

SAN FRANCISCO PUBLIC UTILITIES COMMISSION

CATTLE GRAZING LEASE NO. _____

Between the

**CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation**

by and through its Public Utilities Commission,

as Landlord

and

as Tenant

**for the lease of approximately
_____ acres constituting portions of SFPUC Parcel No(s). _____ in**

Alameda County, California

_____, 20__

**THIS DRAFT GRAZING LEASE IS PROVIDED AS AN EXAMPLE ONLY, AND IS
SUBJECT TO REVISION**

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- EXHIBIT B -- Depiction of the Premises and Access to the Premises
- EXHIBIT C -- Form of Grazing Inventory Report
- EXHIBIT D -- Grazing Rental Adjustment Table
- EXHIBIT E -- Annual Operating Plan Template
- EXHIBIT F -- SFPUC Grazing Lease Tenant Request for Rent Credit Form
- EXHIBIT G -- Forms of Estoppel Certificates

**CITY AND COUNTY OF SAN FRANCISCO
PUBLIC UTILITIES COMMISSION**

CATTLE GRAZING LEASE

THIS CATTLE GRAZING LEASE, dated for reference purposes as of _____, 20__ (“Lease”) is by and between **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation (“City”), acting through its Public Utilities Commission (“SFPUC”) and _____, a [California corporation, limited liability company, etc.] (“Tenant”).

RECITALS

A. City through the SFPUC, owns real property located in the County of Alameda, described as a portion of SFPUC Parcel No. 55 and designated as a portion of Assessor’s Parcel No. _____ (“Property”). The Property is more particularly described in the attached **Exhibit A-1** and shown generally on the map attached as **Exhibit A-2**.

B. Via Resolution No. _____ the SFPUC’S Commission adopted the Alameda Watershed Management Plan in 2001, as amended (“Watershed Plan”).

C. The Watershed Plan outlines the SFPUC’s goals, policies, and strategies to protect water quality, maximize water supply, and enhance the ecological and cultural resources of the watershed.

D. City desires to enter into this Lease, among other reasons as a stewardship tool to accomplish the Watershed Plan resource protection goals.

E. City and Tenant agree to enter this Lease on the terms and conditions below.

1. BASIC LEASE INFORMATION

The following is a summary of the basic Lease information. Each item below shall be deemed to incorporate all the terms set forth in this Lease pertaining to such item. In the event of any conflict between the information in this Article and any more specific provision of this Lease, the more specific provision shall control.

Lease Reference Date: _____, 20__

Landlord: CITY AND COUNTY OF SAN FRANCISCO, acting by and through its Public Utilities Commission

Tenant: _____

Premises (**Article 3**): Approximately ___ acres of real property located in ___ Alameda County, California, owned by City under the SFPUC's jurisdiction consisting of the following parcel(s), designated as Assessor Parcel Nos. ___, and more particularly described in **Section 3.1** and **Exhibit A** and shown approximately on **Exhibit B**:

SFPUC Parcel ___ : _____ acre(s)

SFPUC Parcel ___ : _____ acre(s)

Shared Facilities (**Section 3.1**): Facilities within the Premises to be shared with other SFPUC tenants, subject to **Section 3.1**:

Facilities outside of the Premises that Tenant is entitled to use in common with other tenants, subject to **Section 3.1**:

Term (**Article 4**):

Five (5) years

Estimated Commencement Date: _____

Commencement Date: The later of (i) the Estimated Commencement Date, or (ii) the Effective Date, as defined in **Section 4.3**

Expiration Date: The day before the fifth anniversary of the Commencement Date

Extension Option (**Section 4.4**):

One (1) option to extend the Term up to four (4) years, subject to **Section 4.4**.

Base Rent (**Section 5.1**):

Initial annual Base Rent, subject to adjustment under **Section 5.2**: \$ _____

First semiannual payment, subject to proration pursuant to
Section 5.1: \$ _____

Approved Stocking Rate:

SFPUC Parcel: _____ : _____ AUMs (defined in
Article 1)

(Section 7.1)

Parcel: _____ : _____ AUMs

SFPUC Parcel: _____ : _____ AUMs

(Subject to adjustment pursuant to **Article 7)**

Permitted Use (**Section 8.1**):

Cattle grazing

Security Deposit (**Article 26**):

None.

Remit All Payments To:

City and County of San Francisco
c/o Customer Service Bureau
Attn: Real Estate Billing
525 Golden Gate Avenue, 3rd Floor
San Francisco, CA 94102
Reference: Lease No. L _____

Notice Address of City:
(Section 27.1):

San Francisco Public Utilities Commission
525 Golden Gate Avenue, 13th Floor
San Francisco, CA 94102
Attn.: General Manager

with a copy to:

San Francisco Public Utilities Commission
Natural Resources and Land Management
505 Paloma Way
Sunol, CA 94586
Attn: Rangeland Manager

with a copy to:

San Francisco Public Utilities Commission
Real Estate Services Division
525 Golden Gate Avenue, 10th Floor
San Francisco, CA 94102

Attn: Real Estate Director
Re: Grazing Lease L_____

and to:

Office of the City Attorney
City and County of San Francisco
Room 234, City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4682
Attn: Real Estate & Finance Team
Re: SFPUC Grazing Lease

Key Contact for City for

Day to Day Communications:

Clayton Koopmann, Rangeland Manager

Telephone No.:

(510) 320-0383

Email Address:

ckoopmann@sfgov.org

Alternate Contact for City:

Miranda Maupin, Watershed Resources Manager

Telephone No.:

(415) 654-3907

Email Address:

mmaupin@sfgov.org

Notice Address of Tenant:
(Section 27.1):

Attention: _____

Key Contact for Tenant for
Day to Day Communications:

Telephone No.: _____
Email Address: _____

Emergency Contact for Tenant
(Tenant must respond
within 24-hours):

Telephone No.: _____
Email Address: _____

Tenant's Billing Address:

Attn: _____
Re: Lease No. L_____

2. DEFINITIONS

For purposes of this Lease, initially capitalized terms have the meanings given to them in this Article or elsewhere in this Lease:

(a) “**Actual Costs**” means the sum of: (i) Direct Labor Costs and (ii) direct material costs, when Tenant has incurred such costs directly in the performance of any item of Long-Term Maintenance approved or directed by City and where such materials fulfill all specifications as determined by City. When Tenant contracts with third parties for the performance of any items of Long-Term Maintenance, “Actual Costs,” as used herein shall mean the amount of such contracts negotiated on an arms-length basis as shall have been approved in advance and in writing by City.

(b) “**Additional Charges**” means any and all personal property taxes, possessory interest taxes and other costs, impositions, and expenses described in **Article 6** [Taxes, Assessments and Other Expenses] or otherwise payable by Tenant under this Lease.

(c) “**Agents**” means, when used with reference to either Party to this Lease, the officers, directors, employees, agents, contractors, and invitees of such Party, and their respective agents, heirs, legal representatives, successors, and assigns.

(d) “**Alterations**” means any and all corrals, fences, structures, structural range improvements, sanitary facilities improvements, and other improvements, or modifications of the Premises, created, constructed, installed, or placed on the Premises by or on behalf of Tenant, including any permanent tent facilities, signs, roads, trails, driveways, parking areas, plantings, landscaping, and modification of streams, springs or other water resources. “Alterations” includes, without limitation, any removal or material modification of previously installed Alterations or other improvements, and any trailers or mobile homes affixed to the Premises such that they cannot be removed without structural or other material damage to the Premises.

(e) “**Approved Stocking Rate**” means the Stocking Rate City has approved for each parcel of the Premises. The Approved Stocking Rate is specified in the Basic Lease Information and is subject to adjustment as provided in **Article 7** [Grazing Capacity].

(f) “**Assignment**” has the meaning given in **Section 18.1** [Restriction on Assignment and Subletting].

(g) “**Animal Unit**” is defined as a 1,000-pound cow with or without her nursing calf, or cow calf pair, per month per acre, or AUMs per acre. Stocking rates can also be expressed as the number of animal units (cow calf pairs) per year as AUY Capacity (AUYs) or Cow Year Long Equivalent (CYLE).

(h) “**Animal Unit Month**” or “**AUM**” means the amount of forage (equivalent to 930 pounds of dry matter) necessary to support one Animal Unit for one month/

(i) “**Annual Operating Plan**” means the document that Tenant must prepare and submit to City as set forth in **Section 10.1** [Annual Grazing Plan] and in substantially the form attached hereto as **Exhibit E**.

(j) “**Authorized Actual Costs**” is defined in **Section 11.5(b)**.

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

(l) “**Basic Lease Information**” means the information with respect to this Lease summarized in **Article 1** [Basic Lease Information].

(m) “**Base Rent**” means the annual Base Rent specified in the Basic Lease Information and described in **Section 5.1** [Base Rent], as the same may be adjusted pursuant to the terms of this Lease.

(n) “**City**” means the City and County of San Francisco, a municipal corporation, and all of its boards, commissions, departments, agencies, and other subdivisions, including the Public Utilities Commission.

(o) “**City Facilities**” means any and all (i) water pipelines, roads, culverts, drainage pipelines, hatch covers, wells, dams, tunnels, reservoirs, basins, and other surface and subsurface utility facilities now or later located in, under, on or about the Premises for the transportation or distribution of water, power, and/or communications for municipal purposes, (ii) habitat mitigation improvements, and (iii) any other facilities installed or constructed by or for City for municipal, utility or environmental protection or mitigation purposes, together with all appurtenances thereto and all monuments thereof.

(p) “**Commencement Date**” is defined in **Section 4.1** [Term of Lease].

(q) “**Date of Taking**” means the earlier of (i) the date upon which title to the portion of the real property taken passes to and vests in the condemnor, or (ii) the date on which Tenant is dispossessed by the condemnor.

(r) “**Direct Labor Costs**” means the labor costs associated with maintenance and infrastructure improvements for projects primarily benefiting City (including, but not limited to, road repair or perimeter fencing), but excluding labor costs of projects primarily for the tenant’s operational benefit (including, but not limited to, barn or corral construction or repair, or watering systems).

(s) “**Effective Date**” is defined in **Section 4.3** [Effective Date].

(t) “**Encumber**” means to create any Encumbrance; “**Encumbrance**” means any mortgage, deed of trust, assignment of rents, fixture filing, security agreement, or similar security instrument, or other lien or encumbrance.

(u) “**Encumbrancer**” means a mortgagee, beneficiary of a deed of trust, or other holder of an Encumbrance.

(v) “**Environmental Laws**” means any present or future federal, state or local Laws or policies (including the SFPUC written policies and San Francisco municipal codes governing the use of City property) relating to Hazardous Material (including its use, handling, transportation, production, disposal, discharge, or storage) or to human health and safety, industrial hygiene, or environmental conditions in, on, under, or about the Premises, including biological resources, water, soil, air, and groundwater conditions.

(w) “**Event of Default**” means any one of the events of default described in **Section 19.1** [Events of Default].

(x) “**Extension Term**” is defined in **Section 4.4(a)**.

(y) “**General Manager**” means the General Manager of the SFPUC.

(z) “**Grazing Capacity**” means the maximum Stocking Rate possible on a parcel without inducing damage to and maintaining or improving water quality, vegetation, or related resources, which is determined by the SFPUC as provided in **Section 7.3** [City is Sole Judge of Grazing Capacity].

(aa) “**Grazing Report**” means the grazing report in substantially the form attached hereto as **Exhibit C**.

(bb) “**Grazing Unit**” means a portion of the SFPUC Alameda Watershed land, where the SFPUC permits cattle grazing and manages such grazing management. The SFPUC defines the area of each such Grazing Unit and assigns a name and number to each such Grazing Unit.

(cc) “**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” pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (“CERCLA”, also commonly known as the “Superfund” law), as amended, (42 U.S.C. Sections 9601 *et seq.*) or pursuant to Section 78075 of the California Health & Safety Code; any “hazardous waste” listed pursuant to 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 pre-existing improvements on the Land, any Alterations to be constructed on the Land by or on behalf of Tenant, or are naturally occurring substances on, in, or about the Land; and petroleum, including crude oil or any fraction thereof, and natural gas or natural gas liquids.

(dd) “**Hazardous Material Claims**” means any and all enforcement, Investigation, Remediation, or other governmental or regulatory actions, agreements or orders threatened, instituted, or completed pursuant to any Environmental Laws, together with any and all Losses made or threatened by any third party against City, the SFPUC, their Agents, or the Premises relating to damage, contribution, cost recovery compensation, loss, or injury resulting from the presence, release or discharge of any Hazardous Material, including 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, the loss or restriction of the

use or any amenity of the Premises, and attorneys' fees and consultants' fees and experts' fees and costs.

(ee) **"Indemnify"** means indemnify, protect, defend, and hold harmless forever.

(ff) **"Indemnified Parties"** has the meaning given in **Section 20.2** [Tenant's Indemnity].

(gg) **"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 or any portion thereof or which have been, are being, or threaten to be Released into the environment. To Investigate or Investigation includes, without limitation, preparation of site history reports and sampling and analysis of environmental conditions in, on, under or about the Premises.

(hh) **"Invitees"** when used with respect to Tenant means the clients, customers, invitees, guests, members, licensees, assignees, and subtenants of Tenant.

(ii) **"IPM Ordinance"** is defined in **Section 8.2(m)**.

(jj) **"Land"** means the real property described in the attached **Exhibit A**.

(kk) **"Landlord"** means the City and County of San Francisco.

(ll) **"Law"** means any law, statute, ordinance, resolution, regulation, proclamation, order, or decree of any municipal, county, state, or federal government or other governmental or regulatory authority with jurisdiction over the Premises or any portion thereof.

(mm) **"Lease"** means this Lease as it may be amended in accordance with **Section 27.3** [Amendments].

(nn) **"Lease Year"** means each period of twelve (12) consecutive calendar months of November 1 through October 31 during the Lease Term, except that if the Lease Term commences on a date other than November 1, then the first Lease Year shall be less than twelve (12) full months, and if the Lease terminates on a date other than October 31, the final Lease Year shall be less than twelve (12) full calendar months.

(oo) **"Livestock"** is defined in **Section 7.2(a)**.

(pp) **"Long-Term Maintenance"** means any item of protection, enhancement, preservation, maintenance, or repair of the Premises or any part thereof, including property and appurtenant facilities used by Tenant in common with others, which in the SFPUC's judgment at its sole discretion provides a long-term benefit to grazing operations, or to the City, and is not anticipated to recur within the twelve (12) month period following its completion, as further discussed in **Section 11.5** [Long-Term Maintenance].

(qq) **"Losses"** means any and all claims, demands, losses, liabilities, damages, liens, injuries, penalties, fines, lawsuits, and other proceedings, judgments, awards, costs, and expenses, including reasonable attorneys' and consultants' fees and costs.

(rr) **"Party"** means City or Tenant; **"Parties"** means both City and Tenant.

(ss) **“Payment Date”** is defined in **Section 5.1** [Base Rent].

(tt) **“Premises”** is defined in **Article 1** [Basic Lease Information].

(uu) **“Release”** when used with respect to Hazardous Material means any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into or inside any pre-existing improvements or any Alterations constructed hereunder by or on behalf of Tenant, or in, on, under, or about the Premises or City Facilities or any portion thereof.

(vv) **“Remediation”** when used with reference to Hazardous Material means any activities undertaken to clean up, remove, contain, treat, stabilize, monitor, mitigate, or otherwise control Hazardous Material located in, on, under or about the Premises or City Facilities or Alterations on the Land, or that 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 78125 and “remove” or “removal” in California Health and Safety Code Section 78135.

(ww) **“Residual Dry Matter”** or **“RDM”** means the amount of standing dead plant material and litter from herbaceous plants, expressed in pounds per acre.

(xx) **“SFPUC”** or **“PUC”** means the Public Utilities Commission of the City and County of San Francisco.

(yy) **“Stocking Rate”** means the number of cattle on a given parcel per month, expressed as Animal Unit Months (AUMs), as determined and provided in **Article 7** [Grazing Capacity].

(zz) **“Sublease”** is defined in **Section 18.1** [Restriction on Assignment and Subletting].

