried under this Lease shall be made available to Tenant to pay costs of Restoration pursuant to this Lease, except as otherwise provided in this Section 12. A Mortgage may encumber Tenant's interest in insurance proceeds payable as a result of damage to, or destruction of, the Premises. Any Mortgage which encumbers Tenant's interest in insurance proceeds must provide, however, that all such insurance proceeds will be made available to Tenant to pay costs of Restoration, so long as Tenant can demonstrate to the reasonable satisfaction of Mortgagee, within six (6) months after the occurrence of the event causing damage to or destruction of the Improvements, or if later, ninety (90) days after completion of adjustment of all property damage insurance carried by or for the benefit of Tenant covering such event, that:

(i) funds will be available to pay: (A) the amount, if any, by which the anticipated cost of Restoration exceeds available insurance proceeds, and (B) the amount, if any, by which (1) the aggregate amount of all obligations of Tenant with respect to the Premises that are reasonably estimated to become due and payable during the reasonably estimated period during which Restoration will be conducted (including scheduled debt service payments due on any Mortgages permitted under this Lease, Rent payable under this Lease, insurance premiums, all taxes and other Impositions (including any shortfall payment obligations in respect of the Tax Allocation Bonds) payable with respect to the Premises or any portion thereof during such period), exceeds (2) the gross revenues reasonably anticipated to be payable from Subleases and other sources (including proceeds of any available business interruption or similar insurance policies) during such period;

(ii) during the period that Restoration will be conducted, Tenant will be able to maintain insurance reasonably comparable to the insurance required under this Lease during the period of construction of the Initial Improvements;

(iii) following completion of Restoration (if such Restoration will be completed within the Initial Term), the Baseball Sublease will remain in full force and effect and the Team will be obligated to play substantially all of its Baseball Home Games on the Premises for the remainder of the Initial Term in accordance with the Non-Relocation Agreement and the Mortgagee Notice; and

(iv) (x) Tenant will be able to satisfy the financial conditions set out in the Mortgagee Notice or such other conditions to which Landlord, Tenant and Mortgagee may from time to time agree in writing, or (y) if there are no such agreements among Landlord, Tenant and Mortgagee in effect at the time of determination, following completion of the Restoration, the projected ratio of Net Operating Income to scheduled annual debt service under the note secured by such Mortgage will be at least one hundred five percent (105%). For purposes of the foregoing, Net Operating Income means gross receipts anticipated to be received during the twelve (12) month period following completion of such Restoration from Subtenants under Subleases in effect at the time of the calculation, and if any such Subleases may terminate or have terminated as a result of such damage and destruction, the reasonably anticipated gross receipts under replacement Subleases, less all amounts anticipated to be incurred for the operation or maintenance of the Premises for such twelve (12) month period, including Rent under this Lease, possessory interest taxes, and premiums of required insurance, but excluding depreciation and scheduled debt service under such note.

A Mortgage which encumbers insurance proceeds payable on account of damage to or destruction of the Premises may also contain commercially reasonable provisions relating to the protection of the Mortgagee's security interest in connection with the Restoration, such as provisions for the review and approval by Mortgagee (such approval not to be unreasonably withheld or delayed) of plans and specifications for the Restoration, the professional qualifications of the general contractor performing the Restoration, procedures for the periodic disbursement of funds during the course of Restoration, and the like. Notwithstanding the foregoing, however, a Mortgage which encumbers insurance proceeds payable on account of damage to or destruction of the Premises shall in every instance permit, subject to Section 12.3(g), disbursement from such proceeds of amounts necessary to perform Safety Repairs. For purposes of Section 12.3(c)(ii), any insurance proceeds which a Mortgagee fails or refuses to permit to be used to pay costs of Restoration shall be excluded from the determination of "net proceeds" under such section.

(b) Disbursements of Insurance Proceeds for Restoration. If Tenant is required to Restore the Improvements, all proceeds in excess of Two Million Five Hundred Thousand Dollars (\$2,500,000) payable to Landlord, Tenant or any Mortgagee on account of damage to or destruction of any of the Improvements (other than business interruption insurance) under any property damage (including earthquake) insurance policy required to be carried under this Lease shall be deposited with (i) a bank or trust company having an office in San Francisco, as trustee, such trustee to be selected by Tenant and reasonably satisfactory to Landlord, or

(ii) any permitted Mortgagee, at the option of such Mortgagee (and in order of priority if there is more than one Mortgagee). However, it is understood that, upon satisfaction of the conditions specified in or established pursuant to Section 12.4(a), all amounts collected on any such policies shall be made available to Tenant, and shall be paid out by Tenant, such trustee, or Mortgagee, as the case may be, from time to time as the work of rebuilding, reconstruction and repair shall progress, for costs of such Restoration. Tenant shall pay all reasonable fees of the trustee for its services. If the proceeds payable on account of damage to or destruction of the Improvements (other than business interruption insurance) under any property damage (including earthquake) insurance policies required to be carried under this Lease is less than or equal to Two Million Five Hundred Thousand Dollars (\$2,500,000), then such proceeds shall be paid over to Tenant without the necessity of payment to the trustee as otherwise provided for above, except to the extent payment to the trustee (or to the Mortgagee acting as such trustee) is required by any Mortgage. Payment to Tenant shall not be construed as relieving Tenant from the necessity of Restoring the Improvements in accordance with the terms of this Lease. Upon completion of the Restoration, any funds remaining on deposit with the trustee or Mortgagee after payment of all costs of the Restoration and payment of any sums then due and payable to Landlord under this Lease, shall be paid to Tenant, subject to the rights of Mortgagees under their respective Mortgages.

(c) Allocation of Property Insurance Proceeds upon Demolition. If Tenant elects to Demolish the Improvements, the proceeds payable on account of damage to or destruction of any of the Improvements under any property damage insurance policies (other than business interruption insurance) required to be carried hereunder shall be allocated by and among Tenant, Landlord and any Mortgagees in the following order of priority:

(i) first, to Landlord, in an amount equal to any accrued and unpaid Rent owed by Tenant to Landlord under this Lease;

(ii) second, to pay costs of Demolition (but not more than Three Million Dollars (\$3,000,000), if the casualty which caused such damage or destruction was an earthquake or flood);

(iii) third, to each Non-Affiliate Mortgagee demanding payment of its Mortgage in accordance with its Non-Affiliate Mortgage and applicable Law (in order of lien priority);

(iv) fourth, to pay costs of Demolition, if any, not paid under clause (ii) above;

(v) fifth, to Landlord, in an amount equal to the Minimum Rent scheduled to become due following the date of the event causing damage or destruction for the lesser of three (3) years or the remainder of the Term (each such installment of Minimum Rent to be discounted to present value at an annual interest rate equal to twice the "apportionment rate" (as that term is defined in Section 1268.350 of the California Code of Civil Procedure) quoted by

the California Department of Transportation for the six-month period ending on the June 30 or December 31 immediately preceding the date of the event causing the damage or destruction;

(vi) sixth, to each other Mortgagee demanding payment of its Mortgage in accordance with its Mortgage and applicable Law (in order of lien priority); and

(vii) seventh, the remainder to Tenant.

In the event of an earthquake or flood, if the insurance proceeds are insufficient to pay the costs described in clause (iv) above, then Tenant shall assign to Landlord any and all rights to apply for and receive (or, at Landlord's request, directly apply for, for Landlord's benefit) any available federal or state emergency relief or similar assistance, up to the amount of the costs necessary to complete Demolition.

(d) Proceeds Subject to Control of Mortgagee. If the conditions set forth in Section 12.4(a) for disbursement of insurance proceeds to Tenant are not satisfied, and as a result, a Mortgagee fails or refuses to permit disbursement of insurance proceeds otherwise payable to Tenant for the payment of costs of Restoration (other than for costs of Safety Repairs), and instead requires such insurance proceeds to be applied to payment of its Mortgage, then a portion of such insurance proceeds, in the amount specified in this Section 12.4(d) (the "Reserve Fund") shall be deposited in trust with Landlord or with an escrow company satisfactory to Landlord and such Mortgagee, to be released to Landlord or the Mortgagee, as applicable, not later than two (2) years following the date of damage or destruction. If (i) alternate financing of the cost of Restoration can be obtained such that the work of Restoration is completed within such two (2) year period, (ii) such work of Restoration has commenced but has not yet been completed, and the Subtenant under the Baseball Sublease has agreed not to terminate its Sublease for so long as such work is thereafter diligently prosecuted to completion, or (iii) no portion of the Improvements has been or is intended to be Demolished as a result of such casualty giving rise to the insurance proceeds, then the Reserve Fund will be released to Mortgagee, not later than the date two (2) years following the date of damage or destruction. Otherwise, the Reserve Fund shall be released to Landlord. The amount of the Reserve Fund shall be the lesser of (A) the estimated cost of Demolition up to the amount specified in Section 12.4(c)(ii), or (B) the present value (computed in the manner specified below) of the Minimum Rent scheduled to become due during the three year period following the date of such damage or destruction (without regard to any adjustments to Minimum Rent which may be scheduled to occur during such period). The present value of such Minimum Rent shall be computed by discounting the scheduled quarterly installments of Minimum Rent at the interest rate specified in Section 12.4(c)(v).

12.5 Rental Abatement.

During the first twenty (20) years of the Initial Term, Tenant shall continue to pay Minimum Rent (and as applicable, any Additional Rent) following the occurrence of any event causing damage or destruction, without abatement, unless this Lease is terminated pursuant to the

provisions of this Section 12. If an event causing damage or destruction occurs at a time when less than five (5) years remain on the Initial Term of this Lease, or during any Extended Term, and Tenant has the right to choose to Demolish the Improvements, but elects not to Demolish the Improvements, and the extent of the damage or destruction is such that the Improvements cannot, with the exercise of reasonable diligence, be Restored within one (1) year following the occurrence of the casualty causing such damage or destruction, then Minimum Rent shall abate, to the extent the Premises (or portions of the Premises) are rendered untenable for their intended uses, commencing on the date one (1) year following the occurrence of the casualty causing such damage or destruction, and continuing through the date such Restoration is completed (or if sooner, the date on which such Restoration should have been completed given the exercise of reasonable diligence on the part of Tenant, and subject to Force Majeure).

12.6 Arbitration of Disputes Relating to Estimated Costs of Restoration.

(a) Estimators. In the event Landlord and Tenant cannot mutually agree upon the cost of Restoration or the cost of replacing the Improvements under Sections 12.3(c)(ii) or 12.3(d), such disputed amount shall be determined in the manner provided in this Section 12.6. Either Party may invoke the provisions of this Section 12.6 at any time that a dispute as to any such amount exists, by delivering written notice to the other Party. Within twenty (20) business days after delivery of notice invoking the provisions of this Section, each Party shall designate, by written notice to the other Party, a licensed general contractor having at least ten (10) years experience in estimating construction costs of major construction projects in the City to estimate the cost or amount in dispute. Each such estimator shall be competent, licensed, qualified by training and experience in the City, disinterested and independent. Each estimator (or if either Party fails to appoint its estimator within such twenty (20) business day period, the estimator appointed by the other Party) shall make an independent determination of the disputed amount in accordance with the provisions hereof. The estimators may share and have access to objective information in preparing their estimates, but they will otherwise act independently. Each estimator shall complete, sign and submit its written estimate of the disputed construction or replacement cost, as applicable, within fifteen (15) business days after the appointment of both estimators, unless the Parties agree to permit a longer period of time. If the higher estimate is not more than one hundred ten percent (110%) of the lower estimate, the disputed amount shall be determined for purposes of this Lease to equal the average of the two (2) estimates.

(b) Arbitration. If the higher estimate is more than one hundred ten percent (110%) of the lower estimate, the Parties shall agree upon and appoint an independent arbitrator within thirty (30) days after the first two (2) estimates have been submitted to the Parties. The arbitrator shall have the minimum qualifications required of an estimator pursuant to subsection (a) above, and shall also have experience acting as an arbitrator of disputes involving construction costs or construction disputes. If the Parties do not appoint such arbitrator within such thirty (30) day period, then either Party may apply to the Superior Court of the State of California in and for the County of San Francisco for appointment of an arbitrator meeting the foregoing qualifications. If the court denies or otherwise refuses to act upon such application,

either party may apply to the American Arbitration Association, or any similar provider of professional commercial arbitration services, for appointment in accordance with the rules and procedures of such organization of an independent arbitrator meeting the foregoing qualifications. The arbitrator shall consider the estimates submitted by the Parties as well as any other relevant written evidence which the Parties may choose to submit. If a Party chooses to submit any such evidence, it shall deliver a complete and accurate copy to the other Party at the same time it submits the same to the arbitrator. Neither party shall conduct ex parte communications with the arbitrator regarding the subject matter of the arbitration. Within fifteen (15) business days after his or her appointment, the arbitrator shall conduct a hearing, at which Landlord and Tenant may each make supplemental oral and/or written presentations, with an opportunity for testimony by the estimators and questioning by the Parties and the arbitrator. Within ten (10) business days following the hearing, the arbitrator shall select the estimate submitted by one or the other of the first two (2) estimators, as the more accurate estimate of the disputed amount, in the opinion of the arbitrator. The determination of the arbitrator shall be limited solely to the issue of deciding which of the estimates is closest to the actual disputed value or amount. The arbitrator shall have no right to propose a middle ground or to modify either of the two estimates, or to modify any provision of this Lease.

(c) Conclusive Determination. Except as provided in California Code of Civil Procedure Section 1286.2 (as the same may be amended from time to time), the determination by the estimators or the arbitrator, as applicable, shall be conclusive, final and binding on the Parties. Neither the estimators nor the arbitrator shall have any power to modify any of the provisions of this Lease. Subject to the provisions of this Section, the Parties will cooperate to provide all appropriate information to the estimators and the arbitrator. The estimators and the arbitrator will each report their respective determinations in writing, supported by the reasons for the determination.

(d) Conduct of Arbitration Proceeding. Any arbitration proceeding under this Section 12.6 shall be subject to California Code of Civil Procedure Sections 1280 to 1294.2 (but excluding Section 1283.05 with respect to discovery), or successor California laws then in effect relating to arbitration generally. Any such proceeding shall be conducted in the City of San Francisco.

(e) Fees and Costs; Waiver. Each Party shall bear the fees, costs and expenses of the estimator it selects. The fees, costs and expenses of the arbitrator and the costs and expenses of the arbitration proceeding, if any, shall be shared equally by Landlord and Tenant. The Parties waive any claims against the estimator appointed by the other Party, and against the arbitrator, for negligence, malpractice, or similar claims in the performance of the estimates or arbitration contemplated by this Section.

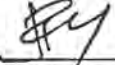
(f) ARBITRATION OF DISPUTES. With respect to the arbitration provided for in this Section 12.6, the Parties agree as follows:

NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISIONS IN THIS LEASE DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION TO NEUTRAL ARBITRATION.



Landlord's Initials



Tenant's Initials

Any judgment upon the award rendered by the arbitration may be entered in any court having jurisdiction of such arbitration in accordance with the terms of this Lease. This arbitration provision does not affect the rights of either Party to seek confirmation, correction or vacation of the arbitration award pursuant to California Code of Civil Procedure Section 1285 et seq.

SECTION 13. CONDEMNATION

13.1 General; Notice; Waiver.

(a) General. If, at any time during the Term, there is any Condemnation of all or any part of the Premises, including any of the Improvements, the rights and obligations of the Parties shall be determined pursuant to this Section 13. The provisions of this Section 13 governing the allocation of Awards shall not, however, apply to a Condemnation by Redevelopment Agency, City or any joint powers authority or similar public entity Specially Controlled by any of the foregoing Persons. In the event of any such Condemnation by the City or other such entity, all Awards shall be allocated to Tenant; provided that, if (x) such Condemnation is by an entity other than City and (y) such Condemnation permanently deprives City of its fee interest in the Premises, then the Award shall be allocated in accordance with the

Eminent Domain Law of the State of California, California Code of Civil Procedure Section 1230.010 et seq., as it may be amended, replaced or restated.

(b) Notice. In case of the commencement of any proceedings or negotiations which might result in a Condemnation of all or any portion of the Premises during the Term, the Party learning of such proceedings shall promptly give written notice of such proceedings or negotiations to the other Party. Such notice shall describe with as much specificity as is reasonable, the nature and extent of such Condemnation or the nature of such proceedings or negotiations and of the Condemnation which might result therefrom, as the case may be.

(c) Waiver. Except as otherwise provided in this Section 13, the Parties intend that the provisions of this Lease shall govern their respective rights and obligations in the event of a Condemnation. Accordingly, but without limiting any right to terminate this Lease given Tenant in this Section 13, Tenant waives any right to terminate this Lease upon the occurrence of a Partial Condemnation under Sections 1265.120 and 1265.130 of the California Code of Civil Procedure, as such section may from time to time be amended, replaced or restated.

13.2 Total Condemnation.

If there is a Condemnation of the entire Premises or Tenant's leasehold interest therein (a "Total Condemnation"), this Lease shall terminate as of the Condemnation Date.

13.3 Substantial Condemnation, Partial Condemnation.

If there is a Condemnation of any portion but less than all of the Premises, the rights and obligations of the Parties shall be as follows:

(a) Substantial Condemnation. If there is a Substantial Condemnation of a portion of the Premises or Tenant's Leasehold Estate, this Lease shall terminate, at Tenant's option, as of the Condemnation Date, as further provided below. For purposes of this Section 13, a Condemnation of less than the entire Premises or of less than Tenant's Leasehold Estate shall be a Substantial Condemnation, and this Lease shall terminate, at Tenant's option (which shall be exercised, if at all, at any time within ninety (90) days after the Condemnation Date by delivering written notice of termination to Landlord) in any of the following cases: (i) the Baseball Sublease is terminated as a result of such Condemnation, either by operation of law or pursuant to the exercise by the Subtenant thereunder of a right to terminate, or (ii) Tenant receives written notice from the Office of the Commissioner of Major League Baseball or other Major League Baseball authorities that as a result of the Condemnation, the Premises are no longer suitable for the exhibition of Major League Baseball games, or (iii) Tenant reasonably determines that such Condemnation renders the Ballpark untenable, unsuitable or economically infeasible for Ballpark use; provided, however, a Condemnation described in clauses (ii) or (iii) above shall not be substantial, and Tenant shall have no right to terminate this Lease under this Section, if the

condition rendering the Ballpark unsuitable, untenable, or economically unfeasible for Ballpark use, as the case may be, can be cured (in a manner which is reasonably satisfactory to Tenant and which complies with all applicable Baseball Rules and Regulations) by the performance of Restoration, and (1) the cost of such Restoration does not exceed by at least Two Million Five Hundred Thousand Dollars (\$2,500,000) the portion of the Award fairly allocable to severance damages suffered by Tenant, or (2) Landlord (in its sole and absolute discretion and without any obligation to do so) gives written notice to Tenant within thirty (30) days (subject to extension as provided below) after receipt of Tenant's termination notice that Landlord agrees, at its cost and expense, to pay any amount by which the cost of such Restoration exceeds by at least Two Million Five Hundred Thousand Dollars (\$2,500,000) the amount of the Tenant's severance damages. In either such case, this Lease shall not terminate, and Tenant shall perform such Restoration, subject to the provisions of Sections 10 and 13.4), within a reasonable time, subject to events of Force Majeure. In any such case, however, Minimum Rent shall be adjusted in accordance with the provisions of Section 13.3(b), and in addition, Minimum Rent shall be abated during the period necessary for the performance of such Restoration in an equitable amount to reflect the diminution in Fair Market Rent for the Premises during the period of such Restoration, as determined by the Parties, or in the absence of an agreement between the Parties, by arbitration under Section 13.3(b). In addition, Landlord may extend the 30-day period for Landlord to deliver notice under clause (2) above, for up to ninety (90) additional days, by giving notice of such extension to Tenant within the original 30-day period following receipt of Tenant's termination notice, provided if Landlord extends such period, no Minimum Rent shall be payable under this Lease during the term of any such extension. Landlord's right to exercise the option described in clause (2) above shall be conditioned upon Landlord and Tenant reaching an agreement which is also satisfactory to any Mortgagees, with respect to the schedule for performance of required work, the timing of payments of Landlord's contribution to the costs of such work (to the extent not available from Landlord's share of the Award), and any other related issues which may be necessary or appropriate for resolution in connection with such work and the payment for such work. If no satisfactory agreement is reached within such period, Landlord shall have no right to exercise such right, and such Condemnation shall be deemed a Substantial Condemnation.

(b) Partial Condemnation. If there is a Condemnation of any portion of the Premises or Tenant's Leasehold Estate which does not result in a termination of this Lease under Section 13.2 or Section 13.3(a) (a "Partial Condemnation"), this Lease shall terminate only as to the portion of the Premises taken in such Partial Condemnation, effective as of the Condemnation Date. In the case of a Partial Condemnation, or in the case of a Substantial Condemnation which does not result in a termination of this Lease, the Minimum Rent for the remainder of the Premises shall be adjusted to reflect the diminution in value of the remaining portion of the Premises as of the Condemnation Date. Such Minimum Rent adjustment shall be separately computed with respect to (i) the temporary period during which any necessary Restoration will be performed; and (ii) the period following completion of any necessary Restoration. The Parties shall first negotiate in good faith in an attempt to determine by agreement the appropriate adjustment. If the Parties do not reach agreement within thirty (30) days following the Condemnation Date, the adjustment(s) shall be determined by the same court

of law that establishes the Award. In the case of a Partial Condemnation, this Lease shall remain in full force and effect as to the portion of the Premises (or of Tenant's Leasehold Estate) remaining immediately after such Condemnation, and Tenant shall promptly commence and complete, subject to events of Force Majeure, any necessary Restoration of the remaining portion of the Premises, at no cost to Landlord. Any such Restoration shall be performed in accordance with the provisions of Section 10.

13.4 Awards.

Except as provided in Section 13.1(a) and in Sections 13.5 and 13.6, Awards and other payments to either Landlord or Tenant on account of a Condemnation, less costs, fees and expenses (including, without limitation, reasonable Attorneys' Fees and Costs) incurred in the collection thereof ("Net Awards and Payments") shall be allocated between Landlord and Tenant as follows:

- (a) first, to pay costs of Restoration incurred by Tenant;
- (b) second, Landlord and Tenant shall each be allocated the value of their respective interests in the Premises (to the extent Condemned), together with interest thereon from the Condemnation Date to the date of payment at the rate paid on the Award, and Attorneys' Fees and Costs, to the extent awarded. Landlord's severance damages, if any, shall reflect the adjustment of Minimum Rent as set forth in Section 13.3(b). The values of Landlord's and Tenant's respective interests in the Premises shall be established by the same court of law that establishes the amount of the Award. If less than all of the Premises is Condemned, and this Lease is terminated, the fair market value of the remaining Premises and Improvements thereon which become the property of Landlord upon such termination shall be treated for purposes of this Section as received by Landlord on account of its share of the Award and the cash payment payable to Landlord shall be reduced by a like amount and instead paid to Tenant;
- (c) third, to Landlord from the share otherwise allocated to Tenant, in an amount equal to any accrued and unpaid Rent owed by Tenant to Landlord under this Lease for periods prior to the Condemnation Date;
- (d) fourth, to Tenant from the share otherwise allocated to Landlord, in an amount equal to any unapplied Extension Fee Rent Credits under Section 2.6; and
- (e) fifth, to Tenant from the share otherwise allocated to Landlord, in an amount equal to any sum which Landlord has agreed to pay towards the cost of Restoration under clause (2) of Section 13.3(a).

13.5 Temporary Condemnation.

If there is a Condemnation of all or any portion of the Premises for a temporary period lasting less than the remaining Term of this Lease, other than (i) in connection with a

Substantial Condemnation or a Partial Condemnation of a portion of the Premises for the remainder of the Term, or (ii) a Condemnation which results in a termination of the Baseball Sublease, either by operation of law or by exercise by the Subtenant under the Baseball Sublease of a right to terminate (a "Temporary Condemnation"), this Lease shall remain in full force and effect, there shall be no abatement of Rent, and the entire Award shall be payable to Tenant.

13.6 Relocation Benefits, Personal Property.

Notwithstanding Section 13.4, Landlord shall not be entitled to any portion of any Net Awards and Payments payable in connection with the Condemnation of the personal property of Tenant or any of its Subtenants. In addition, Landlord shall not be entitled to any portion of any Net Awards and Payments payable as relocation assistance benefits under any applicable law.

SECTION 14. LIENS

14.1 Liens.

Tenant shall not create or permit the attachment of, and shall promptly following notice, discharge at no cost to Landlord, any lien, security interest, or encumbrance on the Premises or Tenant's Leasehold Estate, other than (i) this Lease, permitted Subleases and Permitted Title Exceptions, (ii) liens for non-delinquent Impositions (excluding Impositions which may be separately assessed against the interests of Subtenants), except only for Impositions being contested as permitted by Section 5, (iii) Mortgages permitted under Section 42, (iv) Mortgages encumbering the subleasehold interests of Subtenants, provided no such Mortgage encumbers Tenant's Leasehold Estate unless such Mortgage is permitted under Section 42, and (v) liens of mechanics, material suppliers or vendors, or rights thereto, for sums which under the terms of the related contracts are not at the time due or which are being contested as permitted by Section 5. The provisions of this Section do not apply to liens created by Tenant on its Personal Property.

14.2 Mechanics' Liens.

Nothing in this Lease shall be deemed or construed in any way as constituting the request of Landlord, express or implied, for the performance of any labor or the furnishing of any materials for any specific improvement, alteration or repair of or to the Premises or the Improvements, or any part thereof. Tenant agrees that at all times when the same may be necessary or desirable, Tenant shall take such action as may be required by Landlord or under any Law in existence or hereafter enacted which will prevent the enforcement of any mechanics' or similar liens against Landlord's fee interest in the Premises for or on account of labor, services or materials furnished to Tenant, or furnished at Tenant's request. Tenant shall provide such advance written notice of any Subsequent Construction such as shall allow Landlord from time to time to post a notice of non-responsibility on the Premises.

SECTION 15. SECURITY DEPOSIT

15.1 Tenant's Obligation to Make Security Deposit.

On or before the first July 1 following the date upon which the Team plays its first Baseball Home Game in the Project, Tenant shall pay to Landlord, in addition to Rent, a Security Deposit (the "Security Deposit") in an initial amount equal to One Hundred Thousand Dollars (\$100,000). On or before the next succeeding July 1, Tenant shall pay to Landlord an additional One Hundred Thousand Dollars (\$100,000) to increase the amount of the Security Deposit to Two Hundred Thousand Dollars (\$200,000). The Security Deposit shall be made in all cash, except as otherwise provided in Section 15.2. Tenant agrees that upon the occurrence of an Event of Default Landlord may, but shall not be required to, apply the Security Deposit in whole or in part to (a) remedy any failure by Tenant to pay Rent, including any and all Additional Rent, payable by Tenant hereunder, as and when due, (b) cure any default by Tenant in the performance of its repair and maintenance obligations or the faithful performance of any other terms, covenants and conditions of this Lease, or (c) repair any damage to the Premises caused by Tenant, its Subtenants, Agents or Invitees. Should Landlord use any portion of the Security Deposit to cure any default by Tenant hereunder, Tenant shall replenish the Security Deposit to the original amount within ten (10) business days following Landlord's demand. Landlord's obligations with respect to the Security Deposit are solely that of debtor and not trustee. Landlord shall not be required to keep the Security Deposit separate from its general funds. Tenant shall not be entitled to any interest on the Security Deposit. The amount of the Security Deposit shall not be deemed to limit Tenant's liability for the performance of any of its obligations under this Lease. Landlord may apply the Security Deposit as provided herein without waiving any of Landlord's other rights and remedies hereunder or at law or in equity. Upon the expiration or earlier termination of this Lease, Landlord shall return the unused balance of the Security Deposit to Tenant (less any amounts then due and payable from Tenant to Landlord under this Lease) within fourteen (14) days after Tenant surrenders possession of the Premises to Landlord. In addition, Landlord shall return the Security Deposit then held by Landlord if at the time Tenant delivers a letter of credit or other alternative security under Section 14.2

15.2 Alternative Forms of Security.

In lieu of cash security as provided above, Tenant may deliver to Landlord a "clean" (i.e. unconditional), irrevocable standby letter of credit in a form reasonably approved by the City Attorney and the Port's Executive Director. The letter of credit shall be issued by a bank with a Moody's rating of A or better (or comparable successor rating). The issuing bank must have a branch office in San Francisco at which demands on the letter of credit may be presented. The original term of the letter of credit shall be no less than one year. Tenant shall keep such letter of credit, at its expense, in full force and effect until the sixtieth (60th) day after the expiration of the Term or other termination of this Lease, to ensure, the faithful performance by Tenant of all of the covenants, terms and conditions of this Lease. Such letter of credit shall provide thirty (30) days' prior written notice to Landlord of cancellation or material change

thereof. In the event of any nonextension of the letter of credit, Tenant shall replace such security with a cash Security Deposit or another letter of credit permitted under this Section at least ten (10) days before expiration of such letter of credit. If Tenant fails to do so Landlord shall be entitled to present its written demand for payment of the entire face amount of such letter of credit and to hold the funds so obtained as the Security Deposit required under this Section. Any unused portion of the funds so obtained by Landlord shall be returned to Tenant upon replacement of the letter of credit or deposit of cash security in the full amount required under this Section.

SECTION 16. ASSIGNMENT AND SUBLETTING

16.1 General.

(a) Consent of Landlord. Except as otherwise permitted in this Section 16, Tenant shall not, without the prior written consent of Landlord, which consent will not be unreasonably withheld, conditioned or delayed, assign or otherwise transfer this Lease, the Leasehold Estate or any interest in the Leasehold Estate ("Transfer") to any Person. If Tenant is a corporation, partnership, limited liability company, or other entity, any dissolution, merger, consolidation or other reorganization, or any issuance or transfer of beneficial interests in Tenant, directly or indirectly, in one or more transactions, that results in a change in the identity of the Persons Controlling Tenant (any of the foregoing, a "Significant Change"), shall constitute a Transfer. The requirements for Landlord's consent under this Section shall not apply to transfers of interests through any "over-the-counter market" or through any recognized stock exchange, other than by any person deemed to be a "control person" within the meaning of the Securities Exchange Act of 1934, as amended.

(b) Mortgaging of Leasehold. Notwithstanding anything herein to the contrary, at any time during the Term of this Lease, Tenant shall have the right, without Landlord's consent, to mortgage, pledge, encumber, hypothecate or otherwise create security interests in Tenant's Leasehold Estate in accordance with the provisions of Section 42, and to Transfer the Leasehold Estate or any interest therein to (i) a Mortgagee or other purchaser at a foreclosure sale under the provisions of a Mortgage or (ii) a Mortgagee, its designee or nominee by conveyance in lieu of (or under threat of) foreclosure, or pursuant to a bankruptcy court order, provided that such Mortgagee, designee or nominee has assumed in writing all of Tenant's obligations under this Lease arising after its acquisition of such Leasehold Estate. None of the provisions of this Section 16 shall modify or limit the rights of any Mortgagee under Section 42.

(c) Subletting. Notwithstanding anything herein to the contrary, including, without limitation Section 16.1(a), Tenant may enter into Subleases in accordance with the provisions of Section 16.3, and may transfer Seat Rights in accordance with the provisions of Section 16.2.

(d) Transfer to Qualified Developer, Permitted Transferee. Notwithstanding anything herein to the contrary, (1) before Completion of the Initial

Improvements, either Tenant or any Mortgagee which has succeeded to Tenant's Leasehold Estate in accordance with the provisions of this Lease shall have the right to Transfer the Leasehold Estate to a Qualified Developer who assumes in writing all of the obligations of Tenant under this Lease and the DDA in connection with construction of the Initial Improvements, (2) at any time following Completion of the Initial Improvements, Tenant shall have the right from time to time to freely Transfer its interest in this Lease, without Landlord's consent except under circumstances where Landlord's consent is required under Section 16.1(f).

(e) Release. Subject to the terms and conditions of subsections (g), (i) and (j), Tenant will be entitled to a release from liability solely for obligations arising under this Lease on or after the date of a Transfer if, and only if, (i) in the case of a Transfer prior to Completion of the Initial Improvements, such Transfer is to a Qualified Developer that assumes in writing all of the obligations of Tenant under this Lease and the DDA, or, (ii) in the case of a Transfer upon or following Completion of the Initial Improvements, such Transfer is (A) to a Permitted Transferee, or (B) to a Person other than a Permitted Transferee who has entered into (or agrees to enter into) a written contract, which contract shall be satisfactory to Landlord in its reasonable discretion, for the operation, leasing and management of the Project by a Qualified Manager.

(f) Certain Transfers and Significant Changes. Subject to the rights of Mortgagees as specified in this Lease, Tenant shall not, without the prior written consent of Landlord, which consent will not be unreasonably withheld, conditioned or delayed, Transfer this Lease or any interest in this Lease or permit a Significant Change to occur prior to (or in connection with) the expiration of the Non-Relocation Agreement (or for so long thereafter as Major League Baseball continues to be played at the Ballpark), if, as a result of such Transfer or Significant Change, Tenant will no longer be an Affiliate of the Team Owner, unless (i) in the case of a Transfer which is not a Significant Change, the transferee is a Permitted Transferee, or has entered into (or has agreed to enter into) a written contract satisfactory to Landlord in its reasonable discretion, for the operation, leasing and management of the Project by a Qualified Manager, or (ii) in the case of a Significant Change, Tenant satisfies the Transferee Criteria or has entered into (or has agreed to enter into) a written contract satisfactory to Landlord in its reasonable discretion, for the operation, leasing and management of the Project by a Qualified Manager. Landlord acknowledges that in the case of a Transfer described in clause (i) of this Section 16.1(f) and approved by Landlord, Tenant will also be entitled to a release under the provisions of Section 16.1(e).

(g) Delivery of Executed Assignment. No Transfer of any interest in this Lease (or release under subsection (e)) will be effective unless and until there has been delivered to Landlord an executed counterpart of an instrument, in recordable form, executed by the transferor and by the transferee, wherein and whereby such transferee assumes responsibility for performance of all of the obligations of Tenant under this Lease arising on or after the date of the Transfer (provided, however, that the failure of any transferee to assume this Lease, or to assume one or more of Tenant's obligations under this Lease, will not relieve such transferee from such obligations or limit Landlord's rights or remedies under this Lease or under applicable

Law). The form of such instrument of assignment and assumption shall be subject to Landlord's approval, which approval will not be unreasonably withheld or delayed, and shall be limited to the question of whether such instrument, when duly executed, will be legally adequate to accomplish its intended purpose under this Lease.

(h) Notice of Transfers and Significant Changes. Tenant shall give Landlord written notice of any Transfer (other than transactions described in Sections 16.2 and 16.3) or Significant Change within a reasonable time following the effective date thereof, whether or not Landlord's approval of such Transfer or Significant Change is required under this Lease.

(i) Determination of Whether Consent is Required. At any time, or from time to time, Tenant may submit a request to Landlord for the approval of the terms of a Transfer or Significant Change, if under the terms hereof Landlord's consent is required, or if Tenant is requesting a release of future liability hereunder and Landlord's consent is required as a condition of such release, or for a decision by Landlord as to whether in its opinion a proposed Transfer requires Landlord consent under the provisions of this Section 16. Within thirty (30) days following such request and the furnishing by Tenant to Landlord of all documents and instruments with respect thereto as may be reasonably requested by Landlord, Landlord shall notify Tenant in writing of Landlord's approval or disapproval, or of Landlord's determination that the proposed transfer does not require Landlord's consent. If Landlord disapproves the proposed transfer, or determines that the proposed transfer requires the consent of Landlord, as applicable, it shall specify the grounds for its disapproval, or its reasons for determining that consent is required, or both, as applicable.