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

(bbb) **“Tenant”** means the Party identified as Tenant in the Basic Lease Information and at the beginning of this Lease. Except when immediately followed by the word “itself,” the term Tenant shall also refer to the successors and assigns of Tenant’s interests under this Lease, provided that the rights and obligations of Tenant’s successors and assigns shall be limited to only those rights and obligations that this Lease permits to be Transferred and that have been Transferred in accordance with this Lease.

(ccc) **“Tenant’s Personal Property”** is defined in **Section 9.3** [Tenant’s Personal Property].

(ddd) **“Term”** or **“Lease Term”** means the term of this Lease as determined under **Section 4.1** [Term of Lease].

(eee) **“Transfer”** means any Assignment or Sublease.

(fff) “**Transferee**” means any recognized assignee of any part of Tenant’s leasehold interest hereunder or any recognized subtenant of any portion of the Premises, pursuant to a Transfer that complies with **Article 18** [Assignment and Subletting].

(ggg) “**Unmatured Event of Default**” means any breach or default by Tenant under this Lease that, with the giving of notice or the passage of time, or both, would constitute an Event of Default hereunder.

(hhh) “**Water Resource Buffer**” is defined in **Section 10.4** [Exclusion of Livestock from Reservoirs and Riparian Zones].

(iii) “**Watershed Resources Manager**” means the SFPUC Watershed Resources Manager for the region in which the Premises are located.

3. PREMISES

3.1 Premises and Access

(a) Lease of Premises. Subject to the terms, covenants, and conditions of this Lease, City leases to Tenant, and Tenant leases from City, the Premises described in **Article 1** [Basic Lease Information]; excluding therefrom and reserving unto City, its successors and assigns, the City Facilities and any and all the rights of access provided for in **Article 22** [Access by City] and the other rights described in **Section 3.2** [Reserved Rights]. The “Premises” include any pre-existing livestock grazing improvements such as spring boxes and corrals. The Premises are shown generally on the drawing(s) attached hereto as **Exhibit B**. Any acreage stated in this Lease with respect to the Premises is an estimate only, and City does not warrant it to be correct. However, the Parties agree that for all purposes of this Lease, such acreage shall be deemed to be correct. Nothing in this Lease is intended to grant Tenant any right whatsoever to possess, use, or operate the City Facilities, or any portion thereof, except that Tenant shall have the nonexclusive right to use the existing roads for ingress and egress to and from the Premises. Tenant acknowledges that City may authorize or direct tenants under various leases, including this Lease, to share the use of certain rangeland improvements, such as spring boxes and corrals, that City designates as the Shared Facilities described in **Article 1** [Basic Lease Information]. City reserves the right to designate facilities as Shared Facilities from time to time, in addition to any Shared Facilities specified in the Basic Lease Information, as the SFPUC reasonably determines to be necessary or useful for grazing operations, resource conservation, or the SFPUC operations. Tenant shall reasonably cooperate with other tenants in the shared use of Shared Facilities within or outside of the Premises. All tenants using any such Shared Facilities shall be jointly and severally responsible for the maintenance and repair of such facilities.

(b) License to Use Access Road. City confers on Tenant for the Lease Term a license to use the access road, if any, identified on attached **Exhibit B** (the “**License Area**”) for purposes of accessing the Premises for the purposes permitted under this Lease (the “**License**”). The parties intend that the License shall be coterminous with the Lease. Accordingly, termination or expiration of the Lease in accordance with the terms hereof shall effect termination of the License. City, in its sole discretion, may modify or relocate the License Area at any time following

reasonable notice to Tenant. Notwithstanding anything to the contrary contained herein, the License does not constitute a grant by City of any ownership, leasehold, easement, or other property interest or estate whatsoever in any portion of the License Area.

3.2 Reserved Rights

(a) Water and Timber Rights. City reserves and retains for itself, its easement holders, if any, and its successors or assigns ownership of all timber, all standing trees, and downed timber on the Premises and all rights to surface water, percolating water, and groundwater within the Premises. However, Tenant may use on the Premises such water upon the Premises as may be necessarily and beneficially used by Tenant for livestock and domestic purposes and other natural uses on the Premises, subject to the terms and conditions of this Lease. Tenant's foregoing right shall not include water within City Facilities reserved for municipal use.

(b) Pipelines and Watershed Management. City reserves and retains for itself, its easement holders, if any, and all its successors or assigns the right to use or cause to be used all or any portion of the Premises for the purpose of operating, maintaining, repairing, enlarging, modifying, expanding, replacing, and reconstructing the City Facilities or pipelines owned by third parties; planting and caring for trees; enhancing wildlife habitat; soil conservation; constructing erosion control structures; cutting and hauling wood; constructing, maintaining, and using roads, railroads, trenches, ditches, pipelines, tunnels, electric power transmission lines, and/or telecommunications lines and facilities; wind power generation; quarrying and using rock, gravel, and minerals; and also the right to do any kind of construction, development work and watershed protection and maintenance on the Premises and to occupy such portion thereof as may be suitable or convenient for any of such purposes.

(c) Minerals, Oil and Gas. City reserves and retains for itself and its successors and assigns all rights to prospect for and develop upon, extract and remove from the Premises all minerals, oil, and gas, together with the right of ingress to and egress from the Premises over the most convenient routes for said purposes. City does hereby further reserve the right at any time to withdraw from the operation of this Lease, in the manner and as provided for by **Section 3.4** [Withdrawal of Premises], the whole or any portion of the Premises required by City or its successors or assigns for any of the purposes specified in this paragraph.

(d) Roads. City reserves for the joint use of itself, its Agents, licensees, permittees, invitees, successors, and assigns, and Tenant, any and all roads, trails, paths, and ways upon or across the Premises. City also reserves the right at any time to establish rights of way across the Premises for hiking and riding trails or other controlled or permitted uses. City agrees to maintain all roads, trails, paths, and ways upon or across the Premises, subject to Tenant's obligation to pay for repairs necessitated by the negligence or willful misconduct of Tenant or its Agents or Invitees.

(e) Rights of Way, Easements, and Licenses. City reserves the right to grant future easements and rights of way over, across, under, in, and upon the Premises as City shall determine to be in the public interest, provided that any such easement or right of way shall be conditioned on the grantee's assumption of liability to Tenant for damage to its property that Tenant may sustain as a result of the grantee's use of such easement or right of way. City further reserves the right to grant future easements, rights of way and/or licenses over, across, under, in, and upon the Premises for the installation, operation, maintenance, repair, and removal of

equipment for furnishing cellular telephone, radio, or other communications services, including antennas, structures, devices, cables, and other equipment associated with communications sites provided that any such easement, right of way or license shall be conditioned on the grantee's assumption of liability to Tenant for damage to its property that Tenant may sustain as a result of the grantee's use of such easement, right of way or license.

3.3 As Is Condition of the Premises

(a) Inspection of Premises. Tenant represents and warrants that Tenant has conducted a thorough and diligent inspection and investigation, either independently or through agents of Tenant's own choosing, of the Premises and the suitability of the Premises for Tenant's intended use. Tenant is fully aware of the needs of its operations and has determined, based solely on its own investigation, that the Premises are suitable for its operations and intended uses.

(b) As Is; Disclaimer of Representations. Tenant acknowledges and agrees that the Premises are being leased and accepted in their "**AS IS, WITH ALL FAULTS**" condition, without representation or warranty of any kind by City, and subject to all applicable Laws governing the use, occupancy, management, operation, and possession of the Premises. Without limiting the foregoing, this Lease is made subject to any and all covenants, conditions, restrictions, easements, and other title matters affecting the Premises, or any portion thereof, whether or not of record. Tenant acknowledges and agrees that neither City nor the SFPUC, including any of their Agents, have made, and City hereby disclaims, any representations or warranties, express or implied, concerning (i) title or survey matters affecting the Premises, (ii) the physical, geological, or environmental condition of the Premises, (iii) the present or future capacity or suitability of the Premises for cattle grazing, (iv) the feasibility, cost or legality of constructing any Alterations on the Premises if required for Tenant's use and permitted under this Lease, (v) the condition of any fences, roads, gates, or range improvements, or (vi) any other matter whatsoever relating to the Premises or their use, including any implied warranties of merchantability or fitness for a particular purpose.

(c) Accessibility Disclosure. California Civil Code Section 1938 requires commercial landlords to disclose to tenants whether the property being leased has undergone inspection by a Certified Access Specialist ("CASp") to determine whether the property meets all applicable construction-related accessibility requirements. The law does not require landlords to have the inspections performed.

City discloses (i) City has not been issued a disability access inspection certificate as described in California Civil Code ("CC") Section 55.53(e), (ii) pursuant to CC Section 1938, that City has not ordered, performed, or caused to be performed, a CASp inspection of the Premises (sometimes referred to as "premises" or "subject premises" for the herein disclosures), and (iii) City makes the following statutory disclosure per CC Section 1938 (the required "**CASp Disclosure**"):

"A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of

the CASp inspection, the payment of the fee for the CASp inspection and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.”

City and Tenant agree that if Tenant desires to have the Premises inspected by a CASp, then (1) Tenant will cause the inspection to occur within thirty (30) days after the Effective Date; (2) the inspection will occur during business hours on a business day; (3) Tenant will give City five (5) business days prior written notice of the inspection time and date; (4) City may attend the inspection; (5) the inspection may not include any destructive testing or damage to the Premises; (6) Tenant will pay for all inspection costs (including fees for any reports prepared by the CASp (collectively, the “CASp Reports”). Tenant will deliver any CASp Reports to City within three (3) business days after Tenant’s receipt. Tenant will be solely responsible at Tenant’s cost for making improvements, alterations, modifications, and/or repairs to or within the Premises to correct violations of construction-related accessibility standards disclosed by the CASp inspection. If the CASp inspection identifies any improvements, alterations, modifications, and/or repairs necessary to correct violations of construction-related accessibility standards relating to items located outside the Premises that are City’s obligation to repair under this Lease, then City will perform the improvements, alterations, modifications, and/or repairs as and to the extent required by applicable Laws, and Tenant will reimburse City the cost of the improvements, alterations, modifications, and/or repairs within ten (10) business days after Tenant’s receipt of an invoice from City.

(d) Presence of Hazardous Material. California law requires landlords to disclose to tenants the presence of certain Hazardous Material. Tenant is advised that the Premises and lands adjacent to the Premises may contain naturally occurring asbestos.

3.4 Withdrawal of Premises

City reserves the right at any time to reduce the Premises by any part thereof, which City may transfer, sell, or contract to sell or transfer, or which may be devoted to or required for a public use or purpose, including range and watershed improvement or repair, water facilities maintenance and construction, wildlife enhancement and those uses set forth in any watershed plan implemented or adopted by City, upon giving Tenant ninety (90) days prior written notice of its intention to do so. City reserves the right to withdraw from the operation of this Lease at any time and in any manner, the whole or any portion of the Premises, the use of which by Tenant may result in damage by erosion, pollution, or otherwise, directly or indirectly, to the reservoirs, water courses, dams, wildlife habitat, works, or operations of City. The Parties acknowledge and agree that if the withdrawal of a portion of the Premises does not alter the then current Stocking Rate, Base Rent shall remain the same. However, if the City reduces the Stocking Rate, Base Rent shall be adjusted pursuant to **Section 5.2** [Adjustment of Base Rent]. The General Manager shall have authority to exercise City’s rights under this paragraph without further approval by the SFPUC’s Commission, City’s Board of Supervisors, or Mayor.

4. TERM

4.1 Term of Lease

The Premises are leased for the Term beginning on the Commencement Date, as defined in the Basic Lease Information. The Lease Term shall end on the Expiration Date specified in the

Basic Lease Information, unless sooner terminated pursuant to the provisions of this Lease. Notwithstanding the foregoing, City may terminate this Lease at any time during the Lease Term and for any reason upon delivery of six (6) months' written notice to Tenant, and this Lease will terminate on the date set forth in City's notice.

4.2 Commencement Date and Expiration Date

The dates on which the Term commences and terminates are referred to respectively as the "**Commencement Date**" and the "**Expiration Date**." If the Commencement Date occurs on a date other than the Estimated Commencement Date, then at the request of either Party, the Parties shall confirm the Commencement Date and Expiration Date in writing.

4.3 Effective Date

This Lease shall become effective on the later of the following dates (the "**Effective Date**"): (i) the date the SFPUC shall have obtained all necessary City approvals, and (ii) the date both Parties shall have completed execution and delivery of this Lease.

4.4 [Option to Extend Term

(a) Exercise of Option. The Lease Term may be extended as to the entire Premises only, for one (1) additional term of up to four (4) years ("**Extension Term**"), commencing on the expiration of the initial term of the Lease, subject to the terms of this Section. The extension option must be exercised, if at all, by written notice given by Tenant to City not later than six (6) months before the expiration of the initial term ("**Tenant's Option Notice**"). Notwithstanding the foregoing, at City's election, the extension option shall be void and Tenant shall have no right to extend the Term if (i) as of the date immediately preceding the commencement of an Extension Term Tenant is not using the Premises for grazing or Tenant does not intend to continue using the Premises (but intends to assign this Lease or sublet the Premises in whole or in part), (ii) on the date Tenant exercises an option or on the date immediately preceding the commencement date of the Extension Term Tenant is in default of any of its obligations under this Lease, or (iii) City notifies Tenant of its intention not to extend the Lease, within thirty (30) days after receipt of Tenant's Option Notice.

(b) Terms and Conditions. If the Lease is extended pursuant to **Section 4.4(a)**, then all of the terms and conditions set forth in this Lease as applicable to the Premises during the initial term (including determination of Base Rent in accordance with **Section 5.2** [Adjustment of Base Rent]) shall apply during each Extension Term, except that (i) Tenant shall have no further right to extend this Lease after the second Extension Term, and (ii) Tenant shall take the Premises in their then "as-is" state and condition.

5. RENT

5.1 Base Rent

During the Lease Term, the Tenant shall pay to City annual base rent as determined in accordance with **Section 5.2** [Adjustment of Base Rent], which shall fluctuate in accordance with the terms of this Lease. Base Rent shall be payable in two (2) installments due on January 31 and July 31 of each year (each a "**Payment Date**"). The Base Rent shall be paid in advance, without

prior demand and without any deduction, setoff, or counterclaim whatsoever. All sums payable by Tenant to City hereunder shall be paid by good check to the San Francisco Public Utilities Commission in care of the SFPUC Customer Service Bureau at 525 Golden Gate Avenue, 3rd Floor, San Francisco, California 94102, or such other place as the City may designate in writing. The first installment shall be paid on or before the Commencement Date. If the Commencement Date is not a Payment Date, Base Rent for the initial fractional period shall be prorated based on a one hundred eighty (180) day period. If the Lease terminates or expires on a date other than October 31 or April 30, Base Rent for such final fractional period shall be prorated based on a one hundred eighty (180) day period.

The Base Rent shall be paid in full when due and payable, regardless of whether or not any livestock are grazed upon the Premises or whether or not any lesser number of AUMs of grazing have been consumed than has been authorized.

5.2 Adjustment of Base Rent

(a) Tenant and City acknowledge that the annual Base Rent is based on the Approved Stocking Rate (expressed in AUMs) for the Premises. Should the Approved Stocking Rate change, pursuant to any of **Sections 7.1 – 7.5**, the Base Rent shall be adjusted to reflect such change.

(b) Each AUM shall be valued as follows: The rental rate per AUM shall be determined through the use of the chart attached hereto as **Exhibit D (“Grazing Rental Adjustment Table”)**. The average selling price of beef cattle per hundredweight, as so reported for the most recent month of June preceding the Commencement Date and each anniversary thereof, shall be matched with the appropriate price range found in Column 1 of the Grazing Rental Adjustment Table to determine the corresponding rental rate found opposite this entry in Column 2. The estimated annual Base Rent for the following Lease Year shall be computed by multiplying such rental rate by the Approved Stocking Rate for each parcel. Thus, the Base Rent shall be adjusted annually upward or downward depending on the average price of beef cattle per hundredweight. Tenant shall pay one-half of the annual Base Rent on or before January 31st and the other half on or before July 31st, or as otherwise instructed by the SFPUC in writing. If the Approved Stocking Rate for any parcel changes during a Lease Year, the Base Rent shall be adjusted as described below.