(j) Reasonable Grounds for Withholding Consent. Where a Transfer or Significant Change (or a requested release of Tenant from future liability under this Lease in connection with a Transfer) requires Landlord's reasonable consent, it shall be reasonable (1) for Landlord to withhold its consent if Tenant has not supplied sufficient information (including supplemental materials reasonably requested by Landlord) to enable Landlord to make a reasonable determination whether any applicable requirements under Section 16.1(d) have been satisfied, and (2) if Tenant is then in default of any of its obligations under this Lease, for Landlord to condition its consent on the cure of such defaults as Landlord may specify in its notice conditionally approving such Transfer, provided that if there is an Event of Default under this Lease on the part of Tenant, Landlord may withhold or condition its consent to such Transfer or Significant Change. The provisions of Section 39.2(c) shall apply hereto, and if Landlord's response is not given within the time specified, Landlord's consent shall be deemed given (or Landlord shall be deemed to have determined that its consent is not required, as the case may be). Where Landlord's consent to a Transfer or Significant Change is required by the terms of this Lease, Tenant agrees to pay the reasonable Attorneys' Fees and Costs incurred by Landlord in connection with its review of such Transfer or Significant Change.

16.2 Seat Rights.

Notwithstanding anything to the contrary in this Lease, Tenant shall have the right, without the prior consent of Landlord, to sell or grant rights to purchase future tickets for reserved seats, club seats and luxury suites, including so-called charter seat rights ("Seat Rights"), or permit the Subtenant under the Baseball Sublease to do so, subject to and subordinate to the provisions of this Lease. Such Seat Rights shall not survive the termination of this Lease, except that if this Lease terminates prior to its scheduled expiration date (including extensions), and the Team continues thereafter to play its Baseball Home Games in the Ballpark (whether under the Baseball Sublease or otherwise), Landlord will not disturb the rights of holders of Seat Rights for so long as (a) the Team continues to play its Baseball Home Games in the Ballpark, and (b) as to any particular holder of Seat Rights, such holder continues to perform under its agreements in respect of such Seat Rights.

16.3 Subleases.

(a) Subleases. Subject to the terms and conditions of this Lease, Tenant shall have the right, without Landlord's prior approval, to enter into Subleases from time to time for all or any portion of the Improvements. All Subleases shall be subject and subordinate to this Lease and to any New Lease. Landlord shall include covenants in each Sublease requiring the Subtenant thereunder to comply with all applicable Laws, including, but not limited to, Hazardous Materials Laws and Disabled Access Laws. Subtenants need not be obligated to Restore their respective Subtenant Spaces, if any, following the occurrence of an event causing damage or destruction thereto, so long as Tenant, in its capacity as landlord under each such Sublease, has the right, subject only to reasonable limitations, to terminate the Sublease if the Subtenant does not so Restore. In no event may the term of any such Sublease (including extension options) extend beyond the scheduled Term of this Lease without the written consent of Landlord (such consent not to be unreasonably withheld, conditioned, or delayed). Landlord agrees to enter into Non-Disturbance Agreements with Subtenants on the conditions set forth in Section 16.4.

(b) Baseball Sublease. Tenant and the Team Owner have entered into the Baseball Sublease as of the date of this Lease, and the form and business terms of such Baseball Sublease have been approved by Landlord. During the term of the Non-Relocation Agreement, Tenant shall not terminate the Baseball Sublease except in accordance with its terms, nor amend the provisions of the Baseball Sublease to materially diminish the obligations of the Subtenant, or to materially increase the obligations of Tenant (as sublandlord thereunder) without Landlord's prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed, provided that Landlord may, in its sole and absolute discretion, approve or disapprove of any reduction in the length of the minimum term of the Baseball Sublease to a term shorter than that of the Non-Relocation Agreement, or any proposed termination or cancellation of the Baseball Sublease (or any amendment which would create a right on the part of the Team Owner to terminate the Baseball Sublease) during the term of the Non-Relocation Agreement. The Baseball Sublease shall be subject and subordinate to this Lease. The minimum

term of the Baseball Sublease shall be at least as long as the Non-Relocation Term under the Non-Relocation Agreement.

16.4 Non-Disturbance of Subtenants, Attornment, Sublease Provisions.

(a) Conditions for Non-Disturbance Agreements. From time to time upon the request of Tenant, Landlord shall enter into agreements with Subtenants providing generally, with regard to a given Sublease, that in the event of any termination of this Lease, Landlord will not terminate or otherwise disturb the rights of the Subtenant under such Sublease, but will instead honor such Sublease as if such agreement had been entered into directly between Landlord and such Subtenant ("Non-Disturbance Agreements"). Except as otherwise provided in Section 16.4(c), all Non-Disturbance Agreements shall comply with the provisions of this Section 16.4(a) and of Section 16.4(b). Landlord shall provide a Non-Disturbance Agreement to a Subtenant if all of the following conditions are satisfied: (i) the performance by Tenant of its obligations under such Sublease will not cause an Event of Default to occur under this Lease; (ii) the term of the Sublease, including options, does not extend beyond the scheduled Term (including Extended Terms), unless Landlord approves such longer term; (iii) the Sublease contains provisions whereby the Subtenant agrees to comply with applicable provisions of Section 45.1(a), (b) and (e) and Section 45.5; (iv) the Subtenant agrees that in the event this Lease expires, terminates or is canceled during the term of the Sublease, the Subtenant shall attorn to Landlord (provided Landlord agrees not to disturb the occupancy or other rights of the Subtenant and to be bound by the terms of the Sublease), and the Sublease shall be deemed a direct lease or license agreement between the Subtenant and Landlord, except that Landlord shall not be liable to the Subtenant for any security deposit or prepaid rent or license fees previously paid by such Subtenant to Tenant, except for rent or license fees for the current month, if previously paid; (v) the form and material business terms of the Sublease are reasonably approved by Landlord, in light of market conditions existing at the time such Sublease is entered into, recognizing that a substantial portion of the consideration payable under such Sublease may be prepaid by the Subtenant for use in connection with the development of the Project, the construction of the Initial Improvements, or Subsequent Construction, including costs of Restoration or other capital improvements to the Property, (vi) if Tenant is then in default of any of its obligations under this Lease, Landlord may condition its agreement to provide a Non-Disturbance Agreement on the cure of such defaults as Landlord may specify either in a notice of default given under Section 22.1 or in a notice conditionally approving Tenant's request for such Non-Disturbance Agreement (and if an Event of Default on the part of Tenant then exists, then Landlord may withhold or condition the giving of a Non-Disturbance Agreement), and (vii) the Subtenant shall have delivered to Landlord an executed estoppel certificate, in form and substance reasonably satisfactory to Landlord, certifying: (A) that the Sublease, including all amendments, is attached thereto and is unmodified, except for such attached amendments, and is in full force and effect, as so amended, or if such Sublease is not in full force and effect, so stating, (B) the dates, if any, to which any rent and other sums payable thereunder have been paid, (C) that the Subtenant is not aware of any defaults which have not been cured, except as to defaults specified in said certificate, and (D) such other matters as Landlord may reasonably request. Landlord shall not be required to enter into a Non-Disturbance Agreement with respect

to any period beyond the scheduled expiration of the Term (including Extended Terms) hereof. Landlord shall respond to any request for a Non-Disturbance Agreement within twenty (20) days after receipt of a true and complete copy of the relevant Sublease in the form to be executed, and all relevant information requested by Landlord. Such relevant information shall include reasonable financial information establishing the ability of the proposed Subtenant to perform its contemplated obligations under such Sublease, and relevant information concerning the business character and reputation of the proposed Subtenant. Landlord agrees to cooperate, to the extent it is legally permitted to do so, in protecting the confidentiality of personal or financial information relating to any Subtenant. Nothing in this Section 16.4 shall preclude Landlord in its sole and absolute discretion from granting non-disturbance to other Subtenants.

(b) Form of Non-Disturbance Agreement. Except as otherwise provided in Section 16.4(c), each Non-Disturbance Agreement shall be substantially in the form of Exhibit L and, if not in such form, shall be in form and substance reasonably satisfactory to Landlord. With each request for a Non-Disturbance Agreement, Tenant shall submit a copy of the form, showing any requested interlineations or deletions, and Landlord shall approve or disapprove of the requested changes within twenty (20) days after receipt of such changes (such approval not to be unreasonably withheld or conditioned). Any disapproval by Landlord shall be in writing, and shall set forth the specific reasons for Landlord's disapproval. Failure by Landlord to approve or disapprove of specific interlineations, deletions or other modifications requested by a Subtenant within such twenty (20) day period shall be deemed to be approval of the requested changes (subject to Section 39.2).

(c) Baseball Sublease. Landlord, Tenant and Team Owner have entered into a Non-Disturbance Agreement in connection with the Baseball Sublease as of the date hereof. If, during the term of the Non-Relocation Agreement, the Subtenant under the Baseball Sublease assigns or otherwise Transfers its interest in the Baseball Sublease, then (provided the transferee agrees, by a written agreement delivered to City in accordance with the terms of the Non-Relocation Agreement, to be bound by the Non-Relocation Agreement) Landlord agrees to enter into a Non-Disturbance Agreement with Tenant and the transferee on substantially the same terms and conditions as are contained in the Non-Disturbance Agreement referred to in the first sentence of this paragraph, subject to Landlord's approval of the form and business terms, to the extent contemplated by Section 16.3(b), of the Baseball Sublease, and the satisfaction of the other conditions set forth in Section 16.4(a). Following the expiration of the term of the Non-Relocation Agreement, Landlord agrees to enter into a replacement Non-Disturbance Agreement with the Team Owner (or its successor as Subtenant under the Baseball Sublease), substantially in the form of Exhibit L provided the conditions set forth in Section 16.4(a) are satisfied.

(d) Naming Rights Agreements. From time to time upon the request of Tenant, Landlord shall enter into Non-Disturbance Agreements as otherwise provided in this Section 16.4, with Persons who have entered into Naming Rights Agreements with Tenant. Solely for purposes of this Section 16.4(d), a Naming Rights Agreement shall be deemed to be a Sublease, and any Person granted a right under a Naming Rights Agreement to name the

Premises or the Improvements (or any portion thereof) shall be deemed to be a Subtenant, without regard to whether such Naming Rights Agreement includes a grant of a possessory right or interest in any portion of the Premises.

16.5. Assignment of Sublease Rents.

Tenant hereby assigns to Landlord, as collateral security for the payment of all Rent and the performance of all obligations of Tenant under this Lease, all rents and other payments of any kind, including, without limitation, any and all common area maintenance charges, due or to become due from any or present of future Subtenant; provided, however, the foregoing assignment shall be subject and subordinate to any assignment made to a Mortgagee under Section 42 until such time as Landlord has terminated this Lease (but subject to the rights of a Mortgagee to a new lease under Section 42.12). Such subordination shall be self-operative. However, in confirmation thereof, Landlord shall, upon the request of each Mortgagee, execute a subordination agreement in form and substance reasonably satisfactory to such Mortgagee and to Landlord. Notwithstanding the foregoing, if this Lease terminates by reason of an Event of Default on the part of Tenant, any Mortgagee which actually collected any rents from any Subtenants pursuant to any assignment of rents or subleases made in its favor shall promptly remit to Landlord the rents so collected (less the actual cost of collection) to the extent necessary to pay Landlord any Rent, including any and all Additional Rent, through the date of termination of this Lease. The assignment of rents to Landlord under this Section shall be subject to the ongoing right of Tenant to collect all such rents until the date of the occurrence of any Event of Default on the part of Tenant under the provisions of this Lease. Landlord shall apply any net amount collected by it from such Subtenants to the payment of Rent due under this Lease.

SECTION 17. INDEMNIFICATION OF LANDLORD

17.1 Indemnification of Landlord.

Tenant shall Indemnify Landlord and the other Indemnified Parties from and against any and all Losses incurred by or asserted against any such Indemnified Party, the Premises or Landlord's interest therein, in connection with the occurrence or existence of any of the following: (i) any injury to or death of any Person (including workers), or loss or damage to property, occurring on the Premises or any part of the Premises, during the Term of this Lease; (ii) any use, possession, occupation, operation, maintenance, repair or management of the Premises (and adjoining sidewalks) or the Access Parcels, or any portion thereof, by Tenant, its Agents, Subtenants and Invitees; (iii) any failure on the part of Tenant to perform or comply with any of the terms of this Lease (including Mitigation Measures and Improvement Measures), or of Tenant or any of its Agent or Subtenants to comply with applicable Laws (including, but not limited to, Disabled Access Laws and Hazardous Materials Laws), or any failure on the part of Tenant to perform or comply with any terms of the DDA, including the Project Requirements, with respect to construction of the Initial Improvements; (iv) performance of any labor or services or the furnishing of any materials or other property in respect of Improvements or any part of the Premises by Tenant, its Agents or its Subtenants, (including, but not limited to, any

such activities under the DDA or this Lease); (v) any construction work or activities performed on or about the Premises under this Lease or the DDA, including, but not limited to, any accident, injury to or death of persons (including workers) or loss of or damage to property whether on or off the Property; and (vi) any negligence or willful misconduct or alleged negligence or willful misconduct on the part of Tenant, or any of its Agents or Subtenants, during the Term of this Lease (or until the last day of possession by Tenant, if later). Notwithstanding the foregoing, however, Tenant shall not be required to Indemnify Landlord or any other Indemnified Parties against Losses to the extent, and only to the extent, proximately caused by (i) any negligence or other actionable misconduct of Landlord or any Other Indemnified Party, acting (or failing to act) in its governmental capacity, in the exercise of its police powers (as opposed to its proprietary capacity as an owner of land), and specifically excluding any activities or omissions arising out of Landlord's review or issuance of building permits for construction of the Initial Improvements under the DDA or any Subsequent Construction under this Lease, or by (ii) the gross negligence or willful misconduct of Landlord or any Other Indemnified Party regardless of the capacity in which it acted or failed to act. If any action, suit or proceeding is brought against any Indemnified Party by reason of any occurrence for which Tenant is obliged to Indemnify such Indemnified Party, such Indemnified Party will promptly notify Tenant of such action, suit or proceeding. Tenant shall have the right to defend, and upon the request of an Indemnified Party, Tenant shall defend, at no cost to such Indemnified Party, such action, suit or proceeding, by counsel designated by Tenant and reasonably approved by such Indemnified Party in writing.

17.2 Agreement to Defend.

Tenant agrees to defend Landlord and the other Indemnified Parties against any claims which are actually or potentially within the scope of the indemnity provisions of this Lease, even if such claims may be groundless, fraudulent or false. Landlord or the Indemnified Party against whom any claim is made which may be within the scope of the indemnity provisions of this Lease shall provide notice to Tenant of such claim within a reasonable time after learning of such claim, and thereafter shall cooperate with Tenant in its defense of such claim, provided that any failure to provide such notice shall not affect Tenant's obligations under any such indemnity provisions, except to the extent Tenant is prejudiced by such failure.

17.3 Not Limited by Insurance.

The insurance requirements and other provisions of this Lease shall not limit Tenant's indemnification obligations under this Lease.

17.4 Survival.

Tenant's obligations to Indemnify shall survive the expiration or earlier termination of this Lease.

17.5 Other Obligations.

The agreements to Indemnify set forth in this Section 17 and elsewhere in this Lease are in addition to, and in no way shall be construed to limit or replace, any other obligations or liabilities which Tenant may have to Landlord under this Lease or applicable law.

17.6 Defense.

Tenant shall, at its option but subject to the reasonable consent and approval of Landlord, be entitled to control the defense, compromise, or settlement of any indemnified matter through counsel of Tenant's own choice; provided, however, in all cases Landlord shall be entitled to participate in such defense, compromise, or settlement at its own expense. If Tenant shall fail, however, within a reasonable time following notice from Landlord alleging such failure, to take reasonable and appropriate action to defend such suit or claim, Landlord shall have the right promptly to use the City Attorney or hire outside counsel to carry out such defense, which expense shall be due and payable to Landlord ten (10) business days after receipt by Tenant of an invoice therefor.

SECTION 18. INSURANCE

18.1 Property and Liability Coverage.

(a) Required Types and Amounts of Insurance. Tenant shall, at no cost to Landlord, obtain, maintain and cause to be in effect at all times from the Commencement Date to the later of (i) the last day of the Term, or (ii) the last day Tenant (A) is in possession of the Premises or (B) has the right of possession of the Premises (except as otherwise specified in this Section 18.1(a)), the following types and amounts of insurance:

(1) Builders Risk Insurance. At all times prior to Completion of the Initial Improvements, and during any period of Subsequent Construction, Tenant shall maintain, on a form reasonably approved by Landlord, builders' risk insurance in the amount of 100% of the completed value of all new construction, insuring all new construction, including all materials and equipment incorporated in, on or about the Premises, against hazards including earthquake (subject to the provisions of Section 18.1(b)(3)(A)), water damage (including, if appropriate and if available at commercially reasonable rates, groundwater damage and water damage resulting from backed up sewers and drains) and flood insurance (subject to the provisions of Section 18.1(b)(4)(A)), for the mutual benefit of Landlord, Tenant and Tenant's contractors and subcontractors; provided, however, that as to both earthquake insurance and flood insurance separate sublimits of the insurance required under this Section 18.1(a)(1) and the insurance required under Section 18.1(a)(7) may be required in order to comply with the requirements of Section 18.1(b)(3)(A) and Section 18.1(b)(4)(A).

(2) Property Insurance: Earthquake and Flood Insurance. Upon Completion of the Initial Improvements, and upon completion of Subsequent Construction of

any additional Improvements, Tenant shall maintain property insurance policies with coverage at least as broad as Insurance Services Office ("ISO") form CP 10 30 06 95 ("Causes of Loss - Special Form"), including earthquake, subject to the provisions of Section 18.1(b)(3)(B), and flood, subject to the provisions of Section 18.1(b)(4)(B), in an amount not less than 100% of the then-current full replacement cost of the Improvements and other property being insured pursuant thereto (including building code upgrade coverage and the cost of any foundations, excavations and footings on that portion of the Premises); provided, however, that as to both earthquake insurance and flood insurance separate sublimits of the insurance required under this Section 18.1(a)(2) and the insurance required under Section 18.1(a)(7) may be required in order to comply with the requirements of Section 18.1(b)(3)(B) and Section 18.1(b)(4)(B). In addition to the foregoing, Tenant may insure its Personal Property in such amounts as Tenant deems appropriate. Landlord shall have no interest in the proceeds of such insurance, and the proceeds of such insurance shall not be subject to the provisions of Section 12.4(c) and shall not be required to be paid to a trustee under Section 12.4(b).

(3) Commercial General Liability Insurance. Tenant shall maintain "Commercial General Liability" insurance policies with coverage at least as broad as ISO form CG 00 01 10 93, insuring against claims for bodily injury (including death), property damages, personal injury and advertising injury occurring upon the Premises (including the Improvements), the Park Access Parcel, or operations incidental or necessary thereto located on the Premises or any part of the Premises, such insurance to afford protection in an amount not less than Twenty Five Million Dollars (\$25,000,000) each occurrence covering bodily injury and broad form property damage including contractual liability (which includes coverage of the indemnity in Section 17.1(i)), and products and completed operations coverage, except that such insurance in excess of \$1,000,000 may be covered by a so-called "umbrella" or "excess coverage" policy. In addition, if Tenant has (or is required under Laws to have) a liquor license and is selling or distributing alcoholic beverages on the Premises, then Tenant shall maintain liquor liability coverage in appropriate amounts, and Tenant shall require any Subtenant who has (or is required under Laws to have) a liquor license and who is selling or distributing alcoholic beverages on the Premises, to maintain such coverage.

(4) Workers' Compensation Insurance. During any period in which Tenant has employees as defined in the California Labor Code, Tenant shall maintain policies of workers' compensation insurance, including employer's liability coverage with limits not less than \$1,000,000 each accident (except that such insurance in excess of \$500,000 each accident may be covered by a so-called "umbrella" or "excess coverage" policy) covering all persons employed by Tenant in connection with the use, operation and maintenance of the Premises and the Improvements. In addition, if any employees of Tenant are eligible for U.S. Longshore and Harbor Workers' Act benefits or Jones Act benefits, Tenant shall maintain coverage for such benefits, as applicable, in amounts as required by law.

(5) Boiler and Machinery Insurance. Tenant shall maintain boiler and machinery insurance covering damage to or loss or destruction of machinery and equipment located on the Premises or in the Improvements that is used by Tenant for heating,

ventilating, air-conditioning, power generation and similar purposes, in an amount not less than one hundred percent (100%) of the actual replacement value of such machinery and equipment.

(6) Business Automobile Insurance. Tenant shall maintain policies of business automobile liability insurance covering all owned, non-owned or hired motor vehicles to be used in connection with Tenant's use and occupancy of the Premises, affording protection for bodily injury (including death) and property damage in the form of Combined Single Limit Bodily Injury and Property Damage policy with limits of not less than One Million Dollars (\$1,000,000) per occurrence (except that such insurance in excess of Five Hundred Thousand Dollars (\$500,000) per occurrence may be covered by a so-called "umbrella" or "excess coverage" policy).

(7) Business Interruption Insurance. Tenant shall maintain business interruption insurance for loss caused by any of the perils or hazards set forth in and required to be insured pursuant to Sections 18.1(a)(1), (2) and (5) covering a period of not less than two (2) years during construction of the Initial Improvements, and a period of one (1) year following Completion, with a limit of not less than Fifteen Million Dollars (\$15,000,000) per year.

(8) Watercraft Liability Insurance. If Tenant operates, or causes to be operated, any watercraft, Tenant shall maintain or cause to be maintained, Protection and Indemnity insurance, with limits not less than \$1,000,000 each occurrence, including coverage for owned and non-owned watercraft.

(9) Aircraft Liability Insurance. If Tenant operates, or causes to be operated, any aircraft, Tenant shall maintain or cause to be maintained, Aircraft liability insurance, with limits not less than \$1,000,000 each occurrence, including coverage for owned and non-owned aircraft.

(10) Environmental Liability Insurance. During the course of any Hazardous Materials Remediation activities taking place prior to Completion of the Initial Improvements, Tenant shall maintain, or cause its contractor or consultant to maintain, environmental pollution or contamination liability insurance, on an occurrence form, with limits of not less than Five Million Dollars (\$5,000,000) each occurrence combined single liability for Bodily Injury and Property Damage or, with the approval of Landlord (such approval not to be unreasonably withheld, conditioned or delayed), such coverage may be provided with a lower limit or on a claims made form.

(b) General Requirements. All insurance provided for pursuant to this Section:

(1) Shall be carried under a valid and enforceable policy or policies issued by insurers of recognized responsibility that are rated Best A⁺:VII or better (or a

comparable successor rating) and legally authorized to sell such insurance within the State of California;

(2) As to property insurance, shall name the Landlord as loss payee as its interest may appear, subject to the rights of any Mortgagee, and as to liability insurance (other than the workers' compensation and other liability insurance referred to in Section 18.1(a)(4)) shall name as additional insureds the following: "THE CITY AND COUNTY OF SAN FRANCISCO AND THE SAN FRANCISCO PORT COMMISSION AND THEIR OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS" and the Redevelopment Agency.

(3) As to earthquake insurance only:

(A) during construction of the Initial Improvements, such insurance shall be in an amount at least equal to the maximum amount as is available at commercially reasonable rates from recognized carriers (with a deductible of up to but not to exceed five percent (5%) of the then-current, full replacement cost of the Improvements or other property being insured pursuant thereto (including building code upgrade coverage and the cost of any foundations, excavations and footings and without any deduction being made for depreciation), except that a greater deductible will be permitted to the extent that such coverage is not available from recognized insurance carriers or at commercially reasonable rates;

(B) from and after Completion of the Initial Improvements, such insurance shall be in an amount at least equal to that required by the holder of the First Mortgage (provided such Mortgage is a Non-Affiliate Mortgage), or if there is no First Mortgage, then the lesser of (i) the amount available at commercially reasonable rates from recognized insurance carriers, or (ii) 100% of the maximum probable loss that would be sustained by the Premises as a result of the occurrence of an earthquake measuring 8.3 on the Richter scale, as determined not less frequently than every five (5) years by a consultant chosen and paid for by Tenant who is reasonably satisfactory to Landlord, in each case, with a deductible of up to but not to exceed an amount that is necessary to make such earthquake insurance available at a commercially reasonable rate;

(4) As to flood insurance only:

(A) during construction of the Initial Improvements, such insurance shall be in an amount at least equal to the maximum amount as is available at commercially reasonable rates from recognized insurance carriers (with a deductible up to, but not to exceed fifteen percent (15%) of the then-current, full replacement cost of the Improvements or other property being insured pursuant thereto (including building code upgrade coverage and the cost of any foundations, excavations and footings and without any deduction being made for depreciation) except that a greater deductible will be permitted to the extent that such coverage is not available from recognized insurance carriers or at commercially reasonable rates;

(B) from and after Completion of the Improvements, such insurance shall be in an amount at least equal to the amount available at commercially reasonable rates from recognized insurance carriers, with a deductible of up to but not to exceed an amount that is necessary to make such flood insurance available at commercially reasonable rates.

(5) Shall be evaluated by Landlord and Tenant for adequacy not less frequently than every five (5) years from the anniversary date of Completion of the Improvements. Following consultation with Tenant, Landlord may, upon not less than ninety (90) days prior written notice, require Tenant to increase the insurance limits for all or any of its general liability policies if in the reasonable judgment of the Landlord's Risk Manager it is the general commercial practice in San Francisco or in other cities or counties around the country to carry insurance for facilities similar to the Premises in amounts substantially greater than the amounts carried by Tenant with respect to risks comparable to those associated with use of the Premises. If Landlord's Risk Manager determines that insurance limits required under this Section may be decreased in light of such commercial practice and the risks associated with use of the Premises, Landlord shall notify Tenant of such determination, and Tenant shall have the right to decrease the insurance coverage required under this Lease accordingly. In such event, Tenant shall promptly deliver to Landlord a certificate evidencing such new insurance amounts.

(6) Shall provide that no cancellation, modification or termination of such insurance for any reason shall be effective until at least thirty (30) days after mailing or otherwise sending written notice of such cancellation, modification or termination to Landlord;

(7) As to Commercial General Liability only, shall provide that it constitutes primary insurance to any other insurance available to any additional insured, with respect to claims insured by such policy, and that insurance applies separately to each insured against whom claim is made or suit is brought;

(8) Shall provide for waivers of any right of subrogation that the insurer of such party may acquire against each party hereto with respect to any losses and damages that are of the type covered under the policies required by Sections 18.1(a)(1), (2) and (5);

(9) Shall be subject to the approval of Landlord, which approval shall be limited to whether or not such insurance meets the terms of this Lease; and

(10) If any of the insurance required hereunder is provided under a claims-made form of policy, Tenant shall maintain such coverage continuously throughout the Term, and following the expiration or termination of the Term, Tenant shall maintain, without lapse for a period of two (2) years beyond the expiration or termination of this Lease, coverage with respect to occurrences during the Term that give rise to claims made after expiration or termination of this Lease.

(11) Shall for property insurance only, provide (if an endorsement to such effect is available at a commercially reasonable cost) that all losses payable under all such policies that are payable to Landlord shall be payable notwithstanding any act or negligence of Tenant.

(c) Certificates of Insurance; Right of Landlord to Maintain Insurance. Tenant shall furnish Landlord certificates with respect to the policies required under this Section, together with copies of each such policy (if Landlord so requests) and evidence of payment of premiums, within thirty (30) days after the Commencement Date and at least ten (10) business days prior to the expiration date of each such policy. If at any time Tenant fails to maintain the insurance required pursuant to Section 18.1, or fails to deliver certificates or policies as required pursuant to this Section, then, upon five (5) business days' written notice to Tenant, Landlord may obtain and cause to be maintained in effect such insurance by taking out policies with companies satisfactory to Landlord. Within ten (10) business days following demand, Tenant shall reimburse Landlord for all amounts so paid by Landlord, together with all costs and expenses in connection therewith and interest thereon at the Default Rate.

(d) Insurance of Others. If Tenant requires liability insurance policies to be maintained by Subtenants, contractors, subcontractors or others in connection with their use or occupancy of, or their activities on, the Premises, Tenant shall require that such policies include Tenant, Landlord, City (including its Port) and Redevelopment Agency as additional insureds, as their respective interests may appear.

18.2 Landlord Entitled to Participate.

With respect to property insurance, Landlord shall be entitled to participate in and consent to any settlement, compromise or agreement with respect to any claim for any loss in excess of Ten Million Dollars (\$10,000,000) covered by the insurance required to be carried hereunder; provided, however, that (i) Landlord's consent shall not be unreasonably withheld, and (ii) no consent of Landlord shall be required in connection with any such settlement, compromise or agreement concerning damage to all or any portion of the Improvements if Tenant shall have agreed to commence and complete Restoration.

18.3 Release and Waiver.

Each Party hereby waives all rights of recovery and causes of action, and releases each other Party from any liability, losses and damages occasioned to the property of each such Party, which losses and damages are of the type covered under the property policies required by Sections 18.1(a)(1), (2) or (5) to the extent that such loss is reimbursed by an insurer.

SECTION 19. HAZARDOUS MATERIALS

19.1 Hazardous Materials Compliance.

(a) Compliance With Hazards Materials Laws. Tenant shall be responsible, subject to the terms and conditions of this Lease, for causing the Premises and the Improvements to comply with all Hazardous Materials Laws, including, without limitation, any deed restrictions, deed notices, soils management plans or certification reports required in connection with any Regulatory Approvals, whether or not any such Hazardous Materials Laws are in the contemplation of the Parties. Without limiting the generality of the foregoing, Tenant covenants and agrees that it will not Handle, nor will it permit the Handling of Hazardous Materials on, under or about the Premises, except in connection with the construction of the Improvements or in the ordinary course of business of Tenant or any Subtenant and, in any such case, in compliance with all Hazardous Materials Laws and the Rules and Regulations attached as Exhibit J. Any other use or Handling of Hazardous Materials by Tenant on or about the Premises shall require Landlord's approval, which will not be unreasonably withheld, conditioned or delayed.

(b) Notice. Except for (x) building materials that do not contain asbestos, asbestos-containing materials, lead or polychlorinated biphenyl (PCBs), (y) Hazardous Materials that do not require a permit or license from, and (z) Hazardous Materials that need not be reported to, a governmental agency, which Hazardous Materials are used in the construction of the Premises or the ordinary course of Tenant's business or of any Subtenant's business and are used in compliance with all Hazardous Materials Laws, Tenant shall advise Landlord in writing promptly (but in any event within five (5) business days) after receiving notice of (i) the presence of any Hazardous Materials on, under or about the Premises, (ii) any action taken by Tenant in response to any (A) Hazardous Materials on, under or about the Premises or (B) Hazardous Materials Claims, and (iii) Tenant's discovery of the presence of Hazardous Materials on, under or about any real property adjoining the Premises. Tenant shall inform Landlord orally as soon as safely possible of any Release or discovery of Hazardous Materials, provided that the obligation to give such notice shall not jeopardize or impede emergency response actions. In addition, Tenant shall provide Landlord with copies of all communications with federal, state and local governments or agencies relating to Hazardous Materials Laws (other than privileged communications) and all communication with any Person relating to Hazardous Materials Claims (other than privileged communications).

(c) Landlord's Approval of Remediation. Except as required by law or to respond to an emergency and except as provided in subparagraph (d) below, Tenant shall not take any Remediation in response to the presence, Handling, transportation or Release of any Hazardous Materials on, under or about the Premises unless Tenant shall have first submitted to Landlord for Landlord's approval, which approval shall not be unreasonably withheld or delayed, a written Hazardous Materials Remediation plan and the name of the proposed contractor which will perform the work. Landlord shall approve or disapprove of such Hazardous Materials Remediation plan and the proposed contractor promptly, but in any event within thirty (30) days

after receipt of such plan and the name of such contractor. If Landlord disapproves of any such Hazardous Materials Remediation plan, Landlord shall specify in writing the reasons for its disapproval. Any such Remediation undertaken by Tenant shall be done in a manner so as to minimize any impairment to the Premises. In the event Tenant undertakes any Remediation with respect to any Hazardous Materials on, under or about the Premises, Tenant shall conduct and complete such Remediation (x) in compliance with all applicable Hazardous Materials Laws, (y) to the reasonable satisfaction of Landlord, and (z) in accordance with the orders and directives of all federal, state and local governmental authorities, including, but not limited to, the RWQCB and the San Francisco Department of Public Health.

(d) Tenant's Implementation of Required Remediation or Management Plans. Tenant shall undertake and implement all Hazardous Materials management or remediation plans which are required by any regulatory agencies (or which are conditions of any Regulatory Approvals) in connection with the construction of the Improvements or the operation of the Project, and have been approved by Landlord (the "Remediation Plans"), within the time periods and in the manner required under such plans. The Remediation Plans include, but are not limited to, the Soil Management Plan (Geomatrix, November, 1996), the Certification Report (as defined in the Deed Restriction), the Site Construction Worker Health and Safety Plan, plans for evaluating and mitigating potential impacts of dewatering, if dewatering is required, plans for identifying and appropriately drafting hazardous building materials, and plans for stormwater pollution prevention. Any proposed changes to the Remediation Plans shall be subject to the prior approval of Landlord, which shall not be unreasonably withheld, condition or delayed, subject to the provisions of Section 6.1.

(e) Deed Restriction.

(i) Tenant acknowledges that the Property contains Hazardous Materials, and is subject to the Deed Restriction, which imposes certain covenants, conditions, and restrictions on usage of the Property. The provisions of the Deed Restriction are incorporated herein and made a part hereof as if set forth in full. This statement is not a declaration that a hazard exists.

(ii) Without limiting Section 19.1 or any other provision of this Lease, Tenant shall comply with, and obligate its Subtenants to comply with, all of the notice, use restriction and other covenants and requirements set forth in the Deed Restriction. Tenant shall provide Landlord with a copy of any notice required to be given to the RWQCB or any other regulatory agency under the Deed Restriction.

19.2 Hazardous Materials Indemnity.

Tenant shall Indemnify Landlord and the Other Indemnified Parties from and against any and all Losses (including Hazardous Materials Claims) which arise out of or relate in any way to (A) any Handling or Release of any Hazardous Materials in or on the Premises or the Access Parcels at any time during the Term of this Lease by Tenant or its Agents

(other than Hazardous Materials in, on, under or about the Premises due to the acts of any Indemnified Party); or (B) the presence of Hazardous Materials in, on or under the Premises during the Term (other than due to the acts of any Indemnified Party), except to the extent of any Losses arising out of the gross negligence or willful misconduct of any Indemnified Party, or to the extent of Losses attributable to the actual or asserted diminution in value of the Premises or Landlord's interest in the Premises arising out of the discovery on or after the Commencement Date of Hazardous Materials in, on, under or about the Premises; and (C) any failure by Tenant to comply with Hazardous Materials Laws and Remediation Plans in respect of the Premises. In addition, Tenant shall require each of its Subtenants to similarly Indemnify Landlord and the other Indemnified Parties from Losses arising out of or relating to the Handling or Release of any Hazardous Materials, or the failure to comply with Hazardous Materials Laws, by such Subtenant.

SECTION 20. DELAY DUE TO FORCE MAJEURE

20.1 Delay Due to Force Majeure.

For all purposes of this Lease, a Party whose performance of its obligations hereunder is hindered or affected by events of Force Majeure shall not be considered in breach of or in default in its obligations hereunder to the extent of any delay resulting from Force Majeure, provided, however, that the provisions of this Section 20.1 shall not apply to Tenant's obligation to pay Rent, including Additional Rent. A Party seeking an extension of time pursuant to the provisions of this Section 20.1 shall give notice to the other Party describing with reasonable particularity (to the extent known) the facts and circumstances constituting Force Majeure within (a) a reasonable time (but not more than thirty (30) days unless the other Party's rights are not prejudiced by such delinquent notice) after knowledge of the beginning of such enforced delay or (b) promptly after the other Party's demand for performance.

SECTION 21. LANDLORD'S RIGHT TO PERFORM TENANT'S COVENANTS

21.1 Landlord May Perform in Emergency.

Without limiting any other provision of this Lease, and in addition to any other rights or remedies available to Landlord for any default on the part of Tenant under this Lease, if Tenant fails to perform any maintenance or repairs required to be performed by Tenant hereunder within the time provided for such performance, which failure gives rise to an emergency which creates an imminent danger to public health or safety, as reasonably determined by Landlord, Landlord may at its sole option, but shall not be obligated to, perform such obligation for and on behalf of Tenant, provided that, if there is time, Landlord first gives Tenant such notice and opportunity to take corrective action as is reasonable under the circumstances. Nothing in this Section shall be deemed to limit Landlord's ability to act in its legislative or regulatory capacity, including the exercise of its police powers, nor to waive any claim on the part of Tenant that any such action on the part of Landlord constitutes a Condemnation or an impairment of Tenant's contract with Landlord.

21.2 Landlord May Perform Following Tenant's Failure to Perform.

Without limiting any other provision of this Lease, and in addition to any other rights or remedies available to Landlord for any default on the part of Tenant under this Lease, if at any time Tenant fails to pay any sum required to be paid by Tenant pursuant to this Lease to any Person other than Landlord (other than any Imposition, with respect to which the provisions of Section 4.3 shall apply), or if Tenant fails to perform any obligation on Tenant's part to be performed under this Lease, which failure continues without cure following written notice from Landlord for a period of thirty (30) days (or, if Section 18.1(c) is applicable, which failure continues for five (5) business days after written notice from Landlord), and is not the subject of a contest under Section 5, then, Landlord may, at its sole option, but shall not be obligated to, pay such sum or perform such obligation for and on behalf of Tenant. Notwithstanding the foregoing, however, if within such period Tenant gives notice to Landlord that such failure is due to delay caused by Force Majeure, or is the subject of a contest under Section 5, or that cure of such failure cannot reasonably be completed within such period, then Landlord will not pay such sum or perform such obligation during the continuation of such contest or such Force Majeure delay or extended cure period, as the case may be, for so long thereafter as Tenant continues diligently to prosecute such contest or cure or the resolution of such event of Force Majeure.

21.3 Tenant's Obligation to Reimburse Landlord.

If pursuant to the provisions of Sections 18.1(c), 21.1, or 21.2, Landlord pays any sum or performs any obligation required to be paid or performed by Tenant hereunder, Tenant shall reimburse Landlord within ten (10) business days following demand, as Additional Rent, the sum so paid, or the reasonable expense incurred by Landlord in performing such obligation, together with interest thereon at the Default Rate, if such payment is not made within such period, computed from the date of Landlord's demand until payment is made. Landlord's rights under this Section 21 shall be in addition to its rights under any other provision of this Lease (including, but not limited to, access to the security deposit required under Section 15 of this Lease) or under applicable laws.

SECTION 22. EVENTS OF DEFAULT; TERMINATION

22.1 Events of Default.

Subject to the provisions of Section 22.2, the occurrence of any one or more of the following events shall constitute an "Event of Default" under the terms of this Lease:

(a) Tenant fails to pay when due any Rent payable by Tenant under this Lease, which failure continues for ten (10) days following written notice from Landlord to Tenant (it being understood and agreed that the notice required to be given by Landlord under this Section 22.1(a) shall also constitute the notice required under Section 1161 of the California Code of Civil Procedure, and shall satisfy the requirement that notice be given pursuant to such section);

(b) An Event of Default (as defined in the DDA) on the part of Tenant, as Developer, occurs under the DDA (so long as it is in effect), subject, however, to the rights of any Mortgagee hereunder;

(c) Tenant files a petition for relief, or an order for relief is entered against Tenant, in any case under applicable bankruptcy or insolvency Law, or any comparable law that is now or hereafter may be in effect, whether for liquidation or reorganization, which proceedings if filed against Tenant are not dismissed or stayed within one hundred twenty (120) days;

(d) A writ of execution is levied on the Leasehold Estate which is not released within one hundred twenty (120) days, or a receiver, trustee or custodian is appointed to take custody of all or any material part of the property of Tenant, which appointment is not dismissed within one hundred twenty (120) days; provided, however, the appointment of a receiver pursuant to the exercise by a Mortgagee of its rights under a Mortgage shall not be an Event of Default hereunder;

(e) Tenant makes a general assignment for the benefit of its creditors;

(f) Tenant abandons the Premises, within the meaning of California Civil Code Section 1951.2 (or its successor), which abandonment is not cured within fifteen (15) days after notice of belief of abandonment from Landlord;

(g) A default on the part of Tenant, as Owner, occurs under the OPA (so long as it is in effect), including, without limitation, a failure by Tenant to pay any shortfall in tax increment revenue from the Premises needed to pay debt service in full on the Tax Allocation Bonds as provided under the OPA, which default is not cured by Tenant within any grace or cure period specified in the OPA with respect to such default, subject, however, to the rights of any Mortgagee to cure any such default as specified in the OPA or this Lease;

(h) Tenant fails to maintain any insurance required to be maintained by Tenant under this Lease, which failure continues without cure for five (5) business days after written notice from Landlord, or, if such cure cannot be reasonably completed within such five (5) business day period, if Tenant does not within such five (5) business day period commence such cure, or having so commenced, does not prosecute such cure with diligence and dispatch to completion within a reasonable time thereafter; or

(i) Tenant violates any other covenant, or fails to perform any other obligation to be performed by Tenant under this Lease (including, but not limited to, any Mitigation Measures or Improvement Measures) at the time such performance is due, and such violation or failure continues without cure for more than thirty (30) days after written notice from Landlord specifying the nature of such violation or failure, or, if such cure cannot reasonably be completed within such thirty (30)-day period, if Tenant does not within such thirty (30)-day

period commence such cure, or having so commenced, does not prosecute such cure with diligence and dispatch to completion within a reasonable time thereafter.

22.2 Special Provisions Concerning Mortgagees and Events of Default.

Notwithstanding anything in this Lease to the contrary, the exercise by a Mortgagee of any of its remedies under its Mortgage shall not, in and of itself, constitute a default under this Lease.

SECTION 23. REMEDIES

23.1 Landlord's Remedies Generally.

Upon the occurrence and during the continuance of an Event of Default under this Lease (but without obligation on the part of Landlord following the occurrence of an Event of Default to accept a cure of such Event of Default other than as required by law or the terms of this Lease), Landlord shall have all rights and remedies provided in this Lease or available at law or equity; provided, however, notwithstanding anything to the contrary in this Lease, the remedies of Landlord for any Event of Default by Tenant under the Program in Diversity or the Prevailing Wage Provisions shall be limited to the remedies provided in such exhibits. All of Landlord's rights and remedies shall be cumulative, and except as may be otherwise provided by applicable law, the exercise of any one or more rights shall not preclude the exercise of any others.

23.2 Right to Keep Lease in Effect.

(a) Continuation of Lease. Upon the occurrence of an Event of Default hereunder, Landlord may continue this Lease in full force and effect, as permitted by California Civil Code Section 1951.4 (or any successor provisions). Specifically, Landlord has the remedy described in California Civil Code Section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has right to sublet or assign, subject only to reasonable limitations).

(b) No Termination. No act by Landlord allowed by this Section 23.2, nor any appointment of a receiver upon Landlord's initiative to protect its interest under this Lease, shall terminate this Lease, unless and until Landlord notifies Tenant in writing that Landlord elects to terminate this Lease.

23.3 Right to Terminate Lease.

(a) Damages. Landlord may terminate this Lease at any time after the occurrence (and during the continuation) of an Event of a Default by giving written notice of such termination. Termination of this Lease shall thereafter occur on the date set forth in such notice. Acts of maintenance or preservation, and any appointment of a receiver upon Landlord's

initiative to protect its interest hereunder shall not in any such instance constitute a termination of Tenant's right to possession. No act by Landlord other than giving notice of termination to Tenant in writing shall terminate this Lease. On termination of this Lease, Landlord shall have the right to recover from Tenant all sums allowed under California Civil Code Section 1951.2, including, without limitation, the following:

(i) The worth at the time of the award of the unpaid Rent which had been earned at the time of termination of this Lease;

(ii) The worth at the time of the award of the amount by which the unpaid Rent which would have been earned after the date of termination of this Lease until the time of the award exceeds the amount of the loss of Rent that Tenant proves could have been reasonably avoided;

(iii) The worth at the time of the award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of the loss of Rent that Tenant proves could have been reasonably avoided; and

(iv) Any other amount necessary to compensate Landlord for all detriment proximately caused by the default of Tenant, or which in the ordinary course of things would be likely to result therefrom.

(v) "The worth at the time of the award", as used in Section 23.3(a)(i) and (ii) shall be computed by allowing interest at a rate per annum equal to the Default Rate. "The worth at the time of the award", as used in Section 23.3(a)(iii), shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus one percent (1%).

(b) Interest. Rent not paid when due shall bear interest from the date due until paid at the Default Rate.

(c) Waiver of Rights to Recover Possession. In the event Landlord terminates Tenant's right to possession of the Premises pursuant to this Section 23.3, Tenant hereby waives any rights to recover or regain possession of the Premises under any rights of redemption to which it may be entitled by or under any present or future Law, including, without limitation, California Code of Civil Procedure Sections 1174 and 1179 or any successor provisions.

23.4 Continuation of Subleases and Other Agreements.

Subject to the provisions of Section 16.4 relating to Non-Disturbance Agreements, following an Event of Default and termination of Tenant's interest in this Lease (subject to rights of Mortgagees to cure, or obtain a New Lease, granted under Section 42), Landlord shall have the right, at its sole option, to assume any and all Subleases and agreements

by Tenant for the maintenance or operation of the Premises. Tenant hereby further covenants that, upon request of Landlord following an Event of Default and termination of Tenant's interest in this Lease, Tenant shall execute, acknowledge and deliver to Landlord such further instruments as may be necessary or desirable to vest or confirm or ratify vesting in Landlord the then existing Subleases and other agreements then in force, as above specified.

SECTION 24. LANDLORD'S EQUITABLE RELIEF

24.1 Landlord's Equitable Relief.

In addition to the other remedies provided in this Lease, Landlord shall be entitled at any time after a default or threatened default by Tenant to seek injunctive relief or an order for specific performance, where appropriate to the circumstances of such default. In addition, after the occurrence of an Event of Default, Landlord shall be entitled to any other equitable relief which may be appropriate to the circumstances of such Event of Default.

SECTION 25. NO WAIVER

25.1 No Waiver by Landlord or Tenant.

No failure by Landlord or Tenant to insist upon the strict performance of any term of this Lease or to exercise any right, power or remedy consequent upon a breach of any such term, shall be deemed to imply any waiver of any such breach or of any such term unless clearly expressed in writing by the Party against which waiver is being asserted. No waiver of any breach shall affect or alter this Lease, which shall continue in full force and effect, or the respective rights of Landlord or Tenant with respect to any other then existing or subsequent breach.

25.2 No Accord or Satisfaction.

No submission by Tenant or acceptance by Landlord of full or partial Rent or other sums during the continuance of any failure by Tenant to perform its obligations hereunder shall waive any of Landlord's rights or remedies hereunder or constitute an accord or satisfaction, whether or not Landlord had knowledge of any such failure. No endorsement or statement on any check or remittance by or for Tenant or in any communication accompanying or relating to such payment shall operate as a compromise or accord or satisfaction unless the same is approved as such in writing by Landlord. Landlord may accept such check, remittance or payment and retain the proceeds thereof, without prejudice to its rights to recover the balance of any Rent, including any and all Additional Rent, due from Tenant and to pursue any right or remedy provided for or permitted under this Lease or in law or at equity. No payment by Tenant of any amount claimed by Landlord to be due as Rent hereunder (including any amount claimed to be due as Additional Rent) shall be deemed to waive any claim which Tenant may be entitled to assert with regard to the making of such payment or the amount thereof, and all such payments

shall be without prejudice to any rights Tenant may have with respect thereto, whether or not such payment is identified as having been made "under protest" (or words of similar import).

SECTION 26. TENANT'S RECOURSE AGAINST LANDLORD

26.1 No Recourse Beyond Value of Property Except as Specified.

Tenant agrees that except as otherwise specified in this Section 26.1, Tenant will have no recourse with respect to, and Landlord shall not be liable for, any obligation of Landlord under this Lease, or for any claim based upon this Lease, except to the extent of the Fair Market Value of Landlord's fee interest in the Premises (as encumbered by this Lease). Such limitation on Tenant's recourse shall not apply (A) to damages for willful misconduct on the part of Landlord, City and their respective commissioners, officers or employees, (B) in connection with any Condemnation, (C) to the obligations of City under Section 4.4, (D) to any obligation undertaken pursuant to Section 6.1(d)(iii), Section 12.3(b), Section 12.3(g), or Section 13.3(a), or (E) to Landlord's obligations under Section 33.1. By Tenant's execution and delivery hereof and as part of the consideration for Landlord's obligations hereunder Tenant expressly waives all such liability.

26.2 No Recourse Against Specified Persons.

No commissioner, officer or employee of Landlord or City will be personally liable to Tenant, or any successor in interest, for any Event of Default by Landlord, and Tenant agrees that it will have no recourse with respect to any obligation of Landlord under this Lease, or for any amount which may become due Tenant or any successor or for any obligation or claim based upon this Lease, against any such Person.

SECTION 27. DEFAULT BY LANDLORD.

27.1 Default by Landlord.

No event of default on the part of Landlord shall be deemed to have occurred hereunder unless and until Landlord shall fail to perform or comply with any obligation on its part hereunder and (i) such failure shall continue for more than the time of any cure period provided herein, or, (ii) if no cure period is provided herein, for more than thirty (30) days after written notice thereof from Tenant, or, (iii) if such default cannot reasonably be cured within such thirty (30)-day period, Landlord shall not within such period commence with due diligence and dispatch the curing of such default, or, having so commenced, shall thereafter fail or neglect to prosecute or complete with diligence and dispatch the curing of such default. Upon the occurrence of an event of default by Landlord described above, Tenant shall have the right to offset or deduct from the Rent becoming due hereunder, the amount of all actual damages incurred by Tenant as a direct result of Landlord's default, but only after obtaining a final judgment in a court of competent jurisdiction for such damages in accordance with applicable Law and the provisions of this Lease. In addition, Tenant may, at any time following a default or

a threatened default by Landlord, seek injunctive relief or an order for specific performance, or both, where appropriate to the circumstances of any such default.

27.2 Survival of Certain Obligations.

Subject to the provisions of Sections 27.1 and 28.2, no expiration or other termination of this Lease shall relieve Landlord of its liabilities and obligations arising hereunder before such expiration or termination of this Lease. All such liabilities and obligations shall survive such expiration or termination.

SECTION 28. LIMITATIONS ON LANDLORD'S LIABILITY

28.1 Waiver of Consequential Damages.

As a material part of the consideration for this Lease, Landlord shall not be liable for, and Tenant hereby waives any claim against Landlord for, any consequential damages arising out of any default by Landlord.

28.2 Limitation on Landlord's Liability Upon Transfer.

In the event of any transfer of Landlord's interest in and to the Premises, Landlord, subject to the provisions hereof, (and in case of any subsequent transfers, the then transferor) will automatically be relieved from and after the date of such transfer of all liability with regard to the performance of any covenants or obligations contained in this Lease thereafter to be performed on the part of Landlord, but not from liability incurred by Landlord (or such transferor, as the case may be) on account of covenants or obligations to be performed by Landlord (or such transferor, as the case may be) hereunder before the date of such transfer; provided, however, that Landlord (or such subsequent transferor) has transferred to the transferee any funds in Landlord's possession (or in the possession of such transferor) in which Tenant has an interest, in trust, for application pursuant to the provisions hereof, and such transferee has assumed all liability for all such funds so received by such transferee from Landlord.

SECTION 29. ESTOPPEL CERTIFICATES BY TENANT

29.1 Estoppel Certificate by Tenant.

Tenant shall execute, acknowledge and deliver to Landlord (or at Landlord's request, to a prospective purchaser or mortgagee of Landlord's interest in the Property), within ten (10) business days after a request, a certificate stating to the best of Tenant's knowledge (a) that this Lease and/or the Baseball Sublease is unmodified and in full force and effect (or, if there have been modifications, that this Lease is in full force and effect, as modified, and stating the modifications or, if this Lease is not in full force and effect, so stating), (b) the dates, if any, to which any Rent and other sums payable hereunder and/or the Baseball Sublease have been paid, (c) that no notice has been received by Tenant of any default hereunder and/or under the

Baseball Sublease which has not been cured, except as to defaults specified in such certificate and (d) any other matter actually known to Tenant, directly related to this Lease and/or the Baseball Sublease and reasonably requested by Landlord, including, but not limited to, matters relating to any financing permitted under Section 42. In addition, if requested, Tenant shall attach to such certificate a copy of this Lease and/or the Baseball Sublease, and any amendments thereto, and include in such certificate a statement by Tenant that, to the best of its knowledge, such attachment is a true, correct and complete copy of this Lease and/or the Baseball Sublease, as applicable, including all modifications thereto. Any such certificate may be relied upon by any Landlord, State Lands, and any prospective purchaser or mortgagee of the Premises or any part of Landlord's interest therein. Tenant will also use commercially reasonable efforts (including inserting a provision similar to this Section into each Sublease) to cause the Subtenant under the Baseball Sublease or any other Sublease to execute, acknowledge and deliver to Landlord, within ten (10) business days after request, an estoppel certificate covering the matters described in clauses (a), (b), (c) and (d) above with respect to such Sublease.

SECTION 30. ESTOPPEL CERTIFICATES BY LANDLORD

30.1 Estoppel Certificate by Landlord.

Landlord shall execute, acknowledge and deliver to Tenant (or at Tenant's request, to any Subtenant, prospective Subtenant, Mortgagee, prospective Mortgagee, or other prospective transferee of Tenant's interest under this Lease), within ten (10) business days after a request, a certificate stating to the best of Landlord's knowledge (a) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that this Lease is in full force and effect as modified, and stating the modifications or if this Lease is not in full force and effect, so stating), (b) the dates, if any, to which Rent and other sums payable hereunder have been paid, (c) whether or not, to the knowledge of Landlord, there are then existing any defaults under this Lease (and if so, specifying the same) and (d) any other matter actually known to Landlord, directly related to this Lease and reasonably requested by the requesting Party. In addition, if requested, Landlord shall attach to such certificate a copy of this Lease and any amendments thereto, and include in such certificate a statement by Landlord that, to the best of its knowledge, such attachment is a true, correct and complete copy of this Lease, including all modifications thereto. Any such certificate may be relied upon by Tenant or any Subtenant, prospective Subtenant, Mortgagee, prospective Mortgagee, or other prospective transferee of Tenant's interest under this Lease.

SECTION 31. APPROVALS BY LANDLORD

31.1 Approvals by Landlord.

The Port's Executive Director or his or her designee, is authorized to execute on behalf of Landlord any closing or similar documents and any contracts, agreements, memoranda or similar documents with State, regional or local authorities or other Persons that are necessary or proper to achieve the purposes and objectives of this Lease and do not materially increase the

obligations of Landlord hereunder, if the Executive Director determines, after consultation with, and approval as to form by, the City Attorney, that the document is necessary or proper and in Landlord's best interests. The Port Executive Director's signature of any such documents shall conclusively evidence such a determination by him or her. Wherever this Lease requires or permits the giving by Landlord of its consent or approval, or whenever an amendment, waiver, notice, or other instrument or document is to be executed by or on behalf of Landlord, the Executive Director, or his or her designee, shall be authorized to execute such instrument on behalf of Landlord, except as otherwise provided by applicable law, including the City's Charter.

31.2 Fees for Review.

Within thirty (30) days after Landlord's written request, Tenant shall pay Landlord, as Additional Rent, Landlord's costs, including, without limitation, attorneys' fees and costs (and including fees and costs of the City Attorney, to the extent actually charged to and paid by Landlord) incurred in connection with the review, investigation, processing, documentation and/or approval of any proposed Transfer, estoppel certificate, Non-disturbance Agreement and Subsequent Construction. Tenant shall pay such costs regardless of whether or not Landlord consents to such proposal, except only in any instance where Landlord has wrongfully withheld, delayed or conditioned its consent in violation of this Lease.

SECTION 32. NO MERGER OF TITLE

32.1 No Merger of Title.

There shall be no merger of the Leasehold Estate with the fee estate in the Premises by reason of the fact that the same Person may own or hold (a) the Leasehold Estate or any interest in such Leasehold Estate, and (b) any interest in such fee estate. No such merger shall occur unless and until all Persons having any interest in the Leasehold Estate and the fee estate in the Premises shall join in and record a written instrument effecting such merger.

SECTION 33. QUIET ENJOYMENT

33.1 Quiet Enjoyment.

Subject to the Permitted Title Exceptions, the terms and conditions of this Lease and applicable Laws, Landlord agrees that Tenant, upon paying the Rent and observing and keeping all of the covenants under this Lease on its part to be kept, shall lawfully and quietly hold, occupy and enjoy the Premises during the Term of this Lease without hindrance or molestation of anyone claiming by, through or under Landlord. Notwithstanding the foregoing, Landlord shall have no liability to Tenant in the event any defect exists in the title of Landlord as of the Commencement Date, whether or not such defect affects Tenant's rights of quiet enjoyment (unless such defect is due to Landlord's willful misconduct) and, except as otherwise expressly provided for under the terms and provisions of this Lease, no such defect shall be grounds for a termination of this Lease by Tenant. Tenant's sole remedy with respect to any

such existing title defect shall be to obtain compensation by pursuing its rights against any title insurance company or companies issuing title insurance policies to Tenant, unless such defect is due to Landlord's willful misconduct.

SECTION 34. SURRENDER OF PREMISES

34.1 End of Lease Term.

(a) Conditions of Premises. Upon the expiration or other termination of the Term of this Lease, Tenant shall quit and surrender to Landlord the Premises in good order and condition, reasonable wear and tear excepted to the extent the same is consistent with maintenance of the Premises in the condition required hereunder. The Premises shall be surrendered with all Improvements, repairs, alterations, additions, substitutions and replacements thereto subject to Section 34.2. Tenant hereby agrees to execute all documents as Landlord may deem necessary to evidence or confirm any such other termination.

(b) Subleases. Upon any termination of this Lease (provided no Mortgagee has elected to obtain a New Lease), Landlord shall have the right to terminate all Subleases hereunder except for those Subleases with respect to which Landlord has entered into Non-Disturbance Agreements as provided in Section 16.4, or which Landlord has agreed to assume pursuant to Section 23.4.

(c) Personal Property. Upon expiration or termination of this Lease, Tenant and all Subtenants shall have the right to remove their respective trade fixtures and other personal property. At Landlord's request, Tenant shall remove, at no cost to Landlord, any Personal Property belonging to Tenant which then remains on the Premises (excluding any personal property owned by Subtenants or other Persons). If the removal of such Personal Property causes damage to the Premises, Tenant shall repair such damage, at no cost to Landlord, subject to Section 34.2.

34.2 Landlord's Right to Require Demolition.

(a) Tenant's Failure to Extend for at Least Two Extended Terms. If Tenant does not extend the Initial Term for at least two (2) additional Extended Terms in accordance with the provisions hereof, Landlord shall have the right to require that Tenant Demolish the Improvements, or any portion thereof specified by Landlord (other than the Waterfront Promenade and Ferry Landing Facilities) upon the expiration of the Initial Term or the first Extended Term, as the case may be, including repair of any damage to the bulkhead wall and pier substructure which may be caused by such Demolition. If Landlord requires Demolition of less than all of the Improvements, Tenant shall have no responsibility for the architectural or structural integrity of any remaining portion of the Improvements not Demolished, or for performing any repairs which may be necessary following a partial Demolition to place any such remainder in structurally or architecturally sound condition, except for repairing (i) any damage to the Waterfront Promenade or any Improvements financed with proceeds of the Tax Allocation

Bonds which are structurally distinct from other Improvements being Demolished, and (ii) any damage caused by Tenant's failure to perform such Demolition properly. Landlord shall give Tenant notice of its election to require such Demolition and specifying the portion of the Improvements to be Demolished at least one hundred twenty (120) days in advance of the scheduled expiration date of the Initial Term or the first Extended Term, as applicable. Tenant shall perform such Demolition at no cost to Landlord, and shall complete such Demolition within a reasonable period not exceeding one hundred eighty (180) days after the later of (i) the end of the last Baseball Season, or (ii) September 1 of the last year of this Lease, or (iii) in the case of a termination of this Lease under Section 12, the date Landlord's right to elect the application of clause (1) of Section 12.3(b) expires, as the same may be extended by Force Majeure (the "Demolition Period").

(b) Tenant's Election to Extend for Two or More Extended Terms. If Tenant extends the Term for two (2) or more Extended Terms in accordance with the provisions of this Lease, then on and after the expiration of the second Extended Term, Landlord shall have no right to require Demolition as provided in Section 34.2(a).

(c) License to Occupy for Purposes of Demolition. Tenant is hereby granted a license entitling Tenant (and its Agents) to occupy the Premises after the expiration of the Term (or after the early termination of the Term under Sections 12, if applicable) during the Demolition Period for the purposes of performing any Demolition required under Sections 12, 6.1(d) or under this Section 34. Such occupancy shall be on all of the terms and conditions hereof, except that no Rent shall be payable in connection with such occupancy provided that the Demolition is completed within the Demolition Period.

SECTION 35. HOLD OVER

35.1 Hold Over.

Any holding over by Tenant after the expiration or termination of this Lease shall not constitute a renewal hereof or give Tenant any rights hereunder or in the Premises, except with the written consent of Landlord. In any such event, at Landlord's option, Tenant shall be (a) a tenant at sufferance, or (b) a month-to-month tenant at a Minimum Rent of one hundred and ten percent (110%) of the Minimum Rent in effect at the expiration of the Term.

SECTION 36. ACCESS RIGHTS OVER SOUTH BEACH PARK

36.1 Access.

For the Term of this Lease, Landlord hereby grants the Access Rights to Tenant, and consents to the grant of similar rights by Redevelopment Agency in or pursuant to the OPA, including the right of access, ingress and egress over and across the Park Access Parcel, for pedestrian and vehicular access to the Premises. Landlord reserves the right to use, or permit others to use, the Park Access Parcel in common with Tenant, provided such use does not

interfere with Tenant's use hereunder. Tenant shall have the right to construct roadways, sidewalks and other improvements on or to the Park Access Parcel, either as part of the Initial Improvements under the DDA or as Subsequent Construction pursuant to Section 10. The dimensions of the Park Access Parcel may be adjusted with the approval of Landlord to accommodate design of the improvements on South Beach Park; provided, however, no such adjustment shall materially interfere with Tenant's Access Rights under this Lease nor with the use by Landlord or the Redevelopment Agency of South Beach Park, including, without limitation, the provision of parking for tenants of the marina. Tenant shall be responsible for a portion of the cost of maintaining, repairing, replacing and restoring the improvements located on the Park Access Parcel, as further provided in the OPA or in a separate written agreement approved by Landlord or to which it is a party. During the Term of the Redevelopment Agency's lease of South Beach Park from Landlord, the maintenance, repair, replacement and restoration of the improvements on the Park Access Parcel shall be governed by the OPA. In the event such lease expires or terminates before the Term of this Lease, any maintenance, repair, replacement or restoration of the improvements located on the Park Access Parcel shall be performed by Landlord and the costs of such activities shall be borne equally by Landlord and Tenant.

SECTION 37. FERRY LANDING FACILITIES

37.1 Ferry Landing Facilities.

Landlord and Tenant shall cooperate in good faith in planning the development of ferry service to the Premises for Baseball Home Games and for year-round use, consistent with regional ferry service plans and studies, and as further provided in the Mitigation Measures. The Parties intend that the Ferry Landing Facilities be completed as soon as feasible after Completion of the Initial Improvements.

SECTION 38. NON-RELOCATION AGREEMENT

38.1 Covenant to Perform Under Baseball Sublease.

Tenant acknowledges and agrees that entry by the Team Owner into the Non-Relocation Agreement was a material condition of Landlord's entry into this Lease. Tenant covenants and agrees to perform all of its obligations under the Baseball Sublease as are necessary to keep the Non-Relocation Agreement in full force and effect for its full term.

SECTION 39. NOTICES

39.1 Notices.

All notices, demands, consents, and requests which may or are to be given by any Party to the other shall be in writing, except as otherwise provided herein. All notices, demands, consents and requests to be provided hereunder shall be deemed to have been properly given on the date of receipt if served personally on a day that is a business day (or on the next business

day if served personally on a day that is not a business day), or, if mailed, on the date that is three days after the date when deposited with the U.S. Postal Service for delivery by United States registered or certified mail, postage prepaid, in either case, addressed as follows:

To Landlord: San Francisco Port Commission (Reference: Ballpark)
3100 Ferry Building
San Francisco, CA 94111
Attention: Executive Director
Facsimile: (415) 274-0412

with a copy to: Mayor (Reference: China Basin Ballpark)
City and County of San Francisco
City Hall
San Francisco, CA 94102
Facsimile: (415) 554-6160

and to: City Attorney (Reference: China Basin Ballpark)
Fox Plaza
1390 Market Street, 5th Floor
San Francisco, CA 94102-5408
Facsimile: (415) 554-4248

and to: Port General Counsel (Reference: China Basin Ballpark)
3100 Ferry Building
San Francisco, CA 94111
Facsimile: (415) 274-0494

To Tenant: China Basin Ballpark Company LLC
3Com Park at Candlestick Point
San Francisco, CA 94124
Attention: President
Facsimile: (415) 330-2697

with a copy to: China Basin Ballpark Company LLC
3Com Park at Candlestick Point
San Francisco, CA 94124
Attention: General Counsel
Facsimile: (415) 330-2697

and to

Coblentz, Cahen, McCabe & Breyer
(Reference: China Basin Ballpark Company)
222 Kearny Street, Suite 700
San Francisco, CA 94108
Facsimile: (415) 989-1663

or at such other place or places in the United States as each such Party may from time to time designate by written notice to the other in accordance with the provisions hereof. For convenience of the Parties, copies of notices may also be given by telefacsimile to the facsimile number set forth above or such other number as may be provided from time to time by notice given in the manner required hereunder; however, neither Party may give official or binding notice by telefacsimile.

39.2 Form and Effect of Notice.

Every notice given to a Party or other Person under this Section must state (or shall be accompanied by a cover letter that states):

(a) the Section of this Lease pursuant to which the notice is given and the action or response required, if any;

(b) if applicable, the period of time within which the recipient of the notice must respond thereto; and

(c) if applicable, that the failure to object to the notice within a stated time period will be deemed to be the equivalent of the recipient's approval of or consent to the subject matter of the notice.

In no event shall a recipient's approval of or consent to the subject matter of a notice be deemed to have been given by its failure to object thereto if such notice (or the accompanying cover letter) does not comply with the requirements of this Section 39.2.

SECTION 40. INSPECTION OF PREMISES BY LANDLORD

40.1 Entry.

Subject to the rights of Subtenants, Tenant shall permit Landlord and its Agents to enter the Premises during regular business hours upon reasonable prior notice (and at any time in the event of an emergency which poses an imminent danger to public health or safety) for the purpose of (i) inspecting the same for compliance with any of the provisions of this Lease, (ii) performing any work therein that Landlord may have a right to perform under Section 21, or (iii) inspecting, sampling, testing and monitoring the Premises or the Improvements or any portion thereof, including buildings, grounds and subsurface areas, as Landlord reasonably deems necessary or appropriate for evaluation of Hazardous Materials or other environmental

conditions. Nothing herein shall imply any duty upon the part of Landlord to perform any work which under any provision of this Lease Tenant may be required to perform, nor to place upon Landlord any obligation, or liability, for the care, supervision or repair of the Premises. If Landlord elects to perform work on the Premises pursuant to Section 21, Landlord shall not be liable for inconvenience, loss of business or other damage to Tenant by reason of the performance of such work on the Premises, or on account of bringing necessary materials, supplies and equipment into or through the Premises during the course thereof, provided Landlord uses reasonable diligence to minimize the interference any such work may cause with the activities of Tenant, its Subtenants, and their respective Invitees.

40.2 Exhibit for Lease: Evaluation for Demolition.

Subject to the rights of Subtenants, Tenant shall permit Landlord and its Agents to enter the Premises during regular business hours upon reasonable prior notice (i) to exhibit the same in a reasonable manner in connection with any sale, transfer or other conveyance of Landlord's interest in the Premises, and (ii) during the last twelve (12) months of the Term, for the purpose of (A) leasing the Premises, or (B) evaluating the potential Demolition of all or a portion of the Improvements.

40.3 Notice, Right to Accompany.

Landlord agrees to give Tenant reasonable prior notice of Landlord's entering on the Premises except in an emergency. Such notice shall be not less than forty-eight (48) hours oral notice. Tenant shall have the right to have a representative of Tenant accompany Landlord or its Agents on any entry into the Premises.

40.4 Rights of Subtenants.

Tenant agrees to use commercially reasonable efforts (including efforts to obtain the agreement of each Subtenant to the inclusion of a provision similar to this Section 40 in its Sublease) to require each Subtenant to permit Landlord to enter its premises for the purposes specified in this Section 40. Landlord recognizes, however, that particular Subtenants may require longer notice periods, or may require that Landlord or its Agents be accompanied by a representative of Tenant or the Subtenant in question, or may forbid entry into areas containing vaults, safes, automatic teller machines and similar secured areas.

SECTION 41. NO JOINT VENTURE

41.1 No Joint Venture.

Nothing contained in this Lease shall be deemed or construed as creating a partnership or joint venture between Landlord and Tenant or between Landlord and any other Person, or cause Landlord to be responsible in any way for the debts or obligations of Tenant.

The subject of this Lease is a lease with neither Party acting as the agent of the other Party in any respect except as may be provided for in this Lease.

SECTION 42. MORTGAGE OF LEASEHOLD

42.1. No Mortgage Except as Set Forth Herein.

(a) Restrictions on Financing. Except as permitted in this Section 42,
Tenant shall not:

(i) engage in any financing or other transaction creating any mortgage, deed of trust or similar security instrument upon Tenant's Leasehold Estate in the Premises or Tenant's interest in the Improvements under this Lease; or

(ii) place or suffer to be placed upon Tenant's Leasehold Estate in the Premises or interest in the Improvements hereunder any lien or other encumbrances other than as permitted by Section 14.1.