The first installment of Base Rent in a Lease Year will be the estimated annual Base Rent, computed by multiplying such rental rate by the Approved Stocking Rate for each parcel, as provided above. The second installment of Base Rent will be adjusted to reflect the actual Approved Stocking Rate pursuant to **Article 7 [Grazing Capacity]** during the semi-annual period. The Base Rent to cover any increase or decrease for that period shall be due and payable in the second installment of Base Rent. In the event of a decrease in the Approved Stocking Rate, any reduction in the Base Rent shall be credited against the next semi-annual payment. Following any such change, the Approved Stocking Rate for each parcel shall revert to the rate specified in the Basic Lease Information as of the beginning of the next Lease Year, unless otherwise specified in writing by City.

(c) In the event City has not notified Tenant of the rental adjustment on or before the next payment due date, Tenant shall pay the amount paid on the previous rental payment date or one-half of the annual Base Rent specified in the Basic Lease Information, whichever is

more, with an adjustment to follow upon City's determination of the rental adjustment. At the end of the Term, an adjustment between City and Tenant shall be made with respect to the final six (6) months' period, and any amounts due to City or refund due to Tenant shall be paid promptly following City's notice of such adjustment.

(d) The average selling price of beef cattle shall be taken as the average blended selling price of Medium Frame No. 1 Muscling Steers and Heifers, 500-800 pounds for the entire month of June. The average sales price to be used in determining the rental rate shall be obtained from reliable and authentic market reports as selected by the SFPUC.

5.3 Late Charge

If Tenant fails to pay any Base Rent within five (5) days after the date the same is due and payable, such unpaid amount will be subject to a late payment charge equal to six percent (6%) of the unpaid amount in each instance. The late payment charge has been agreed upon by City and Tenant, after negotiation, as a reasonable estimate of the additional administrative costs and detriment that City will incur as a result of any such failure by Tenant, the actual costs thereof being extremely difficult, if not impossible to determine. Tenant shall promptly pay such charge to City together with such unpaid amount. City's acceptance of such amount shall not be construed to limit City's remedies for such failure by Tenant.

5.4 Livestock Lien

Tenant hereby acknowledges that all Base Rent and Additional Charges not paid when due and payable hereunder shall become a lien on any and all livestock located on the Premises as prescribed by California Civil Code Section 3080, *et seq.* and City shall have the right to take possession and retain all cattle until all unpaid amounts are satisfied in full, subject to prior liens.

5.5 Default Interest

If any Base Rent is not paid within five (5) days following the due date, such unpaid amount shall bear interest from the due date until paid at the rate of ten percent (10%) per year or, if a higher rate is legally permissible, at the highest rate an individual is permitted to charge under Law. However, interest shall not be payable on late charges incurred by Tenant nor on any amounts on which late charges are paid by Tenant to the extent this interest would cause the total interest to be in excess of that which an individual is lawfully permitted to charge. Payment of interest shall not excuse or cure any default by Tenant.

6. INTENTIONALLY OMITTED

7. GRAZING CAPACITY

7.1 Approved Stocking Rate

The Approved Stocking Rate during the first Lease Year for the Premises is stated in the Basic Lease Information, subject to the provisions of **Sections 7.4** [Changing the Approved Stocking Rate] and **7.5** [Emergency Reduction of Approved Stocking Rate].

Subject to the provisions of **Sections 7.4** [Changing the Approved Stocking Rate] and **7.5** [Emergency Reduction of Approved Stocking Rate], the Approved Stocking Rate shall remain the

same for each subsequent Lease Year unless City sends Tenant a written notice thirty (30) days prior to the commencement of the Lease Year and specifies in such notice the new Approved Stocking Rate for the affected parcel. If City sends such a notice, the new Approved Stocking Rate shall apply only during the following Lease Year unless City specifies otherwise in writing. At the end of that Lease Year the original Approved Stocking Rate shall again become applicable unless adjusted pursuant to a notice from City or with City’s written consent pursuant to **Section 7.4** [Changing the Approved Stocking Rate].

7.2 Relative Forage Requirements

(a) Computation of AUMs. For the purpose of computing the consumption of the authorized available forage in AUMs, the relative feed requirements of the various kinds of livestock permitted to be kept on the Premises shall be deemed to be as follows, expressed as an Animal-Unit conversion factor:

<u>TYPE OF LIVESTOCK</u>	<u>ANIMAL-UNIT CONVERSION FACTOR</u>
Weaned Calf (6 months to Short Yearling up to 750 pounds)	0.50
Yearling to 2-Year-Old (750 pounds to 1000 pounds)	0.75
Cow or Cow/Calf Pair (i.e., Cow with nursing calf under 10 months of age)	1.00
Bull	1.25

(b) Effective Date for Changed AUM. As the types of livestock increase in weight during any Lease Year, the new factor shall be effective upon the date on which the weight change occurred, as reasonably determined by the SFPUC Watershed Resources Manager or his or her designee.

7.3 City is the Sole Judge of Grazing Capacity

City shall be the sole judge as to the Grazing Capacity of the Premises and any parcels within the Premises. The SFPUC Watershed Resources Manager or their designee shall determine the Grazing Capacity and the maximum number of AUMs available at any and all times for Tenant’s use on the Premises and any parcels within the Premises. Such determination shall be binding and conclusive on the Parties. In determining the Grazing Capacity of the Premises or any parcels within the Premises, City may take into account, by way of example only and without limitation, such factors as erosion control, reforestation, native vegetation, water quality, fisheries, wildlife, recreation, or other conditions or uses that may affect the use, operation, and conservation of its watershed, lands, and reservoirs.

7.4 Changing the Approved Stocking Rate

Tenant shall not materially exceed the Approved Stocking Rate without obtaining the SFPUC Rangeland Manager and Watershed Resources Manager’s written consent to increase the Approved Stocking Rate. If the SFPUC consents to such an increase, it shall remain in effect only until the beginning of the next Lease Year, unless otherwise specified in a notice from the SFPUC to Tenant. Absent such notice, the Approved Stocking Rate shall revert to the Approved Stocking Rate specified in the Basic Lease Information, at the beginning of the next Lease Year. In the event

that the Grazing Capacity determined pursuant to **Section 7.3** [City is the Sole Judge of Grazing Capacity] or **Section 7.5** [Emergency Reduction of Approved Stocking Rate] is less than the Stocking Rate, the Approved Stocking Rate shall automatically be reduced to equal the Grazing Capacity and Tenant shall take action in accordance with **Section 7.5** to reduce the volume of grazing on the Premises. In the event of any increase or reduction pursuant to this paragraph, the Base Rent for the Premises shall be adjusted pursuant to **Section 5.2** [Adjustment of Base Rent].

7.5 Emergency Reduction of Approved Stocking Rate

At any time and from time to time, the SFPUC Watershed Resources Manager may reduce the Approved Stocking Rate or impose a full or partial grazing moratorium at their discretion when such action is necessary or appropriate for the conservation of the watershed lands. The reduction shall be expressed in writing, and Tenant shall reduce the grazing of the Premises accordingly within thirty (30) days. In implementing such a reduction, Tenant may either (i) reduce animal numbers, or (ii), subject to the SFPUC's prior consent, feed hay of good quality at the equivalent of three (3) AUMs per ton fed. Tenant shall not implement option (ii) without first obtaining City's prior written approval. In giving such approval, City may require Tenant to concentrate all or part of the livestock into selected areas for feeding and control, and Tenant shall provide suitable documentation for the amounts of hay fed, which shall be included with Tenant's next monthly Grazing Report. In the event of such reduction, the Base Rent shall be adjusted pursuant to **Section 5.2** [Adjustment of Base Rent].

7.6 Exceeding Approved Stocking Rate Without Authorization

The Premises shall be used by Tenant only for grazing the types of animals specified in the Livestock Table in **Section 7.2** [Relative Forage Requirements]. Tenant shall limit the number of livestock to be grazed on the Premises and the period of their grazing so that the authorized number of AUMs shall not be exceeded. Should the Premises be grazed in excess of the Approved Stocking Rate, Tenant shall, within ten (10) days of receipt of written notice from the City remove such number of livestock necessary to comply with the current Approved Stocking Rate. In addition to all other rights, City may have or exercise under this Lease, in the event that Tenant permits grazing on the Premises in excess of the Approved Stocking Rate without the SFPUC's consent, the charge per AUM (as determined in accordance with **Article 5** [Rent]) shall double, and Tenant shall pay such amount to City promptly upon demand for so long as Tenant permits grazing in excess of the Approved Stocking Rate. Tenant hereby acknowledges and agrees that such amount is the minimum damage to City from such excess usage. The foregoing amount has been agreed upon by City and Tenant, after negotiation, as a reasonable estimate of the additional administrative costs and detriment that City will incur as a result of any such failure by Tenant the actual costs thereof being extremely difficult if not impossible, to determine. The amount shall be paid to City together with such unpaid amount. City's acceptance of such amount shall not be construed as City's consent to grazing in excess of the Approved Stocking Rate or waiver of Tenant's breach of this Lease or to limit City's remedies for such breach.

7.7 Reporting Livestock Information

Tenant shall submit an accurate monthly accounting of operation upon the Premises in the monthly Grazing Report in substantially the form attached hereto as **Exhibit C**. Such report shall be filled out and submitted to City no later than the fifteenth (15th) day of the month following the period covered by the report. If requested by the City, then Tenant further agrees to supply to City

additional information such as verification of the quantity of supplemental feed used and the number, type and weights of livestock which Tenant had upon the Premises during the period covered by said report. In addition to the foregoing, a copy of the original weights-in and weights-out slips shall be attached to the monthly Grazing Report, which covers feeder cattle being moved onto or off the Premises. All documentation of livestock information required of the Tenant by City, must be certified as true and correct, and signed and dated by Tenant or an authorized agent of Tenant prior to submittal to City.

8. USE; COVENANTS TO PROTECT PREMISES AND CITY FACILITIES

8.1 Tenant's Permitted Use

Tenant may use the Premises and any Alterations only for the use specified in the Basic Lease Information, and for no other purpose.

8.2 Covenants Regarding Use

As a material inducement to City to enter into this Lease, Tenant covenants with City as follows:

(a) Overstocking and Understocking; Residual Dry Matters. Tenant agrees not to permit the Premises to be overgrazed or undergrazed, and Tenant agrees to continuously graze the Premises in accordance with the City's SFPUC Alameda Watershed Rangeland Management Plan, as it may be amended, updated, or replaced from time to time, and the Grazing Unit Management Plan (GUMP), which are both incorporated herein by this reference. A layer of RDM shall be maintained by Tenant to minimize soil erosion and enhance both the quality and quantity of forage produced. The target amount of RDM for the unit, as measured by City on September 1, shall be a minimum of 1,000 pounds/acre. At no time shall the Tenant allow the RDM to drop below 1000 lbs. for any given acre, nor above an amount determined by City to be unsafe or inconsistent with the City's watershed management. The Parties acknowledge that localized over-utilization will occur adjacent to watering facilities, corrals, and salting areas. As such, these areas will not be used to determine the RDM levels of a pasture. If the RDM levels drop below the amounts specified above, City shall notify Tenant, and Tenant shall immediately remove all livestock from the affected pasture(s) until such time as City determines that such pasture(s) have recovered sufficiently for restocking.

(b) Health of Livestock. Tenant covenants and warrants that all livestock to be located on Premises shall be in general good health and good physical condition and shall have been inoculated with all appropriate vaccinations according to good husbandry practice. At the request of City, Tenant shall furnish copies of the inoculation records for the livestock.

(c) Herd Health Program. Tenant shall develop a herd health program for the prevention and care of general parasitic disease, to maintain healthy immune systems, and minimize diarrheal infection.

(d) Dead Livestock; Disease. Tenant shall lime, bury, or remove any livestock that dies on or near the Premises, subject to this paragraph. Upon discovering any dead livestock on or near the Premises, Tenant shall immediately notify City. In such notice, Tenant shall state its proposed method for disposing of the dead livestock. The proposed method shall be subject to

approval by City. Tenant shall immediately report any case of infectious animal to the proper governmental or regulatory authorities, and to City, and take adequate steps to isolate, control, and eliminate any such disease.

(e) Calf Restrictions. To control cryptosporidium and other waterborne pathogens, the calving period will be limited to August through October annually. Calving must be eighty (80) percent complete by September 30 and one hundred (100) percent complete by October 31st.

(f) No Unlawful Uses, Nuisances, or Waste. Tenant shall not use or occupy any of the Premises or any Alterations, or permit the use or occupancy thereof, in any unlawful manner or for any illegal purpose, or permit to be carried on any offensive, immoral, noisy, or hazardous use. Tenant shall take all precautions to eliminate immediately any hazards relating to its activities on or about the Premises. Tenant shall not cause or permit any waste, damage, or injury to the Premises or any improvements thereon, including Tenant's Alterations, or any City Facilities or other City property.

(g) Covenant to Protect City Facilities, Other Pipelines. At all times during the Lease Term, Tenant shall protect the City Facilities from any damage, injury, or disturbance. If Tenant or any of its Agents or Invitees damages, injures, or disturbs any of the City Facilities, or any portion of the City Facilities (including monuments), Tenant shall immediately notify City of that occurrence. City may, without limiting any of its other rights hereunder, take all actions it deems proper to repair such City Facilities (including replacement or relocation of monuments) at Tenant's sole expense. Tenant shall promptly, upon City's request, remove or alter to City's satisfaction and at Tenant's sole cost, any Alterations or Tenant's Personal Property placed on the Premises by or on behalf of Tenant as necessary to avoid interference with City's use of the Premises for municipal utility purposes. Alternatively, subject to the General Manager's approval in their sole discretion, Tenant may pay City for the costs determined by the General Manager that City will incur as a result of such interference.

City may adopt from time to time such rules and regulations with regard to Tenant's facilities and operations hereunder as City may determine are necessary or appropriate to safeguard against corrosion of City's pipelines and related City Facilities. Tenant shall comply with all such rules and regulations upon receipt of a copy thereof.

Tenant acknowledges that pipelines and other underground facilities owned by third parties may be located on, about, or under the Premises. Before performing any digging, grading, or other surface disturbance, Tenant must perform an underground service alert (e.g., 811, Call Before You Dig), contact the pipeline owner or operator, and comply with all requirements of the pipeline owner or operator.

(h) Covenant Against Impairment of Water Courses; Ponding. Except for those existing stock ponds City has designated that Tenant can use for its grazing operation, Tenant shall not engage in any activity that causes any change, disturbance, fill, alteration, or impairment to the bed, bank, spring, or channel of any natural water course whether wet or dry, wetland, or other body of water on, in, under, or about the Premises without written approval from an authorized SFPUC representative in consultation with any other applicable regulatory agencies. Tenant shall not engage in any activity that would pollute or degrade any surface or subsurface waters or result in the diminution or drainage of such waters. Any maintenance to be performed on any existing

stock ponds must be approved in writing by City. Tenant shall not cause any ponding on the Premises or any flooding on adjacent land.

(i) Covenant to Protect Vegetation, Earth, Artifacts, Fossils, and Firewood. Tenant shall not perform or permit any cutting, destruction, or removal of any earth, soil, vegetation, artifacts, fossils, or firewood found on the Premises, without prior written authorization from the SFPUC's Key Contact (set forth in the Basic Lease Information) to commit any such acts. Such authorization may be given by email or fax. Notwithstanding the foregoing, if and to the extent such earth, soil, or vegetation in the form of landslides, down trees, or shrubs are creating an immediate hazard, Tenant may perform or permit such cutting, destruction, or removal without prior written consent, but only to the extent necessary to prevent imminent injury to persons or livestock or imminent damage to fixtures, improvements, or personal property. Whenever possible, Tenant shall photograph the hazardous condition prior to taking such emergency action and shall transmit the photos to City's Key Contact as soon as possible. In all events, Tenant shall promptly report in writing to City's Key Contact the location and nature of any such permitted cutting, destruction, or removal.

(j) Planting of Vegetation. Tenant shall not plant any trees or any other vegetation on the Premises, except with the SFPUC's written consent or as otherwise expressly provided herein. Tenant shall perform seeding of the Premises as specifically authorized or directed by the SFPUC. Tenant shall bear the cost of seeding unless otherwise agreed in writing by the SFPUC and Tenant. Any seeding shall be performed only with the type of seeding specified by the SFPUC.

(k) Covenant Against Dumping. Tenant shall not cause or permit the dumping or other disposal on, under, or about the Premises of landfill, refuse, Hazardous Material, or other materials that are unsightly or could pose a hazard to the human health or safety, native vegetation or wildlife, or the environment.

(l) Control of Predators and Problem Animals. Tenant shall not engage in or permit any hunting, trapping, or fishing on or about the Premises, except as permitted under the SFPUC policies set forth in this Section, as such policies may be amended, replaced, or supplemented during the Term of this Lease by written notice from the SFPUC. In the event that any current or future applicable Laws prohibit any of the control measures authorized under this Section, such applicable Laws shall govern.

(i) To control predators or problem animals interfering with livestock operations, Tenant may employ only selective control techniques approved in writing in advance by the SFPUC Watershed Resources Manager, in consultation with any applicable regulatory agencies, and only if such measures are implemented in strict accordance with all then-applicable Laws. Whenever possible, all measures used for such control shall be limited in their application to the specific problem animals. Tenant shall not use cyanide guns, traps, or other similar non-selective control techniques. Tenant shall not use poison bait unless approved by the SFPUC's IPM Specialist. In no event may Tenant use any prophylactic predator control measures.

(ii) Tenant acknowledges that the SFPUC currently has a contract control program for feral pigs. To facilitate the SFPUC's control of such animals, Tenant shall promptly report to the SFPUC the time and location of any sightings of feral pigs or evidence of their presence. Tenant shall not take other measures to control or dispatch feral pigs. Tenant

acknowledges that mountain lions are a specially protected species under California Fish and Game Code Sections 4800–4810. Tenant may not cause or allow the killing of a mountain lion unless a depredation permit has been issued by the California Department of Fish and Wildlife (“CDFW”) to take a specific lion killing Tenant’s livestock or if the lion is encountered while in the act of pursuing, inflicting injury to, or killing livestock. If a lion is dispatched, Tenant shall leave the carcass in place, shall immediately report the taking to the SFPUC and CDFW, and shall cooperate with CDFW’s investigation. If applicable Laws change to further limit the taking of mountain lions or other predator animals, Tenant shall comply with such limitations.

Tenant may cause or allow the killing of a coyote only if the coyote is encountered while in the act of pursuing and attacking a calf.

Tenant shall promptly notify SFPUC in writing of any killing of any coyote, rodent, or other problem animal on the Premises.

(m) Firearms. Tenant acknowledges that portions of SFPUC land are adjacent to or included within the boundaries of an East Bay Regional Park District park, which is used by the public for hiking and other recreational purposes. On any portion of the Premises located within such park, Tenant shall comply with EBRPD rules and regulations, including, but not limited to EBRPD’s Ordinance 38, concerning the carrying and use of firearms, notwithstanding any other provision of this **Section 8.2** [Covenants Regarding Use] to the contrary. Tenant shall confer with City’s Key Contact to confirm whether any part of the Premises falls within such public park boundaries.

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

If Tenant or Tenant’s agents or contractors will apply pesticides to outdoor areas at the Premises, Tenant must first obtain a written recommendation from a person holding a valid Agricultural Pest Control Advisor license issued by the California Department of Pesticide Regulation (“**CDPR**”) and any such pesticide application shall be made only by or under the supervision of a person holding a valid, CDPR-issued Qualified Applicator certificate or Qualified

Applicator license. City's current Reduced Risk Pesticide List and additional details about pest management on City property can be found at the San Francisco Department of the Environment website, <http://sfenvironment.org/ipm>.

(o) Noxious Weed Control. Tenant shall not introduce any noxious weeds on or about the Premises. Without limiting the foregoing, Tenant shall comply with the SFPUC decontamination procedures as provided in **subsection (x)** [Decontamination]. Tenant shall control noxious weeds as required by applicable Law; provided, however, that Tenant may use chemical herbicides only if such use complies with the requirements of **subsection (n)** [Restrictions on Use of Pesticides].

(p) Use of Roads. Tenant shall have the nonexclusive right to use the roads on City property for ingress and egress, provided Tenant shall keep all roads open and unblocked, respect other users of the roads, drive in a safe manner, drive at or below the 15 mile per hour speed limit, and shall not interfere with any travel on such roads. Tenant shall not use or allow the use of nonpublic roads for any nongrazing purposes.

(q) Covenant Against Burning. Tenant shall not burn any weeds, debris, or other substances on or about the Premises.

(r) Off-Road Vehicles. Tenant shall not use or permit the use of off-road vehicles on any portion of the Premises except in strict accordance with the SFPUC's written policies regarding off-road vehicles, as adopted and amended from time to time.

(s) Rodent Control. Tenant shall, at its own cost and expense, comply with all federal, state, county, and City rodent control programs to the satisfaction of City. Prior to implementing any pest control measures, Tenant shall notify the SFPUC's IPM Specialist of the proposed measures and target species. City reserves the right to determine any and all parameters of pest control including species, methods, equipment, chemicals, application rate, timetable, follow-up, and areas needing control.

(t) Monuments. Tenant acknowledges that the existing survey monuments on the Premises are in good condition. During the installation of any Alterations and at all times during the Term of this Lease, Tenant shall protect and safeguard City's monuments. Tenant agrees to reimburse City in the amount of \$750.00 for each monument necessitating resurvey, repair, and/or replacement. During the Term of this Lease, the City may replace missing monuments or install new monuments. When missing monuments are replaced or new monuments installed, Tenant will be given written notice and thereafter Tenant shall assume the same protection and reimbursement responsibilities as with existing monuments provided herein.

(u) Heavy Equipment and Vehicles Over Third-Party and City Pipelines. To prevent damage to pipelines owned by third parties that may be on, under, or about the Premises, Tenant shall perform underground service alert (e.g., 811, Call Before You Dig), contact the pipeline owner or operator, and comply with all of its or their requirements to prevent damage to the pipeline. To prevent damage to City's underground pipelines, Tenant shall strictly adhere to the following restrictions when using vehicles and equipment within twenty feet (20') of City's pipelines existing now or installed in the future:

(i) The depth of soil cover over the tops of City's pipelines must be at least three feet (3') for steel cylinder pipe and four feet (4') for reinforced pre-stressed concrete cylinder pipe to accommodate the loading as defined below in item (ii). If any equipment with axle loading exceeds the weight stated in item (ii) below, or if the depth of soil cover is less than stated above, Tenant shall submit to City for review and approval, engineering calculations prepared by a registered civil engineer to provide adequate protection of the pipelines showing that City's pipelines will not be adversely affected.

(ii) The effects of vehicle and equipment loads to City's subsurface pipes must not exceed that allowed for "AASHTO Standard H-10 Loading." H-10 loading is defined as loading caused by a two-axle truck with a gross weight of ten tons (20,000 pounds), axles fourteen feet (14') apart, and a rear axle carrying eight tons (16,000 pounds). Tenant shall be responsible to provide City with adequate evidence that Tenant's equipment and vehicles meet the foregoing requirements.

(iii) Tenant shall not use vibrating compaction equipment unless it first obtains City's written approval.

(iv) If the depth of the soil cover over the pipeline (determined by potholing or other proof procedure) is less than the minimum stated in (i) above, unless an alternate method is approved by City, all excavation and grading over the pipeline shall be performed manually. For any machinery equipment excavation and grading over and within twenty feet (20') on each side of the centerline of the pipeline (measured on the surface), Tenant shall submit a written proposal together with all supporting calculations and data to City for review and approval. In any case, the two feet (2') of soil around the pipeline shall be removed manually or by other methods approved by City with due care as provided above.

(v) Watershed Management Plan. Tenant shall comply with any and all other regulations or requirements resulting from City's SFPUC Alameda Creek Watershed Management Plan including participating in the SFPUC Project Review process, and any modifications or additions to such plan, provided that such regulations or requirements do not unreasonably interfere with Tenant's permitted use of the Premises. A link to the plan may be found on the SFPUC's website, www.sfwater.org.

(w) No Fuel Storage. Tenant shall not maintain or store any type of gasoline, propane, oil or other fuel in, on, under, or near the Premises.

(x) Decontamination. Prior to entry onto City's land, Tenant shall comply with any written procedures established by City to prevent the introduction or spread of invasive plants, pests, and pathogens on City lands and water resources, including the use of facilities provided by City for decontamination.

9. ALTERATIONS

9.1 Construction of Alterations

Except as expressly provided in this Lease, Tenant shall not construct or install any Alterations in, to, or about the Premises, without participating in the SFPUC Project Review process and City's prior written consent in each instance, which City may give or withhold in its

sole and absolute discretion. Any City-approved Alterations shall be done (i) at Tenant's sole expense (except to the extent that City agrees in writing to provide funding or materials), (ii) in strict accordance with plans and specifications approved in advance by City in writing, (iii) by duly licensed and bonded contractors or mechanics approved by City, in a good and professional manner, (iv) in strict compliance with all Laws (including, but not limited to, Section 6.22(e) of the San Francisco Administrative Code, as discussed in **Section 27.21** [Wages and Working Conditions] and Section 6.20 of the San Francisco Administrative Code, as discussed in **Section 11.5** [Long-Term Maintenance], and (v) subject to all other conditions that City may reasonably impose, including provision of such completion security as is acceptable to City. To determine the applicability of San Francisco Administrative Code requirements, Tenant may consult with the SFPUC and City's Office of Labor Standards Enforcement. In no event shall the construction or installation of any such Alterations impair the use or operation of the City Facilities, or any portion thereof, or City's access thereto. Before the commencement of any work on the Premises to construct any permitted Alterations, Tenant, at its sole cost and expense, shall procure all required permits and approvals, subject to City's concurrence in accordance with **Section 13.2** [Regulatory Approvals], and promptly upon receipt shall deliver copies of all such documents to City. No material change from the plans and specifications approved by City may be made without City's prior consent. City and its Agents shall have the right to inspect the course of such construction at all times. Upon completion of such Alterations, Tenant shall furnish City with a complete set of final as-built plans and specifications if required by the SFPUC. Tenant shall require from each contractor and subcontractor performing any work on or about the Premises policies of commercial general liability insurance, with such limits as may reasonably be required by City from time to time, but in any event not less than One Million Dollars (\$1,000,000) combined single limit, and workers' compensation insurance and business automobile liability insurance as described in **Section 21.1(b)** and **(c)** [Tenant's Insurance], unless waived by the SFPUC upon consultation with City's Risk Manager. Such insurance shall also be in compliance with the requirements set forth in **Section 21.2** [General Requirements].

9.2 Ownership of Alterations

Any Alterations constructed on or affixed to the Premises by or on behalf of Tenant at Tenant's expense pursuant to the terms and limitations of **Section 9.1** [Events of Default] shall be and remain Tenant's property during the Term, except as otherwise provided in **Section 11.3** [Utilities]. Before the Expiration Date or immediately upon any earlier termination of this Lease, Tenant shall surrender all such Alterations without any further action by either party, without any obligation by City to pay any compensation therefor to Tenant, and without the necessity of any deed from Tenant to City. However, if City, at its sole option and without limiting **Section 9.1** [Events of Default], requires or consents in writing to the removal of such Alterations on the expiration or termination of this Lease, Tenant shall do so in accordance with the provisions of **Section 24.1** [Removal of Cattle and Surrender of the Premises].

9.3 Tenant's Personal Property

All mineral block containers, creep feeders, feeding panels, hay feeders, grain feeders, fence panels, bow gate panels, squeeze chute, crowding alley, landing chute, palpation cage, articles of movable personal property, and other equipment installed in the Premises by or for the account of Tenant that can be removed without structural or other material damage to the Premises (all of which are herein called "**Tenant's Personal Property**") shall be and remain the property of Tenant. Notwithstanding the foregoing, "Tenant's Personal Property" does not include materials

provided or paid for by City, such as fencing materials. “Tenant’s Personal Property” includes, without limitation, any trailer or mobile home that is not affixed to the Premises or is lightly affixed so that it may be removed from the Premises without structural or other material damage to the Premises. Tenant may remove any of Tenant’s Personal Property during the Lease Term and shall remove all remaining Tenant’s Personal Property at the end of the Lease Term in accordance with **Section 24.1** [Removal of Cattle and Surrender of the Premises]. At least ten (10) days before delinquency, Tenant shall pay all taxes levied or assessed upon Tenant’s Personal Property and shall deliver satisfactory evidence of such payment to City.

10. GRAZING METHOD

10.1 Annual Operating Plan

Tenant shall manage and use the Premises throughout the Term in a good and proper manner, according to approved methods of range management and grazing practices as established and modified from time to time by City or any Tenant-specific Grazing Rules. Prior to the Commencement Date, Tenant shall deliver to the SFPUC’s Rangeland Manager an Annual Operating Plan that is satisfactory to City, in its sole discretion. The Annual Operating Plan shall respond to the management objectives and considerations outlined in the annual rangeland assessment performed by City by September 1st, or as otherwise instructed by the SFPUC in writing, each year and set forth both the proposed method of operation on the Premises and any additional responsibilities for Long-Term Maintenance, herd health, pest control, watershed protection and/or development of range resources that are warranted by conditions or circumstances deemed significant by the City. The Annual Operating Plan shall also set forth the proposed number of AUMs to be stocked on each grazing unit based on current forage conditions. Tenant shall meet with the SFPUC Rangeland Manager and SFPUC Watershed Resource Manager to review the Annual Operating Plan before December 31st of each year. Once approved by the SFPUC Watershed Resources Manager, the Annual Operating Plan shall be implemented and maintained by Tenant during the Lease Year. Each Lease Year thereafter, Tenant shall prepare a new Annual Operating Plan to be delivered to City by October 1st. Within ten (10) working days of receiving the proposed Annual Operating Plan, City shall notify Tenant in writing whether it is acceptable. If unacceptable, City shall state in its notice all changes that need to be made to the Annual Operating Plan. Tenant shall incorporate all changes into the Annual Operating Plan and resubmit the Annual Operating Plan for City’s approval within ten (10) business days.

10.2 Distribution of Livestock

Tenant shall obtain optimum distribution of livestock over the Premises by distributing or rotating livestock among the pastures to obtain uniform range utilization, minimize overgrazed areas, and reduce the overall fire hazard. Accordingly, all cross-fences that define any pasture shall be maintained by Tenant to the satisfaction of the City and in such a way that livestock can be effectively confined within said pasture by merely closing and latching all gates. Tenant shall distribute all salt blocks uniformly throughout the Premises; provided, however, no salt block shall be located within 3,000 feet of a permanent livestock watering area or riparian area. Tenant shall periodically move salt blocks and any other feed supplements at the direction of City.

10.3 Grazing Within Premises

Tenant shall prevent livestock from roaming or grazing upon any adjacent lands of City or of third parties except to the extent Tenant has contractual rights to do so under this Lease or another written agreement. In the event City learns that Tenant's livestock has roamed beyond the Premises boundaries in violation of this Lease, City may notify Tenant orally (in person or by telephone) or in writing of the general location and number of livestock in violation. If Tenant fails to retrieve the livestock within twenty-four (24) hours of notification by City or any other person, City may, at its option, immediately take any steps required to remove or impound the roaming livestock and charge the costs thereof, including labor, materials, and equipment, to Tenant. All such costs shall be due and payable by Tenant upon demand by City. If City determines that the roaming livestock poses an immediate threat to any person or property, City shall have the right, but not the obligation, to take any steps required to remove or impound the roaming livestock without prior notification to Tenant. All costs incurred by City shall be reimbursed by Tenant and due and payable upon demand by City.