(b) No Subordination of Fee Interest or Rent. Under no circumstance shall any lien or encumbrance placed by Tenant on its Leasehold Estate attach to Landlord's fee interest in the Premises. Landlord shall not be required to subordinate its interest in the Premises nor its right to receive Rent hereunder to any Mortgagee of Tenant.

(c) Violation of Covenant. Any mortgage, deed of trust, encumbrance or lien not permitted by this Section 42 shall be deemed to be a violation of this covenant on the date of its execution or filing of record regardless of whether or when it is foreclosed or otherwise enforced.

42.2. Leasehold Liens.

(a) Tenant's Right to Mortgage Leasehold. At any time, and from time to time during the Term, Tenant shall have the right to assign, mortgage or encumber the Leasehold Estate by way of leasehold mortgages, deeds of trust or other security instruments of any kind to the extent permitted hereby; provided, however, notwithstanding any foreclosure thereof, Tenant shall remain liable for the payment of Rent, including any and all Additional Rent, to the extent provided in this Lease, and for the performance of all other obligations contained in this Lease.

(b) Application to DDA. In the event that Tenant shall mortgage, encumber, create a security interest in, or otherwise place or permit a lien to be placed upon Tenant's interest in the DDA as permitted thereunder, all of the provisions set forth in this Lease relating to Mortgagees shall also apply to the mortgagee of Tenant's interest in the DDA, and such mortgagee shall be entitled to all of the rights, privileges and protections set forth in this Lease, as if such provisions were included in the DDA.

(c) Leasehold Mortgages Subject to this Lease. With the exception of the rights granted to Mortgagees in this Lease, the execution and delivery of a Mortgage shall not give or be deemed to give a Mortgagee any greater rights than those granted to Tenant hereunder.

(d) Limitation on Number of Mortgagees. Notwithstanding anything to the contrary set forth in this Lease, any rights given to Mortgagees under this Section 42 shall not apply to more than three (3) Mortgagees at any time. Tenant shall notify Landlord in writing of the three (3) Mortgagees to which such rights apply, if there are ever more than three. If Tenant fails to give such notice, however, Tenant shall not be in default under this Lease, but in such case only the three (3) Mortgagees having the most senior lien priority shall be entitled to exercise the rights given to Mortgagees under this Section 42.

42.3. Notice of Liens.

Tenant shall notify Landlord promptly of any lien or encumbrance of which Tenant has knowledge and which has been recorded against or attached to the Improvements or Tenant's Leasehold Estate hereunder, other than Permitted Title Exceptions.

42.4. Purpose of Mortgage.

(a) Before Completion. From the date hereof until the date of Completion of construction of the Initial Improvements, a Mortgage shall be made only for the purposes of (i) financing costs relating to the development of the Project, including, but not limited to, costs relating to acquisition of Tenant's Leasehold Estate, or the design, construction, development or entitlement of the Initial Improvements in accordance with the DDA (including without limitation development period interest, property taxes, rent and any other item contained in the Budget, as defined in the DDA), or of obtaining such Mortgage and the loan secured by such Mortgage (including fees and charges paid to Mortgagee, title, survey and closing costs, costs incurred to satisfy conditions to the issuance of the debt secured by the Mortgage, and attorneys' fees incurred in connection with the negotiation and documentation of the Mortgage and any related documents or instruments), or (ii) to acquire and install the Personal Property and supplies, or (iii) to refinance any financing incurred for any of the foregoing purposes.

(b) After Completion. From the date of Completion of construction of the Initial Improvements and thereafter throughout the Term hereof, a Mortgage can be made for any purpose.

(c) Statement. Landlord agrees within thirty (30) days after request by Tenant to give to any holder or proposed holder of a leasehold mortgage, deed of trust, sale-leaseback or other security instrument a statement in recordable form as to whether such mortgage, deed of trust, sale-leaseback or other security instrument is permitted hereunder to secure all of the advances and indebtedness stated by the terms of the applicable financing documents. Except as set forth in such statement, such a statement shall estop Landlord from

asserting that such mortgage, deed of trust, sale-leaseback or other security instrument (if done in the way described in the statement) is not permitted hereunder, but shall create no liability on Landlord. In making a request for such statement, Tenant shall furnish Landlord copies of such of the financing documents as are required reasonably by Landlord to permit Landlord to make the determination whether such security instrument is permitted hereby. In no event, however, shall any failure by Tenant to request such a statement or to comply with the terms of any Mortgage, including without limitation the use of any proceeds of any debt, the repayment of which is secured by a Mortgage, be deemed to invalidate the lien of a Mortgage.

42.5. Maximum Amount of Loan Prior to Completion.

Until the Completion of construction of the Initial Improvements, the total amount secured by all Mortgages on the Premises shall not exceed the sum of (i) the Budget (as defined in the DDA) for development of the Project, plus (ii) any amounts funded by a Mortgagee (whether or not specified in the Budget, but without duplication of any amount) to pay for items described in Section 42.4(a); plus (iii) any cost overruns funded by a Mortgagee, plus (iv) any costs of enforcement of the Mortgage, including, without limitation, attorneys' fees, plus (v) costs incurred by the Mortgagee in curing any default hereunder or under the Mortgage, plus (vi) interest accruing on the foregoing. Following the Completion of construction of the Initial Improvements, there shall be no limitation on the amount of any Mortgage or Mortgages.

42.6. Interest Covered by Mortgage.

A Mortgage may attach to any of the following interests in the Premises: (i) Tenant's Leasehold Estate in the Premises created hereby, and Tenant's interest in the Improvements or any portion thereof, (ii) Tenant's interest in Subleases, including the right to receive rents and other income due from Subtenants; (iii) Tenant's interest in the Access Rights created or recognized hereunder; (iv) any Personal Property of Tenant, (v) Tenant's interest under the DDA, (vi) products and proceeds of the foregoing, and (vii) any other property rights and interests of Tenant arising under this Lease, including any real property interests of Tenant appurtenant or related to Tenant's interest in or use of the foregoing interests. No Mortgage may encumber Landlord's interest in or under this Lease or Landlord's fee simple interest in the Property.

42.7. Insurance and Condemnation Proceeds.

A Mortgage shall contain provisions permitting insurance proceeds and Awards under any Condemnation to be used for Restoration in the manner provided in this Lease. In the event of a casualty or Condemnation after which Tenant is obligated to Restore, Landlord consents to the Mortgagee (and if there is more than one Mortgagee, in order of priority) holding the insurance proceeds or Award, and disbursing the same in accordance with this Lease and, where consistent with this Lease, in accordance with the Mortgage.

42.8. Institutional Lender; Other Permitted Mortgagees.

A First Mortgage may be given only to (i) a Bona Fide Institutional Lender, or (ii) another lender which has been approved by Landlord (such approval not to be unreasonably withheld, delayed or conditioned). In any instances in which Landlord's consent is so required, Landlord shall be deemed to have approved such other lender if the written notice from Tenant of the identity of such other lender specifies that no notification of disapproval within thirty (30) days after the receipt of such written notice constitutes approval, and Landlord sends no notification of disapproval within such period. Mortgages which are junior in lien priority to a First Mortgage are permitted at any time.

42.9. Rights Subject to Lease.

(a) Subject to Lease. Except as provided in this Lease or in the DDA or as otherwise specifically waived by Landlord in writing, all rights acquired by a Mortgagee under any Mortgage shall be subject to each and all of the covenants, conditions and restrictions set forth in this Lease and, prior to Completion of construction of the Initial Improvements, in the DDA. None of such covenants, conditions and restrictions shall be deemed waived by Landlord by reason of the giving of such Mortgage, except as provided in this Lease or otherwise specifically waived by Landlord in writing.

(b) Construction and Restoration Obligations. Notwithstanding any provision of this Lease or the DDA to the contrary, including, but not limited to, any such covenants which run with the land, no Mortgagee, including any Mortgagee who obtains title to the Leasehold Estate or any part thereof or interest therein as a result of foreclosure proceedings or action in lieu thereof, or by entering into a New Lease under Section 42.12(d), but excluding (i) any Person (other than an Affiliate of a Mortgagee) who thereafter obtains title to the Leasehold Estate or any part thereof from or through such Mortgagee, or (ii) any other purchaser at a foreclosure sale (other than the Mortgagee itself or an Affiliate of the Mortgagee) (either, a "Foreclosure Purchaser"), shall be obligated by the provisions of this Lease or the DDA to (A) construct or complete the Improvements or guarantee such construction or completion, subject to Section 42.12(c), or (B) Restore any damage or destruction to such Improvements (whether occurring on, before or after the date Mortgagee obtains title to the Leasehold Estate) except to the extent that within six (6) months after the occurrence of the event causing damage or destruction of the Improvements, or such longer period as may be reasonably necessary to complete adjustment of all property damage insurance carried by or for the benefit of Tenant covering such event, Mortgagee reasonably determines that (1) the cost of such Restoration can be paid from the net insurance proceeds received by the Mortgagee on account of such damage or destruction (plus the amount of the applicable policy deductible, except in the case of earthquake and flood insurance policies), (2) the aggregate amount of all obligations that Mortgagee reasonably estimates will become due and payable with respect to the Premises or the operation thereof or the Mortgage during the period of Restoration can be timely satisfied from the remaining gross revenues reasonably anticipated to be payable from Subleases and other sources during such period, and (3) and the conditions specified in Section 12.4(a)(ii), (iii) and (iv) will

be satisfied, provided that Mortgagee takes reasonable measures to prevent or cure any health or safety hazards on the Premises; provided, however, that except as otherwise provided in Section 42.12(k), nothing in this Lease shall be deemed or construed to permit or authorize any such holder to devote the Premises or any part thereof to any uses, or to construct any improvements thereon, other than those uses or Improvements provided or authorized herein or in the DDA, as hereafter amended or extended from time to time.

42.10. Required Provisions of any Mortgage.

Tenant agrees with respect to each Mortgage, either to record a request under California Civil Code Section 2924b that notice of default and of sale under such Mortgage be sent to Landlord, or to have such Mortgage provide:

(a) that the Mortgagee shall by registered or certified mail give written notice to Landlord of the occurrence of any event of default under the Mortgage; and

(b) that Landlord shall be given notice at the time any Mortgagee initiates any foreclosure action.

42.11. Notices to Mortgagee.

(a) Copies of Notices. Landlord shall give a copy of each notice Landlord gives to Tenant from time to time of (i) any default under this Lease, (ii) the occurrence of an Event of Default, or (iii) Landlord's consent to a Transfer or Significant Change, to each Mortgagee who has given to Landlord a written notice substantially in the form provided in Section 42.11(b). Copies of notices shall be given to Mortgagees at the same time as notices are given by Landlord to Tenant, addressed to each such Mortgagee at the address last furnished to Landlord. Landlord shall acknowledge in writing its receipt of the name and address of a Mortgagee delivered to Landlord under Section 42.11(b). Landlord's failure to give notice to a Mortgagee as required by this Section 42.11 shall not be deemed to constitute a default on the part of Landlord under this Lease, but no such notice shall be deemed to have been validly given to Tenant unless and until a copy thereof shall have been so given to Mortgagee. Any such notices to Mortgagee shall be given in the same manner as provided in Section 39.1. In the case of a notice of default, such notice shall describe with reasonable particularity all the defaults claimed in such notice.

(b) Notice From Mortgagee to Landlord. The Mortgagee under any Mortgage shall be entitled to receive notices from time to time given to Tenant by Landlord under this Lease in accordance with subsection (a) above provided such Mortgagee shall have delivered a notice to Landlord in substantially the following form:

"The undersigned does hereby certify that it is a Mortgagee, as such term is defined in that certain Lease entered into by and between the City and County of San Francisco, acting through the

San Francisco Port Commission, as Landlord, and China Basin Ballpark Company, as Tenant (the "Lease"), of Tenant's interest in the Lease demising the parcels, a legal description of which is attached hereto as Exhibit A and made a part hereof by this reference. The undersigned hereby requests that copies of any and all notices from time to time given under the Lease to Tenant by Landlord be sent to the undersigned at the following address:

_____."

42.12. Mortgagee's Right to Cure.

If Tenant, or Tenant's successors or assigns, shall mortgage this Lease in compliance with the provisions of this Section, then, so long as any such Mortgage shall remain unsatisfied of record, the following provisions shall apply:

(a) Cure Periods. In the case of any notice of default given by Landlord to Tenant and Mortgagee in accordance with Section 42.11, the Mortgagee shall have the same concurrent cure periods as are given Tenant under this Lease for remedying a default or causing it to be remedied, plus, in each case, an additional period of thirty (30) days after the later to occur of (i) the expiration of such cure period, or (ii) the date that Landlord has served such notice of default upon Mortgagee, and Landlord shall accept such performance by or at the instance of the Mortgagee as if the same had been made by Tenant; provided, however, if such default cannot reasonably be cured or remedied by Mortgagee within such additional thirty (30) day period, such cure period shall be extended (and no Event of Default shall be deemed to have occurred under this Lease by reason of such default) so long as the Mortgagee commences the cure or remedy within such period, and prosecutes the completion thereof with diligence and dispatch, subject to Force Majeure and delays caused by bankruptcy or insolvency proceedings. In addition, the Mortgagee shall have the right to extend the additional thirty (30) day period for curing or commencing cure of a default by Tenant, as specified above, by an additional sixty (60) days (so as to equal an additional ninety (90) day period after the later of the events specified in clauses (i) or (ii) above), by paying during such additional sixty day (60) period the Minimum Rent when due under this Lease and any sums owing by Tenant under the OPA to pay any shortfall in tax increment revenue from the Premises needed to pay debt service in full on the Tax Allocation Bonds.

(b) Foreclosure. Anything contained in this Lease to the contrary notwithstanding, upon the occurrence of an Event of Default, other than an Event of Default due to a default in the payment of money, Landlord shall take no action to effect a termination of this Lease if, within thirty (30) days after notice of such Event of Default is given to each Mortgagee (or, if such Mortgagee elects to extend such period to ninety (90) days under subsection (a) above, if within such ninety (90) day period), a Mortgagee shall have (x) obtained possession of the Premises (including possession by a receiver), or (y) notified Landlord of its intention to institute foreclosure proceedings or otherwise acquire Tenant's interest under this Lease, and thereafter promptly commences and prosecutes such proceedings with diligence and dispatch

(subject to Force Majeure and delays caused by bankruptcy or insolvency proceedings). Upon obtaining possession or acquiring Tenant's interest under this Lease, a Mortgagee or Foreclosure Purchaser shall be required promptly to cure any monetary defaults and any other defaults then reasonably susceptible of being cured by such Mortgagee. The foregoing provisions of this Subsection (b) are subject to the following: (i) no Mortgagee shall be obligated to continue possession or to continue foreclosure proceedings after the defaults or Events of Default hereunder referred to shall have been cured; and (ii) nothing herein contained shall preclude Landlord, subject to the provisions of this Section 42, from exercising any rights or remedies under this Lease (other than a termination of this Lease to the extent otherwise permitted hereunder) with respect to any other Event of Default by Tenant during the pendency of such foreclosure proceedings. Notwithstanding anything in this Lease to the contrary, Mortgagee shall have the right at any time to notify Landlord that it has relinquished possession of the Premises or that it will not institute foreclosure proceedings or, if such foreclosure proceedings have commenced, that it has discontinued them, and, in such event, Landlord shall be entitled to seek the termination of this Lease as otherwise herein provided. Upon any such termination, the provisions of Section 42.12(d) shall apply.

(c) Construction.

(i) If the default of Tenant occurs prior to Completion of construction of the Initial Improvements, nothing contained in this Section 42.12 or in any other Section or provision of this Lease or the DDA shall be deemed to require Mortgagee or a Foreclosure Purchaser, either before or after foreclosure or action in lieu thereof, to undertake or continue the construction or completion of the Improvements, or to permit or authorize Mortgagee (or such Foreclosure Purchaser) to do so (except to the extent necessary to preserve or protect the Improvements or construction already made), unless Mortgagee (or such Foreclosure Purchaser), at its option and without obligation to do so, has agreed, by written agreement reasonably satisfactory to Landlord, to assume Tenant's obligation to complete, in the manner provided in this Lease (subject to subsection (c)(ii) hereof) and the DDA, the Improvements on the Premises, or the part thereof to which the lien or title of such Mortgagee (or Foreclosure Purchaser) relates, and has submitted evidence satisfactory to Landlord that it has the qualifications and financial responsibility necessary to perform such obligation.

(ii) Upon assuming Tenant's obligations to complete the Initial Improvements in accordance with Subsection (c)(i) above, the Mortgagee shall be required only to exercise due diligence in completion of the construction of the Initial Improvements but shall not be required to complete construction of the Initial Improvements within the dates set forth in the Schedule of Performance annexed to the DDA.

(iii) Any Foreclosure Purchaser shall be obligated to complete the Initial Improvements and exercise due diligence in the completion of the construction thereof, but shall not be required to complete construction of the Initial Improvements within the dates set forth in the Schedule of Performance annexed to the DDA.

(iv) Any assuming Mortgagee or Foreclosure Purchaser properly completing such Improvements shall be entitled, upon written request made to Landlord, to a Certificate of Completion (as defined in the DDA) from Landlord with respect to such Initial Improvements to the same extent and in the same manner as Tenant would have been entitled had Tenant not defaulted.

(d) New Lease. In the event of the termination of this Lease (including, but not limited to, a termination due to the rejection of this Lease in a bankruptcy proceeding in which Tenant is the debtor) before the expiration of the Term, except (i) by Condemnation, or (ii) subject to Section 12.3(e), as the result of damage or destruction as provided in Section 12, Landlord shall serve upon the Mortgagee written notice that this Lease has been terminated, together with a statement of any and all sums which would at that time be due under this Lease but for such termination, and of all other defaults, if any, under this Lease then known to Landlord. The Mortgagee shall thereupon have the option to obtain a new Lease (a "New Lease") in accordance with and upon the following terms and conditions:

(i) Upon the written request of the Mortgagee, within sixty (60) days after service of such notice that this Lease has been terminated, Landlord shall enter into a New Lease of the Premises with, and shall, upon request, quit claim any ownership interest in the Improvements (except for Landlord's reversionary rights under this Lease and any interest of Landlord as a Subtenant under any Sublease of any portion of the Improvements) to, the most senior Mortgagee giving notice within such period or its designee, provided that if the Baseball Sublease remains in effect, the Mortgagee or its designee (which shall be an Affiliate of Mortgagee) assumes the obligations of Tenant as landlord under the Baseball Sublease arising from and after the date of such assumption; and

(ii) Such New Lease shall be entered into at the reasonable cost of the Mortgagee, shall be effective as of the date of termination of this Lease, and shall be for the remainder of the Term of this Lease and at the Rent and upon all the agreements, terms, covenants and conditions hereof, including any applicable Options to extend the term, and in substantially the same form as this Lease. The Parties intend that such New Lease, and rights of the tenant under such New Lease in and to the Improvements, shall have the same priority as this Lease, including priority over any mortgage or other lien, charge or encumbrance on the title to the Premises. Subject to the provisions of Sections 42.9(b), 42.12(j) and 42.12(k), such New Lease shall require the Mortgagee to perform any unfulfilled obligation of Tenant under this Lease which is reasonably susceptible of being performed by such Mortgagee other than obligations of Tenant with respect to construction of the Initial Improvements, which obligations shall be performed by Mortgagee in accordance with Section 42.12(c). Upon the execution of such New Lease, the Mortgagee shall pay any and all sums which would at the time of the execution thereof be due under this Lease but for such termination, and shall pay all expenses, including reasonable Attorneys' Fees and Costs incurred by Landlord in connection with such defaults and termination, the recovery of possession of the Premises, and the preparation, execution and delivery of such New Lease.

(e) Nominee. Any rights of a Mortgagee under this Section 42.12, may be exercised by or through its nominee or designee (other than Tenant) which is an Affiliate of Mortgagee; provided, however, that such nominee or designee is not a Person otherwise not permitted to become Tenant hereunder; and provided, further that a Mortgagee may in any event acquire title to this Lease through a wholly owned (directly or indirectly) subsidiary of Mortgagee.

(f) Subleases. Effective upon the commencement of the term of any New Lease executed pursuant to Subsection 42.12(d), all Subleases then in effect shall be assigned and transferred without recourse by Landlord to Mortgagee and all monies on deposit with Landlord which Tenant would have been entitled to use but for the termination or expiration of this Lease may be used by Mortgagee for the purposes of and in accordance with the provisions of such New Lease. Between the date of termination of this Lease and commencement of the term of the New Lease, Landlord shall not (1) enter into any new Subleases, management agreements or agreements for the maintenance of the Premises or the supplies therefor which would be binding upon Mortgagee if Mortgagee enters into a New Lease, (2) cancel or materially modify any of the existing Subleases, management agreements or agreements for the maintenance of the Premises or the supplies therefor, or (3) accept any cancellation, termination or surrender thereof without the written consent of Mortgagee, which consent shall not be unreasonably withheld or delayed. Effective upon the commencement of the term of the New Lease, Landlord shall also transfer to Mortgagee, its designee or nominee (other than Tenant), without recourse, all Personal Property and the Improvements (except for Landlord's reversionary interest in the Improvements under this Lease).

(g) Limited to Permitted Mortgagees. Anything herein contained to the contrary notwithstanding, the provisions of this Section shall inure only to the benefit of the holders of the Mortgages which are permitted hereunder.

(h) No Merger. No union of the interests of Landlord and Tenant herein shall result in a merger of this Lease in the fee interest, so long as any Mortgage permitted hereunder shall be unsatisfied.

(i) Limitation on Liability of Mortgagee. Anything herein contained to the contrary notwithstanding, no Mortgagee, or its designee or nominee, shall become liable under the provisions of this Lease or the DDA unless and until such time as it becomes, and then only for so long as it remains, the owner of the Leasehold Estate.

(j) Limitation on Obligation to Cure. Anything contained in this Lease to the contrary notwithstanding, a Mortgagee, or its Affiliated designee or nominee (other than Tenant), (i) shall have no obligation to cure (A) any non-monetary Event of Default by Tenant under this Lease occurring pursuant to Section 22.1 (c), (d), (e), or (f), or (B) any other non-monetary Event of Default by Tenant under this Lease or the DDA which is not reasonably susceptible of being cured by such Mortgagee, and (ii) if it acquires the Leasehold Estate or obtains a New Lease, shall not be required to Restore the Improvements following damage or

destruction, except to the extent that, within six (6) months after the occurrence of the event causing damage to or destruction of the Improvements, or such longer period as may be reasonably necessary to complete adjustment of all property damage insurance carried by or for the benefit of Tenant covering such event, Mortgagee (or such Affiliate) reasonably determines that (1) the cost of Restoration can be paid from the net insurance proceeds received by Mortgagee (or such Affiliate) by reason of such damage, (2) the aggregate amount of all obligations that Mortgagee (or such Affiliate) reasonably estimates will become due and payable with respect to the Premises or the operation thereof or the Mortgage during the period of such Restoration can be timely satisfied from the remaining gross revenues reasonably anticipated from Subleases and other sources during such period, and (3) the conditions specified in Section 12.4(a)(ii), (iii) and (iv) will be satisfied. All of the defaults listed in clause (i)(A) hereof shall be deemed defaults not "reasonably susceptible of being complied with" or "not reasonably susceptible of being cured" for purposes of Sections 42.12(a) and (b).

(k) Use. After any transfer of the Leasehold Estate pursuant to, or in lieu of, foreclosure of a Mortgage, the Premises may be closed or may, subject to the Tidelands Trust and any other applicable Laws, be operated by the Mortgagee or Foreclosure Purchaser, or its successor, for any lawful use. In particular, the provisions of Section 3 of this Lease (including, but not limited to, all applicable Mitigation Measures and Improvement Measures) shall apply to use of the Premises by a Mortgagee or Foreclosure Purchaser for so long as the Ballpark continues to exist (including any period during which the Ballpark is being Restored).

42.13. Assignment by Mortgagee.

If a Mortgagee shall acquire Tenant's interest in this Lease as a result of a sale under said Mortgage pursuant to a power of sale contained therein, pursuant to a judgment of foreclosure, through any transfer in lieu of foreclosure, or through settlement of or arising out of any pending or contemplated foreclosure, bankruptcy or insolvency action, or in the event a Mortgagee becomes Tenant under this Lease or any New Lease obtained pursuant to Section 42.12(d), such Mortgagee's right thereafter to assign or transfer this Lease or such New Lease shall be subject to the restrictions of Section 16, other than Section 16.1(f). In the event such Mortgagee subsequently assigns or transfers its interest under this Lease after acquiring the same by foreclosure or deed in lieu of foreclosure or subsequently assigns or transfers its interest under any New Lease obtained pursuant to Section 42.12(d), and in connection with any such assignment or transfer, Mortgagee takes back a mortgage or deed of trust encumbering such leasehold interest to secure a portion of the purchase price given to Mortgagee for such assignment or transfer, then such mortgage or deed of trust shall be considered a Mortgage, and Mortgagee shall be entitled to receive the benefit and enforce the provisions of this Section 42 and any other provisions of this Lease intended for the benefit of the holder of a Mortgage.

42.14 Modification of Lease.

Landlord will not (A) accept any surrender or termination of this Lease, (B) agree to the cancellation or enter into any modification of this Lease or the DDA, or (C) permit the

Demolition of any Improvements (except for Safety Repairs or in connection with Restoration), without the prior written consent thereto of each Mortgagee, except that this provision shall not limit the rights of Landlord for an Event of Default on the part of Tenant, subject to the rights of a Mortgagee under this Lease. Without limiting the generality of the foregoing, no termination of this Lease under Section 365(h) of the United States Bankruptcy Code, as amended, with respect to a bankruptcy by Landlord shall be effective against any Mortgagee without the prior written consent of such Mortgagee.

42.15 Exercise of Option to Extend.

If Tenant does not for any reason exercise within the time permitted in this Lease any right or option to extend or to renew this Lease for any extension or renewal term provided in this Lease, Landlord shall give written notice of such failure to each Mortgagee, and any Mortgagee shall have the right, for a period of sixty (60) days after receipt of such notice, to elect, by notice given in the manner specified in this Lease for the exercise of such right or option, to exercise such right or option upon the same terms and conditions and with the same effect as though such right or option had been validly exercised by Tenant.

42.16 Transfer of Mortgage.

Landlord hereby consents to transfer or encumbrance by any Mortgagee, absolutely or as collateral security for performance of obligations, of any Mortgage or any interest therein, provided, in the case of a First Mortgage, such transfer is to a Bona Fide Institutional Lender (or other lender approved by Landlord, such approval to be governed by the provisions of Section 42.8), and in the event of any such transaction the new holder or pledgee of the Mortgage shall have all the rights of its predecessor Mortgagee hereunder until such time as the Mortgage is further transferred or released from the Leasehold Estate.

42.17 Appointment of Receiver.

In the case of any default under any Mortgage, the holder of the Mortgage shall be entitled to have a receiver appointed, irrespective of whether such Mortgagee accelerates the maturity of all indebtedness secured by its Mortgage, and to enter or have its receiver enter and take possession of the Premises, and manage and operate the same.

42.18 Subordination of Liens.

Landlord hereby subordinates to the lien of any Mortgage any lien covering any personal property of Tenant which Landlord may have for unpaid rentals under contract or at law or equity.

42.19 Conflicts.

In the event of any conflict between the provisions of this Section 42 and the other provisions of the Lease, the provisions of this Section 42 shall govern and control.

SECTION 43. ECONOMIC ACCESS

43.1 Program in Diversity.

Tenant is committed to affording opportunities for minority-owned enterprises, women-owned enterprises, and San Francisco residents, to participate in the operation and use of the Project. In furtherance thereof, Tenant agrees to implement the attached Program in Diversity attached as Exhibit I (the "Program in Diversity").

43.2 Job Training.

Tenant agrees to design and implement the welfare to work and youth employment programs as described in the Program in Diversity.

SECTION 44. REPRESENTATIONS AND WARRANTIES

44.1 Representations and Warranties of Tenant.

Tenant represents, warrants and covenants to Landlord as follows, as of the date hereof and as of the Commencement Date:

(a) Valid Existence: Good Standing. Tenant is a limited liability company duly organized and validly existing under the laws of the State of Delaware. Tenant has the requisite power and authority to own its property and conduct its business as presently conducted. Tenant is in good standing in the State of Delaware and the State of California.

(b) Authority. Tenant has the requisite power and authority to execute and deliver this Lease and the agreements contemplated hereby and to carry out and perform all of the terms and covenants of this Lease and the agreements contemplated hereby to be performed by Tenant.

(c) No Limitation on Ability to Perform. Neither Tenant's articles of organization or operating agreement, nor any applicable Law, prohibits Tenant's entry into this Lease or its performance hereunder. No consent, authorization or approval of, and no notice to or filing with, any governmental authority, regulatory body or other Person is required for the due execution and delivery of this Lease by Tenant and Tenant's performance hereunder, except for consents, authorizations and approvals which have already been obtained, notices which have already been given and filings which have already been made. Except as may otherwise have been disclosed to Landlord in writing, there are no undischarged judgments pending against

Tenant, and Tenant has not received notice of the filing of any pending suit or proceedings against Tenant before any court, governmental agency, or arbitrator, which might materially adversely affect the enforceability of this Lease or the business, operations, assets or condition of Tenant.

(d) Valid Execution. The execution and delivery of this Lease and the performance by Tenant hereunder have been duly and validly authorized. When executed and delivered by Landlord and Tenant, this Lease will be a legal, valid and binding obligation of Tenant.

(e) Defaults. The execution, delivery and performance of this Lease (i) do not and will not violate or result in a violation of, contravene or conflict with, or constitute a default by Tenant under (A) any agreement, document or instrument to which Tenant is a party or by which Tenant is bound, (B) any law, statute, ordinance, or regulation applicable to Tenant or its business, (C) Baseball Rules and Regulations, or (D) the articles of organization or the operating agreement of Tenant, and (ii) do not result in the creation or imposition of any lien or other encumbrance upon the assets of Tenant, except as contemplated hereby.

(f) Financial Matters. Except to the extent disclosed to Landlord in writing, (i) Tenant is not in default under, and has not received notice asserting that it is in default under, any agreement for borrowed money, (ii) Tenant has not filed a petition for relief under any chapter of the U.S. Bankruptcy Code, and (iii) to Tenant's knowledge, no involuntary petition naming Tenant as debtor has been filed under any chapter of the U.S. Bankruptcy Code.

The representations and warranties herein shall survive any termination of this Lease to the extent specified in this Lease.

44.2 Representations and Warranties of Landlord.

Landlord represents, warrants and covenants to Tenant as follows, as of the date hereof and as of the Commencement Date:

(a) Valid Existence; Good Standing. Landlord is a Charter City and County organized under the Constitution and laws of the State of California. Landlord has the requisite power and authority to own and manage the Property subject to City's Charter and the Burton Act.

(b) Authority. Landlord has the requisite power and authority to execute and deliver this Lease and the agreements contemplated hereby and to carry out and perform all of the terms and covenants of this Lease and the agreements contemplated hereby to be performed by Landlord.

(c) No Limitation on Ability to Perform. Neither City's Charter nor the Burton Act or Burton Act Agreement or any applicable law prohibits Landlord's entry into

this Lease or its performance hereunder. No consent, authorization or approval of, and no notice to or filing with, any other governmental authority or Person is required for the due execution and delivery of this Lease by Landlord, or for Landlord's performance under this Lease except for consents, authorizations and approvals which have already been obtained and for filings and notices which have been given. Except as may otherwise have been disclosed to Tenant in writing, Landlord has not received notice of the filing of any pending suit or proceedings against Landlord or City before any court, governmental agency, or arbitrator which might materially adversely affect the enforceability of this Lease.

(d) Valid Execution. The execution and delivery of this Lease and the performance by Landlord hereunder have been duly and validly authorized. When executed and delivered by Landlord and Tenant, this Lease will be a legal, valid and binding obligation of Landlord.

(e) Defaults. The execution, delivery and performance of this Lease (i) do not and will not violate or result in a violation of, contravene or conflict with, or constitute a default by Landlord under (A) any agreement, document or instrument to which Landlord is a party or by which Landlord is bound, (B) any law, statute, ordinance, or regulation applicable to Landlord or the Property, (C) the City's Charter or the Burton Act or the Burton Act Agreement, and (ii) do not result in the creation or imposition of any lien or other encumbrance upon the Property, except as contemplated hereby.

(f) Title Matters. To the current actual knowledge of Landlord, the Property is not subject to any lien, encumbrance, or other matter affecting title thereto, except for the Permitted Title Exceptions. For purposes of this paragraph, the current actual knowledge of Landlord shall be limited to matters actually known, without any investigation having been performed, by the employee of the Port who is certified by the Port's Executive Director to be the person most likely, in the course of his or her official duties, to have actual knowledge of the existence of title defects affecting the Property, and by the City's Director of Property.

The representations and warranties herein shall survive any termination of this Lease to the extent specified in this Lease.

SECTION 45. SPECIAL PROVISIONS

45.1 Non-Discrimination.

(a) Covenant Not to Discriminate. In the performance of this Lease, Tenant covenants and agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status) against any employee of, any City employee working with, or applicant for employment with Tenant, in any of Tenant's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges,

services, or membership in all business, social, or other establishments or organizations operated by Tenant.

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

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

(d) Condition to Lease. As a condition to this Lease, Tenant shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" (Form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.

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

45.2 Mitigation Measures: Improvement Measures.

(a) Mitigation Measures. In order to mitigate the significant environmental impacts of this Lease and operation of the Premises, Tenant agrees that the operation of the Project shall be in accordance with the Mitigation Measures attached to this Lease as Exhibit E, which are to be performed on the part of the project sponsor. As appropriate, Tenant shall

incorporate such Mitigation Measures into any contract for the operation of the Improvements.

(b) Improvement Measures. In addition to the Mitigation Measures, Tenant shall comply with all of the Improvement Measures contained in Exhibit F. The Parties understand and agree that such Improvement Measures are not part of the Mitigation Measures and shall not be deemed to be measures to mitigate any significant environmental impacts associated with the Project.

45.3 MacBride Principles - Northern Ireland.

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

45.4 Tropical Hardwood and Virgin Redwood Ban.

The City and County of San Francisco urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product. Except as permitted by the application of Sections 12I.3.b and 12I.4.b of the San Francisco Administrative Code, Tenant shall not use any tropical hardwoods, tropical hardwood wood products, virgin redwoods and virgin redwood wood products in the construction of the Initial Improvements or any other Improvements on the Premises.

45.5 Tobacco Product Advertising Prohibition.

Tenant acknowledges and agrees that no advertising of cigarettes or tobacco products shall be allowed on the Premises. The foregoing prohibition shall include the placement of the name of a company producing, selling or distributing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product or on any sign. The foregoing prohibition shall not apply to any advertisement sponsored by a state, local or nonprofit entity designed to communicate the health hazards of cigarettes and tobacco products or to encourage people not to smoke or to stop smoking.

45.6 Burma (Myanmar) Business Prohibition.

Tenant is not the government of Burma (Myanmar), a person or business entity organized under the laws of Burma (Myanmar) or a "prohibited person or entity" as defined in Section 12J.2(g) of the San Francisco Administrative Code. The City reserves the right to terminate this Lease for default if Tenant violates the terms of this clause. Chapter 12J of the San Francisco Administrative Code is hereby incorporated by reference as though fully set forth

herein, and the failure of Tenant to comply with any applicable requirements thereof shall be deemed a material breach of this Lease. In the event Tenant fails to comply in good faith with any of the applicable provisions of Chapter 12J of the San Francisco Administrative Code, Tenant shall be liable for liquidated damages for each violation in an amount equal to Tenant's net profit under this Lease, or 10% of the total amount of the Lease, or \$1,000, whichever is greatest. Tenant acknowledges and agrees the liquidated damages assessed shall be payable to Landlord upon demand and may be set off against any moneys due to Tenant from Landlord under this Lease.