10.4 Exclusion of Livestock from Reservoirs and Riparian Zones

Tenant shall prevent livestock from roaming upon (a) the reservoir side of exclusion fences surrounding any drinking supply reservoir, or (b) where fencing is absent, within 300 feet of the areas occupied by water when such reservoir is at spill elevation (high water mark), regardless of the time of year, or (c) in any stream zone(s) or reservoir buffer(s) identified by written notice from the SFPUC to Tenant (each, a "**Water Resource Buffer**"), or (d) within any fenced riparian zone. For Water Resource Buffers, managed riparian areas, or other fenced or non-fenced stream zone, the City may prescribe targeted grazing to manage habitats, reduce wildfire risk, and control non-native invasive plants. Targeted grazing, when permitted, shall be prescribed in the Annual Operating Plan or Memo with written approval from an authorized SFPUC representative, including but not limited to the SFPUC Watershed Resources Manager, in consultation with any other regulatory agencies the SFPUC Watershed Resources Manager. In the event the City observes livestock roaming upon Water Resource Buffers or the reservoir side of the exclusion fences, or below the high-water mark, or within any fenced riparian zone, City will personally notify Tenant of the general location and number of livestock or calves in violation. If Tenant fails to remove immediately roaming livestock, City may, at its option, take any steps required to remove and/or impound the roaming livestock and charge the costs thereof, including labor, materials, and equipment, to Tenant, which costs shall be due and payable by Tenant upon written demand by City.

10.5 Restrictions on Horses

Tenant may pasture only such horses as are needed for the day-to-day operation of the Premises for cattle grazing by the Tenant and such ranch hands as may be residing with Tenant or necessary to Tenant's grazing operation, as set forth in the Grazing Plan approved by City or otherwise approved in writing by the SFPUC Watershed Resources Manager. Should Tenant exceed the authorized number of horses, Tenant shall, within ten (10) days of receipt of notice from City to do so, remove the number of horses necessary to comply with the maximum number of horses permitted.

11. MAINTENANCE

11.1 Tenant's Maintenance and Repairs

(a) General. Tenant agrees that the Premises are in good condition and repair as of the Commencement Date. Tenant assumes full and sole responsibility for the condition, operation, repair, maintenance, and management of the Premises (including the fixtures and improvements) and any permitted Alterations, from and after the Commencement Date, except as otherwise provided in this **Article 11** [Maintenance]. Tenant, at its sole cost, shall make all repairs and replacements, structural as well as non-structural, ordinary as well as extraordinary, foreseen and unforeseen, that may be necessary to maintain the Premises (including any fixtures and improvements), any equipment furnished by City related to grazing use of the Premises, and any permitted Alterations at all times in clean, safe, attractive and sanitary condition and in good order and repair, to City's reasonable satisfaction; provided, however, that (a) City, at its cost, shall furnish the materials for any repairs or new construction by Tenant of interior fences (and Tenant shall bear the cost of labor); (b) Tenant shall be entitled to a rent credit for Long-Term Maintenance projects to the extent provided in **Section 11.5** [Long-Term Maintenance]; and (c) Tenant shall not be responsible for repairs to the extent such repairs are (i) necessitated by the active negligence or willful misconduct of City's Agents, or (ii) City's obligation under **Section 11.2** [City's Maintenance and Repairs]. Repairs of damage to the Premises due to fire, earthquake, or acts of God or the elements shall be governed by **Article 15** [Damage or Destruction].

(b) Interior Fences. Without limiting the foregoing, Tenant shall repair and maintain all existing interior fences (including gates) in a livestock-tight condition acceptable to City, with materials furnished by City. From time-to-time City may require construction of additional interior fences to protect the watershed, in which event, Tenant shall perform the construction with fencing materials furnished by City. For such interior fences, Tenant shall bear the cost of labor, and City shall bear the cost of the fencing materials, unless another allocation of labor costs is approved by City, in its sole discretion.

(c) Notice to City; Roads and Other City Facilities. Tenant shall immediately notify City in writing of any problem, malfunction, or damage that City is obligated to repair. Tenant shall be charged for any damage to the Premises as a result of failure to report a problem in a timely manner. If any portion of the Premises or any of City's property located on or about the Premises is damaged by Tenant's livestock or any of the activities conducted by Tenant or its Agents or Invitees hereunder, Tenant shall promptly notify City and repair any and all such damage and restore the Premises or City's property to its previous condition, at Tenant's expense; provided, however, Tenant shall not perform any repairs to or otherwise modify any City Facilities, including the roads, without City's prior authorization. If any City Facilities are damaged by Tenant's livestock or any of the activities conducted by Tenant or its Agents or Invitees, then City may elect, in its sole discretion, to make the repairs to the City Facilities itself, at Tenant's sole cost, by notifying Tenant of such election, in which event Tenant shall pay City the cost thereof within ten (10) days after receipt of City's invoice.

11.2 City's Maintenance and Repairs

City shall (i) repair the Premises to the extent they are damaged due to the active negligence or willful misconduct of City's Agents, (ii) be responsible for the maintenance and repair of the nonpublic roads within the Premises, and (iii) maintain the boundary fences and furnish the

materials for Tenant's construction and repair of interior fences. Notwithstanding the foregoing, to the extent any such repairs are necessitated by the negligence or deliberate misconduct of Tenant or Tenant's Agents or Invitees or result from damage caused by Tenant's livestock, then Tenant shall reimburse City for the cost of such repair.

Except as provided in this Section, City shall not be responsible for performing or paying for any repairs, changes, or alterations to the Premises or any adjoining property (including access roads, utilities, and other infrastructure serving the Premises), or any part of the improvements on the Premises (including Tenant's Alterations) or City Facilities.

11.3 Utilities

Except as otherwise provided in this Section, City has no responsibility or liability of any kind with respect to any utilities that may be on or about the Premises. Tenant has the sole responsibility to locate any utility facilities on the Premises and protect them from damage that may arise from Tenant's use of the Premises. Tenant shall make all arrangements directly with the utility companies for, and shall pay for, any and all utilities and services furnished to or used by it, including gas, electricity, water, sewage, and telephone service for all deposits, connection, and installation charges. Tenant shall be responsible for the installation and maintenance of all facilities required in connection with such utility services. Notwithstanding the foregoing, if the Premises lack a natural source of drinking water appropriate for Tenant's livestock (i.e., naturally occurring water on the Premises in the form of springs, seeps, creeks, ponds, and groundwater), City will furnish water at a location reasonably designated by City. City may elect (but is not required) to charge for such furnished water at rates reasonably determined by the SFPUC and supported by appropriate documentation as to the rates charged, if any, as may be required by Law. If the SFPUC charges for such furnished water, then the rate charged must be comparable to the rate charged to other SFPUC grazing tenants similarly situated. The Parties agree that any utility improvements installed by or for Tenant shall be subject to the provisions of **Section 9.1** [Construction of Alterations] and that such Alterations shall be deemed part of City's real property, and not personal property or trade fixtures of Tenant. During the Term Tenant shall be obligated to repair and maintain in good operating condition any and all utility systems and improvements located within and serving the Premises. City shall not be liable for any failure or interruption of any utility service furnished to the Premises, and no such failure or interruption shall entitle Tenant to any abatement in Base Rent or to terminate this Lease.

11.4 No Right to Repair and Deduct

Tenant expressly waives the benefit of any existing or future Law or judicial or administrative decision that would otherwise permit Tenant to make repairs or replacements at City's expense, or to terminate this Lease because of City's failure to keep the Premises or any adjoining property (including access roads, utilities and other infrastructure serving the Premises), or the improvements on the Premises, including Tenant's Alterations, or any part thereof in good order, condition, or repair, or to abate or reduce any of Tenant's obligations hereunder on account of the Premises or any adjoining property (including access roads, utilities, and other infrastructure serving the Premises), or any improvements being in need of repair or replacement. Without limiting the foregoing, Tenant expressly waives the provisions of California Civil Code Sections 1932, 1941 and 1942 or any similar Laws with respect to any right of Tenant to terminate this Lease and with respect to any obligations of City for tenantability of the Premises and any right of Tenant to make repairs or replacements and deduct the cost thereof from Base Rent.

11.5 Long-Term Maintenance

(a) Procedure. In addition to its maintenance responsibilities, Tenant shall perform such items of Long-Term Maintenance (as defined in **Article 2** [Definitions]) as may from time-to-time be approved in advance or directed by City as specified by the current Grazing Plan. Tenant shall comply with **Section 27.21** [Wages and Working Conditions] to the extent applicable to any such project. Tenant shall obtain competitive bids or quotes for such work to the extent required under Section 6.20 of City's Administrative Code if the work constitutes a Public Work or Improvement as defined in Administrative Code Section 6.1. Bids will be selected on the basis of completion of the project at a reasonable price and in a sound, efficient, timely manner, and any other factors required under Administrative Code Section 6.20 et seq. If no bids are required by City's Administrative Code, Tenant's proposed price will be subject to the SFPUC's prior approval based on City's fair cost estimate. To determine the applicability of such Administrative Code requirements, Tenant may consult with the SFPUC and City's Office of Labor Standards Enforcement.

Any agreements entered into by Tenant with contractors to perform work in accordance with this Lease must be in writing and receive prior approval by City. City may condition its approval on (i) the contractor maintaining adequate insurance from an insurance company and with coverages and terms acceptable to City's Risk Manager, and (ii) the contractor Indemnifying City for matters arising out of the work to be performed by contractor. The following language shall be incorporated into such contract:

Contractor represents that it is fully experienced and properly qualified to provide the services required by this contract. Contractor shall act as an independent professional and not as an agent of the City and County of San Francisco ("City"). It shall maintain complete control of its employee(s) and subcontractor(s), and nothing contained in this agreement or any subcontractor agreement shall create a contractual relationship between contractor or any subcontractor and City. Contractor shall perform all work in a good and professional manner and in compliance with this agreement and applicable laws and regulations and written supplemental instructions from City.

Tenant shall notify City at least three (3) business days prior to commencing the work and immediately upon completion thereof. City shall inspect the work for adherence to specifications and quality of workmanship and will review receipts and bills of sale for adherence to the previously approved bid estimates. Tenant acknowledges that City's inspection of the work does not relieve Tenant or its contractors of any liability for negligence, errors, or omissions associated with the design or construction of the work. In no event shall the SFPUC's approval of any plans, specifications or construction be deemed to constitute a representation or warranty by San Francisco concerning the suitability of the work for Tenant's purposes or that the work called for in any plans or specifications complies with applicable building codes or other applicable laws or industry standards nor shall such approval release Tenant from Tenant's obligation to comply with building codes, other laws and industry standards.

(b) Actual Costs. Tenant shall receive credit against the annual Base Rent in the amount of the Actual Costs incurred in the performance of such items upon satisfactory completion of such performance, subject to the provisions of this paragraph. Tenant shall not

accept any cost-sharing payments for conservation practices by Tenant that would result in a duplicate payment. The Parties acknowledge that the sum of all credit for Actual Costs, as defined in **Article 2** [Definitions], may include only such costs as are incurred by Tenant and approved in the annual Grazing Plan in advance by City and Tenant for Long-Term Maintenance (“**Authorized Actual Costs**”). Final determination of Actual Costs shall not be completed until Tenant has provided City with all receipts and other appropriate documentation required to account for all such Actual Costs and shall not exceed the amount of Actual Costs approved by City in advance. If the required receipts and documentation are received after September 1st and on or before the next March 1st, City will credit the verified Authorized Actual Costs against the semiannual installment of Base Rent due the next May 1st. If the required receipts and documentation are received after March 1st and on or before the next September 1st, City will credit the verified Authorized Actual Costs against the semiannual installment of Base Rent due the next November 1st. The total amount of the credit in any fiscal year shall not exceed fifty percent (50%) of the then current annual Base Rent. To the extent such verified, Authorized Actual Costs exceed fifty percent (50%) of the annual Base Rent in any fiscal year, the excess shall be carried forward and credited against the Base Rent payable in succeeding fiscal years until fully recovered or until the sooner termination of the Lease. In no event may Tenant receive a total rent credit in any fiscal year in excess of fifty percent (50%) of the then current annual Base Rent.

12. LIENS

Tenant shall keep the Premises and Tenant’s Alterations, and all other portions of City’s property (including the City Facilities) free from any liens arising out of any work performed, material furnished, indebtedness, or any other obligations whatsoever incurred by or for Tenant. In the event Tenant does not, within five (5) days following the imposition of any such lien, cause the lien to be released of record by payment or posting of a proper bond, City shall have in addition to all other remedies provided herein and by Law or equity the right, but not the obligation, to cause the same to be released by such means as it shall deem proper, including payment of the claim giving rise to such lien. All such sums paid by City and all expenses it incurs in connection therewith (including reasonable attorneys’ fees) shall be payable to City by Tenant upon demand. City shall have the right at all times to post and keep posted on the Premises any notices permitted or required by Law or that City deems proper for its protection and protection of the Premises and City’s property (including City Facilities) from mechanics’ and material suppliers’ liens. Tenant shall give City at least fifteen (15) days’ prior written notice of the commencement of any repair or construction on any of the Premises; provided, however, in the event of an emergency, Tenant shall provide such prior notice as is reasonably possible under the circumstances. Notwithstanding the foregoing, Tenant shall have the right, upon posting of an adequate bond or other security acceptable to City, to contest any such lien, and in such case City shall not seek to satisfy or discharge such lien unless Tenant has failed to do so within ten (10) days after final determination of the validity thereof. Tenant shall Indemnify City, the other Indemnified Parties, and the Premises and City’s other property (including the City Facilities) against any and all Losses arising out of any such contest.

13. COMPLIANCE WITH LAWS

13.1 Compliance with Laws

(a) Tenant shall maintain the Premises (including the improvements) and Tenant’s Alterations, and conduct Tenant’s use and operations thereon, in strict compliance at all

times with all present and future Laws, whether foreseen or unforeseen, ordinary as well as extraordinary, at its sole cost and expense (except as otherwise provided in **Article 11** [Maintenance] with respect to City's maintenance obligations and rent credits for Long-Term Maintenance). Such Laws shall include, without limitation, all applicable Laws relating to health, safety, sanitation and disabled accessibility including the applicable regulations of the County Health Department, the watershed sanitary directives of the SFPUC, the Americans with Disabilities Act, 42 U.S.C. Sections 12101 et seq. and Title 24 of the California Code of Regulations, and all present and future Environmental Laws (as defined in **Article 2** [Definitions]). The Parties acknowledge and agree that Tenant's obligation to comply with all Laws is a material part of the bargained for consideration under this Lease. No occurrence or situation arising during the Term, nor any present or future Law, whether foreseen or unforeseen, and however extraordinary, shall relieve Tenant from its obligations hereunder, or shall give Tenant any right to terminate this Lease in whole or in part or to otherwise seek redress against City. 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 Base Rent, or to compel City to make any repairs to comply with any such Laws, on account of any such occurrence or situation, subject to City's compliance with **Sections 11.2** [City's Maintenance and Repairs] and **11.5** [Long-Term Maintenance].

(b) Tenant acknowledges that creeks located within the Premises are among the sources of the potable water supply for the SFPUC's regional water system and, as such, Tenant shall strictly enforce the watershed protections necessary for these tributaries as required by this Lease, including the watershed sanitary directives of the SFPUC. City shall provide Tenant with notice in writing of changes in governmental regulations or guidelines concerning watershed protections applicable to these tributaries. Tenant shall comply with these changes within a reasonable period of time after receipt of such notice.

13.2 Regulatory Approvals

(a) Responsible Party. Tenant understands and agrees that Tenant's use of the Premises and construction of any Alterations permitted hereunder may require authorizations, approvals or permits from governmental regulatory agencies with jurisdiction over the Premises. Tenant shall be solely responsible for determining all necessary regulatory approvals, and shall not commence work until all required authorizations, approvals, and requirements are obtained. However, Tenant recognizes that City, as the landowner, will be the applicant or a co-applicant for each such approval, and Tenant shall not seek any regulatory approval without first coordinating with and obtaining the City's concurrence. Tenant shall bear all costs associated with applying for and obtaining and maintaining any necessary or appropriate regulatory approval and shall be solely responsible for satisfying any and all conditions imposed by regulatory agencies as part of a regulatory approval. Any fines or penalties levied as a result of Tenant's failure to comply with the terms and conditions of any regulatory approval shall be immediately paid and discharged by Tenant, and City shall have no liability, monetary or otherwise, for any such fines or penalties. Tenant shall Indemnify City and the other Indemnified Parties against all Losses arising in connection with Tenant's failure to obtain or comply with the terms and conditions of any regulatory approval.

(b) City Acting as Owner of Property. Tenant further understands and agrees that City, acting by and through the SFPUC, is entering into this Lease in its capacity as a property owner with a proprietary interest in the Premises and not as a regulatory agency with police

powers. Nothing in this Lease shall limit in any way Tenant's obligation to obtain any required approvals from any City, federal, state, or local departments, agencies, boards, or commissions having jurisdiction over the Premises. By entering into this Lease, City is in no way modifying or limiting Tenant's obligation to cause the Premises or any permitted Alterations to be used and occupied in accordance with all applicable Laws, as provided further above.

13.3 Compliance with City's Risk Management Requirements

Tenant shall not do anything, or permit anything to be done, in or about the Premises or any Alterations permitted hereunder that would create any unusual fire risk and shall take commercially reasonable steps to protect City from any potential premises liability. Tenant shall faithfully observe, at its expense, any and all reasonable requirements of City's Risk Manager with respect thereto and with the requirements of any policies of commercial general liability, fire, or other policies of insurance at any time in force with respect to the Premises and any Alterations as required hereunder.

13.4 Reports

Tenant shall submit a report and provide such documentation to City as City may from time-to-time request regarding Tenant's operations and evidencing compliance with this Lease and all Laws.

14. FINANCING; ENCUMBRANCES; SUBORDINATION

14.1 Encumbrance of City's Fee Interest

The following provisions shall apply notwithstanding anything to the contrary contained in this Lease.

(a) Encumbrance by City. To the extent permitted by applicable Law, City may at any time sell or otherwise transfer or Encumber its fee estate in any portion of the Premises. This Lease is expressly made subject and subordinate to any such Encumbrance affecting any part of the Premises or any interest of City therein which is now existing or hereafter executed or recorded (any of the foregoing being a "**Superior Interest**") without the necessity of any further documentation evidencing such subordination. Notwithstanding the foregoing, Tenant shall, within ten (10) days of City's request, execute and deliver to City a document evidencing the subordination of this Lease to a particular Superior Interest. If the interest of City in the Premises is transferred to any person ("**Purchaser**") pursuant to or in lieu of proceedings for enforcement of any encumbrance, Tenant shall immediately and automatically attorn to the Purchaser, and this Lease shall continue in full force and effect as a direct lease between the Purchaser and Tenant on the terms and conditions set forth herein so long as no Event of Default or Unmatured Event of Default is outstanding hereunder.

(b) Encumbrance By Tenant. Tenant shall not under any circumstances whatsoever Encumber in any manner the Premises, the City Facilities, City's estate in the Premises or any adjoining property, City's interest under this Lease, or any portion thereof.

14.2 Leasehold Encumbrances

Without limiting **Article 18** [Assignment and Subletting], Tenant shall not Encumber this Lease, or assign or pledge assignment of the same as security for any debt, without first obtaining the written consent of City, which City may give or withhold in its sole discretion.

15. DAMAGE OR DESTRUCTION

15.1 Damage or Destruction to the Premises

(a) In the case of damage to or destruction of the Premises by fire, flood, or any other casualty, whether insured or uninsured, Tenant shall, with reasonable promptness and diligence, restore, repair, replace, or rebuild all damaged or destroyed fences and other fixtures and improvements related to cattle grazing to at least as good condition and quality as existed immediately before such damage or destruction, unless such damage or destruction was caused solely and directly by the active negligence or willful misconduct of City or its Agents. Tenant shall perform such repairs and replacements in compliance with **Section 9.1** [Construction of Alterations] and at Tenant's sole cost, except that (i) City, at its sole cost, shall furnish the materials for any repairs or replacements of internal fences, and Tenant shall provide the labor; and (ii) to the extent that the repair, restoration, or replacement of other fixtures and improvements related to cattle grazing comprise Long-Term Maintenance items, the rent credit provisions of **Section 11.5** [Long-Term Maintenance] shall apply. City will be responsible for repairing, restoring, and/or replacing, at its sole cost, any boundary fences, access roads or other infrastructure not primarily related to Tenant's cattle grazing operation damaged by fire, flood, or other casualty.

(b) Notwithstanding the foregoing, with respect to any damage to or destruction by fire, flood, or any other casualty to any Alterations permitted hereunder made by or on behalf of Tenant during the Term, other than internal fences, Tenant may, at its option elect whether or not to restore, repair, replace or rebuild such Alterations to the condition such items were in before such damage or destruction, subject to any changes made in strict accordance with the requirements of **Section 9.1** [Construction of Alterations]. If Tenant elects to restore, repair, replace, or rebuild such Alterations, it shall do so promptly, at its sole cost (except to the extent City agreed in writing to provide funding or material for the Alterations under **Section 9.1** [Construction of Alterations]), in which case, if the Alterations are not covered by Tenant's insurance or not fully covered, then City may elect, in its sole discretion, to contribute to the repair, replacement, or rebuilding in the same proportion as the City's initial funding if the Alterations), and in compliance with this Lease. If Tenant does not notify City in writing within thirty (30) days after the date of such damage or destruction of Tenant's election to restore, repair, replace, or rebuild any such damaged or destroyed Alterations as provided above, Tenant shall promptly, at its sole cost, demolish such Alterations, remove them (including all debris) from the Premises, and restore the Premises to their condition prior to the installation of such items. In any event, Tenant shall promptly repair, replace, and restore internal fences, as provided in the preceding paragraph. Tenant shall obtain any necessary permits and approvals, including any environmental permits, and execute any manifests or other documents required to complete the demolition, removal, and restoration in accordance with applicable Law, subject to City's concurrence as provided in **Section 13.2(a)** [Responsible Party].

15.2 Abatement in Base Rent

If such casualty reduces the then current Stocking Rate, Base Rent payable hereunder shall be reduced pursuant to **Section 5.2** [Adjustments of Base Rent]. Such reduction shall apply from the date of the casualty until the Stocking Rate returns to the prior level (or, if the Stocking Rate remains at a reduced level because Tenant fails to promptly restore, repair, replace or rebuild the damaged property and improvements pursuant to **Section 15.1** [Damage or Destruction of the Premises], the Base Rent reduction shall apply until the time the restoration, repairs, replacement or rebuilding should reasonably be completed had Tenant performed the work with reasonable diligence).

15.3 Waiver

The Parties understand and agree that the foregoing provisions of this Section are intended to govern fully the rights and obligations of the Parties in the event of damage or destruction to the Premises or any improvements, and City and Tenant each hereby waives and releases any right to terminate this Lease in whole or in part under Sections 1932, subdivision 2 and 1933, subdivision 4, and Sections 1941 and 1942 of the Civil Code of California or under any similar Laws now or hereafter in effect, to the extent such rights are inconsistent with the provisions of this Lease.

16. CONSTRUCTION PROJECTS

Tenant acknowledges that during the Term, major construction projects may be undertaken on property in the immediate vicinity of the Premises. Tenant is aware that the construction of such projects 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 impediments to access, loss of parking, dust, dirt, construction noise, and visual obstructions. Tenant hereby waives any and all claims against the SFPUC, City, and their Agents based on such inconvenience or disturbance, including any abatement or reduction of Base Rent. No such impacts will be deemed a taking, a forcible or unlawful entry onto or a detainer of, the Premises, or an eviction, actual or constructive, of Tenant or give Tenant any right to terminate this Lease.

17. EMINENT DOMAIN

17.1 General

If during the Term or during the period between the execution of this Lease and the Commencement Date, a Taking of all or any part of the Premises or any interest in this Lease occurs, the rights and obligations of the Parties shall be determined pursuant to this Section. City and Tenant intend that the provisions hereof govern fully in the event of a Taking and accordingly, each Party hereby waives any right to terminate this Lease in whole or in part under Sections 1265.110, 1265.120, 1265.130 and 1265.140 of the California Code of Civil Procedure or under any similar Law now or hereafter in effect.

17.2 Total Taking; Automatic Termination

If a total Taking of the Premises occurs, this Lease shall terminate as of the Date of Taking.

17.3 Partial Taking; Election to Terminate

(a) If a Taking of any portion (but less than all) of the Premises occurs, then this Lease shall terminate in its entirety under either of the following circumstances: (i) if all the following exist: (A) the partial Taking renders the remaining portion of the Premises unsuitable for continued use by Tenant, (B) the condition rendering the Premises unsuitable either is not curable or is curable but City is unwilling or unable to cure such condition, and (C) Tenant elects to terminate; or (ii) if City elects to terminate, except that this Lease shall not terminate if Tenant agrees to, and does, pay full Base Rent and Additional Charges, without abatement, and otherwise agrees to, and does, fully perform all its obligations hereunder.

(b) If a partial Taking of a substantial portion of the City Facilities or any of City's adjoining real property, but not the Premises, occurs, City shall have the right to terminate this Lease in its entirety.

(c) Either Party electing to terminate under the provisions of this Article shall do so by giving written notice to the other Party before or within thirty (30) days after the Date of Taking, and thereafter this Lease shall terminate upon the later of the thirtieth (30th) day after such written notice is given or the Date of Taking.

17.4 Termination of Lease; Base Rent and Award

Upon termination of this Lease in its entirety pursuant to **Section 17.2** [Total Taking; Automatic Termination], or pursuant to an election under **Section 17.3** [Partial Taking; Election to Terminate], then: (i) Tenant's obligation to pay Base Rent shall continue up until the date of termination, and thereafter shall cease, except that Base Rent shall be reduced as provided in **Section 17.5** [Partial Taking; Continuation of Lease] for any period during which this Lease continues in effect after the Date of Taking, and (ii) City shall be entitled to the entire Award in connection therewith (including any portion of the Award made for the value of the leasehold estate created by this Lease), and Tenant shall have no claim against City for the value of any unexpired term of this Lease, provided that Tenant may make a separate claim for compensation, and Tenant shall receive any Award made specifically to Tenant, for Tenant's relocation expenses or the interruption of or damage to Tenant's business or damage to Tenant's livestock or other personal property.

17.5 Partial Taking; Continuation of Lease

If a partial Taking of the Premises occurs and this Lease is not terminated in its entirety under **Section 17.3** [Partial Taking; Election to Terminate] then this Lease shall terminate as to the portion of the Premises so taken, but shall remain in full force and effect as to the portion not taken, and the rights and obligations of the Parties shall be as follows: (i) Base Rent shall be reduced based on the reduction of the Approved Stocking Rate calculated pursuant to **Section 5.2** [Adjustment of Base Rent], provided, that in no event shall the monthly Base Rent be reduced to less than seventy-five percent (75%) of the monthly Base Rent immediately prior to the Date of Taking, and (ii) City shall be entitled to the entire Award in connection therewith (including any portion of the Award made for the value of the leasehold estate created by this Lease). Tenant shall have no claim against City for the value of any unexpired Term of this Lease, provided that Tenant may make a separate claim for compensation. Tenant shall retain any Award made specifically to

Tenant for Tenant's relocation expenses or the interruption of or damage to Tenant's business or damage to Tenant's livestock or other personal property.

17.6 Temporary Takings

Notwithstanding anything to contrary in this Section, if a Taking occurs with respect to all or any part of the Premises for a limited period of time not in excess of one hundred eighty (180) consecutive days, this Lease shall remain unaffected thereby, and Tenant shall continue to pay Base Rent and to perform all the terms, conditions and covenants of this Lease. In the event of such temporary Taking, Tenant shall be entitled to receive that portion of any Award representing compensation for the use or occupancy of the Premises during the Term up to the total Base Rent owing by Tenant for the period of the Taking, and City shall be entitled to receive the balance of any Award.

18. ASSIGNMENT AND SUBLETTING

18.1 Restriction on Assignment and Subletting

(a) Tenant shall not directly or indirectly (including by merger, acquisition, or sale, or other transfer of any controlling interest in Tenant), voluntarily or by operation of Law, sell, assign, encumber, pledge, or otherwise transfer any part of its interest in or rights with respect to the Premises, the business, any Alterations or its leasehold estate hereunder (collectively, "**Assignment**"), or permit any portion of the Premises or any improvements, including Tenant's Alterations, to be occupied or used by anyone other than itself, or sublet any portion of the Premises or any improvements thereon (collectively, "**Sublease**"), without City's prior written consent in each instance, which City may withhold in its sole discretion. Any Assignment or Sublease, without City's prior consent, shall be voidable at the option of City in its sole and absolute discretion; and the General Manager shall have the right to terminate immediately this Lease by sending written notice to Tenant.

(b) Tenant further agrees and understands that the intent and purpose of this Lease is to allow for use or uses as provided in the Basic Lease Information, and not for the purpose of creating a property investment. Therefore, while Tenant may charge to an assignee or sublessee an amount in excess of that Base Rent which is at the time being charged by City to Tenant, all rental income or other consideration received by Tenant which is attributable to the value of the leasehold estate created by this Lease over and above that Base Rent charged to Tenant by City shall be paid directly to City with no profit, direct or indirect, to Tenant attributable to the value of the leasehold estate created by this Lease.

18.2 Notice of Proposed Transfer

If Tenant desires to enter into an Assignment or a Sublease, then it shall give written notice (a "**Notice of Proposed Transfer**") to the City of its intention to do so. The Notice of Proposed Transfer shall include a copy of the proposed Assignment or Sublease, identify the Transferee and state the terms and conditions under which Tenant is willing to enter into such proposed Assignment or Sublease, including a copy of the proposed Assignment or Sublease agreement. Tenant shall provide the City with financial statements for the proposed Transferee and such additional information regarding the proposed Transfer as the City may reasonably request.

18.3 City's Response

(a) Within twenty (20) business days after City's receipt of the Notice of Proposed Transfer and any such additional information requested by City (the "**Response Period**"), the City may, by written notice to Tenant, elect to: (a) sublease the portion of the Premises specified in the Notice of Proposed Transfer on the terms and conditions set forth in such notice, except as otherwise provided in **Section 18.4** [Sublease or Recapture Premises], or (b) terminate this Lease as to the portion (including all) of the Premises that is specified in the Notice of Proposed Transfer, with a proportionate reduction in Base Rent (a "**Recapture**").

(b) If the City declines to exercise either of the options provided in clauses (a) and (b) above, then Tenant shall be entitled for a period of ninety (90) days following the earlier of City's notice that it will not elect either such option or the expiration of the Response Period, to enter into such Assignment or Sublease, subject to the City's prior written approval of the proposed Transferee and the terms and conditions of the proposed Transfer. The parties recognize and agree that the purpose of this Lease is to allow for the permitted uses and not to create an investment in property, and therefore City may condition its consent to any Assignment or Sublease on the receipt of some or all of the consideration realized by Tenant under any such Assignment or Sublease (or the amount thereof attributable to the Premises if the transaction includes other properties) in excess of the Base Rent and Additional Charges payable hereunder, after deducting the proportionate share of any reasonable broker's commissions or transaction costs incurred by Tenant. Tenant shall provide the City with such information regarding the proposed Transferee and the proposed Assignment or Sublease as the City may reasonably request.

(c) Notwithstanding the foregoing, if following the City's decline to exercise the foregoing options Tenant desires to enter into such Assignment or Sublease on terms and conditions materially more favorable to Tenant than those contained in the Notice of Proposed Transfer, then Tenant shall give City a new Notice of Proposed Transfer, which notice shall state the terms and conditions of such Assignment or Sublease and identify the proposed Transferee, and City shall again be entitled to elect one of the options provided in clauses (a) and (b) above at any time within fifteen (15) business days after the City's receipt of such new Notice of Proposed Transfer.

(d) In the event the City elects either of the options provided in clauses (a) or (b) above, the City shall be entitled, at its sole option, to enter into a lease, sublease, or assignment agreement with respect to the Premises (or portion thereof specified in such new Notice of Proposed Transfer) with the proposed Transferee identified in Tenant's notice.

(e) Notwithstanding the foregoing, if any Event of Default or Unmatured Event of Default by Tenant is outstanding hereunder at the time of Tenant's Notice of Proposed Transfer, then City may elect by notice to Tenant to refuse to consent to Tenant's proposed Transfer and pursue any of its rights or remedies hereunder or at Law or in equity.