45.7 Proximity of Waterfront Transportation Project.

Tenant acknowledges that during the Term, the Waterfront Transportation Project involving (by way of example only and not of limitation) the realignment of the Embarcadero Roadway, Mid-Embarcadero freeway replacement, construction of a MUNI-metro turnaround project, MUNI-metro extension, F-line historic streetcar line, and a waterfront promenade, is scheduled to be constructed on property in the immediate vicinity of the Premises. Tenant is aware that the construction of such project and the activities associated with such construction will generate certain adverse impacts which may result in some inconvenience to or disturbance of Tenant. Such impacts may include, but are not limited to, increased vehicle and truck traffic, traffic delays and re-routing, loss of street and public parking, dust, dirt, construction noise and visual obstructions. Tenant hereby waives any and all claims against Landlord and the other Indemnified Parties arising out of such inconvenience or disturbance, including without limitation any abatement or reduction of Rent.

45.8 Waiver of Relocation Assistance Rights.

If Tenant holds over in possession of the Premises following the expiration of this Lease under Section 35.1, Tenant shall not be entitled, during the period of any such holdover, to rights, benefits or privileges under the California Relocation Assistance Law, California Government Code Section 7260 et seq., or the Uniform Relocation Assistance and Real Property Acquisition Policies Act, 42 U.S.C. Section 4601 et seq., or under any similar law, statute or ordinance now or hereafter in effect, except as provided in Section 13 relating to Condemnation, and Tenant hereby waives any entitlement to any such rights, benefits and privileges with respect to any such holdover period.

SECTION 46. GENERAL

46.1 Certification of Chief Financial Officer.

On or before April 1 of each year during the Term of this Lease, Tenant shall deliver to Landlord: (1) a certificate executed by a duly authorized officer of Tenant, certifying that (i) Tenant is in compliance with all of its financial and other material covenants under agreements with its Mortgagee(s) (or if Tenant is not in compliance, stating the particulars of such non-compliance), and that (ii) all of its representations and warranties set forth in Section

44.1 of this Lease remain true and correct as of the date of such certificate (or if they are not, stating the particulars with respect thereto); and (2) a statement of opinion (unless Tenant, despite the exercise of reasonable diligence, cannot obtain such a statement) from an independent certified public accounting firm, subject to such qualifications as such firm in its professional judgment deems necessary, that as of the close of such fiscal year, Tenant is (or is not) in compliance with its financial covenants under its Mortgage(s) and all of its other loan agreements with its Mortgagee(s). In addition, from time to time during the Term, Landlord may request that Tenant provide the certificate described in clause (1) above. Tenant shall provide any such additional certificate within a reasonable time after such request, and in any event within ninety (90) days after such request.

46.2 Time of Performance.

(a) Expiration. All performance dates (including cure dates) expire at 5:00 p.m., San Francisco, California time, on the performance or cure date.

(b) Weekend or Holiday. A performance date which falls on a Saturday, Sunday or City holiday is deemed extended to the next working day.

(c) Days for Performance. All periods for performance or notices specified herein in terms of days shall be calendar days, and not business days, unless otherwise provided herein.

(d) Time of the Essence. Time is of the essence with respect to each provision of this Lease, including, but not limited, the provisions for the exercise of any option on the part of Tenant hereunder and the provisions for the payment of Rent and any other sums due hereunder, subject to the provisions of Section 20 relating to Force Majeure.

46.3 Interpretation of Agreement.

(a) Exhibits. Whenever an "Exhibit" is referenced, it means an attachment to this Lease unless otherwise specifically identified. All such Exhibits are incorporated herein by reference.

(b) Captions. Whenever a section, article or paragraph is referenced, it refers to this Lease unless otherwise specifically identified. The captions preceding the articles and sections of this Lease and in the table of contents have been inserted for convenience of reference only. Such captions shall define or limit the scope or intent of any provision of this Lease.

(c) Words of Inclusion. The use of the term "including," "such as" or words of similar import when following any general term, statement or matter shall not be construed to limit such term, statement or matter to the specific items or matters, whether or not language of non-limitation is used with reference thereto. Rather, such terms shall be deemed to

refer to all other items or matters that could reasonably fall within the broadest possible scope of such statement, term or matter.

(d) No Presumption Against Drafter. This Lease has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein. In addition, each Party has been represented by experienced and knowledgeable legal counsel. Accordingly, this Lease shall be interpreted to achieve the intents and purposes of the Parties, without any presumption against the Party responsible for drafting any part of this Lease (including, but not limited to, California Civil Code Section 1654).

(e) Fees and Costs. The Party on which any obligation is imposed in this Lease shall be solely responsible for paying all costs and expenses incurred in the performance thereof, unless the provision imposing such obligation specifically provides to the contrary.

(f) Lease References. Wherever reference is made to any provision, term or matter "in this Lease," "herein" or "hereof" or words of similar import, the reference shall be deemed to refer to any and all provisions of this Lease reasonably related thereto in the context of such reference, unless such reference refers solely to a specific numbered or lettered , section or paragraph of this Lease or any specific subdivision thereof.

46.4 Successors and Assigns.

This Lease is binding upon and will inure to the benefit of the successors and assigns of Landlord, Tenant and any Mortgagee. Where the term "Tenant," "Landlord" or "Mortgagee" is used in this Lease, it means and includes their respective successors and assigns, including, as to any Mortgagee, any transferee and any successor or assign of such transferee. Whenever this Lease specifies or implies Port as a Party or the holder of the right or obligation to give approvals or consents, if Port or a comparable public body which has succeeded to Port's rights and obligations no longer exists, then the City will be deemed to be the successor and assign of Port for purposes of this Lease.

46.5 No Third Party Beneficiaries.

This Lease is for the exclusive benefit of the Parties hereto and not for the benefit of any other Person and shall not be deemed to have conferred any rights, express or implied, upon any other Person, except as provided in Section 42 with regard to Mortgagees.

46.6 Real Estate Commissions.

Landlord is not liable for any real estate commissions, brokerage fees or finder's fees which may arise from this Lease. Tenant and Landlord each represents that it engaged no broker, agent or finder in connection with this transaction. In the event any broker, agent or

finder makes a claim, the Party through whom such claim is made agrees to Indemnify the other Party from any Losses arising out of such claim.

46.7 Counterparts.

This Lease may be executed in counterparts, each of which is deemed to be an original, and all such counterparts constitute one and the same instrument.

46.8 Entire Agreement.

This Lease (including the Exhibits) and the DDA, for so long as such agreement is in effect, constitute the entire agreement between the Parties with respect to the subject matter, hereof and supersede all negotiations or previous agreements between the Parties with respect to all or any part of the terms and conditions mentioned herein or incidental hereto. No parol evidence of any prior or other agreement shall be permitted to contradict or vary the terms of this Lease.

46.9 Amendment.

Neither this Lease nor any of the terms hereof may be terminated, amended or modified except by a written instrument executed by the Parties. No termination, amendment or modification which requires the prior approval of a Mortgagee shall become effective without the prior approval of such Mortgagee, pursuant to Section 42.14.

46.10 Governing Law; Selection of Forum.

This Lease shall be governed by, and interpreted in accordance with, the laws of the State of California. As part of the consideration for Landlord's entering into this Lease, Tenant agrees that all actions or proceedings arising directly or indirectly under this Lease may, at the sole option of Landlord, be litigated in courts having situs within the State of California, and Tenant consents to the jurisdiction of any such local, state or federal court, and consents that any service of process in such action or proceeding may be made by personal service upon Tenant wherever Tenant may then be located, or by certified or registered mail directed to Tenant at the address set forth herein for the delivery of notices.

46.11 Recordation.

This Lease will not be recorded by either Party. The Parties agree to execute and record in the Official Records a Memorandum of Lease in the form attached hereto as Exhibit K. Promptly upon Landlord's request following the expiration of the Term or any other termination of this Lease, Tenant shall deliver to Landlord a duly executed and acknowledged quitclaim deed suitable for recordation in the Official Records and in form and content satisfactory to Landlord and the City Attorney, for the purpose of evidencing in the public records the termination of

Tenant's interest under this Lease. Landlord may record such quitclaim deed at any time on or after the termination of this Lease, without the need for any approval or further act of Tenant.

46.12 Extensions by Landlord.

Upon the request of Tenant, Landlord may, by written instrument, extend the time for Tenant's performance of any term, covenant or condition of this Lease or permit the curing of any default upon such terms and conditions as it determines appropriate, including but not limited to, the time within which Tenant must agree to such terms and/or conditions, provided, however, that any such extension or permissive curing of any particular default will not operate to release any of Tenant's obligations nor constitute a waiver of Landlord's rights with respect to any other term, covenant or condition of this Lease or any other default in, or breach of, this Lease or otherwise effect the time of the essence provisions with respect to the extended date or other dates for performance hereunder.

46.13 Further Assurances.

The Parties hereto agree to execute and acknowledge such other and further documents as may be necessary or reasonably required to express the intent of the Parties or otherwise effectuate the terms of this Lease.

46.14 Attorneys' Fees.

Except as provided in Section 2.5(b)(v) or in Section 12.6 with regard to an arbitration proceeding, if either Party hereto fails to perform any of its respective obligations under this Lease or if any dispute arises between the Parties hereto concerning the meaning or interpretation of any provision of this Lease, then the defaulting Party or the Party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other Party on account of such default and/or in enforcing or establishing its rights hereunder, including, without limitation, reasonable Attorneys' Fees and Costs. Any such Attorneys' Fees and Costs incurred by either Party in enforcing a judgment in its favor under this Lease shall be recoverable separately from and in addition to any other amount included in such judgment, and such Attorneys' Fees and Costs obligation is intended to be severable from the other provisions of this Lease and to survive and not be merged into any such judgment. For purposes of this Lease, the reasonable fees of attorneys of City's Office of City Attorney shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's services were rendered who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the City Attorney's Office.

46.15 Effective Date.

This Lease shall become effective on the date (the "Effective Date") the Parties duly execute and deliver this Lease following approval by the City's Port Commission, Board of

Supervisors and Mayor, in their respective sole and absolute discretion. The Effective Date will be inserted by Landlord on the cover page and on page 1 hereof, provided, however, that Landlord's failure to insert the Effective Date shall not invalidate this Lease. Where used in this Lease or in any of its exhibits, references to "the date of this Lease," the "reference date of this Lease," "Lease Date" or "Effective Date" will mean the Effective Date determined as set forth above and shown on the first page hereof.

46.16 Severability.

If any provision of this Lease, or its application to any Person or circumstance, is held invalid by any court, the invalidity or inapplicability of such provision shall not affect any other provision of this Lease or the application of such provision to any other Person or circumstance, and the remaining portions of this Lease shall continue in full force and effect, unless enforcement of this Lease as so modified by and in response to such invalidation would be grossly inequitable under all of the circumstances, or would frustrate the fundamental purposes of this Agreement.

SECTION 47. DEFINITION OF CERTAIN TERMS

For purposes of this Lease, initially capitalized terms shall have the meanings ascribed to them in this Section:

Access Parcels means the Park Access Parcel and the Channel Access Parcel.

Access Rights means the easements and related rights over the Access Parcels as described in Section 1.1(b).

Additional Rent means any and all sums (other than Minimum Rent) that may become due or be payable by Tenant under this Lease.

Affiliate means any Person directly or indirectly Controlling, Controlled by or under Common Control with the other Person in question.

Agents means, when used with reference to either Party to this Lease, the members, officers, directors, commissioners, employees, agents and contractors of such Party, and their respective heirs, legal representatives, successors and assigns.

All Star Game means any professional baseball game played under the auspices of Major League Baseball between teams comprised of active players from multiple Major League Baseball teams who are selected or designated for participation on the basis of their skills or achievements.

Attorneys' Fees and Costs means reasonable attorneys' fees, costs, expenses and disbursements, including, but not limited to, expert witness fees and costs, travel time and

associated costs, transcript preparation fees and costs, document copying, exhibit preparation, courier, postage, facsimile, long-distance and communications expenses, court costs and other reasonable costs and fees associated with any other legal, administrative or alternative dispute resolution proceeding, including such fees and costs associated with execution upon any judgment or order, and costs on appeal.

Award means all compensation, sums or value paid, awarded or received for a Condemnation, whether pursuant to judgment, agreement, settlement or otherwise.

Ballpark means the open-air baseball park to be constructed on the Premises pursuant to the DDA for the playing and public exhibition and enjoyment of Major League Baseball. The Ballpark will contain approximately 40,000 to 45,000 seats and be oriented toward the Bay. The Ballpark will be a first-class state-of-the-art facility with respect to its design, construction and operating efficiency and, while traditional and intimate in design, will incorporate modern amenities to enhance fan comfort and enjoyment.

Baseball Home Game means, individually and collectively, (a) each of the Team's scheduled or rescheduled home games during each Season; (b) each Post Season Game scheduled or rescheduled to be played by the Team at its home park; and (c) each exhibition game scheduled or rescheduled to be played by the Team at its home park. The term Baseball Home Game shall not include any regular Season, Post Season or exhibition game of the Team which under Baseball Rules and Regulations is scheduled or rescheduled to be played at any site other than the home baseball park of the Team.

Baseball Rules and Regulations means the following governing documents and agreements related to Major League Baseball: (i) the requirements of the Major League Agreement and the Major League Rules; (ii) the Professional Baseball Agreement; (iii) the National League and the American League Constitutions; (iv) the Basic Agreement among the American League Professional Baseball Clubs, the National League of Professional Baseball Clubs and the Major League Players Association (1996-2000); (v) the Major League Agreement in re: Major League Central Fund; (vi) any present or future agreements, rules, regulations, policies or directives of Major League Baseball or the Office of the Commissioner of Baseball which are generally applicable to all member clubs of Major League Baseball; and (vii) any amendments to or modifications, replacements, extensions, or renewals of any of the foregoing.

Baseball Sublease means the sublease between Tenant, as sublandlord, and the Team Owner, as subtenant, for the exhibition and playing of Major League Baseball in the Ballpark, as such sublease may be amended from time to time.

BCDC means the Bay Conservation and Development Commission, a State agency established under the McAteer Petris Act.

Bona Fide Institutional Lender means any one or more of the following, whether acting in its own interest and capacity or in a fiduciary capacity for one or more Persons none of

which need be Bona Fide Institutional Lenders: (i) a savings bank, a savings and loan association, a commercial bank or trust company or branch thereof, an insurance company, a governmental agency, a real estate investment trust, a religious, educational or eleemosynary institution, an employees' welfare, benefit, pension or retirement fund or system, an investment banking, merchant banking or brokerage firm, or any other Person or group of Persons which, at the time of a Mortgage is recorded in favor of such Person or Persons, has (or is Specially Controlled by a Person having) assets of at least \$500 million in the aggregate (or the equivalent in foreign currency), and in the case of any Person or group of Persons none of whom is a savings bank, a savings and loan association, a commercial bank or trust company, an insurance company, a governmental agency, or a real estate investment trust, is regularly engaged in the financial services business, or (ii) any special account, managed fund, department, agency or Special Affiliate of any of the foregoing, or (iii) any person acting in a fiduciary capacity for any of the foregoing. For purposes hereof, (1) acting in a "fiduciary capacity" shall be deemed to include acting as a trustee, agent, or in a similar capacity under a mortgage, loan agreement, indenture or other loan document, (2) a lender, even if not a Bona Fide Institutional Lender, shall be deemed to be a Bona Fide Institutional Lender if promptly after such loan is consummated the note(s) or other evidence of indebtedness or the collateral securing the same are assigned to one or more persons then qualifying as a Bona Fide Institutional Lender, and (3) "Special Affiliate" means any Person directly or indirectly Specially Controlling, Specially Controlled by, or under common Special Control, through one or more other persons, with the person in question.

Burton Act means the provisions of Chapter 1333 of the Statutes of 1968 of the California Legislature, as amended, providing for the transfer to City from State, subject to specified terms, conditions and reservations, of the control and management of the certain tide and submerged lands comprising the Harbor of San Francisco.

Burton Act Agreement means that certain Agreement Relating to Transfer of Port of San Francisco from the State of California to the City and County of San Francisco, dated January 24, 1969, entered into between City and State under the authority granted under the Burton Act.

Burton Act Trust means that statutory trust imposed by the Burton Act.

Ceiling as defined in Section 2.5(c).

Centerfield Terrace as defined in Section 3.6.

Channel Access Parcel as defined in Section 1.1(b)(ii).

City means the City and County of San Francisco, a municipal corporation. City shall refer to the City operating by and through its Port Commission, where appropriate. All references to City shall include the Port.

Commencement Date as defined in Section 1.2(a)

Completion means completion of construction of all or any applicable portion of the Improvements in accordance with the terms of the DDA. The fact of Completion shall be conclusively evidenced by the issuance of a Certificate of Completion pursuant to the DDA (provided that Deferred Items shall be completed in accordance with the provisions of this Lease).

Condemnation means the taking or damaging, including severance damage, of all or any part of any property, or the right of possession thereof, by eminent domain, inverse condemnation, or for any public or quasi-public use under the law. Condemnation may occur pursuant to the recording of a final order of condemnation, or by a voluntary sale of all or any part of any property to any Person having the power of eminent domain (or to a designee of any such Person), provided that the property or such part thereof is then under the threat of condemnation or such sale occurs by way of settlement of a condemnation action.

Condemnation Date means the earlier of: (a) the date when the right of possession of the condemned property is taken by the condemning authority; or (b) the date when title to the condemned property (or any part thereof) vests in the condemning authority.

Confirmation Notice as defined in Section 2.5(b).

Construction Documents as defined in Section 10.4.

Control means the ownership (direct or indirect) by one Person of more than fifty percent (50%) of the profits or capital of another Person, and Controlled and Controlling have correlative meanings. Common Control means that two Persons are both Controlled by the same other Person.

DDA as defined in Recital D.

Deed Restriction means the declaration of restrictions recorded in the Official Records restricting uses of the site to commercial and industrial use.

Default Rate as defined in Section 2.10.

Demolition means to raze the Improvements (or relevant portion of the Improvements), except for the Waterfront Promenade and any Improvements financed with proceeds of the Tax Allocation Bonds which are structurally distinct from other Improvements being razed, remove any rubble or debris resulting therefrom, and cause the Property to be returned to a safe condition (and "Demolish" and "Demolished" shall have correlative meanings).

Demolition Period as defined in Section 34.2(a).

Designated Services as defined in Section 3.2.

Disabled Access Laws means all Laws related to access for persons with disabilities including, without limitation, the Americans with Disabilities Act, 42 U.S.C.S. Section 12101 et seq. and disabled access laws under the Port's building code.

Effective Date as defined in Section 46.15.

Event of Default as defined in Section 22.1.

Excess Admissions Tax as defined in Section 4.4.

Executive Director means the Executive Director of the Port or his or her designee.

Existing Baseball Admissions Tax as defined in Section 4.4.

Extended Term as defined in Section 1.2(b).

Extension Fee Rent Credits as defined in Section 2.6(a).

Extrapolated Minimum Rent as defined in Section 2.5(c)(iii).

Fair Market Rent as described in Section 2.5(a).

Fair Market Value as defined in Section 2.5(a).

Ferry Landing Facilities means improvements adjoining the Waterfront Promenade as may be constructed for the docking, embarking, and disembarking of ferries.

Final Construction Documents means plans and specifications sufficient for the processing of an application for a building permit in accordance with applicable Laws.

First Mortgage means a Mortgage which, at the time of its recordation in the Official Records, is not junior in lien priority to any other Mortgage then encumbering the interest encumbered by such Mortgage.

Floor as defined in Section 2.5(c).

Force Majeure means events which result in delays in a Party's performance of its obligations hereunder due to causes beyond such Party's control, including, but not restricted to, acts of God or of the public enemy, acts of the government, acts of the other Party, fires, floods, earthquakes, tidal waves, strikes, freight embargoes, delays of subcontractors and unusually severe weather and, in the case of Tenant, any delay resulting from a defect in Landlord's title to the Premises. Force Majeure does not include failure to obtain financing or have adequate funds. The delay caused by Force Majeure includes not only the period of time during which

performance of an act is hindered, but also such additional time thereafter as may reasonably be required to make repairs, to Restore if appropriate, and to complete performance of the hindered act.

Foreclosure Purchaser as defined in Section 42.9(b).

GAAP means generally accepted accounting principles, consistently applied.

Guaranty means the Guaranty Agreement by the Team Owner for the benefit of Landlord, dated as of on or about the date hereof.

Handle when used with reference to Hazardous Materials means to use, generate, manufacture, process, produce, package, treat, transport, store, emit, discharge or dispose of any Hazardous Material ("Handling" will have a correlative meaning).

Hazardous Material means any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment. Hazardous Material includes, without limitation, any material or substance defined as a "hazardous substance," or "pollutant" or "contaminant" under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA", also commonly known as the "Superfund" law), as amended, (42 U.S.C. Section 9601 *et seq.*) or under Section 25281 or Section 25316 of the California Health & Safety Code; any "hazardous waste" as defined in Section 25117 or listed under Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the structure of any existing Improvements on the Premises, any Improvements to be constructed on the Premises by or on behalf of Tenant, or are naturally occurring substances on, in or about the Premises and petroleum, including crude oil or any fraction, and natural gas or natural gas liquids.

Hazardous Material Claims means any and all enforcement, Investigation, Remediation or other governmental or regulatory actions, agreements or orders threatened, instituted or completed under any Environmental Laws, together with any and all Losses made or threatened by any third party against City, including the Port, or the Redevelopment Agency, their Agents, or the Premises or any Improvements, relating to damage, contribution, cost recovery compensation, loss or injury resulting from the presence, release or discharge of any Hazardous Materials, including, without limitation, Losses based in common law. Hazardous Material Claims include, without limitation, Investigation and Remediation costs, fines, natural resource damages, damages for decrease in value of the Premises or any Improvements, the loss or restriction of the use or any amenity of the Premises or any Improvements, and attorneys' fees and consultants' fees and experts' fees and costs.

Hazardous Material Laws means any present or future federal, state or local Laws relating to Hazardous Material (including, without limitation, its Handling, transportation or

Release) or to human health and safety, industrial hygiene or environmental conditions in, on, under or about the Premises (including the Improvements), including, without limitation, soil, air, air quality, water, water quality and groundwater conditions. Hazardous Materials Laws include, but are not limited to, the City's Pesticide Ordinance (Chapter 39 of the San Francisco Administrative Code), to the extent applicable to tenants of City property on the effective date of the DDA, and Article 20 of the San Francisco Public Works Code ("Analyzing Soils for Hazardous Waste").

Impositions as defined in Section 4.1(b).

Improvement Measures means all of the conditions and covenants with respect to the lease of the Project as are described in Exhibit F.

Improvements means all buildings, structures, fixtures and other improvements erected, built, placed, installed or constructed upon or within the Property or the Channel Access Parcel on or after the Commencement Date (and specifically excluding any improvements existing at the date hereof other than the bulkhead wall, the pier substructure, and the Waterfront Promenade, to the extent in existence as of the Commencement Date) including, but not limited to, the Initial Improvements, together with the bulkhead wall, the pier substructure and the Waterfront Promenade.

Indemnified Parties means City, including, but not limited to, all of its boards, commissions, departments, agencies and other subdivisions, including, without limitation, the Port; the Redevelopment Agency; all of the Agents of the City, including its Port, and the Redevelopment Agency; and all of their respective heirs, legal representatives, successors and assigns, and each of them.

Indemnify means indemnify, protect and hold harmless.

Index as defined in Section 2.2.

Indexed means the product of the number to be Indexed multiplied by the percentage increase, if any, in the Index from the first day of the month in which the Commencement Date occurred to the first day of the most recent month for which the Index is available at any given time.

Initial Improvements means all Improvements to be built on the Premises or portion(s) thereof under the DDA, including, but not limited to, the Ballpark.

Initial Term as defined in Section 1.2(a).

Investigate or Investigation when used with reference to Hazardous Material means any activity undertaken to determine the nature and extent of Hazardous Material that may be located in, on, under or about the Premises, any Improvements or any portion of the site or the

Improvements or which have been, are being, or threaten to be Released into the environment. Investigation shall include, without limitation, preparation of site history reports and sampling and analysis of environmental conditions in, on, under or about the Premises or any Improvements.

Invitees when used with respect to Tenant or any Subtenant means the customers, patrons, invitees, guests, members, licensees, assignees and Subtenants of Tenant and the customers, patrons, invitees, guests, members, licensees, assignees and sub-tenants of Subtenants.

Landlord means the City and County of San Francisco acting through the San Francisco Port Commission.

Law or Laws means any one or more present and future laws, ordinances, rules, regulations, permits, authorizations, orders and requirements, to the extent applicable to the Parties or to the Premises or any portion thereof, whether or not in the present contemplation of the Parties, including, without limitation, all consents or approvals (including Regulatory Approvals) required to be obtained from, and all rules and regulations of, and all building and zoning laws of, all federal, state, county and municipal governments, the departments, bureaus, agencies or commissions thereof, authorities, boards of officers, any national or local board of fire underwriters, or any other body or bodies exercising similar functions, having or acquiring jurisdiction of, or which may affect or be applicable to, the Premises or any part thereof, including, without limitation, any subsurface area, the use thereof and of the buildings and Improvements thereon.

Lease means this Ground Lease, as it may be amended from time to time.

Leasehold Estate means Tenant's leasehold estate created by this Lease.

Loss or Losses when used with reference to any Indemnity means any and all claims, demands, losses, liabilities, damages (including foreseeable and unforeseeable consequential damages), liens, obligations, interest, injuries, penalties, fines, lawsuits and other proceedings, judgments and awards and costs and expenses, (including, without limitation, reasonable Attorneys' Fees and Costs and consultants' fees and costs) of whatever kind or nature, known or unknown, contingent or otherwise.

Major Damage as defined in Section 12.3(d).

Major League Baseball means, collectively, the American League and the National League of Professional Baseball Clubs as now or hereafter constituted or organized and any other league of professional baseball clubs which may be constituted from time to time and recognized as a major league authorized to play professional baseball games under Baseball Rules and Regulations.

Memorandum of Lease means the Memorandum of this Lease, between Landlord and Tenant, recorded in the Official Records.

Minimum Rent as defined in Section 2.2.

Mitigation Measures means all of the measures relating to the Project described in Exhibit E.

Mortgage means a mortgage, deed of trust, assignment of rents, fixture filing, security agreement or similar security instrument or assignment of Tenant's leasehold interest under this Lease that is recorded in the Official Records.

Mortgagee means the holder or holders of a Mortgage and, if the Mortgage is held by or for the benefit of a trustee, agent or representative of one or more financial institutions, the financial institutions on whose behalf the Mortgage is being held. Multiple financial institutions participating in a single financing secured by a single Mortgage shall be deemed a single Mortgagee for purposes of this Lease.

Mortgagee Notice means that certain Notice, Acknowledgment and Estoppel Agreement of even date herewith, among Landlord, Tenant and Mortgagee under a First Mortgage being recorded in the Official Records concurrently herewith, with regard to the DDA and this Lease.

Naming Rights Agreement as defined in Section 3.3.

National League means the National League of Professional Baseball Clubs, as now constituted under its existing Constitution or as it may hereafter be constituted or organized.

Net Awards and Payments as defined in Section 13.4.

Net Worth means the amount by which assets exceed liabilities, determined in accordance with GAAP.

Non-Affiliate Mortgage means a Mortgage that is held by a Non-Affiliate Mortgagee.

Non-Affiliate Mortgagee means the holder of a Mortgage, which holder (A) is not an Affiliate of Tenant, or (B) is a Bona Fide Institutional Lender.

Non-Disturbance Agreements as defined in Section 16.4(a).

Non-Relocation Agreement means the agreement by the Team Owner in favor of the City, including its Port, dated as of the date hereof.

Office of the Commissioner of Baseball means the individual selected by the owners of Major League Baseball franchises to serve as the Commissioner of Baseball, and the staff, duly authorized representatives, and employees of the Commissioner of Baseball, or any successor thereto.

Official Records means, with respect to the recordation of Mortgages and other documents and instruments, the Official Records of the City and County of San Francisco.

OPA means the Owner Participation Agreement between the Redevelopment Agency and Tenant.

Option as defined in Section 1.2(b).

Option Notice as defined in Section 1.2(b).

Other Events as defined in Section 3.1(a)(ii).

Other Indemnified Parties means all Indemnified Parties other than the City.

Park Access Parcel as defined in Section 1.1(b)(i).

Partial Condemnation as defined in Section 13.3.

Party means Landlord or Tenant, as a party to this Lease; Parties means both Landlord and Tenant, as Parties to this Lease.

Pavilion Building means that certain building to be located on Third Street along the western boundary of the Premises, physically connected to the Ballpark and forming part of the Initial Improvements.

Permitted Title Exceptions as defined in Section 1.1(c).

Permitted Transferee means (i) an Affiliate of Tenant or (ii) another transferee or proposed transferee who, in either case, satisfies the Transferee Criteria.

Permitted Uses as defined in Section 3.1.

Person means any individual, partnership, corporation (including, but not limited to, any business trust), limited liability company, joint stock company, trust, unincorporated association, joint venture or any other entity or association, the United States, or a federal, state or political subdivision thereof.

Personal Property means all fixtures, furniture, furnishings, equipment, machinery, supplies, software and other tangible personal property that is incident to the

ownership, development or operation of the Improvements and/or the Premises, whether now or hereafter located in, upon or about the Premises, belonging to Tenant and/or in which Tenant has or may hereafter acquire an ownership interest, together with all present and future attachments, accessions, replacements, substitutions and additions thereto or therefor.

Port means the San Francisco Port Commission, an agency of the City and County of San Francisco.

PortWalk as defined in the Waterfront Plan.

Post Season Games means any Major League Baseball game played after the last regularly scheduled Baseball Home Game in a Season in order to determine which teams will play in the World Series, and specifically including any playoff games, League Championship Series Games and all World Series Games.

Premises as defined in Recital A.

Program in Diversity as defined in Section 43.

Project means the development of the Ballpark and other related Improvements.

Property as defined in Section 1.1.

Public Access Areas means (1) the areas designated as "Public Access Areas" as shown generally on Exhibit M, including the Waterfront Promenade, and (2) other portions of the Property, if any, which are designated as public access areas in an instrument executed by Tenant and Landlord and recorded in the Official Records, which recites that it has been recorded to satisfy one or more conditions imposed in connection with the grant of a Regulatory Approval. Unless otherwise specified in a recorded instrument executed by Landlord, the designation of any portion of the Property as a Public Access Areas shall expire and cease to have any effect upon the expiration or earlier termination of this Lease. In addition, unless otherwise specified in a recorded instrument executed by Landlord and Tenant, the designation of a portion of the Property as a Public Access Area shall expire if the Regulatory Approval, in connection with which such designation was recorded, expires or otherwise terminates.

Qualified Developer means a Person with whom Landlord is not otherwise prevented by law or adopted policy of Landlord from transacting business or entering into a contract, which Person possesses the experience, qualifications and financial resources necessary for the proper performance of Tenant's obligations under this Lease and the DDA to construct and sublease the Improvements on the Premises, subject to Landlord's approval, not to be unreasonably withheld or delayed. A proposed Mortgagee may make a request of Landlord in writing for approval as a Qualified Developer, which approval shall be granted or denied by Landlord not more than thirty (30) days following such request.

Qualified Manager means a Person who satisfies the Transferee Criteria.

Redevelopment Agency means the Redevelopment Agency of the City and County of San Francisco, a public body, corporate and politic, established pursuant to the Community Redevelopment Law of the State of California.

Redevelopment Plan means the Rincon Point-South Beach Redevelopment Plan, as amended, as more particularly described in the OPA, including any amendments, extensions or renewals of such plan as have been or may be approved by City.

Redevelopment Project Area means the Rincon Point/South Beach Redevelopment Project Area as described in the Redevelopment Plan, as amended.

Regulatory Approval means any authorization, approval or permit required by any governmental agency having jurisdiction over the Premises, including, but not limited to, BCDC, RWQCB, the Coast Guard and the Army Corps of Engineers.

Release when used with respect to Hazardous Material means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into or inside any existing improvements or any Improvements constructed under this Lease or the DDA by or on behalf of Tenant, or in, on, under or about the Premises or any portion thereof.

Remediate or Remediation when used with reference to Hazardous Materials means any activities undertaken to clean up, remove, contain, treat, stabilize, monitor or otherwise control Hazardous Materials located in, on, under or about the Premises or which have been, are being, or threaten to be Released into the environment. Remediation includes, without limitation, those actions included within the definition of "remedy" or "remedial action" in California Health and Safety Code Section 25322 and "remove" or "removal" in California Health and Safety Code Section 25323.

Remediation Plan as defined in Section 19.1(d).

Rent as defined in Section 2.2.

Rent Payment Dates as defined in Section 2.3.

Restoration means the restoration, replacement, or rebuilding of the Improvements (or the relevant portion thereof) in accordance with all Laws then applicable; provided that Tenant shall not be required to Restore the Improvements to the identical size or configuration as existed before the event giving rise to the Restoration so long as the Improvements, as Restored, constitute a first-class Project. In connection with any Restoration, the Ballpark and the other Improvements may be redesigned, made larger or smaller, reconfigured, or otherwise modified, provided that the Project as so redesigned complies with

applicable requirements of the Tidelands Trust and is a first-class Project affording similar public benefit as the original Project, subject to the provisions of Section 12 relating to Subsequent Construction. All Restoration shall be conducted in accordance with the provisions of Section 10. ("Restore" and "Restored" shall have correlative meanings.)

Rules and Regulations means the rules and regulations attached hereto as Exhibit J, if any, governing generally the use of Landlord's property by its tenants. Landlord may revise any such rules and regulations or promulgate new or additional rules and regulations from time to time upon reasonable notice to Tenant, provided that no such revised, new or additional rules and regulations shall materially decrease Tenant's rights or increase Tenant's obligations, nor decrease Landlord's responsibilities, under this Lease, and further provided, that all such revised, new or additional rules and regulations shall be of general application to Landlord's tenants. The foregoing sentence shall not be deemed to limit Landlord's ability to act in its legislative or regulatory capacity, or in the exercise of its police powers, nor to waive any claim on the part of Tenant that any such action on the part of Landlord constitutes a Condemnation or an impairment of Tenant's contract with Landlord.

RWQCB shall mean the San Francisco Bay Regional Water Quality Control Board of Cal/EPA, a state agency.

Safety Repairs as defined in Section 12.3(g).

Schedule of Performance as defined in the DDA.

Schematic Drawings means conceptual drawings in sufficient detail to describe a development proposal.

Season means the annual period commencing with the first regularly scheduled Baseball Home Game (other than exhibition games) played by the Team in accordance with the schedule established under Baseball Rules and Regulations each year as part of the competition to determine the League Championship, and ending with the last Baseball Home Game played by the Team during such year, including any other Major League Baseball game scheduled, required or authorized by the rules of the National League as part of the regular season of Major League Baseball (including All-Star, charity or exhibition games but exclusive of Post Season Games). A Season shall include any partial Season if not all Baseball Home Games are played at the Ballpark due to Force Majeure.

Seat Rights as defined in Section 16.2.

Security Deposit as defined in Section 15.1.