18.4 Sublease or Recapture Premises

If City elects to Sublease or Recapture from Tenant as provided in **Section 18.3** [City's Response], the following shall apply:

(a) Sublease. In the case of a Sublease, (i) City shall have the right to use the portion of the Premises covered by the Notice of Proposed Transfer (the "**Sublease Premises**") for any legal purpose, (ii) the rent payable by City to Tenant shall be the lesser of that set forth in

the Notice of Proposed Transfer or the Rent payable by Tenant under this Lease at the time of the Sublease (or the amount thereof proportionate to the Sublease Premises if for less than the entire Premises), (iii) City may make alterations and improvements to the Sublease Premises as it may elect, and City may remove any such alterations or improvements, in whole or in part, before or upon the expiration of the Sublease, provided that City shall repair any damage or injury to the Sublease Premises caused by such removal, (iv) City shall have the right to further sublease or assign the Sublease Premises to any party, without the consent of Tenant, and (v) Tenant shall pay to City on demand any costs incurred by City in physically separating the Sublease Premises (if less than the entire Premises) from the balance of the Premises and in complying with any applicable Laws relating to such separation.

(b) Recapture. In the case of Recapture, (i) the portion of the Premises subject to the Recapture (the “**Recapture Premises**”) shall be deleted from the Premises for all purposes hereunder, and Tenant and City shall be relieved of all of their rights and obligations hereunder with respect to the Recapture Premises except to the extent the same would survive the Expiration Date or other termination of this Lease pursuant to the provisions hereof, and (ii) City shall pay any cost incurred in physically separating the Recapture Premises (if less than the entire Premises) from the balance of the Premises and in complying with any applicable governmental Laws relating to such separation.

18.5 Effect of Transfer

No Sublease or Assignment by Tenant nor any consent by City thereto shall relieve Tenant, or any guarantor, of any obligation to be performed by Tenant under this Lease. Any Sublease or Assignment that is not in compliance with this Article shall, at the option of City in its sole and absolute discretion, shall be void and, at City’s option, shall constitute a material Event of Default by Tenant under this Lease. The acceptance of any Base Rent or other payments by City from a proposed Transferee shall not constitute consent to such Sublease or Assignment by City or a recognition of any Transferee, or a waiver by City of any failure of Tenant or other transferor to comply with this Article.

18.6 Assumption by Transferee

Each Transferee shall assume all obligations of Tenant under this Lease and shall be and remain liable jointly and severally the assignor or sublessor for the payment of Base Rent, and for the performance of all of the terms, covenants, and conditions to be performed by Tenant under this Lease. No Assignment shall be binding on City unless Tenant or Transferee shall deliver to City a counterpart of the Assignment and an instrument that contains a covenant of assumption by such Transferee satisfactory in substance and form to City, and consistent with the requirements of this Article. However, the failure or refusal of such Transferee to execute such instrument of assumption shall not release such Transferee from its liability as set forth above. Tenant shall reimburse City on demand for any reasonable costs that may be incurred by City in connection with any proposed Transfer, including the costs of making investigations as to the acceptability of the proposed Transferee and legal costs incurred in connection with the granting of any requested consent.

18.7 Indemnity for Relocation Benefits

Without limiting **Section 18.6** [Assumption by Transferee], Tenant shall cause any Transferee to expressly release any claim or entitlement to any and all relocation assistance and benefits in connection with this Lease. Tenant shall Indemnify City and the other Indemnified Parties for any and all Losses arising out of any relocation assistance or benefits payable to any Transferee.

18.8 IPM Plan and Form CMD-12B-101

As a condition to any Assignment or Sublease, the Transferee shall execute Form HRC-12B-101 (as such term is defined in **Section 27.22(d)** [Non-Discrimination in City Contracts and Benefits Ordinance]) with supporting documentation and secure approval of such completed form by City's Contract Monitoring Division. As a condition to any Assignment or Sublease, the Transferee shall assume the IPM plan of Tenant, or submit a new IPM plan in accordance with the requirements of **Section 8.2(m)** [Restrictions on Use of Pesticides] or obtain an exemption through the SFPUC. Any Transferee must also comply with all other provisions of this Lease, including the insurance provisions.

19. DEFAULT; REMEDIES

19.1 Events of Default

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

(a) Base Rent. Any failure to pay any Base Rent or other sums as and when due, provided Tenant shall have a period of three (3) days from the date of written notice from City within which to cure any default in the payment of Base Rent or other sums; provided, however, that City shall not be required to provide such notice regarding Tenant's failure to make such payments when due more than once during any calendar year, and any such failure by Tenant after Tenant has received one (1) such notice in any calendar year from City shall constitute a default by Tenant hereunder without any requirement on the part of City to give Tenant notice of such failure or an opportunity to cure except as may be required by Section 1161 of the California Code of Civil Procedure;

(b) Covenants, Conditions, and Representations. Any failure to perform or comply with any other covenant, condition or representation made under this Lease, provided Tenant shall have a period of fifteen (15) days from the date of written notice from City of such failure within which to cure such default under this Lease, or, if such default is not capable of cure within such 15-day period, Tenant shall have a reasonable period to complete such cure if Tenant promptly undertakes action to cure such default within such 15-day period and thereafter diligently prosecutes the same to completion and Tenant uses its best efforts to complete such cure within sixty (60) days after the receipt of notice of default from City; provided, however, that upon the occurrence during the Term of two (2) defaults of the same obligation City shall not be required to provide any notice regarding Tenant's failure to perform such obligation, and any subsequent failure by Tenant after Tenant has received two (2) such notices shall constitute a default by Tenant hereunder without any requirement on the part of City to give Tenant notice of such failure or an opportunity to cure;

(c) Vacation or Abandonment. Abandoning the Premises or vacating the Premises for more than fourteen (14) consecutive days without City's consent; and

(d) Bankruptcy. The appointment of a receiver to take possession of all or substantially all the assets of Tenant, or an assignment by Tenant for the benefit of creditors, or any action taken or suffered by Tenant under any insolvency, bankruptcy, reorganization, moratorium, or other debtor relief act or statute, whether now existing or hereafter amended or enacted, if any such receiver, assignment, or action is not released, discharged, dismissed, or vacated within sixty (60) days.

19.2 Remedies

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

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

(b) Continue Lease and Enforce Rights. The rights and remedies provided by California Civil Code Section 1951.4 (continuation of the lease after breach and abandonment), which allows City to continue this Lease in effect and to enforce all its rights and remedies under this Lease, including the right to recover Base Rent as it becomes due, for so long as City does not terminate Tenant's right to possession, if Tenant has the right to sublet or assign, subject only to reasonable limitations. For purposes hereof, none of the following shall constitute a termination of Tenant's right of possession: acts of maintenance or preservation; efforts to relet the Premises or the appointment of a receiver upon City's initiative to protect its interest under this Lease; or withholding consent to an Assignment or Sublease, or terminating an Assignment or Sublease, if the withholding or termination does not violate the rights of Tenant specified in subdivision (b) of California Civil Code Section 1951.4. If City exercises its remedy under California Civil Code Section 1951.4, City may from time to time sublet the Premises or any part thereof for such term or terms (which may extend beyond the Term) and at such rent and upon such other terms as City in its sole discretion may deem advisable, with the right to make alterations and repairs to the Premises. Upon each such subletting, Tenant shall be immediately liable for payment to City of, in addition to Base Rent and Additional Charges due hereunder, the cost of such subletting and such alterations and repairs incurred by City and the amount, if any, by which the Base Rent and Additional Charges owing hereunder for the period of such subletting (to the extent such period does not exceed the Term) exceeds the amount to be paid as Base Rent and Additional Charges for the Premises for such period pursuant to such subletting. No action taken by City pursuant to this subsection shall be deemed a waiver of any default by Tenant and, notwithstanding any such subletting without termination, City may at any time thereafter elect to terminate this Lease for such previous default.

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

(d) Lien. The rights and remedies provided by California Civil Code Sections 3080 et seq. (foreclosure of livestock lien), which includes the right to retain possession of the livestock, charge the Tenant for the reasonable value of providing livestock services to the livestock until the Tenant’s obligations secured by the lien have been satisfied and selling the livestock.

19.3 City’s Right to Cure Tenant’s Defaults

If Tenant defaults in the performance of any of its obligations under this Lease, City may at any time thereafter with three (3) days prior oral or written notice (except in the event of an emergency as determined by City), remedy such Event of Default for Tenant’s account and at Tenant’s expense. Tenant shall pay to City as additional Base Rent, promptly upon demand, all sums expended by City, or other costs, damages, expenses, or liabilities incurred by City, including reasonable attorneys’ fees, in remedying or attempting to remedy such Event of Default. Tenant’s obligations under this Section shall survive the termination of this Lease. Nothing herein shall imply any duty of City to do any act that Tenant is obligated to perform under any provision of this Lease, and City’s cure or attempted cure of Tenant’s Event of Default shall not constitute a waiver of Tenant’s Event of Default or any rights or remedies of City on account of such Event of Default.

19.4 Special Administrative Charges

Without limiting City’s other rights and remedies set forth in this Lease, at law or in equity, in the event Tenant (i) constructs or installs any Alteration without the written approval of City as required by **Article 9** [Alterations] of this Lease, or (ii) fails to make a repair required by **Article 11** [Maintenance] on a timely basis, or (iii) fails to provide evidence of the required insurance coverage described in **Article 21** [Insurance] on a timely basis, then upon written notice from City of such failure or unauthorized action, Tenant shall pay, as an additional charge, the respective amount specified in the table below in consideration of City’s administrative cost and expense in providing notice or performing inspections. In the event Tenant fails to remove the unauthorized Alteration and restore the Premises or perform the necessary repair or provide the necessary document, as applicable, within the time period set forth in such notice, and City delivers to Tenant additional written notice requesting such document or evidence of such repair, or performs additional inspections to verify compliance, then Tenant shall pay to City, as an additional charge, the respective amount specified in the table below for each additional written notice City delivers to Tenant requesting such corrective action.

<u>Violation</u>	<u>Lease Article</u>	<u>Initial inspection and/or notice</u>	<u>Follow up inspection and/or notice</u>
Construction of Alterations that are not approved by City	9	\$700.00	\$800.00
Failure to make required repairs	11	\$600.00	\$700.00

<u>Violation</u>	<u>Lease Article</u>	<u>Initial inspection and/or notice</u>	<u>Follow up inspection and/or notice</u>
Failure to obtain/maintain insurance	21	\$600.00	\$700.00

Such administrative fees shall be due and payable as “Additional Rent.” The parties agree that the charges set forth in this Section represent a fair and reasonable estimate of the administrative cost and expense that City will incur in connection with providing notices or performing inspections as set forth above, and that City’s right to impose the foregoing charges shall be in addition to and not in lieu of any and all other rights under this Lease, at law or in equity.

20. WAIVER OF CLAIMS; INDEMNIFICATION

20.1 Waiver of Claims

Tenant covenants and agrees that City shall not be responsible for or liable to Tenant for, and, to the fullest extent allowed by Law, Tenant hereby waives all rights against City and its Agents and releases City and its Agents from, any and all Losses, including incidental and consequential damages, relating to any injury, accident or death of any person or loss or damage to any property, in or about the Premises or any other City property (including City Facilities), from any cause whatsoever. Nothing herein shall relieve City from liability caused solely and directly by the active gross negligence or willful misconduct or omission of City or its Agents, but City shall not be liable under any circumstances for any consequential, incidental, or punitive damages. Without limiting the foregoing:

Tenant expressly acknowledges and agrees that the Base Rent payable hereunder does not take into account any potential liability of City for any consequential or incidental damages, including lost profits, arising out of disruption to Tenant’s use of the Premises or its Alterations. City would not be willing to enter into this Lease in the absence of a complete waiver of liability for consequential or incidental damages due to any act or omission of City or its Agents, and Tenant expressly assumes the risk with respect thereto. Accordingly, without limiting any indemnification obligations of Tenant or other waivers contained in this Lease and as a material part of the consideration for this Lease, Tenant fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action against City for consequential and incidental damages (including lost profits), and covenants not to sue for such damages, City, its departments, commissions, officers, directors, and employees, and all persons acting by, through or under each of them, arising out of this Lease or the uses authorized hereunder, including any interference with uses conducted by Tenant pursuant to this Lease regardless of the cause, and whether or not due to the negligence or gross negligence of City or its Agents.

In connection with the foregoing releases, Tenant acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

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

Tenant hereby waives, for itself and all persons claiming by and under Tenant, all rights and privileges that it might have under any applicable Laws to redeem the Premises or to continue this Lease after being dispossessed or ejected from the Premises.

20.2 Tenant's Indemnity

Tenant, on behalf of itself and its successors and assigns, shall Indemnify City, including all of its boards, commissions, departments, agencies, and other subdivisions, including the SFPUC, and all of its and their Agents, and their respective heirs, legal representatives, successors and assigns (individually and collectively, the "**Indemnified Parties**"), and each of them, from and against any and all Losses incurred in connection with or arising directly or indirectly, in whole or in part, out of: **(a)** any accident, injury to, or death of a person, including Agents and Invitees of Tenant, or loss of or damage to property (including the City Facilities) howsoever or by whomsoever caused, occurring in, on, under, or about the Premises, City Facilities, or the Alterations; **(b)** any default by Tenant in the observation or performance of any of the terms, covenants, or conditions of this Lease to be observed or performed on Tenant's part; **(c)** the use, occupancy, conduct or management, or manner of use, occupancy, conduct, or management by Tenant, its Agents or Invitees or any person or entity claiming through or under any of them, of the Premises or any Alterations or any access roads or utilities; **(d)** the condition of the Premises, any Alterations, any City Facilities, or access roads or utilities; **(e)** any construction or other work undertaken by Tenant on or about the Premises or any Alterations whether before or during the Term of this Lease; or **(f)** any acts, omissions, or negligence of Tenant, its Agents or Invitees, or of any trespassers, in, on, under, or about the Premises, City Facilities or any Alterations; all regardless of the sole negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on, the Indemnified Parties, except to the extent that such Indemnity is void or otherwise unenforceable under applicable Law in effect on or validly retroactive to the date of this Lease, and further except only such Losses as are caused exclusively by the active gross negligence and intentional wrongful acts of the Indemnified Parties. The foregoing Indemnity shall include, without limitation, reasonable fees of attorneys, consultants, and experts, and related costs, and City's costs of investigating any Loss. Tenant specifically acknowledges and agrees that it has an immediate and independent obligation to defend the City and the other Indemnified Parties from any claim which actually or potentially falls within this indemnity provision, even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Tenant by City and continues at all times thereafter. Tenant's obligations under this Section shall survive the expiration or sooner termination of the Lease.

21. INSURANCE

21.1 Tenant's Insurance.

Tenant shall procure and maintain throughout the Term of this Lease and pay the cost thereof, insurance in the following amounts and coverages:

(a) Commercial General Liability Insurance. Commercial General or Public Liability Insurance with limits not less than One Million Dollars (\$1,000,000) each occurrence combined single limit for bodily injury and property damage, including contractual liability, independent contractors, broad-form property damage, personal injury, products, and completed operations.

(b) Worker's Compensation Insurance. Worker's Compensation Insurance in statutory amounts, with employer's liability coverage not less than One Million Dollars (\$1,000,000) each accident. Each workers' compensation policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by Tenant and its Agents related to this Lease or the Premises.

(c) Business Automobile Liability. Business Automobile Liability Insurance with limits not less than One Million Dollars (\$1,000,000) each occurrence combined single limit for bodily injury and property damage, including owned and non-owned and hired vehicles as applicable, if Tenant uses or causes to be used any vehicles in connection with its use of the Premises.

(d) Property Insurance.

(i) If there are insurable real property improvements on the Premises, then Tenant shall procure and maintain property insurance on such improvements, on an all-risk form for one hundred percent (100%) of the full insurable value of the Premises including such improvements, with any deductible not to exceed Ten Thousand Dollars (\$10,000) each occurrence. Such insurance shall include Tenant and City as their respective interests may appear. If Tenant performs any Alterations on the Premises, then such Alterations must be covered by Tenant's property insurance and documented to the insurer.

(ii) If damage to structures on the Premises will materially impair Tenant's ability to pay rent under this Lease, then Tenant shall further procure and maintain business income (business interruption) insurance and extra expense coverage with coverage amounts that will reimburse Tenant for all direct or indirect loss of income and charges and costs incurred arising out of all perils insured against by Tenant's property insurance coverage, including prevention of, or denial of use of or access to, all or part of the Premises, as a result of those perils. Such insurance shall also cover business interruptions due to failures or interruptions in telecommunications services, strikes, employee lockouts, riots, or other civil commotion. The business income and extra expense coverage shall be issued by the insurer that issues Tenant's all-risk property insurance, shall provide coverage for no less than twelve (12) months of the loss of income, charges, and costs contemplated under the Lease and shall be carried in amounts necessary to avoid any coinsurance penalty that could apply.