Significant Change as defined in Section 16.1(a).

South Beach Park means the area adjoining the Premises to the north, owned by Landlord, as trustee under the Tidelands Trust, and described in the Redevelopment Plan as South Beach Park. South Beach Park is the subject of a master lease from Landlord to the Redevelopment Agency.

Special Affiliate as defined in the definition of Bona Fide Institutional Lender.

Special Control means the power to direct the affairs or management of another Person, whether by contract, operation of Law or otherwise (and Specially Controlling and Specially Controlled shall have correlative meanings).

Standstill Period as defined in Section 12.3(g).

State as defined in Section 1.1(d).

Sublease means any lease, sublease, license, concession or other agreement (including, without limitation, the Baseball Sublease) by which Tenant leases, subleases, demises, licenses or otherwise grants to any Person in conformity with the provisions of this Lease, the right to occupy or use any portion of the Premises (whether in common with or to the exclusion of other Persons), but excluding Seat Rights. Subleases may include without limitation, agreements with regard to signage and advertising, agreements granting exclusive or non-exclusive rights to sell food, beverages or souvenirs during baseball games and Other Events, pouring rights agreements, and agreements for the operation of booths, kiosks, carts, vending machines and automatic teller machines. Seat Rights are not Subleases.

Subsequent Construction means all repairs to and reconstruction, replacement, addition, expansion, Restoration, alteration or modification of any Improvements, or any construction of additional Improvements, following completion of the Initial Improvements pursuant to the DDA.

Subtenant means any Person leasing, occupying or having the right to occupy under and by virtue of a Sublease.

Subtenant Spaces means space in the Premises subleased to Subtenants.

Tax Allocation Bonds means the tax allocation bonds issued by the Redevelopment Agency to finance certain infrastructure improvements needed to support the Ballpark based on tax increment generated by the Project from the Premises, upon the terms and subject to the conditions contained in the OPA.

Team means the San Francisco Giants professional baseball club.

Team Owner means San Francisco Baseball Associates L.P., a California limited partnership, which holds a Franchise issued by the National League and owns the Team, and its successors and assigns.

Tenant means China Basin Ballpark Company LLC, a Delaware limited liability company, and its permitted successors and assigns.

Term as defined in Section 1.2(c).

Termination Payment as defined in Section 6.1(g).

Tidelands Trust means the public trust for commerce, navigation and fisheries, including, without limitation, the statutory trust imposed by the Burton Act.

Total Condemnation as defined in Section 13.2.

Transfer as defined in Section 16.1(a).

Transferee Criteria means a transferee or proposed transferee (A) with whom Landlord is not otherwise forbidden by applicable law from transacting business or entering into contracts, (B) possesses the financial resources necessary for the proper performance of Tenant's obligations under this Lease, as determined by Landlord in its reasonable judgment, and (C) who has received the approval (to the extent such approval is required) of the Office of the Commissioner of Baseball and/or other Major League Baseball authorities whose approval is required under the Baseball Rules and Regulations, or, if no such approval by Major League Baseball authorities is required, is either an Affiliate of the Team Owner, or has a Net Worth of at least eight times the then Minimum Rent and is experienced (directly or through Affiliates or employees) in owning or managing first-class urban commercial developments.

Waterfront Plan means the Waterfront Land Use Plan, including the Waterfront Design and Access Element, for the approximately 7-1/2 miles of waterfront property under the Port's jurisdiction.

Waterfront Promenade means the Public Access Area which adjoins the Ballpark and overlooks the waterfront at the China Basin Channel, including, but not limited to, the improvements within the Channel Access Parcel required to be constructed to satisfy the conditions under the BCDC permit for the Project, as shown generally on Exhibit M. The Waterfront Promenade shall be part of the PortWalk, extending such access area along the northern edge of the China Basin Channel from the Embarcadero promenade (Herb Caen Way) with Third Street, adjacent to the Lefty O'Doul Bridge.

Waterfront Promenade Parcel means the portion of the Property described as the Waterfront Promenade Parcel in Exhibit A.

Withdrawal Notice as defined in Section 2.5(b).

Work as defined in Section 10.8.

IN WITNESS WHEREOF, the Parties have executed this Lease as of the day and year first above written.

TENANT

CHINA BASIN BALLPARK COMPANY LLC,
a Delaware limited liability company

By: _____



Its: _____

Chief Financial Officer
Senior Vice President

LANDLORD

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

By: _____

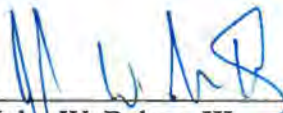


Douglas F. Wong
Executive Director

APPROVED AS TO FORM:

LOUISE H. RENNE, City Attorney

By: _____



John W. Rakow III
Assistant Port General Counsel

By: _____



Jesse Capin Smith
Deputy City Attorney

EXHIBIT A

LEGAL DESCRIPTION OF SITE

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF SAN FRANCISCO, CITY OF SAN FRANCISCO, DESCRIBED AS FOLLOWS:

TRACT I

A LEASEHOLD IN THE FOLLOWING DESCRIBED LAND:

PARCEL ONE

LOT 28, LOT 29 AND A PORTION OF LOT 30 CONSISTING OF THE PIER AND THE PIER SUBSTRUCTURE SUPPORTING THE WATERFRONT PROMENADE (AS DEFINED IN THAT CERTAIN GROUND LEASE BETWEEN THE CITY AND COUNTY OF SAN FRANCISCO, THROUGH THE SAN FRANCISCO PORT COMMISSION, AS LANDLORD, AND CHINA BASIN BALLPARK COMPANY LLC, AS TENANT, DATED AS OF NOVEMBER 26, 1997 (THE "LEASE")), AS SAID LOTS ARE SHOWN ON THAT CERTAIN MAP ENTITLED "PARCEL MAP OF PACIFIC BELL PARK BEING A MERGER AND RESUBDIVISION OF LANDS DESCRIBED IN THOSE CERTAIN JUDGMENTS RECORDED IN G946 O.R. 253, G946 O.R. 254 AND G946 O.R. 255 AND IN THAT CERTAIN DIRECTOR'S DEED NO. DD-038276-01-02 (DOC. NO. G249367)" FILED NOVEMBER 18, 1997 IN BOOK 43 OF PARCEL MAPS AT PAGES 128-129, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO (THE "PARCEL MAP").

EXCEPTING THEREFROM ALL SUBSURFACE MINERAL DEPOSITS, INCLUDING OIL AND GAS DEPOSITS, TOGETHER WITH THE RIGHT FOR EXPLORATION, DRILLING AND EXTRACTION OF SUCH MINERAL, OIL AND GAS DEPOSITS, BUT WITHOUT THE RIGHT OF SURFACE ENTRY, AS EXCEPTED AND RESERVED BY THE STATE OF CALIFORNIA IN CHAPTERS 1333, STATUTES 1968 AND AMENDMENTS THERETO, AND UPON THE TERMS AND PROVISIONS SET FORTH THEREIN.

PARCEL TWO

A PORTION OF THE FOLLOWING DESCRIBED LAND CONSISTING OF ANY IMPROVEMENTS (AS DEFINED IN THE LEASE):

COMMENCING AT THE POINT OF INTERSECTION OF THE NORTHEASTERLY LINE OF THIRD STREET WITH THE SOUTHEASTERLY LINE OF KING STREET, AS SAID KING STREET EXISTS AFTER THE WIDENING THEREOF, AS SHOWN ON THAT CERTAIN MAP ENTITLED "MAP SHOWING THE WIDENING OF KING STREET BETWEEN SECOND AND THIRD STREETS", RECORDED JANUARY 26, 1993, IN REEL F802 OF OFFICIAL RECORDS, IMAGE 771, AND BEING THE SAME POINT AS THE WESTERLY CORNER OF LOT 28, AS SHOWN ON THE PARCEL MAP; THENCE ALONG SAID LINE OF THIRD STREET SOUTH 43° 41' 53" EAST 440.658 FEET TO THE SOUTHWEST CORNER OF THAT CERTAIN PARCEL OF LAND DESCRIBED AS "PORT PARCEL SOUTH OF BULKHEAD WALL" IN THAT CERTAIN JUDGMENT RECORDED AUGUST 14, 1997, IN REEL G946, IMAGE 254, OFFICIAL RECORDS, SAID CORNER BEING THE TRUE POINT OF BEGINNING; THENCE NORTH 65° 36' 22" EAST ALONG THE SOUTHEASTERLY LINE OF SAID PARCEL 962.573 FEET TO THE SOUTHEAST CORNER THEREOF; THENCE SOUTH 43° 41' 53" EAST ALONG THE SOUTHEASTERLY PROLONGATION OF THE NORTHEASTERLY LINE OF SECOND STREET 10.596 FEET; THENCE SOUTH 65° 36' 22" WEST 962.573 FEET TO THE NORTHEASTERLY LINE OF THIRD STREET; THENCE NORTH 43° 41' 53" WEST ALONG SAID LINE OF THIRD STREET 10.596 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL SUBSURFACE MINERAL DEPOSITS, INCLUDING OIL AND GAS DEPOSITS, TOGETHER WITH THE RIGHT FOR EXPLORATION, DRILLING AND EXTRACTION OF SUCH MINERAL, OIL AND GAS DEPOSITS, BUT WITHOUT THE RIGHT OF SURFACE ENTRY, AS EXCEPTED AND RESERVED BY THE STATE OF CALIFORNIA IN CHAPTERS 1333, STATUTES 1968 AND AMENDMENTS THERETO, AND UPON THE TERMS AND PROVISIONS SET FORTH THEREIN.

TRACT II:

EASEMENTS GRANTED BY SECTION 1.1(b)(ii) OF THE LEASE IN AND OVER THE FOLLOWING DESCRIBED LAND:

PARCEL ONE

LOT 30 EXCEPTING THEREFROM THAT PORTION OF LOT 30 CONSISTING OF THE PIER AND THE PIER SUBSTRUCTURE SUPPORTING THE WATERFRONT PROMENADE (AS DEFINED IN THE LEASE), AS SAID LOT IS SHOWN ON THAT CERTAIN MAP ENTITLED "PARCEL MAP OF PACIFIC BELL PARK BEING A MERGER AND RESUBDIVISION OF LANDS DESCRIBED IN THOSE CERTAIN JUDGMENTS RECORDED IN G946 O.R. 253, G946 O.R. 254 AND G946 O.R. 255 AND IN THAT CERTAIN DIRECTOR'S DEED NO. DD-038276-01-02 (DOC. NO. G249367)" FILED NOVEMBER 18, 1997 IN BOOK 43 OF PARCEL MAPS AT PAGES 128-129, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO.

EXCEPTING THEREFROM ALL SUBSURFACE MINERAL DEPOSITS, INCLUDING OIL AND GAS DEPOSITS, TOGETHER WITH THE RIGHT FOR EXPLORATION, DRILLING AND EXTRACTION OF SUCH MINERAL, OIL AND GAS DEPOSITS, BUT WITHOUT THE RIGHT OF SURFACE ENTRY, AS EXCEPTED AND RESERVED BY THE STATE OF CALIFORNIA IN CHAPTERS 1333, STATUTES 1968 AND AMENDMENTS THERETO, AND UPON THE TERMS AND PROVISIONS SET FORTH THEREIN.

PARCEL TWO

COMMENCING AT THE POINT OF INTERSECTION OF THE NORTHEASTERLY LINE OF THIRD STREET WITH THE SOUTHEASTERLY LINE OF KING STREET, AS SAID KING STREET EXISTS AFTER THE WIDENING THEREOF, AS SHOWN ON THAT CERTAIN MAP ENTITLED "MAP SHOWING THE WIDENING OF KING STREET BETWEEN SECOND AND THIRD STREETS", RECORDED JANUARY 26, 1993, IN REEL F802 OF OFFICIAL RECORDS, IMAGE 771, AND BEING THE SAME POINT AS THE WESTERLY CORNER OF LOT 28, AS SHOWN ON THE PARCEL MAP; THENCE ALONG SAID LINE OF THIRD STREET SOUTH 43° 41' 53" EAST 440.658 FEET TO THE SOUTHWEST CORNER OF THAT CERTAIN PARCEL OF LAND DESCRIBED AS "PORT PARCEL SOUTH OF BULKHEAD WALL" IN THAT CERTAIN JUDGMENT RECORDED AUGUST 14, 1997, IN REEL G946, IMAGE 254, OFFICIAL RECORDS, SAID CORNER BEING THE TRUE POINT OF BEGINNING; THENCE NORTH 65° 36' 22" EAST ALONG THE SOUTHEASTERLY LINE OF SAID PARCEL 962.573 FEET TO THE SOUTHEAST CORNER THEREOF; THENCE SOUTH 43° 41' 53" EAST ALONG THE SOUTHEASTERLY PROLONGATION OF THE NORTHEASTERLY LINE OF SECOND STREET 10.596 FEET; THENCE SOUTH 65° 36' 22" WEST 962.573 FEET TO THE NORTHEASTERLY LINE OF THIRD STREET; THENCE NORTH 43° 41' 53" WEST ALONG SAID LINE OF THIRD STREET 10.596 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL SUBSURFACE MINERAL DEPOSITS, INCLUDING OIL AND GAS DEPOSITS, TOGETHER WITH THE RIGHT FOR EXPLORATION, DRILLING AND EXTRACTION OF SUCH MINERAL, OIL AND GAS DEPOSITS, BUT WITHOUT THE RIGHT OF SURFACE ENTRY, AS EXCEPTED AND RESERVED BY THE STATE OF CALIFORNIA IN CHAPTERS 1333, STATUTES 1968 AND AMENDMENTS THERETO, AND UPON THE TERMS AND PROVISIONS SET FORTH THEREIN.

AND FURTHER EXCEPTING THEREFROM ANY IMPROVEMENTS (AS DEFINED IN THE LEASE).

TRACT III:

EASEMENT GRANTED BY SECTION 1.1(b)(i) OF THE LEASE AND SECTION 3.4 OF THAT CERTAIN OWNER PARTICIPATION AGREEMENT BY AND BETWEEN CHINA BASIN BALLPARK COMPANY LLC AND THE

REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, RECORDED OCTOBER 22, 1997 IN REEL G993, IMAGE 0600, OFFICIAL RECORDS, IN AND OVER THE FOLLOWING DESCRIBED LAND:

PARCEL ONE (ACCESS PARCEL NORTH OF BULKHEAD WALL)

COMMENCING AT THE POINT OF INTERSECTION OF THE NORTHEASTERLY LINE OF THIRD STREET WITH THE SOUTHEASTERLY LINE OF KING STREET, AS SAID KING STREET EXISTS AFTER THE WIDENING THEREOF AS SHOWN ON THAT CERTAIN MAP ENTITLED "MAP SHOWING THE WIDENING OF KING STREET BETWEEN SECOND AND THIRD STREETS", RECORDED JANUARY 26, 1993, IN REEL F802 OF OFFICIAL RECORDS, IMAGE 771, AND BEING THE SAME POINT AS THE WESTERLY CORNER OF LOT 28, AS SHOWN ON THE PARCEL MAP; THENCE ALONG SAID LINE OF KING STREET NORTH 46° 18' 07" EAST 908.454 FEET TO THE NORTHEASTERLY LINE OF SECOND STREET AND THE TRUE POINT OF BEGINNING; THENCE ALONG SAID LINE OF SECOND STREET NORTH 43° 41' 53" WEST 4 FEET TO THE SOUTHEASTERLY LINE OF SAID KING STREET; AS SAID KING STREET EXISTS AFTER THE WIDENING THEREOF, AS SHOWN ON THAT CERTAIN MAP ENTITLED "MAP SHOWING THE WIDENING OF KING STREET BETWEEN SECOND STREET AND THE EMBARCADERO", RECORDED JANUARY 26, 1993, REEL F802 OF OFFICIAL RECORDS, IMAGE 770; THENCE ALONG LAST SAID LINE OF KING STREET NORTH 46° 18' 07" EAST 50 FEET; THENCE SOUTH 43° 41' 53" EAST 632 FEET PLUS OR MINUS TO THE OUTSIDE FACE (WATERWARD FACE) OF AN EXISTING BULKHEAD WALL; THENCE ALONG SAID FACE OF WALL SOUTH 3° 01' 20" EAST 77 FEET PLUS OR MINUS TO THE SOUTHEASTERLY PROLONGATION OF THE NORTHEASTERLY LINE OF SECOND STREET; THENCE ALONG SAID PROLONGATION NORTH 43° 41' 53" WEST 686 FEET PLUS OR MINUS TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL SUBSURFACE MINERAL DEPOSITS, INCLUDING OIL AND GAS DEPOSITS, TOGETHER WITH THE RIGHT FOR EXPLORATION, DRILLING AND EXTRACTION OF SUCH MINERAL, OIL AND GAS DEPOSITS, BUT WITHOUT THE RIGHT OF SURFACE ENTRY, AS EXCEPTED AND RESERVED BY THE STATE OF CALIFORNIA IN CHAPTERS 1333, STATUTES 1968 AND AMENDMENTS THERETO, AND UPON THE TERMS AND PROVISIONS SET FORTH THEREIN.

PARCEL TWO (ACCESS PARCEL SOUTH OF BULKHEAD WALL)

COMMENCING AT THE POINT OF INTERSECTION OF THE NORTHEASTERLY LINE OF THIRD STREET WITH THE SOUTHEASTERLY LINE OF KING STREET, AS SAID KING STREET EXISTS AFTER THE WIDENING THEREOF AS SHOWN ON THAT CERTAIN MAP ENTITLED "MAP SHOWING THE WIDENING OF KING STREET BETWEEN SECOND AND THIRD STREETS", RECORDED JANUARY 26, 1993, IN REEL F802 OF OFFICIAL RECORDS, IMAGE 771, AND BEING THE SAME POINT AS THE WESTERLY CORNER OF LOT 28, AS SHOWN ON THE PARCEL MAP; THENCE ALONG SAID LINE OF KING STREET NORTH 46° 18' 07" EAST 908.454 FEET TO THE NORTHEASTERLY LINE OF SECOND STREET; THENCE ALONG SAID LINE OF SECOND STREET NORTH 43° 41' 53" WEST 4 FEET TO THE SOUTHEASTERLY LINE OF SAID KING STREET, AS SAID KING STREET EXISTS AFTER THE WIDENING THEREOF, AS SHOWN ON THAT CERTAIN MAP ENTITLED "MAP SHOWING THE WIDENING OF KING STREET BETWEEN SECOND STREET AND THE EMBARCADERO", RECORDED JANUARY 26, 1993, REEL F802 OF OFFICIAL RECORDS, IMAGE 770; THENCE ALONG LAST SAID LINE OF SAID KING STREET NORTH 46° 18' 07" EAST 50 FEET; THENCE SOUTH 43° 41' 53" EAST 632 FEET PLUS OR MINUS TO THE OUTSIDE FACE (WATERWARD FACE) OF AN EXISTING BULKHEAD WALL AND THE TRUE POINT OF BEGINNING; THENCE ALONG SAID FACE OF WALL SOUTH 3° 01' 20" EAST 77 FEET PLUS OR MINUS TO THE SOUTHEASTERLY PROLONGATION OF THE NORTHEASTERLY LINE OF SECOND STREET; THENCE ALONG SAID PROLONGATION SOUTH 43° 41' 53" EAST 73 FEET PLUS OR MINUS TO A POINT DISTANT ALONG SAID PROLONGATION SOUTH 43° 41' 53" EAST 523.369 FEET FROM THE SOUTHEASTERLY LINE OF FORMER BERRY STREET; THENCE NORTH 3° 01' 20" WEST 76.713 FEET; THENCE NORTH 43° 41' 53" WEST 73 FEET PLUS OR MINUS TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL SUBSURFACE MINERAL DEPOSITS, INCLUDING OIL AND GAS DEPOSITS, TOGETHER WITH THE RIGHT FOR EXPLORATION, DRILLING AND EXTRACTION OF SUCH MINERAL, OIL AND GAS DEPOSITS, BUT WITHOUT THE RIGHT OF SURFACE ENTRY, AS EXCEPTED AND RESERVED BY THE STATE OF CALIFORNIA IN CHAPTERS 1333, STATUTES 1968 AND AMENDMENTS THERETO, AND UPON THE TERMS AND PROVISIONS SET FORTH THEREIN.

EXHIBIT A-1

LEGAL DESCRIPTION OF ACCESS PARCELS

EXHIBIT A-1

LEGAL DESCRIPTIONS OF PARK ACCESS PARCEL AND CHANNEL ACCESS PARCEL

PARK ACCESS PARCEL:

PARCEL ONE (ACCESS PARCEL NORTH OF BULKHEAD WALL)

COMMENCING AT THE POINT OF INTERSECTION OF THE NORTHEASTERLY LINE OF THIRD STREET WITH THE SOUTHEASTERLY LINE OF KING STREET, AS SAID KING STREET EXISTS AFTER THE WIDENING THEREOF AS SHOWN ON THAT CERTAIN MAP ENTITLED "MAP SHOWING THE WIDENING OF KING STREET BETWEEN SECOND AND THIRD STREETS", RECORDED JANUARY 26, 1993, IN REEL F802 OF OFFICIAL RECORDS, IMAGE 771, AND BEING THE SAME POINT AS THE WESTERLY CORNER OF LOT 28, AS SHOWN ON THAT CERTAIN MAP ENTITLED "PARCEL MAP OF PACIFIC BELL PARK BEING A MERGER AND RESUBDIVISION OF LANDS DESCRIBED IN THOSE CERTAIN JUDGMENTS RECORDED IN G946 O.R. 253, G946 O.R. 254 AND G946 O.R. 255 AND IN THAT CERTAIN DIRECTOR'S DEED NO. DD-038276-01-02 (DOC. NO. G249367)" FILED NOVEMBER 18, 1997 IN BOOK 43 OF PARCEL MAPS AT PAGES 128-129, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO (THE "PARCEL MAP"); THENCE ALONG SAID LINE OF KING STREET NORTH 46° 18' 07" EAST 908.454 FEET TO THE NORTHEASTERLY LINE OF SECOND STREET AND THE TRUE POINT OF BEGINNING; THENCE ALONG SAID LINE OF SECOND STREET NORTH 43° 41' 53" WEST 4 FEET TO THE SOUTHEASTERLY LINE OF SAID KING STREET; AS SAID KING STREET EXISTS AFTER THE WIDENING THEREOF, AS SHOWN ON THAT CERTAIN MAP ENTITLED "MAP SHOWING THE WIDENING OF KING STREET BETWEEN SECOND STREET AND THE EMBARCADERO", RECORDED JANUARY 26, 1993, REEL F802 OF OFFICIAL RECORDS, IMAGE 770; THENCE ALONG LAST SAID LINE OF KING STREET NORTH 46° 18' 07" EAST 50 FEET; THENCE SOUTH 43° 41' 53" EAST 632 FEET PLUS OR MINUS TO THE OUTSIDE FACE (WATERWARD FACE) OF AN EXISTING BULKHEAD WALL; THENCE ALONG SAID FACE OF WALL SOUTH 3° 01' 20" EAST 77 FEET PLUS OR MINUS TO THE SOUTHEASTERLY PROLONGATION OF THE NORTHEASTERLY LINE OF SECOND STREET; THENCE ALONG SAID PROLONGATION NORTH 43° 41' 53" WEST 686 FEET PLUS OR MINUS TO THE TRUE POINT OF BEGINNING.

PARCEL TWO (ACCESS PARCEL SOUTH OF BULKHEAD WALL)

COMMENCING AT THE POINT OF INTERSECTION OF THE NORTHEASTERLY LINE OF THIRD STREET WITH THE SOUTHEASTERLY LINE OF KING STREET, AS SAID KING STREET EXISTS AFTER THE WIDENING THEREOF AS SHOWN ON THAT CERTAIN MAP ENTITLED "MAP SHOWING THE WIDENING OF KING STREET BETWEEN SECOND AND THIRD STREETS", RECORDED JANUARY 26, 1993, IN REEL F802 OF OFFICIAL RECORDS, IMAGE 771, AND BEING THE SAME POINT AS THE WESTERLY CORNER OF LOT 28, AS SHOWN ON THE PARCEL MAP; THENCE ALONG SAID LINE OF KING STREET NORTH 46° 18' 07" EAST 908.454 FEET TO THE NORTHEASTERLY LINE OF SECOND STREET; THENCE ALONG SAID LINE OF SECOND STREET NORTH 43° 41' 53" WEST 4 FEET TO THE SOUTHEASTERLY LINE OF SAID KING STREET, AS SAID KING STREET EXISTS AFTER THE WIDENING THEREOF, AS SHOWN ON THAT CERTAIN MAP ENTITLED "MAP SHOWING THE WIDENING OF KING STREET BETWEEN SECOND STREET AND THE EMBARCADERO", RECORDED JANUARY 26, 1993, REEL F802 OF OFFICIAL RECORDS, IMAGE 770; THENCE ALONG LAST SAID LINE OF SAID KING STREET NORTH 46° 18' 07" EAST 50 FEET; THENCE SOUTH 43° 41' 53" EAST 632 FEET PLUS OR MINUS TO THE OUTSIDE FACE (WATERWARD FACE) OF AN EXISTING BULKHEAD WALL AND THE TRUE POINT OF BEGINNING; THENCE ALONG SAID FACE OF WALL SOUTH 3° 01' 20" EAST 77 FEET PLUS OR MINUS TO THE SOUTHEASTERLY PROLONGATION OF THE NORTHEASTERLY LINE OF SECOND STREET; THENCE ALONG SAID PROLONGATION SOUTH 43° 41' 53" EAST 73 FEET PLUS OR MINUS TO A POINT DISTANT ALONG SAID PROLONGATION SOUTH 43° 41' 53" EAST 523.369 FEET FROM THE SOUTHEASTERLY LINE OF FORMER BERRY STREET; THENCE NORTH 3° 01' 20" WEST 76.713 FEET; THENCE NORTH 43° 41' 53" WEST 73 FEET PLUS OR MINUS TO THE TRUE POINT OF BEGINNING.

CHANNEL ACCESS PARCEL:

PARCEL ONE

LOT 30, AS SHOWN ON THAT CERTAIN MAP ENTITLED "PARCEL MAP OF PACIFIC BELL PARK BEING A MERGER AND RESUBDIVISION OF LANDS DESCRIBED IN THOSE CERTAIN JUDGMENTS RECORDED IN G946 O.R. 253, G946 O.R. 254 AND G946 O.R. 255 AND IN THAT CERTAIN DIRECTOR'S DEED NO. DD-038276-01-02 (DOC. NO. G249367)" FILED NOVEMBER 18, 1997 IN BOOK 43 OF PARCEL MAPS AT PAGES 128-129, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO (THE "PARCEL MAP").

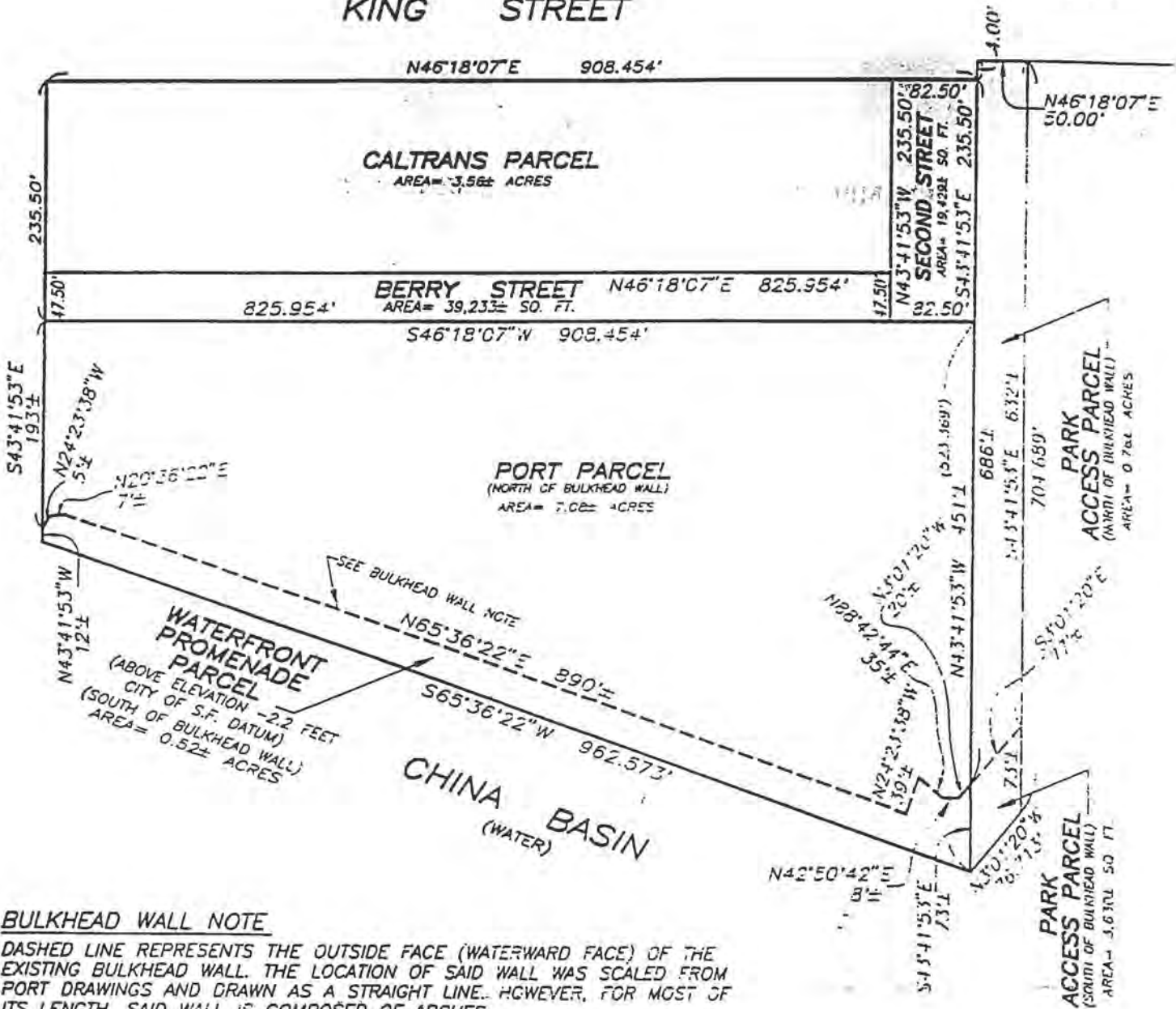
PARCEL TWO

COMMENCING AT THE POINT OF INTERSECTION OF THE NORTHEASTERLY LINE OF THIRD STREET WITH THE SOUTHEASTERLY LINE OF KING STREET, AS SAID KING STREET EXISTS AFTER THE WIDENING THEREOF, AS SHOWN ON THAT CERTAIN MAP ENTITLED "MAP SHOWING THE WIDENING OF KING STREET BETWEEN SECOND AND THIRD STREETS", RECORDED JANUARY 26, 1993, IN REEL F802 OF OFFICIAL RECORDS, IMAGE 771, AND BEING THE SAME POINT AS THE WESTERLY CORNER OF LOT 28, AS SHOWN ON THE PARCEL MAP; THENCE ALONG SAID LINE OF THIRD STREET SOUTH $43^{\circ} 41' 53''$ EAST 440.658 FEET TO THE SOUTHWEST CORNER OF THAT CERTAIN PARCEL OF LAND DESCRIBED AS "PORT PARCEL SOUTH OF BULKHEAD WALL" IN THAT CERTAIN JUDGMENT RECORDED AUGUST 14, 1997, IN REEL G946, IMAGE 254, OFFICIAL RECORDS, SAID CORNER BEING THE TRUE POINT OF BEGINNING; THENCE NORTH $65^{\circ} 36' 22''$ EAST ALONG THE SOUTHEASTERLY LINE OF SAID PARCEL 962.573 FEET TO THE SOUTHEAST CORNER THEREOF; THENCE SOUTH $43^{\circ} 41' 53''$ EAST ALONG THE SOUTHEASTERLY PROLONGATION OF THE NORTHEASTERLY LINE OF SECOND STREET 10.596 FEET; THENCE SOUTH $65^{\circ} 36' 22''$ WEST 962.573 FEET TO THE NORTHEASTERLY LINE OF THIRD STREET; THENCE NORTH $43^{\circ} 41' 53''$ WEST ALONG SAID LINE OF THIRD STREET 10.596 FEET TO THE TRUE POINT OF BEGINNING.

EXHIBIT B

SITE PLAN

KING STREET



SUBJECT: PACIFIC BELL PARK — PERIMETER PLOT PLAN

BY: JP CHKD.: BR DATE: 8-14-97 SCALE: NONE SHEET: 1 OF 1 JOB NO.: S-3422

MARTIN M. RON ASSOCIATES, INC.
LAND SURVEYORS

501 SECOND STREET
SAN FRANCISCO, CA. 94107

EXHIBIT C

EXAMPLE OF CPI ADJUSTMENTS TO MINIMUM RENT

EXHIBIT C

CPI Adjustments to Minimum Rent During Initial Term

Example 1. First CPI Adjustment

Assumptions:

Commencement Date is October 20, 1997

Beginning Index = 110

December 2002 Index = 115

Computation:

December 2002 Index / Beginning Index = Tentative First Adjustment Factor

Tentative First Adjustment Factor = $115/110 = 1.04545$

First Year Maximum = $((2 / 12) \times .03) + 1 = 1.005$

Annualized Maximum = $(1.03)^5 = 1.159274$

Maximum First Adjustment = $1.005 \times 1.159274 = 1.16507$

Compare the Tentative First Adjustment Factor (1.04545) to the Maximum First Adjustment (1.16507). The smaller of the two = First Adjustment Factor = 1.04545

Minimum Rent for the First Adjustment Period (April 1, 2003 through March 31, 2006) =
 $1.04545 \times \$1,200,000 = \$1,254,545.45$

Example 2. Subsequent CPI Adjustments

Assumptions:

Commencement Date is October 20, 1997

Beginning Index = 110

Index Value for December 2002 = 115

Index Value for December 2005 = 136

Computation:

Tentative Adjustment Factor = December 2005 Index/December 2002 Index

Tentative Adjustment Factor = $136/115 = 1.182609$

Maximum Adjustment = $1.157625 = (1.05)^3$ or 5% per year annual CPI increase

Since 1.182609 is greater than the Maximum Adjustment of 1.157625, use the Maximum Adjustment and compute a Carryforward calculation on the next Adjustment Date.

Minimum Rent for this Adjustment Period (April 1, 2006 through March 31, 2009) =
 $1.157625 \times \$1,254,545.45 = \$1,452,293.18$

Example 3. Carryforward Calculation

Assumptions:

Beginning Index = 110

Index Value for December 2002 = 115

Index Value for December 2005 = 136

Index Value for December 2008 = 150

Computation:

Tentative Adjustment Factor = December 2008 Index/December 2005 Index

Tentative Adjustment Factor = $150/136 = 1.102941$

Since the Tentative Adjustment Factor (1.102941) is less than the Maximum Adjustment Factor (1.157625) compute Carryforward Adjustment Factor

Carryforward Adjustment Factor = December 2008 Index/December 2002 Index

Carryforward Adjustment Factor = $150/115 = 1.304348$. The Carryforward Adjustment Factor of 1.304348 is less than the Maximum Carryforward Adjustment of 1.340095 or $(1.05)^6$

Tentative Carryforward Adjustment = Carryforward Adjustment Factor/ Maximum Adjustment Factor

Tentative Carryforward Adjustment = $1.304348/1.157625 = 1.126745$. Therefore, 1.126745 is the Adjustment Factor since it is less than the Maximum Adjustment Factor of 1.157625. There is no Carryforward calculation on the next Adjustment Date.

Minimum Rent for this Adjustment Period (April 1, 2009 through March 31, 2012) = $1.126745 \times \$1,452,293.18 = \$1,636,364.08$

Example 4. Rent Not Less than \$1,200,000

Assumptions:

Beginning Index = 110

Index Value for December 2002 = 110

Index Value for December 2005 = 105

Index Value for December 2008 = 115

Computation:

Minimum Rent for the First Adjustment Period (April 1, 2003 through March 31, 2006) = $110/110 \times \$1,200,000 = \$1,200,000$

Calculation of Minimum Rent for the second Adjustment Period (April 1, 2006 through March 31, 2009) = $105/110 \times \$1,200,000 = 0.954545 \times \$1,200,000 = \$1,145,454.54$.

Since \$1,145,454.54 is less than \$1,200,000, the Minimum Rent for the second Adjustment Period is \$1,200,000.

Calculation of Minimum Rent for the third Adjustment Period (April 1, 2009 through March 31, 2012) = $115/105 \times \$1,145,454.54 = 1.095238 \times \$1,145,454.54 = \$1,254,545.45$.

EXHIBIT D

PERMITTED TITLE EXCEPTIONS

1. GENERAL AND SPECIAL COUNTY AND CITY TAXES FOR THE FISCAL YEAR 1997-98, A LIEN NOT YET DUE OR PAYABLE: NOT CURRENTLY ASSESSED.
2. THE LIEN OF SUPPLEMENTAL TAXES, IF ANY, ASSESSED PURSUANT TO THE PROVISIONS OF CHAPTER 3.5, REVENUE AND TAXATION CODE, SECTIONS 75 ET SEQ. WHICH TAXES MAY ARISE ON TRANSFER OF TITLE FROM AN EXEMPT PARTY TO A NON-EXEMPT PARTY.
3. THE HEREIN DESCRIBED PROPERTY LIES WITHIN THE BOUNDARIES OF A MELLO-ROOS COMMUNITY FACILITIES DISTRICT, AS FOLLOWS:

CFD NO.	:	90-1
FOR	:	SCHOOL FACILITY REPAIR AND MAINTENANCE
DISCLOSED BY	:	NOTICE OF SPECIAL TAX LIEN RECORDED JULY 5, 1990, IN BOOK F160, PAGE 1044, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO

NOT CURRENTLY ASSESSED

4. RIGHTS AND EASEMENTS FOR COMMERCE, NAVIGATION AND FISHERIES.

AFFECTS: LAND LYING SOUTHERLY OF AN EXISTING BULKHEAD WALL (WATERWARD FACE), AS SAID WALL IS SHOWN ON THAT CERTAIN DRAWING ENTITLED "BOARD OF STATE HARBOR COMMISSIONERS, STATE DEPARTMENT OF ENGINEERING, PLANS FOR SUBSTRUCTURE - CHINA BASIN TERMINAL, PILING AND FOUNDATION PLAN," DATED OCTOBER 26, 1921, DRAWING 4043-15, SHEET 3 OF 9.
5. CONDITIONS, RESTRICTIONS, EASEMENTS, RESERVATIONS AND LIMITATIONS AND RIGHTS, POWER, DUTIES AND TRUSTS CONTAINED IN THE LEGISLATIVE GRANTS, AS TO THE LAND OR ANY PORTION THEREOF, ACQUIRED BY THE CITY AND COUNTY OF SAN FRANCISCO, BY CHAPTER 1333 OF THE STATUTES OF 1968; AS AMENDED BY CHAPTERS 1296 AND 1400, STATUTES OF 1969, AND BY CHAPTER 670, STATUTES OF 1970, AND CHAPTER 1253, STATUTES OF 1971, AND AS MAY BE FURTHER AMENDED, AND SUCH REVERSIONARY RIGHTS AND OTHER RIGHTS AND INTERESTS AS MAY BE POSSESSED BY THE STATE OF CALIFORNIA UNDER THE TERMS AND PROVISIONS OF SAID LEGISLATIVE GRANTS.
6. "AGREEMENT RELATING TO THE TRANSFER OF THE PORT OF SAN FRANCISCO FROM THE STATE OF CALIFORNIA TO THE CITY AND COUNTY OF SAN FRANCISCO" EXECUTED BY AND BETWEEN THE CITY AND COUNTY OF SAN FRANCISCO AND THE DIRECTOR OF FINANCE OF THE STATE OF CALIFORNIA AND THE SAN FRANCISCO PORT AUTHORITY RECORDED JANUARY 30, 1969, IN BOOK B308 OF OFFICIAL RECORDS, PAGE 686, INCLUSIVE, INSTRUMENT NO. R40413.
7. MAP ENTITLED "MAP OF LANDS TRANSFERRED IN TRUST TO THE CITY AND COUNTY OF SAN FRANCISCO" SITUATED IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA FILED IN BOOK "W" OF MAPS AT PAGES 66 THROUGH 72 IN THE CITY AND COUNTY OF SAN FRANCISCO RECORDER'S OFFICE, A COPY OF WHICH WAS RECORDED MAY 14, 1976 IN OFFICIAL RECORDS OF CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, INSTRUMENT NO. Y88209.
8. PREMISES LIES WITHIN THE BOUNDS OF RINCON POINT-SOUTH BEACH REDEVELOPMENT PLAN APPROVED BY THE CITY AND COUNTY OF SAN FRANCISCO ACTING THROUGH ITS BOARD OF SUPERVISORS BY ORDINANCE NO. 14-81, ADOPTED JANUARY 5, 1981, AS AMENDED BY ORDINANCE NO. 50-84, ADOPTED JANUARY 23, 1984, AS AMENDED BY ORDINANCE

NO. 405-91, ADOPTED NOVEMBER 25, 1991, AS AMENDED BY ORDINANCE NO. 137-92, ADOPTED MAY 1, 1992, AS AMENDED BY ORDINANCE NO. 270-92, ADOPTED AUGUST 10, 1992, AS AMENDED BY ORDINANCE NO. 43-94, ADOPTED DECEMBER 12, 1994, PROVIDING FOR THE CLEARANCE AND DEVELOPMENT OR RELOCATION OF CERTAIN LANDS IN THE PROJECT AREA AND THE FUTURE USES OF SUCH LAND, AND ORDINANCE NO. 276-97 WHICH, AMONG OTHER MATTERS, AUTHORIZES THE LAND DESCRIBED HEREIN TO BE PART OF THE REDEVELOPMENT PROJECT AREA.

A STATEMENT THAT REDEVELOPMENT PLANS WERE INSTITUTED WAS RECORDED JANUARY 16, 1981, INSTRUMENT NO. D49089 IN BOOK D136, PAGE 29, OFFICIAL RECORDS.

THE REDEVELOPMENT PLAN AND AMENDMENTS HAVE BEEN FILED FOR RECORD IN THE RECORDER'S OFFICE AS DOCUMENT NO. D060006 ON FEBRUARY 23, 1981; DOCUMENT NO. D478602 ON MARCH 29, 1984; DOCUMENT NO. F109621 ON APRIL 28, 1992; DOCUMENT NO. F237134 ON NOVEMBER 3, 1992; DOCUMENT NO. F816263 ON JULY 17, 1995; AND DOCUMENT NO. G254172 ON NOVEMBER 4, 1997.

9. COVENANTS, CONDITIONS AND RESTRICTIONS CONTAINED IN A DOCUMENT ENTITLED "COVENANT AND ENVIRONMENTAL RESTRICTION ON PROPERTY", BY AND BETWEEN THE CITY AND COUNTY OF SAN FRANCISCO, OPERATING BY AND THROUGH THE SAN FRANCISCO PORT COMMISSION, AND THE CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD, SAN FRANCISCO.

10. UNRECORDED LEASES BETWEEN THE CITY AND COUNTY OF SAN FRANCISCO AND THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO FOR PORTIONS OF THE PARK ACCESS PARCEL, PROVIDED THE SAME DO NOT INTERFERE WITH THE EXERCISE OF THE EASEMENTS GRANTED HEREIN.

11. THE FOLLOWING UNRECORDED AGREEMENTS, TO THE EXTENT THEY AFFECT PORTIONS OF THE PARK ACCESS PARCEL, PROVIDED THE SAME DO NOT INTERFERE WITH THE EXERCISE OF THE EASEMENTS GRANTED HEREIN (EXCEPT FOR ACCESS IN THE CASE OF EMERGENCY TO THE SUBSURFACE MUNI CONDUIT REFERRED TO IN ITEM 12):

"MEMORANDUM OF AGREEMENT" DATED JUNE 14, 1994 BY AND BETWEEN THE SAN FRANCISCO PUBLIC TRANSPORTATION COMMISSION AND THE SAN FRANCISCO PORT COMMISSION;

"RECOGNITION OF LICENSES" DATED DECEMBER 20, 1994 BY AND BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO AND THE SAN FRANCISCO PUBLIC TRANSPORTATION COMMISSION; AND

"MEMORANDUM OF UNDERSTANDING" DATED JUNE 29, 1995 BY AND BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO AND THE SAN FRANCISCO PUBLIC TRANSPORTATION COMMISSION.

12. MATTERS DISCLOSED BY A SURVEY ENTITLED "A.L.T.A. SURVEY OF PACIFIC BELL PARK FOR SAN FRANCISCO GIANTS" BY MARTIN M. RON ASSOCIATES, INC., DATED SEPTEMBER 21, 1997, JOB NO. S-3422, AS FOLLOWS:

VARIOUS ENCROACHMENTS OF IMPROVEMENTS ON SAID LAND ONTO ADJACENT LAND.

ENCROACHMENTS OF IMPROVEMENTS ONTO SAID LAND FROM LAND ADJACENT ON THE SOUTHWEST (THIRD STREET) CONSISTING OF THE FOLLOWING: 6.3' ± OVER BRIDGE STRUCTURE ABOVE.

THE FACT THAT A SUBSURFACE MUNI CONDUIT TRAVERSES THE PARK ACCESS PARCEL.

EXHIBIT E

MITIGATION MEASURES

EXHIBIT E

MITIGATION MEASURES

The Port has adopted findings pursuant to the California Environmental Quality Act ("CEQA") in connection with the approval of this Lease under Port Commission Resolution No.97-53. These findings include mitigation measures which will be implemented and monitored by the Port and other agencies pursuant to the mitigation monitoring program adopted by the Port. This Exhibit E contains those mitigation measures or portions thereof which involve ongoing operation of the Ballpark and other Improvements and over which Tenant has sole or shared responsibility for implementation. Certain measures have been modified to reflect only the portion of the measure which is within Tenant's responsibility. The numbering system below corresponds to the system used in the mitigation monitoring program.

B1. BALLPARK TRANSPORTATION COORDINATION COMMITTEE

Cooperate with the Ballpark Transportation Coordinating Committee (BTCC) which will be formed to implement and monitor the operation of the transportation mitigation program. Tenant shall appoint a transportation coordinator to be a member of BTCC.

B2. TRANSPORTATION MANAGEMENT PLAN

Prepare and submit a draft Transportation Management Plan (TMP) to the BTCC, and participate on an ongoing basis in the BTCC's efforts to implement and monitor the TMP and refine it as appropriate.

B3. TRAFFIC ROUTING PLAN

Participate in the BTCC's effort to adopt and implement as part of the TMP a Traffic Routing Plan, comparable to that identified and analyzed in the EIR, including, without limitation, the following measures: (1) post parking attendants on Third Street north of Fourth Street and on Fourth Street near Third Street to form an entrance to the designated ballpark parking area before a game; and (2) work with property owners and tenants (e.g., Mission Bay Golf Center) along Channel Street, Owens Street, and China Basin Street between Fourth Street and Sixteenth Street to manage ballpark traffic between the Giants ballpark parking lots and Sixteenth Street.

B5. FERRY SERVICE PROVISION AND STUDY PARTICIPATION

Participate in the public-private partnership of major Bay Area governmental agencies and ferry service providers, including BCDC, MTC, the Bay Area Council, BADCAT/BAEF, GGNRA, the US Park Service, Caltrans, the Golden Gate Bridge District, AC Transit, the Port of Oakland, and the Blue and Gold Fleet and other public and private ferry operators, which is currently proposing to undertake a study of the feasibility of an expanded Regional Ferry Transportation System. At the conclusion of the study, make good faith

Lease Exhibit E

efforts to assist in implementing feasible study recommendations relating to ballpark ferry service. At that time, also undertake measures to enhance the attractiveness of ferry service as a mode of transportation for ballpark events.

B7. TRANSIT INCENTIVE PROGRAM

Develop and implement a program for the ballpark that encourages transit use and other alternative modes of travel to the Ballpark. This program shall be designed and implemented prior to the opening of the Ballpark and shall continue on an ongoing basis. The purpose of the transit incentive program shall be to develop strategies to reduce ballpark parking demand through education, marketing and incentives. Such measures may include charging for parking in the dedicated lots, concession discounts to fans who show evidence of riding on transit or ballpark shuttles, and an informational campaign regarding transit schedules, availability and convenience. Ballpark parking should be priced at a relatively high level, to encourage transit use.

B8. TRANSPORTATION DEMAND MANAGEMENT

Develop a transportation demand management (TDM) plan for employees and concessionaires. The plan could include, for example, providing employees and concessionaires with free or subsidized transit passes to encourage transit use and reduce parking impacts.

B9. PUBLIC INFORMATION/OUTREACH PROGRAMS

Develop public information/outreach programs that shall include the following types of actions:

- Work with transit and private parking operators and game ticket distributors to offer transit and parking passes when fans purchase tickets.
- Consider scheduling some weekday afternoon games for a late 3:30 - 4:00 p.m. start time.
- Develop a brochure, information packet, and/or Internet web page providing full information about ballpark travel options.

B10. MOTORIST INFORMATION SYSTEM (MIS)

Develop an MIS program to provide motorists and all travelers to and from the ballpark with real-time information about traffic, parking, and transit before and after games. It could include the following types of measures:

- Use existing sports and news oriented radio stations to broadcast travel conditions.
- Establish a cellular phone hot-line which provides up-to-date travel information.

Lease Exhibit E

- Participate in the ongoing Bay Area TravInfo system which provides up-to-date travel data to participants. TravInfo is a program sponsored by the Metropolitan Transportation Commission and Caltrans to provide travelers with access to accurate, real-time information regarding travel conditions.
- Implement a low-frequency radio station(s) to provide motorists with traffic and parking information in the vicinity of the ballpark.

B11. SPECIAL EVENTS

Implement elements of the TMP, as appropriate and as recommended by BTCC, for Other Events. Notify the BTCC of any large, special events designed for more than 42,000 spectators and submit a special transportation plan to the committee defining the measures to be implemented in order to mitigate the impacts of the event which might go beyond those of a normal sellout ballgame.

B12. FACILITATE AND ACCOMMODATE MUNI METRO EXTENSION

B12A. Operational Measures

- Work with MUNI to provide MUNI ticket dispensing machines in the ballpark so that fans can purchase them during games.

B15. LEFTY O'DOUL BRIDGE SURFACE COVERING

Before and after ballgames, provide a temporary surface to cover the parts of the bridge used by pedestrians with a material more amenable to walking.

C1. CONCERT NOISE

All concerts at the ballpark featuring live amplified music shall comply with all applicable laws, including but not limited to the San Francisco Police Code. With the exception of five (5) concerts per year, the following additional restrictions on noise shall apply: perform a sound test, and on the basis of this test, establish a limit on music noise in the Ballpark that would result in increases in exterior noise at representative residential receptors in the adjoining neighborhood of no greater than 3 decibels above the then-existing ambient hourly average (L_{eq}) noise levels at those receptor locations.

E1. EMERGENCY EVACUATION PLANNING

Develop an Evacuation Plan for the Ballpark for use in the event of an emergency situation which necessitated partial or complete evacuation of the facility.

F7. LITTER CONTROL

Prevent litter generated by waterfront areas associated with the Ballpark from entering China Basin Channel by the placement of trash receptacles, regular collection of trash, public notices, and regular skimming of the surface of China Basin Channel. Trash receptacles shall be conveniently placed and widely available for public use along the Port Walk. Receptacles shall be emptied regularly and trash picked up regularly so overflows of garbage in those areas are minimized. Trash collection shall occur before and after games, and as needed during non-game times. Specific maintenance staff shall be assigned to perform trash collection along the Port Walk. Signs or warnings shall be posted along the Port Walk to encourage users of the ballpark to dispose of litter properly.

Provide for skimming of the Channel edges east of the Lefty O'Doul Bridge at frequent and regular intervals. Because floating litter tends to drift, skimming would be needed along the entire length of the Channel and at the mouth of the Channel.



June 14, 2018

Jack Bair
Senior Vice President
China Basin Ballpark Company, LLC
c/o AT&T Park
24 Willie Mays Plaza
San Francisco, CA 94107

**Re: China Basin Ballpark Company, LLC ("CBBC")
Lease No. L-12631 ("the Lease")
Exhibit F**

Dear Jack,

The purpose of this letter is to confirm and acknowledge the correct Exhibit F for the aforementioned Lease.

By signing below, both parties agree and acknowledge that the correct Exhibit F for Lease No. L-12631 between the Port and China Basin Ballpark Company, LLC is that certain Exhibit attached hereto.

Sincerely,

Kimberley Beal
Property Manager, Real Estate and Development

AGREED AND ACKNOWLEDGED

China Basin Ballpark Company, LLC
A California limited liability company

By

Jack Bair

Date 6-20-2018

City and County of San Francisco,
a municipal corporation, operating
by and through the San Francisco
Port Commission

By

Michael J. Martin

Date 6/15/18

EXHIBIT F

IMPROVEMENT MEASURES

Lighting

1. Tenant shall turn off the primary sports lights within a reasonable time after the public has exited the Ballpark following night games and other nighttime events. Thereafter, lighting shall be limited to the minimum reasonably necessary for clean-up of the Ballpark.
2. The Pacific Bell Park sign facing South Beach Park and the back of the scoreboard shall be indirectly or diffusely illuminated. Prior to permanent installation and lighting of the signage, testing of the brightness and intensity of illumination shall be performed to insure glare is reduced.
3. Tenant shall test the installed field-lighting system prior to opening the ballpark to ensure that lighting meets operating requirements in the ballpark and minimizes obtrusive spill lighting in the ballpark vicinity. Testing would include light-meter measurements at selected locations in the ballpark vicinity, to measure spill lighting from ballpark field-lighting fixtures, and permit adjustment of lighting fixtures.
4. As existing Ballpark field lamps and/or fixtures reach the end of their effective life cycles and require replacements, Tenant shall research, select and install new lamps and/or fixtures that are of the same or better quality as the existing lighting at the time of replacement with respect to minimizing glare and spill light, and shall consider, subject to budget constraints, improved technology. Such lamps and/or fixtures shall be placed, directed, baffled and adjusted to reduce any light-generated nuisance to surrounding properties and neighborhoods.

Surrounding Land Uses

Tenant shall participate with the Rincon Point-South Beach Citizen's Advisory Committee (the "CAC"), the City and/or the Redevelopment Agency in an effort to develop an appropriate land use plan and zoning controls for the retail uses in the area around the Ballpark.

Parking

1. Tenant shall cooperate with the Ballpark Transportation Coordination Committee to consider (i) institution of residential preferential parking in the South Beach and South Park neighborhoods, extended to include evening hours when there are evening events at the Ballpark, and (ii) installation of programmable parking meters in areas near the Ballpark necessary to serve neighborhood businesses.

Lease Exhibit F

2. Tenant shall participate with the BTCC in the development and implementation of a parking monitoring program during the initial five years of operation. The parking monitoring program would be designed to determine the total parking demand generated by the ballpark based on actual use of the ballpark parking, including overflow parking north and south of China Basin Channel. The purpose of the program would be to maximize opportunities for use of existing parking, minimize overflow parking conditions, and develop a long-term plan for permanent parking (which shall avoid locating any permanent parking on piers). The parking monitoring results should be submitted to the San Francisco Department of Parking and Traffic for review at the end of each baseball season. The long-term parking plan may include such elements as: procurement of parking in public and private garages in the area that are currently closed on weekends and evenings but could remain open on game days; provision of parking spaces that would be available to Giants fans on weekends, particularly on Saturdays, within the area north of China Basin Channel; and provision of parking in parking garages north of Market Street which are closed or under-utilized on weekends and week nights to provide satellite parking for Giants fans with a shuttle to and from the Ballpark.
3. Provide a minimum of 150 secure bike parking spaces with the flexibility to accommodate up to 250. This could be a fenced area watched by an attendant or security guard in the parking lot immediately south of China Basin Channel as close to the Lefty O'Doul (Third Street) Bridge as possible.

Neighborhood

1. Tenant shall appoint a community liaison officer(s) who shall be the primary contact person to address any neighborhood complaints regarding the operation of the Ballpark. The Community Liaison Officer(s) shall be available by telephone or pager during Baseball Home Games and Other Events, and immediately before and after such events. The Community Liaison Officer(s) will work cooperatively with interested neighborhood groups and the City (i) to respond to complaints, such as nuisance glare and spill light, fan-generated litter and graffiti, fan-related security and behavior issues, and localized traffic and access concerns, and (ii) to establish appropriate operating procedures, including with respect to sound levels in the Ballpark public address system and exterior speakers so that noise from these systems in the adjacent residential neighborhood does not exceed acceptable levels. (Testing of the sound levels in the Ballpark public address system and exterior speakers shall be performed early in the first season to assist in establishing the appropriate operating procedures.) The Community Liaison Officer(s) shall also participate with neighborhood groups, property owners, residents and businesses in good faith efforts to maintain and enhance the overall neighborhood appearance.

Lease Exhibit F

2. The Tenant, in cooperation with adjacent property owners, shall use good faith efforts to participate equitably in the establishment or expansion and operation of a maintenance district for litter and graffiti removal in the vicinity of the Ballpark.
3. Tenant shall consider scheduling some weekday afternoon games for a 12:00 p.m. start instead of a 12:35 p.m. start.

Concerts and Other Events

1. All open air live musical performances or concerts involving amplified music or other events where the entertainment may involve similar noise impacts, such as motocross racing (collectively, "Outdoor Concerts") which are separately ticketed from a baseball game shall require a separate permit from the Port Commission or its designee following notice to the CAC or other designated neighborhood organization, which notice shall be at least twenty (20) days before the permit for such event may be issued. Prior to granting such permit, factors to be considered shall include duration of the proposed event, start and end times, day of the week, proximity in time to other noise generating events, prior experience with similar events, and consideration of other major concurrent events in the City (such as conventions).
2. CBBC shall be limited each year to a maximum of fourteen (14) events separately ticketed from any baseball game with attendance of 15,000 or greater, any or all of which may be Outdoor Concerts.
3. The additional restrictions on noise set forth in Mitigation Measure C1 of Exhibit E to this Lease shall apply to all but a maximum of three (3) Outdoor Concerts per year, and not five (5) per year as set forth in said Mitigation Measure.
4. If Tenant is to conduct musical performances or concerts within an enclosed amphitheater with a fabric roof, Tenant shall establish appropriate roof design and operational criteria to prevent noise impacts on nearest residential uses from exceeding 3 dBA (hourly L_{eq}) over then-existing ambient noise levels.
5. All Outdoor Concerts and all Other Events (as defined in the Lease) with attendance of 15,000 or greater shall conclude by 11:00 p.m., or such earlier time as may be established as a condition of the permit for the event issued pursuant to Paragraph 1 above.
6. All Other Events shall be scheduled so that such events do not begin or end at times which will cause overlap with peak hour traffic conditions, from 4:30 p.m. to 5:30 p.m. on weekdays.

Lease Exhibit F

Fireworks

Tenant shall limit use of fireworks with loud explosions or whistling sounds to Opening Day, playoff, World Series and All-Star Games, and two (2) other events during the season (such as Memorial Day and Independence Day celebrations).

Freight Loading Improvement Measures

1. Limit large truck operations on game days to the time periods well before and after games.
2. Develop a plan for large truck loading and deliveries at the Pavilion Building to avoid conflict with traffic, which plan could include prohibition of left hand turns from Third Street.

Emergency Response Plan

Tenant shall prepare an Emergency Response Plan to address preparation for, and implementation of measures during, any emergency event. The Emergency Response Plan will include emergency response and preparedness measures such as those included in the Waterfront Land Use Plan mitigation measures, as appropriate for the Project.

Litter

Tenant shall remove from South Beach Park, including the adjacent marina facilities, all debris and refuse resulting from use of the Site within twelve (12) hours of the conclusion of Baseball Home Games or Other Events. Alternatively, upon the mutual agreement of Tenant and the San Francisco Redevelopment Agency, Tenant shall contribute to the Redevelopment Agency an amount adequate to cover the incremental cost incurred by the Redevelopment Agency in performing such removal.

Traffic Control/Command Center

A traffic control/command center (approximately 250 square feet in area) shall be included in the Project and made available to the City rent-free if the City notifies Tenant by the date eighteen (18) months following commencement of construction of the Initial Improvements under the DDA of the City's intent to use the space for such purposes. Conduit for appropriately sized cables (as reasonably specified by the City) shall be installed by Tenant to link the traffic control/command center to a junction box in an adjacent street location to be reasonably determined by the City.

EXHIBIT G

SIGN GUIDELINES

EXHIBIT G

SIGN GUIDELINES

The following are the Sign Guidelines ("Guidelines") for review and approval of signs and murals for Pacific Bell Park. These Guidelines shall apply to Pacific Bell Park in lieu of the Port of San Francisco Guidelines for Review and Approval of Signs and Murals.

I. Application of Guidelines and Exemptions.

A. Port Sign Committee Review and Approval. No person shall place or erect any sign or mural that is subject to these Guidelines on the Pacific Bell Park Project site ("Site") without first obtaining review and approval by the Port Sign Committee in accordance with these Guidelines. The Port Sign Committee shall be comprised of Port staff with expertise and experience in architecture, urban design, landscape architecture, planning, commercial property management or other similar backgrounds.

B. Application. Except as specifically exempted in Section I.C. hereof, these Guidelines shall apply to all permanent and temporary signs installed on the Site which are visible from public streets, sidewalks, waterways or from the air, except that signs within the interior of the ballpark which are designed or intended to be primarily visible from the inside of the ballpark shall not be subject to review or approval. Any treatment or lighting of the back of the scoreboard shall be subject to Port permit approval.

C. Exemptions. This Guidelines shall not apply to the following:

1. Legally required posters, notices or signs.
2. International, national, state, city, county (or other political subdivision) flags, maritime house flags or sports-themed flags.
3. Port, City, or State-installed signs, such as traffic or directional signs.

II. Permit Submittal and Review Process.

A. The following procedures shall be applicable for the review of all proposed signs that are subject to these Guidelines:

1. Applications for Port Sign Committee review shall be submitted on Port Building Permit Application Forms and shall include detailed specifications and drawings as follows:

- a. Building Site Plan, drawn to scale, and showing:
 - (1) Location of proposed sign.
 - (2) Location of existing landscaping.
 - (3) Location of existing adjacent signs that are to remain in place.
- b. Exterior elevation drawings, drawn to scale, of the relevant portion of the ballpark or landscape features, showing location of existing adjacent signs to remain and the proposed sign.
- c. Details of sign, drawn to scale, which include:
 - (1) Sign dimensions.
 - (2) Plan view.
 - (3) Elevation view.
 - (4) Colors. A sample of each proposed to be used must be submitted for review and approval.
 - (5) Materials. Material samples may be required.
 - (6) Letter size and type style.
 - (7) Lighting or illumination.
 - (8) Content of sign including exact wording and other design features.
 - (9) Name, address and telephone number of manufacturer as well as manufacturer's specifications, as applicable.
 - (10) All structural details, which shall comply with the San Francisco Building Code.
 - (11) All electrical details, which shall comply with the San Francisco Electrical Code. Provide UL Labels where applicable.
- d. Photograph of the relevant portion of the ballpark, marked to show proposed sign location.
- e. The application fees required shall be as listed in the San Francisco Building Code.

2. After receipt of a completed application, together with all supporting documentation, the Port Sign Committee shall review the application in accordance with the Port's Waterfront Design and Access Plan, and also in accordance with the following considerations:

a. The design of a sign shall be compatible with the architectural design of the ballpark.

b. The Site is a major public gathering point, along the waterfront, adjacent to existing uses. The nature and quality of the signage shall be designed in consideration of these site characteristics, including the architectural character of any adjoining improvements.

c. The sign shall be of appropriate proportion and scale in relation to the ballpark structure.

3. The Port Sign Committee, upon review of an application, may approve, conditionally approve, or deny such application based on consistency of the sign with the criteria set forth in Section II.A.2 hereof.

a. In those instances where the Port Sign Committee has denied an application, the Committee shall inform the applicant, in writing, why the application has been denied based on the criteria set forth in Section II.A.2. The denial shall be issued within fifteen (15) business days of receipt of an application.

b. The applicant may resubmit a revised application addressing the deficiencies which lead to the denial of the application or may appeal the Port Sign Committee's decision to the Port Executive Director or his/her designee. The appeal must be in writing and must state the reasons why the application should be approved. The determination of the Director or his/her designee shall be final and shall be made within fifteen (15) business days of receipt of the written appeal.

4. The Port Sign Committee may recommend review by the Port's Design Review Committee, if it determines that the sign may have significant implications for the urban design of the waterfront setting. The review is coordinated by the Port's Planning and Development Division.

III. Temporary Signs and Banners.

In addition to the permanent signage permitted herein, temporary signs may be permitted as described below. With the exception of construction signs described in Section C below, temporary signs will be permitted for a two-week period, with additional two-week extensions possible. Each extension will require additional approval by the Port Sign Committee.

A. Signs Noticing Events including public events, events related to baseball or other events at the facility which are removed immediately after the event has taken place.

B. Signs in Anticipation of Permanent Signs for businesses which are open to the public prior to delivery of a permanent sign.

C. Construction Signs. Construction signs for a construction project announcing that the project is under construction or stating the names and addresses of those individuals or firms directly connected with the design or construction project and/or the name of the ultimate user.

IV. Murals.

Murals or extensive paint treatments applied or affixed to the exterior of a building shall require a Port permit.

The Port Sign Committee may recommend that the design be reviewed by the Port's Design Advisors pursuant to Section II.4.

V. Prohibited Signs and Advertising.

The following signs and advertising are prohibited on Port property:

A. Portable Signs, such as sandwich boards, except portable signs for intermittent uses, subject to Port permit approval.

B. Wind Signs, Revolving Signs, Reflecting Signs, Blinking Signs, Balloon Signs and Other Tethered Signs. This shall not include moving message signs, which are permitted at ballpark entrances, subject to Port permit approval.

C. General Advertising Signs. General advertising signs not directly advertising the business or person locating at or on the premises on which the sign is proposed shall not be permitted on the Site, unless authorized by the Port Executive Director.

VI. Signage Restrictions.

A. Sign Area.

1. The permitted area of signs shall be determined on a case-by-case basis, taking into consideration other signage on the Site and the proposed location, dimension, and scale of the sign.

B. Sign Height and Projection From the Face of the Building.

1. No roof signs shall be permitted.

2. Signs attached to buildings or structures shall project out from the face of the building no more than two inches when the lowest part of the sign is seven feet or less above the grade directly below the sign.

C. Sign Location.

1. Signs will not be permitted on or over public sidewalks unless a sidewalk encroachment permit or similar agreement is obtained from the Port and such signs are approved by the Port Sign Committee.

2. When feasible and consistent with operational considerations, signs should be affixed to buildings or structures.

D. Illumination.

1. Use of high-intensity, unshielded or undiffused lights shall not be permitted.

2. No electrical or illuminated signs shall blink or be intermittently lighted.

VII. Maintenance; Removal of Signs.

A. The owner of any sign shall maintain the sign in a sound and safe condition and so that the sign does not become unsightly. The Port Sign Committee, upon notice, may revoke the permit for any sign which is not so maintained.

B. A sign which no longer serves the purpose or the establishment for which the sign was originally permitted must be removed by the sign owner and the removal area restored to the original condition prior to the installation of the sign. This must be done within fifteen days after the discontinuance or abandonment of the use or premises.

VIII. Abatement of Non-Conforming Signs.

A. Any sign on the Site which does not conform to these Guidelines or which is erected without Port Sign Committee review and a Port Building Permit or is hereafter erected or constructed in violation of the requirements of these Guidelines shall be considered a non-conforming sign.

B. The Port may declare any non-conforming sign to be a public nuisance and may require the sign owner to remove the sign upon notification by the Port. If not removed as requested, the Port may remove the non-conforming sign at the sign owner's expense.

IX. Variance Procedure.

A. Applications for variances from these Guidelines shall be made in writing to the Port Sign Committee. The Applicant shall submit a detailed explanation why the specific Guidelines challenged should not apply.

B. To grant a variance, the Port Sign Committee must make all of the following findings:

1. The proposed sign will be in harmony with the general purpose and intent of these Guidelines; and

2. That there are exceptional or extraordinary circumstances applying to the sign application involved that did not apply generally to other similar uses or property; and

3. That owing to exceptional or extraordinary circumstances, the literal enforcement of specific provisions of these Guidelines would result in practical difficulty or unnecessary hardship not created by or attributable to the applicant.

C. In those instances where the Port Sign Committee has denied a variance application, the Committee shall inform the applicant, in writing, why the application has been denied, within fifteen (15) business days of receipt of a variance application.

D. The applicant may resubmit a revised application addressing deficiencies which lead to the denial of the variance, or may appeal the Port Sign Committee's decision to the Port Executive Director or his/her designee. The appeal must be in writing and must state the reasons why the variance should be approved. The determination of the Director or his/her designee shall be final, and shall be made within fifteen (15) business days of receipt of a revised application.

X. Penalties.

A. No signs shall be placed, erected or constructed without first obtaining a Port Sign Committee approval and a building permit from the Port. Any sign installed at a site or building on the Site for which approval and a permit have not first been obtained shall constitute a violation of the San Francisco Building Code as described in Section 205 therein. Penalties for any such violation shall be as provided in Section 205 as amended from time to time.

EXHIBIT H

**PREVAILING WAGE PROVISIONS
(LABOR STANDARDS)**

EXHIBIT H

PREVAILING WAGE PROVISIONS (LABOR STANDARDS)

- 1.01 **Applicability.** These Prevailing Wage Provisions (hereinafter referred to as "Labor Standards") apply to any and all Subsequent Construction as defined in the Ground Lease ("Lease") between China Basin Ballpark Company LLC ("Tenant") and the Port of which this Exhibit and these Labor Standards are a part.
- 1.02 **All Contract and Subcontracts shall contain the Labor Standards.**
Confirmation by Construction Lender.
- (a) All specifications relating to Subsequent Construction shall contain these Labor Standards and Tenant shall have the responsibility to assure that all contracts and subcontracts, regardless of tier, incorporate by reference the specifications containing these Labor Standards. If for any reason said Labor Standards are not included, the Labor Standards shall nevertheless apply. Tenant shall maintain for inspection by the Port true copies of each contract relating to Subsequent Construction showing the specifications that contain these Labor Standards promptly after due and complete execution thereof. Failure to do shall be a violation of these Labor Standards.
- 1.03 **Definitions.** The following definitions shall apply for purposes of this Exhibit. All terms used herein and not otherwise defined shall have the same meaning as the same term in the Lease and Lease.
- (a) "Contractor" is the developer if permitted by law to act as a contractor, the general contractor, and any contractor as well as any subcontractor of any tier subcontractor having a contract or subcontract that exceeds \$10,000, and who employs Laborers, Mechanics, Working Foremen, and security guards to perform the construction on all or any part of the Improvements.
- (b) "Laborers" and "Mechanics" are all persons providing labor to perform the construction, including Working Foremen and security guards.
- (c) "Working Foreman" is a person who, in addition to performing supervisory duties, performs the work of a Laborer or Mechanic during a least 20 percent of the work week.

Prevailing Wage.

- (a) All Laborers and Mechanics employed in Subsequent Construction will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by section 1.05) the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at the time of payment computed at rates not less than those contained in the General Prevailing Wage Determination (hereinafter referred to as the "Wage Determination") made by the Director of Industrial Relations pursuant to California Labor Code Part 7, Chapter 1, Article 2, Sections 1770, 1773 and 1773.1, regardless of any contractual relationship which may be alleged to exist between the Contractor and such Laborers and Mechanics. A copy of the applicable Wage Determination is on file in the offices of the Port with the Chief Building Inspector. At the time of the Close of Escrow the Port shall provide Tenant with a copy of the applicable Wage Determination.

All Laborers and Mechanics shall be paid the appropriate wage rate and fringe benefits for the classification of work actually performed, without regard to skill. Laborers or Mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein provided that the Contractor's payroll records accurately set forth the time spent in each classification in which work is performed.

- (b) Whenever the wage rate prescribed in the Wage Determination for a class of Laborers or Mechanics includes a fringe benefit which is not expressed as an hourly rate, the Contractors shall either pay the benefit in the manner as stated therein i.e. the vacation plan, the health benefit program, the pension plan and the apprenticeship program, or shall pay an hourly cash equivalent thereof.
- (c) If the Contractor does not make payments to a trustee or other third person, the Contractor may consider as part of the wages of any laborer or Mechanic the amount of any costs reasonably anticipated in providing benefits under a plan or program of a type expressly listed in the Wage Determination, provided that the Executive Director of the Port has found, upon the written request of the Contractor, made through Tenant that the intent of the Labor Standards has been met. Records of such costs shall be maintained in the manner set forth in subsection (a) of section 1.08. The Executive Director of the Port may require Tenant to set aside in a separate interest bearing account with a member of the Federal Deposit Insurance Corporation, assets for the meeting of obligations under the plan or

program referred to above in subsection (b) of this section 1.04. The interest shall be accumulated and shall be paid as determined by the Port acting at its sole discretion.

- (d) Regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period.
- (e) The responsibility for compliance with Section 1776 of the California Labor Code shall be on the Contractor.

1.05 **Permissible Payroll Deductions.** The following payroll deductions are permissible deductions. Any others require the approval of the Port's Executive Director.

- (a) Any withholding made in compliance with the requirements of Federal, State or local income tax laws, and the Federal social security tax.
- (b) Any repayment of sums previously advanced to the employee as a bona fide prepayment of wages when such prepayment is made without discount or interest. A "bona fide prepayment of wages" is considered to have been made only when cash or its equivalent has been advanced to the employee in such manner as to give him or her complete freedom of disposition of the advanced funds.
- (c) Any garnishment, unless it is in favor of the Contractor (or any affiliated person or entity), or when collusion or collaboration exists.
- (d) Any contribution on behalf of the employee, to funds established by the Contractor, representatives of employees or both, for the purpose of providing from principal, income or both, medical or hospital care, pensions or annuities on retirement, death benefits, compensation for injuries, illness, accidents, sickness or disability, or for insurance to provide any of the foregoing, or unemployment benefits, vacation pay, savings accounts or similar payments for the benefit of employees, their families and dependents provided, however, that the following standards are met:
 - 1. The deduction is not otherwise prohibited by law; and
 - 2. It is either:
 - a. Voluntarily consented to by the employee in writing and in advance of the period in which the work is to be done and

such consent is not a condition either for obtaining or for the continuation of employment, or

- b. Provided for in a bona fide collective bargaining Lease between the Contractor and representatives of its employees; and
- 3. No profit or other benefit is otherwise obtained, directly or indirectly, by the Contractor (or any affiliated person or entity) in the form of commission, dividend or otherwise; and
- 4. The deduction shall serve the convenience and interest of the employee.
- (e) Any authorized purchase of United States Savings Bonds for the employee.
- (f) Any voluntarily authorized repayment of loans from or the purchase of shares in credit unions organized and operated in accordance with Federal and State credit union statutes.
- (g) Any contribution voluntarily authorized by the employee for the American Red Cross, United Way and similar charitable organizations.
- (h) Any payment of regular union initiation fees and membership dues, but not including fines or special assessments provided, that a collective bargaining Lease between the Contractor and representatives of its employees provides for such payment and the deductions are not otherwise prohibited by law.

1.06

Apprentices and Trainees. Apprentices and trainees will be permitted to work at less than the Mechanic's rate for the work they perform when they are employed pursuant to and are individually registered in an apprenticeship or trainee program approved by the U.S. Department of Labor, Employment and Training Administration, Bureau of Apprenticeship and Training ("BAT") or with the California Department of Industrial Relations, Division of Apprenticeship Standards ("DAS") or if a person is employed in his or her first 90 days of probationary employment as an apprentice or trainee in such a program, who is not individually registered in the program, but who has been certified by BAT or DAS to be eligible for probationary employment. Any employee listed on a payroll at an apprentice or trainee wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate for a Mechanic. Every apprentice or trainee must be paid at not less than the rate specified in the registered program for the employee's level of progress, expressed as a percentage of a Mechanics' hourly rate as specified in the Wage Determination. Apprentices

or trainees shall be paid fringe benefits in accordance with the provisions of the respective program. If the program does not specify fringe benefits, employees must be paid the full amount of fringe benefits listed in the Wage Determination.

1.07

Overtime. No Contractor contracting for any part of Subsequent Construction which may require or involve the employment of Laborers or Mechanics shall require or permit any such Laborer or Mechanic in any workweek in which he or she is employed on such construction to work in excess of eight hours in any calendar day or in excess of 40 hours in such workweek unless such Laborer or Mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of eight hours in any calendar day or in excess of 40 hours in such workweek, whichever is greater.

1.08

Payrolls and Basic Records.

- (a) Payrolls and basic records relating thereto shall be maintained by the Contractor during the course of its Subsequent Construction and preserved for a period of one year thereafter for all Laborers and Mechanics it employed in Subsequent Construction. Such records shall contain the name, address and social security number of each employee, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for fringe benefits or cash equivalents thereof), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the wages of any Laborer or Mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program, the Contractor shall maintain records which show the costs anticipated or the actual costs incurred in providing such benefits and that the plan or program has been communicated in writing to the Laborers or Mechanics affected. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage prescribed in the applicable programs or the Wage Determination.
- (b)
 - 1. The Contractor shall submit to the Port on the first working Monday of each month a copy of the payrolls for the previous month in which any construction of the Improvements was performed. The payrolls submitted shall set out accurately and completely all of the information required by the Port's Form, a copy of which may be obtained from the Port. The Contractor if a prime contractor or the developer acting as the Contractor is responsible for the submission of copies of certified payrolls by all

subcontractors; otherwise each Contractor shall timely submit such payrolls.

2. Each monthly payroll shall be accompanied by the Statement of Compliance that accompanies this Exhibit and properly executed by the Contractor or his or her agent, who pays or supervises the payment of the employees.

- (c) The Contractor shall make the records required under this section 1.08 available for inspection or copying by authorized representatives of the Port, and shall permit such representatives to interview employees, upon 24 hours notice, during working hours on the job; but without causing undue disruption to the work. On request the Executive Director of the Port shall advise the Contractor of the identity of such authorized representatives.

1.09 **Occupational Safety and Health.** No Laborer or Mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous to his or her safety and health as determined under construction safety and health standards promulgated by Cal-OSHA or if Cal-OSHA is terminated, then by the federal OSHA.

1.10 **Affirmative Action Program.** The utilization of apprentices, trainees, Laborers and Mechanics under this part shall be in conformity with the affirmative action program set forth in Exhibit I of the Lease. Any conflicts between the language contained in these Labor Standards and Exhibit I shall be resolved in favor of the language set forth in Exhibit I except that in no event shall less than the Prevailing Wage be paid.

1.11 **Nondiscrimination Against Employees for Complaints.** No Laborer or Mechanic to whom the wage, salary or other Labor Standards are applicable shall be discharged or in any other manner discriminated against by the Contractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding under or relating to these Labor Standards.

1.12 **Posting of Notice to Employees.** A copy of the Wage Determination referred to above in subsection (a) of section 1.04 together with a copy of a "Notice to Employees," in the form appearing on the last page of these Labor Standards, shall be given to Tenant at Commencement Date. The Notice to Employees and the Wage Determination shall both be posted and maintained by the Contractor in a prominent place readily accessible to all applicants and employees performing construction of the Improvements before construction commences. If such Notice and Wage Determination is not so posted or maintained, the Port may do so.

Violation and Remedies.

- (a) **Liability to Employee for Unpaid Wages.** The Contractor shall be liable to the employee for unpaid wages, overtime wages and benefits in violation of these Labor Standards.
- (b) **Stop Work--Contract Terms, Records and Payrolls.** If there is a violation of these Labor Standards by reason of the failure of any contract or subcontract for Subsequent Construction to contain the Labor Standards as required by Section 1.02 ("Non-Conforming Contract"); or by reason of any failure to submit the payrolls or make records available as required by Section 1.08 ("Non-Complying Contractor"), the Executive Director of the Port may, after written notice to Tenant with a copy to the Contractor involved and failure to cure the violation within ten working days after the date of such notice, stop the construction work under the Non-Conforming Contract or the Non-Complying Contractor comes into compliance.
- (c) **Stop Work and Other Violations.** For any violation of these Labor Standards, the Executive Director of the Port may give written notice to Tenant, with a copy to the Contractor involved, which notice shall state the claimed violation and the amount of money, if any, involved in the violation. Within ten working days from the date of said notice, Tenant shall advise the Port in writing whether or not the violation is disputed by the Contractor and a statement of reasons in support of such dispute (the "Notice of Dispute"). In addition to the foregoing, Tenant, upon receipt of the notice of claimed violation from the Port, shall with respect to any amount stated in the Port notice withhold payment to the Contractor of the amount stated multiplied by 45 working days and shall with the Notice of Dispute, also advise the Port that the moneys are being or will be withheld. If Tenant fails to timely give a Notice of the Dispute to the Port or to advise of the withhold, then the Executive Director of the Port may stop Subsequent Construction under the applicable contract or by the involved Contractor until such Notice of Dispute and written withhold advice has been received.

Upon receipt of the Notice of Dispute or withhold advice, any stop work which the Executive Director has ordered shall be lifted, but Tenant shall continue to withhold the moneys until the dispute has been resolved.
- (d) **Withholding Certificates of Completion.** The Port may withhold any or all certificates of completion of the Subsequent Construction provided for in this Lease, for any violation of these Labor Standards until such violation has been cured.

- (e) General Remedies. In addition to all of the rights and remedies herein contained, the Port shall have all rights in law or equity to enforce these Labor Standards including, but not limited to, a prohibitory or mandatory injunction.

1.14 Non-liability of the Port. Tenant and each Contractor acknowledge and agree that the procedures hereinafter set forth in for dealing with violations of these Labor Standards are reasonable and have been anticipated by the parties in securing financing, in inviting, submitting and receiving bids for Subsequent Construction, in determining the time for commencement and completion of construction and in proceeding with construction work. Accordingly, Tenant, and any Contractor, by proceeding with construction expressly waives and is deemed to have waived any and all claims against the Port for damages, direct or indirect, arising out of these Labor Standards and their enforcement and including but not limited to claims relative to stop work orders, and the commencement, continuance or completion of construction.

EXHIBIT I
PROGRAM IN DIVERSITY

This Exhibit I is entered into as part of that certain Ground Lease ("Lease") between the City and County of San Francisco through its Port Commission ("Port") and the China Basin Ballpark Company ("CBBC"). Unless otherwise defined in this Exhibit, capitalized terms shall have the meaning given to them in the Lease. Unless otherwise provided in this Exhibit, where notice is required, the procedures for notice shall be as provided in the Lease.

I. INTRODUCTION

A. The provisions of this Exhibit I are in addition to any obligations that may be imposed pursuant to San Francisco Administrative Code Chapters 12B and 12C.

B. CBBC recognizes the unique opportunity created by Pacific Bell Park ("Project") to contribute to the economic well being of its fans, employees and neighbors in the City and County of San Francisco. CBBC's goal is to encourage operation of the Project in a manner which promotes diversity of participation and includes the active involvement of local Minority Business Enterprises ("MBEs"), Women Business Enterprises ("WBEs"), Local Business Enterprises ("LBEs") and economically disadvantaged San Francisco Residents.

C. CBBC believes that the Project will generate significant employment and business opportunities for minorities and women, including economically disadvantaged San Francisco Residents. CBBC seeks to involve MBEs, WBEs, LBEs and San Francisco Residents in the Project at all levels. So that CBBC's progress may be tangibly established and measured the overreaching goals, key program components, techniques and monitoring procedures are set forth in this Program in Diversity ("Program") as methods for achieving economic participation by MBEs, WBEs, LBEs and economically disadvantaged San Francisco Residents.

D. CBBC will take the steps outlined in this Program to ensure that equal opportunities are afforded to Bona-Fide MBEs, WBEs, LBEs, minorities, women and

economically disadvantaged San Francisco Residents. A special effort will be made to address issues relating to the City's welfare-to-work-program. Toward these ends, CBBC will:

1. Work in cooperation with the Port, in consultation with the Human Rights Commission ("HRC") and other interested parties, in the implementation of this Program.
2. Design an innovative, model welfare to work/youth employment program.
3. Assign a contract compliance officer with authority and responsibility for implementation of the provisions of this Program.
4. Work with the local Private Industry Council to identify employment opportunities for qualified persons on public assistance and other economically disadvantaged San Francisco Residents.

E. CBBC recognizes that additional effort and coordination with the Port and HRC will be required to develop a detailed plan to facilitate implementation of this Program. CBBC agrees to work with the Port and HRC in good faith to develop such an implementation plan, consistent with the terms of this Program.

II. DEFINITIONS

A. **"Bona-Fide"** shall mean that the interest of the MBE, WBE or LBE is real, substantial and continuing and shall go beyond the pro forma ownership of the firm as reflected in its ownership documents.

B. **"Commercially Useful Function"** shall mean, for purposes of determining whether a business is an MBE, WBE or LBE, that the business is directly responsible for providing the materials, equipment, supplies or services required for the Project. MBEs, WBEs or LBEs who engage in the business of providing brokerage, referral or temporary employment services shall not be deemed to perform a "commercially useful function" unless the brokerage, referral or temporary services are those required and sought for the Project.

C. **"Good Faith Efforts"** shall mean implementation by CBBC of techniques, at least as extensive as the following, to encourage employment for minorities, women, and

economically disadvantaged San Francisco Residents. CBBC shall fully document these efforts. Such techniques include, but are not necessarily limited to:

1. Send notices of the Program's components and its requirements to labor organizations and training programs and request their cooperation and assistance in achieving the requirements of this Program.

2. Direct recruitment efforts, both oral and written, to existing City agencies and minority, women and community-based organizations. Designate a responsible official within CBBC to monitor all employment-related activity to ensure that the Program is being implemented.

3. Notify the Department of Social Services/GAIN Program of current and future employment opportunities related to the Project.

4. Encourage development of on-the-job training opportunities, including upgrading, apprenticeship and trainee programs.

5. Coordinate with the Superintendent of the San Francisco Unified School District to organize the best methods to disseminate information regarding current and future job opportunities related to the Project.

6. Coordinate with placement offices of San Francisco City College, California State University at San Francisco, University of San Francisco, Lincoln University, Golden Gate University, New College, Healds Business College and other educational programs to devise methods by which timely information regarding job opportunities at the Project can be received from CBBC to be distributed to interested students.

7. Notify private employment agencies and the Private Industry Council of current and future employment opportunities at the Project.

8. Notify the California State Department of Employment of current employment opportunities.

9. Compliance Review Meetings. An authorized representative of CBBC will actively participate in periodic compliance review meetings with the CBBC and HRC

Contract Compliance Officers to review progress and problems concerning the implementation of these Good Faith Efforts. Such meetings shall be scheduled with reasonable advance notice to CBBC and shall not be requested excessively or unreasonably. The authorized representative of CBBC in attendance must have authority to commit the organization.

D. **“Local Business Enterprise” (“LBE”)** shall mean a business with fixed offices or distribution points located within the boundaries of the City and County of San Francisco and which is listed as certified in the HRC Directory. An eligible LBE shall meet the following criteria:

1. An eligible LBE shall mean an independent and economically disadvantaged business which is an independent and continuing business for profit.
2. The LBE must possess or have applied for a current Business Tax Registration Certificate at the time of application for certification as a local business.
3. The LBE must have fixed offices or distribution points located within the geographic boundaries of the City and County of San Francisco and be listed in the Permits and License Tax Paid File with a San Francisco Street address. Post Office box numbers or residential addresses shall not suffice to establish status as a local business.
4. The LBE’s San Francisco office must be a fixed and established place where work is carried on of a clerical, administrative, professional or production nature directly pertinent to the business being certified. A temporary location or movable property or one that was established to oversee a project such as a construction project office does not qualify as an office under this Program.
5. The LBE must establish that business is transacted in the San Francisco office and that the office is appropriately equipped for the type of business for which certification as an LBE is sought.
6. The LBE’s San Francisco office must conspicuously display a sign at the premises identifying the business as being located at this address, except where the business operates out of a residence.

7. The LBE must establish that it has been located and doing business in San Francisco for at least six months preceding its application for certification as a local business.

8. A business requesting to be certified as an LBE shall supply CBBC with information and records required for ascertaining compliance with this Program.

9. The business must possess the following citing the San Francisco street address:

- a. past contracts;
- b. listing in an appropriate buyer's guide such as the telephone yellow pages;
- c. business license or receipt of payroll tax paid if applicable;
- d. business cards;
- e. stationery;
- f. lease or other written agreement for occupancy of the San Francisco office;
- g. telephone bill.

E. **"Minority, Minorities or Minority Person"** shall mean members of one of the following ethnic groups: Asians (including but not limited to, Asian-Indians, Chinese, Japanese, Koreans, Pacific Islanders, Samoans, and Southeast Asians), Blacks, Filipinos and Latinos (Mexicans, Puerto Ricans, Cubans, Central Americans and South Americans). -

F. **"Minority-Owned Business Enterprise ("MBE")** shall mean an economically disadvantaged local business which is an independent and continuing business for profit, performs a Commercially Useful Function and is Owned and Controlled by one or more Minority Persons residing in the United States or its territories. To qualify as an MBE, the business must be listed as certified by HRC or be otherwise approved by HRC.

G. **"Ownership and Control"** shall mean, for the purpose of determining whether a business is an MBE or WBE, that the minority(ies), the women or combination of minorities and women: (1) possess legal authority and power to manage business assets, goodwill and daily

operations of the business; (2) actively and continuously exercise such authority and power in determining the policies and directing the operations of the business; and (3) possess an ownership interest of more than fifty-one percent (51%) as determined by attributes of ownership, such as interest in profit and loss and contributions of capital, equipment or expertise. Ownership shall be measured as though not subject to the community property interest of the spouse, if both spouses certify that only one spouse participates in the management of the business and the non-participating spouse relinquishes control over his/her community property interest in the subject business.

H. **“San Francisco Resident”** shall mean a person who establishes that s/he resides in San Francisco at the time of submission of her/his initial application for employment..

I. **“Woman-Owned Business Enterprise” (“WBE”)** shall mean an economically disadvantaged local business which is an independent and continuing business for profit, performs a Commercially Useful Function and is Owned and Controlled by one or more women residing in the United States or its territories. To qualify as a WBE, the business must be listed as certified by HRC or be otherwise approved by HRC.

III. PROGRAM COMPONENTS

CBBC is committed to develop and implement a Program designed to foster MBE/WBE/LBE participation in the use and occupancy phase of the Project. CBBC is committed to undertake certain outreach steps discussed below to publicize the availability of business opportunities in the Project to qualified MBEs/WBEs/LBEs and San Francisco residents. CBBC reserves the right to make final decisions on tenant-mix, rental rates, terms and conditions and financial and experience criteria.

1. **Minority, Women and San Francisco Resident Enterprise Participation Program.** CBBC will develop and implement a program designed to foster MBE/WBE and San Francisco Resident participation, both in terms of leasing space to and employing Bona-Fide MBEs, WBEs and San Francisco Residents in connection with the Project where outside

businesses are utilized. Operations include, but are not necessarily limited to, the following categories:

- Restaurant and Retail Operations
- Food and Beverage Concessions
- Retail Shops
- Security
- Advertising
- Custodial Services
- Printing Services
- Photography
- Retail concessions
- Public and media relations

2. **Employment and Job Training Programs.**

a. **Ballpark Operations.** CBBC will develop and implement a program to employ MBEs, WBEs and San Francisco Residents as new hires associated with ballpark operations. These operations will include, but are not necessarily limited to, the following categories:

- CBBC Operations
- Grounds Keepers
- Parking
- Maintenance
- Guest Services (ticket sellers and takers, ushers, mezzanine staff)

b. **Programs Geared to Concession Operators and Other Tenants.**

- CBBC will collaborate with concession operators, maintenance and related operators to identify the number and types of permanent jobs associated with the Project.

- CBBC will facilitate establishment of a job-training program involving social services personnel, EDD staff, local community organizations and prospective tenants.
- CBBC will coordinate with the City of San Francisco Social Services Department, local California Employment Development Department personnel, and local community organizations to identify and solicit potential employees and job training program participants.

A significant component of the Program will be the welfare to work/youth employment plan described below. CBBC will work with existing social services and job training programs to design an innovative welfare to work/youth employment program to be coordinated with CBBC's other MBE/WBE and San Francisco Resident outreach and hiring efforts.

3. **Welfare to Work.** Working through the local Private Industry Council (Joint Partnership Training Program) ("PIC"), which in most communities is the lead agency for Welfare to Work Programs, CBBC will identify qualified candidates for inclusion as candidates for available positions. It is CBBC's understanding that the PIC will assist at CBBC's request in recruitment, training, and placement of these workers and will maintain a database as a resource for potential employers.

4. **Youth Employment.** CBBC will identify vocational training programs in local community colleges and trade schools and seek their cooperation in identifying youth that have expressed an interest in careers in sports and entertainment and other fields related to the Project. CBBC will use these institutions as vehicles to recruit candidates for positions suitable for local youth. CBBC will also explore the feasibility of creating a summer jobs program, which will be targeted to underprivileged youth in the City and County of San Francisco.

5. **Subsequent Construction; Minority/Women Business Enterprise Program.** CBBC, the Port and HRC will work together on a case by-case basis to design an appropriate MBE/WBE program for any Subsequent Construction which requires approval by Landlord. The MBE/WBE program shall be based on San Francisco Administrative Code Chapter 12D,

including, but not limited to, its provisions regarding MBE/WBE participation goals and Good Faith Efforts, with the following modifications: (1) appropriate revisions will be made to definitions and other provisions as required to reflect that this is a private project and that certain public contracting provisions and other provisions applicable only to City departments will not apply; and (2) the Project will not be subject to the monitoring, reporting and enforcement provisions of Chapter 12D, including, but not limited to, Section 12D.14, but instead will be governed by a special monitoring, reporting and enforcement mechanism which includes a meet and confer process and non-binding arbitration, similar to those established in Attachment 14 to the Lease Disposition and Development Agreement.

IV. REPORTING AND MONITORING

CBBC shall designate a contract compliance officer (the "CBBC Contract Compliance Officer"). The CBBC Contract Compliance Officer will:

- a. Be responsible for internal monitoring, data gathering and reporting of compliance with all of the provisions of this Program;
- b. Be responsible for acting as a liaison between CBBC, the Port and HRC with respect to this Program.
- c. Be required by CBBC to submit annual reports to the Port and HRC regarding its compliance with this Program;
- d. Be required by CBBC to make quarterly progress report presentations to the HRC Contract Compliance Officer regarding the status of CBBC's compliance with this Program; and
- e. Be responsible for providing the HRC Contract Compliance Officer with all relevant documentation necessary for the determination of CBBC's compliance with the Program.

The HRC will also appoint a contract compliance officer (the "HRC Contract Compliance Officer"). The HRC responsibilities of the Contract Compliance Officer will include:

- a. Acting as a liaison between the HRC, the Port and CBBC with respect to this Program;
- b. Reviewing the annual reports submitted to the Port and the HRC;
- c. Receiving quarterly progress report presentations from the CBBC Contract Compliance Officer;
- d. Being responsible for external monitoring, data gathering and reporting regarding the status of CBBC's compliance with all the provisions of this Program; and
- e. Monitoring and reporting to the HRC the compliance by CBBC with this Program based on the information received through the CBBC quarterly compliance presentations, annual reports and his/her own data gathering.

If the HRC Contract Compliance Officer makes an initial determination that CBBC is not in compliance with this Program, s/he shall notify the HRC Executive Director of this initial determination and the basis therefor. The HRC Executive Director shall notify CBBC and the Port of this initial determination and the basis therefor. The HRC Executive Director shall then promptly schedule a meeting between representatives of CBBC, the Port and the HRC in an attempt to resolve the dispute through the Mediation and Conciliation procedure as discussed below. Only if the parties fail to resolve the dispute within a reasonable time through Mediation and Conciliation can the processes provided for in § V be invoked.

Mediation and Conciliation shall exclusively be the procedure of first resort for any and all compliance disputes arising under this Program. The Executive Director of the HRC shall have power to oversee and conduct the Mediation and Conciliation. The Mediation and Conciliation shall be conducted informally and efficiently with the goal of resolving disputes in a timely and cost-efficient manner. The parties shall participate in Mediation and Conciliation for a reasonable time. The reasonableness of the length of Mediation and Conciliation will be determined by the Executive Director of the HRC and the Executive Director of the Port. Only if the Executive Director of the HRC, in consultation with the Executive Director of the Port,

determines that no resolution to the dispute can be accomplished within a reasonable time can the processes provided in § V be invoked.

The Port and the HRC shall have the authority to request that the CBBC Compliance Officer provide evidence, including pertinent CBBC records, to establish that CBBC is in compliance with or will comply with the provisions of this Program. CBBC shall provide such records within a reasonable period of a request by the Port or the HRC, provided that such requests shall not be made unreasonably or excessively. The reasonableness of such requests will depend on the frequency of such requests, the seriousness of the matter underlying the requests, the particular bases for prior requests relating to the same or similar records, the history of third party complaints of noncompliance relating to the same or similar records and the overall facts surrounding such requests for evidence.

CBBC shall make biannual presentations to the Port Commission regarding the status of this Program and CBBC's compliance therewith. The primary purpose of these presentations will be to identify any revisions to the Program that may be appropriate in order to satisfy the overall purposes of the Program.

V. REMEDIES

A. The Port's Right Of Enforcement. For purposes of enforcement, the Port and the HRC are and shall be the beneficiaries of the obligations, requirements and agreements established by this Exhibit I. The Port and the HRC are the beneficiaries for themselves, in their own rights, and also for purposes of protecting the interest of the community, and other parties, public or private, in whose favor and for whose benefit such obligations, requirements or agreements have been provided. Accordingly, the Port and the HRC shall have the sole right to enforce said obligations, requirements and agreements against CBBC and no other party, public or private, shall have an independent right to enforce such obligations, requirements, or agreements even though such obligations, requirements and agreements have been provided for its benefit.

1. Order specific, reasonable actions and procedures, in the form of a temporary restraining order, preliminary injunction or permanent injunction, to mitigate the effects of the noncompliance and/or to bring CBBC into compliance.

2. If CBBC is found to be in willful breach of its obligations hereunder, assess liquidated damages not to exceed \$50,000. For purposes of this paragraph, "willful breach" means a knowing and intentional breach.

3. Direct that CBBC produce and provide to the Port any records, data or reports which are necessary to determine if a violation has occurred and/or to monitor the performance of CBBC.

C. Initiating Non-Binding Arbitration, Request for Arbitration. Non-binding arbitration, as provided for in this Exhibit I, shall be the procedure of second resort for resolving any dispute concerning the interpretation, implementation or alleged breach of this Exhibit that is not resolved through the Mediation and Conciliation procedure described in § IV above. Obtaining a final judgment through arbitration as provided in this Exhibit shall be a condition precedent to the ability of either party to file a request for judicial relief based upon this Program. The Port, the HRC and CBBC may initiate a request for arbitration proceedings pursuant to this Exhibit I by providing to the other party(ies) by hand delivery a Demand for Arbitration ("Demand"). The party requesting the proceeding ("Initiating Party") shall include in the Demand a list of five (5) arbitrators. Each arbitrator shall be a retired California or federal judge whom the Initiating Party considers to be competent and qualified to act and resolve the dispute. Within five (5) business days after receipt of the list submitted by the Initiating Party, the other party shall then chose one (1) of the arbitrators from such list, and that arbitrator shall actually resolve the dispute hereunder. If, however, the other party rejects all of the arbitrators named on said list, then, within five (5) business days after notice of such rejection, the other party shall submit to the Initiating Party its own list of five (5) arbitrators meeting the same qualifications and criteria required in the initial Demand. Within five (5) business days after receipt of the list submitted by the other party, the Initiating Party shall then chose one (1) of the arbitrators from such list, and

submit to the Initiating Party its own list of five (5) arbitrators meeting the same qualifications and criteria required in the initial Demand. Within five (5) business days after receipt of the list submitted by the other party, the Initiating Party shall then chose one (1) of the arbitrators from such list, and that arbitrator shall act as the arbitrator hereunder. Each party must confirm that each arbitrator on its list is available to hear the matter before providing the list to the other party. Once the arbitrator is selected, the Initiating Party shall initiate arbitration proceedings by filing a Request for Arbitration ("Request") with said arbitrator.

If the Initiating Party rejects all of the names on the list provided by the other party, either party may petition the Superior Court of San Francisco to appoint an arbitrator in accordance with California Code of Civil Procedure Section 1281.6. The arbitrator so selected shall act as arbitrator and resolve the dispute as provided herein.

Where CBBC is the complaining party, the Request shall be served on the Port and the HRC. Where the Port or HRC is the complaining party, the Request shall be served on CBBC. The Request shall be filed and served either by hand delivery or by registered or certified mail. The Request shall identify other entities involved in the dispute, if any (e.g., CBBC's subcontractor), and state the exact nature of the dispute and the relief sought. If the complaining party seeks a temporary restraining order and/or a preliminary injunction, the Request shall so state in the caption of the Request.

D. Negotiations Prior To Arbitration. Prior to the filing and service of a Request, the parties to any arbitrable dispute shall utilize the Mediation and Conciliation procedures in an attempt to resolve the dispute as provided in § IV above. Only after a reasonable time has elapsed as determined pursuant to § IV above, may a Request for Arbitration be filed and served. After the filing and the service of a Request, the parties shall negotiate in good faith for a period of 10 business days in an attempt to resolve the dispute; provided that the complaining party may proceed immediately to arbitration, without engaging in such a conference or negotiations, if the facts could reasonably be construed to support the issuance of a temporary restraining order or a preliminary injunction (temporary relief). Whether the facts reasonably supported the issuance

of temporary relief shall be determined by the arbitrator and shall not, under any circumstances, be determined by a court.

E. Setting of arbitration hearing. If the dispute is not settled within 10 business days, a hearing shall be held within 90 days of the date of the filing of the Request unless otherwise agreed by the parties or ordered by the arbitrator upon a showing of good cause; provided, that if the complaining party seeks a temporary restraining order, the hearing on the motion for a temporary restraining order shall be heard not later than two (2) business days after the filing of the Request, and provided further, if a party seeks a preliminary injunction, such motion shall be heard on 15 days' notice. The arbitrator shall set the date, time and place for the arbitration hearing(s) within the proscribed time periods by giving notice by hand delivery to the Port, the HRC and CBBC; except, where a temporary restraining order is sought, the arbitrator may give notice of the hearing date, time and place to the Port, the HRC and CBBC by telephone.

F. Discovery. In arbitration proceedings hereunder, discovery shall be permitted in accordance with Code of Civil Procedure § 1283.05.

G. Arbitrator's decision. The arbitrator shall make his/her award within 20 days of the date that the hearing is completed; provided that where a temporary restraining order is sought, the arbitrator shall make his/her award not later than 24 hours after the hearing on the motion. The arbitrator shall send the decision by certified or registered mail to the Port, the HRC and CBBC.

H. Default award; no requirement to seek an order compelling arbitration. The arbitrator may enter a default award against any party who fails to appear at the hearing; provided said party received actual notice of the hearing. In order to obtain a default award, the complaining party need not first seek or obtain an order to arbitrate the controversy pursuant to Code of Civil Procedure § 1281.2.

I. Arbitrator lack of power to modify. Except as otherwise provided, the arbitrator shall have no power to add to, subtract from, disregard, modify or otherwise alter the terms of

this Lease, this Exhibit I, or any other agreement between the Port and CBBC, or to negotiate new agreements or provisions between the parties.

J. Jurisdiction/entry of judgment. The inquiry of the arbitrator shall be restricted to the particular controversy which gave rise to the request for arbitration. A decision of the arbitrator issued hereunder shall be final and binding upon the Port, the HRC and CBBC unless one of the parties files a written request for judicial relief with a court of competent jurisdiction with respect to any claims pursuant to this Exhibit I within fifteen (15) working days after the issuance of the arbitrator's decision. If such a claim is timely filed, the petitioning party shall be entitled to de novo judicial review. The losing party in arbitration shall pay the arbitrator's fees and related costs of arbitration. Each party shall pay its own attorneys' fees provided that fees may be awarded to the prevailing party if the arbitrator finds that the Request was frivolous or that the arbitration action was otherwise instituted or litigated in bad faith. Judgment upon the arbitrator's decision may be entered in any court of competent jurisdiction.

K. California law applies. California law, including the California Arbitration Act, Code of Civil Procedure §§ 1280 through 1294.2, shall govern all arbitration proceedings, except as provided otherwise herein.

L. Exculpatory clause. CBBC expressly waives any and all claims against the Port and the HRC for damages, direct or indirect, arising under this Exhibit I, including, but not limited to claims relative to the commencement, continuance and completion of construction. CBBC acknowledges and agrees that the procedures set forth herein for dealing with alleged breaches or failure to comply with the obligations and requirements of this Exhibit I and the affirmative action, equal opportunity obligations of this Lease are reasonable and have been anticipated by the parties.

M. Designation of agent for service. Not later than five (5) days after the execution of this Lease, CBBC shall designate a person or business as its agent for service of a Request and all notices provided for herein.

N. NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION AND WHICH FAIL TO BE RESOLVED BY THE PROCEEDINGS PROVIDED IN SECTION IV TO BE DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN COURT OR JURY TRIAL EXCEPT AS PROVIDED IN SECTION K ABOVE. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS SUCH RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION TO NEUTRAL ARBITRATION.



Port of San Francisco



CBBC

VI. SEVERABILITY

The provisions of this Exhibit I incorporated herein are declared to be separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section or portion of this Exhibit, or the invalidity of the application thereof to any person or circumstance shall not

affect the validity of the remainder of the Exhibit, or the validity of their application to other persons or circumstances.