(iii) “**Full insurable value**” (a) means the actual replacement cost of the improvements (excluding foundation and excavation costs but without deduction for physical depreciation) and (b) will be determined at the inception, and each renewal of, policy coverage by the insurer(s) selected and paid by Tenant and reasonably acceptable to City; provided, however, that, at any time, City may ascertain the full insurable value at its own expense, except that if such full insurable value exceeds the value of the then existing amount of insurance coverage procured by Tenant, Tenant shall pay the expense of determining the full insurable value.

(e) Other Insurance. City reserves the right to change amounts and types of insurance as permitted use of the property may change from time to time. City may require Tenant’s vendors, contractors, and subcontractors to carry such insurance as City may reasonably deem necessary including naming City as additional insured, and satisfactory evidence of such insurance shall be delivered to City before such vendors, contractors, and subcontractors enter the Premises.

21.2 General Requirements

All insurance provided for under this Lease shall be effected under valid, enforceable policies issued by insurers of recognized responsibility and reasonably approved by City.

(a) Claims-Made Form. Should any of the required insurance be provided under a claims-made form, Tenant shall maintain such coverage continuously throughout the Term and, without lapse, for a period of three (3) years beyond the expiration or termination of this Lease, to the effect that, should occurrences during the Term give rise to claims made after expiration or termination of this Lease, such claims shall be covered by such claims-made policies.

(b) Limit Requirement. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general aggregate limit shall double the occurrence or claims limits specified above.

(c) Other Requirements. All liability insurance policies shall be endorsed to provide the following:

(i) Name the City and County of San Francisco, its officers, agents, and employees, as additional insureds, as their respective interests may appear hereunder.

(ii) That such policies are primary insurance to any other insurance available to the additional insureds, with respect to any claims arising out of this Lease, and that insurance applies separately to each insured against whom the claim is made or suit is brought, except with respect to the insurer’s limit of liability.

(iii) All insurance policies required to be maintained by Tenant hereunder shall be endorsed to provide thirty (30) days’ prior written notice of cancellation for any reason, intended non-renewal, or reduction in coverage to both Tenant and City. Notice to City shall be mailed to the address(es) for City set forth in the Basic Lease Information.

21.3 Proof of Insurance

Tenant shall deliver to City certificates of insurance and additional insured policy endorsement from insurers in a form satisfactory to City, evidencing the coverages required hereunder, on or before the Commencement Date, together with complete copies of the policies promptly upon City's request, and Tenant shall provide City with certificates or policies thereafter at least thirty (30) days before the expiration dates of expiring policies. In the event Tenant shall fail to procure such insurance, or to deliver such policies or certificates, City may, at its option, procure the same for the account of Tenant, and the cost thereof shall be paid to City within five (5) days after delivery to Tenant of bills therefor.

21.4 Review of Insurance Requirements

Tenant and City shall periodically review the limits and types of insurance carried pursuant to this Section. If the general commercial practice in the City and County of San Francisco is to carry liability insurance in an amount or coverage materially greater than the amount or coverage then being carried by Tenant with respect to risks comparable to those associated with the Premises, then, at City's option, Tenant shall increase at its sole cost the amounts or coverages carried by Tenant to conform to such general commercial practice.

21.5 No Limitation on Indemnities

Tenant's compliance with the provisions of this Section shall in no way relieve or decrease Tenant's indemnification obligations under **Sections 20.2** [Tenant's Indemnity] and **25.2** [Tenant's Environmental Indemnity], or any of Tenant's other obligations or liabilities under this Lease.

21.6 Lapse of Insurance

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

21.7 Tenant's Personal Property

Tenant may, at its expense, insure Tenant's Personal Property.

21.8 Waiver of Subrogation

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

22. ACCESS BY CITY

22.1 Access to Premises by City

(a) General Access. City reserves for itself and its designated Agents the right to enter the Premises and any portion thereof, including the City Facilities, at all reasonable times.

(b) Emergency Access. In the event of any emergency, as determined by City, City may, at its sole option and without notice, enter the Premises and alter or remove any improvements, Alterations, or Tenant's Personal Property on or about the Premises. City shall have the right to use any and all means City considers appropriate to gain access to any portion of the Premises, Alterations, or City Facilities in an emergency. In such case, City shall not be responsible for any damage or injury to any such property, nor for the replacement of any such property and any such emergency entry shall not be deemed to be a forcible or unlawful entry onto or a detainer of, the Premises, or an eviction, actual or constructive, of Tenant from the Premises or any portion thereof.

(c) No Liability. City shall not be liable in any manner, and Tenant hereby waives any claims, for any inconvenience, disturbance, loss of business, nuisance, or other damage arising out of City's entry onto the Premises, Alterations, or City Facilities, except damage resulting directly and exclusively from the active gross negligence or willful misconduct of City or its Agents and not contributed to by the acts, omissions, or negligence of Tenant or its Agents or Invitees.

(d) No Abatement. Tenant shall not be entitled to any abatement in Base Rent if City exercises any rights reserved in this Section.

(e) Minimize Disruption. City shall use its reasonably good faith efforts to conduct any activities on the Premises allowed under this Section in a manner that, to the extent practicable, will minimize any disruption to Tenant's use hereunder.

22.2 Pipeline and Utility Installations

Without limiting **Section 22.1** [Access to Premises by City], City shall have the right at all times, to enter upon the Premises, to use, install, construct, repair, maintain, operate, replace, inspect, and remove City Facilities or any other public utility facilities. Except in an emergency, City shall endeavor to provide Tenant with at least thirty (30) days' advance written notice of any work within the Premises that will involve cutting fence lines, excavation, grading, or use of a sizable portion of the Premises for construction staging. City shall bear the expense of any such activities, unless the need is occasioned by the acts, omissions, or negligence of Tenant, its Agents, or Invitees. City shall not be responsible for any temporary loss or disruption of Tenant's use of the Premises occasioned by any such facility installations or other activities; provided, however, the Base Rent shall be abated to the extent of any material interference with Tenant's use during the period of such interference. Such abatement is to be calculated pursuant to **Section 5.2** [Adjustment of Base Rent].

22.3 Roadways

City and its Agents shall have the right to enter upon and pass through and across the Premises on any existing or future roadways and as City otherwise determines necessary or appropriate for purposes of the City Facilities, provided that City shall use its reasonably good faith efforts to use such roadways in a manner that, to the extent practicable, will minimize any disruption to Tenant's use hereunder.

23. ESTOPPEL CERTIFICATES

Either Party hereto shall, from time to time during the Term upon not less than twenty (20) days' prior written notice from the other Party, execute, acknowledge and deliver to the other Party, or such persons or entities designated by such other Party, a statement in writing certifying: (a) the Commencement Date and Expiration Date of this Lease, (b) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that the Lease is in full force and effect as modified and stating the modifications), (c) that there are no known defaults under this Lease (or if so, specifying the same), and (d) the dates, if any, to which the Base Rent has been paid. Any such certificate shall be in the forms attached as **Exhibit G** and may be relied upon by the other Party or any prospective purchaser or Encumbrancer of its estate. The General Manager shall be authorized to execute, acknowledge, and deliver any such certificates of the City.

24. SURRENDER

24.1 Removal of Cattle and Surrender of the Premises

Upon the Expiration Date or any earlier termination of this Lease pursuant to its terms, Tenant shall surrender the Premises to City, in good condition, order and repair, free from debris and hazards, and free and clear of all liens, easements, and other Encumbrances created or suffered by, through, or under Tenant. On or before the Expiration Date or any earlier termination of this Lease, Tenant shall, at its sole cost and expense, (i) remove any and all of the livestock and Tenant's Personal Property from the Premises, (ii) demolish and remove from the Premises any Tenant's Alterations that City directs or authorizes, in writing, Tenant to remove, and (iii) replace and reconfigure fencing on the Premises as directed by City. In addition, Tenant shall, at its sole cost and expense, repair any damage to the Premises resulting from the removal of any such items and restore the Premises to their condition immediately prior to the presence of such Alterations. In connection therewith, Tenant shall obtain any and all necessary permits and approvals, including any environmental permits, and execute any manifests or other documents necessary to complete the demolition, removal or restoration work required hereunder. Tenant's obligations under this Section shall survive the Expiration Date or other termination of this Lease. Any items of Tenant's Personal Property remaining on or about the Premises after the Expiration Date of this Lease may, at City's option, be deemed abandoned and in such case, City may dispose of such property in accordance with Section 1980 *et seq.* of the California Civil Code or in any other manner allowed by Law.

City staff and Tenant shall meet at the Premises within thirty (30) days prior to the Expiration Date or any sooner termination of the Lease to review the condition of the Premises and prepare and initial a list of any Alterations, Tenant's Personal Property, and/or livestock that remain to be removed and any restoration that remains to be performed pursuant to this Section and to confirm in writing the deadline by which the removal and restoration must be performed.

If Tenant fails to surrender the Premises to City on the Expiration Date or earlier termination of the Term as required by this Section, Tenant shall Indemnify City against all Losses resulting therefrom, including Losses asserted or made by a succeeding tenant resulting from Tenant's failure to surrender the Premises.

24.2 Automatic Reversion

Upon the Expiration Date or earlier termination of this Lease, the Premises shall automatically, and without further act or conveyance on the part of Tenant or City, become the property of City, free and clear of all liens and Encumbrances and without payment therefor by City and shall be surrendered to City upon such date. Upon or at any time after the date of termination of this Lease, if requested by City, Tenant shall promptly deliver to City, without charge, a quitclaim deed to the Premises suitable for recordation and any other instrument reasonably requested by City to evidence or otherwise effect the termination of Tenant's leasehold estate hereunder and to effect such transfer or vesting of title to the Premises or any permitted Tenant's Alterations that are to remain part of the Premises pursuant to the provisions of Section 9.2 [Ownership of Alterations].

24.3 Waiver of Abandoned Property Process

Tenant acknowledges and agrees that, upon termination of this Lease for any reason, any personal property remaining on the Premises shall be deemed immediately abandoned by Tenant. Tenant expressly waives any right to notice, storage, or retrieval of such property under applicable abandoned property laws, to the fullest extent permitted by law. City may dispose of, sell, or retain any such property without liability to Tenant. Tenant further agrees to indemnify and hold City harmless from any claims or expenses arising from the removal or disposal of such property.

25. HAZARDOUS MATERIALS

25.1 No Hazardous Material

Tenant agrees that neither Tenant nor any of its Agents or Invitees shall cause or permit any Hazardous Material to be brought upon, kept, used, stored, generated, or disposed of in, on, under, or about the Premises, the Alterations or City Facilities or transported to or from the Premises Alterations or City Facilities without City's advance written consent, which may be given or withheld in City's sole discretion. Without limiting the foregoing restrictions, Tenant shall handle all Hazardous Material on the Premises in compliance with all Environmental Laws. Tenant shall immediately notify City if and when Tenant learns or has reason to believe there has been any Release of Hazardous Material in, on, under, or about the Premises, City Facilities, or Alterations. City may from time-to-time request that Tenant provide adequate information for City to determine that any Hazardous Material permitted hereunder is being handled in compliance with all applicable Environmental Laws, and Tenant shall promptly provide all such information. Without limiting **Article 22** [Access by City], City and its Agents shall have the right to inspect the Premises for Hazardous Material and compliance with the provisions of this Section at all reasonable times.

25.2 Tenant's Environmental Indemnity

If Tenant breaches any of its obligations contained in **Section 25.1** [No Hazardous Material], or, if any act or omission of Tenant or any of its Agents or Invitees results in any Release of Hazardous Material in, on, under, or about the Premises, Alterations, or any other City property, without limiting Tenant's general Indemnity contained in **Section 20.2** [Tenant's Indemnity], Tenant, on behalf of itself and its successors and assigns, shall Indemnify City and the Indemnified Parties, and each of them, from and against all Hazardous Material Claims arising during or after the Term of this Lease and relating to such Release. The foregoing Indemnity includes, without limitation, all costs associated with the Investigation and Remediation of Hazardous Material and with the restoration of the Premises or any other City property to its prior condition including fines and penalties imposed by regulatory agencies, natural resource damages and losses, and revegetation of the Premises or other City property. Without limiting the foregoing, if Tenant or any of Tenant's Agents or Invitees, causes or permits the Release of any Hazardous Material in, on, under or about the Premises or any other City property, Tenant shall, immediately, at no expense to City, take any and all appropriate actions to return the Premises or other City property affected thereby to the condition existing prior to such Release and otherwise Investigate and Remediate the Release in accordance with all Environmental Laws. Tenant shall provide City with written notice of and afford City a full opportunity to participate in any discussions with governmental regulatory agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree, permit, approvals, or other compromise or proceeding involving Hazardous Material.

26. SECURITY DEPOSIT

26.1 Security Deposit

Tenant shall pay to City upon execution of this Lease the sum specified for the security deposit in the Basic Lease Information as security for the faithful performance of all terms, covenants, and conditions of this Lease. Tenant agrees that City may (but shall not be required to) apply the security deposit in whole or in part to remedy any damage to the Premises or City Facilities caused by Tenant, its Agents or Invitees, to pay any fines assessed against Tenant under this Lease, or for any other failure of Tenant to perform any other terms, covenants, or conditions contained in this Lease, without waiving any of City's other rights and remedies hereunder or at Law or in equity. Should City use any portion of the security deposit to cure any Event of Default by Tenant or pay any fine of Tenant, then Tenant shall immediately replenish the security deposit to the original amount, and Tenant's failure to do so within five (5) days of City's notice shall constitute a material Event of Default under this Lease. City's obligations with respect to the security deposit are solely that of a debtor and not a trustee. City shall not be required to keep the security deposit separate from its general funds, and Tenant shall not be entitled to any interest on such 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.

26.2 Letter of Credit

In lieu of the security deposit provided in **Section 26.1** [Security Deposit], Tenant may deliver to City a "clean" (i.e., unconditional), irrevocable letter of credit issued by a financial institution acceptable to the General Manager and in form approved by the City Attorney with an initial term of no less than one year and automatic extensions through the end of the Term of this

Lease and thirty (30) days thereafter. Tenant shall keep such letter of credit, at its expense, in full force and effect until the sixtieth (60th) day after the Expiration Date or other termination hereof, to insure 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 City of cancellation or material change thereof. In the event of any nonextension of the letter of credit, Tenant shall replace such security with another letter of credit or cash deposit permitted hereunder at least ten (10) days prior to expiration, and if Tenant fails to do so City 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 hereunder. Any unused portion of the funds so obtained by City shall be returned to Tenant upon replacement of the letter of credit or deposit of cash security in the full amount required hereunder.

27. GENERAL PROVISIONS

27.1 Notices

Except as otherwise expressly provided in this Lease, any notice given hereunder shall be effective only if in writing and given by delivering the notice in person, by sending it first-class mail or certified mail with a return receipt requested or reliable commercial overnight courier, return receipt requested, with postage prepaid, to: (a) Tenant at Tenant's address set forth in the Basic Lease Information; or (b) City at City's address set forth in the Basic Lease Information; or (c) to such other address as either City or Tenant may designate as its new address for such purpose by notice given to the other in accordance with the provisions of this Section at least ten (10) days before the effective date of such change. Any correctly addressed notice hereunder given by a method that confirms delivery or attempted delivery shall be deemed to have been given on the earlier of actual delivery or first attempted delivery as confirmed by the Post Office or courier service. For convenience of the Parties, copies of notices may also be given by email to the address set forth in the Basic Lease Information or such other address or number as may be provided from time to time; however, neither party may give official or binding notice by email. The effective time of a notice will not be affected by the receipt of an emailed copy before receipt of the original notice.

In the event of an emergency, as determined by the SFPUC in its sole discretion, the SFPUC will call Tenant's Emergency Contact listed in the Basic Lease Information. Tenant will respond to the SFPUC within 24-hours of receiving any phone call or voicemail.

27.2 No Implied Waiver

No failure by City to insist upon the strict performance of any obligation of Tenant under this Lease or to exercise any right, power, or remedy arising out of a breach, irrespective of the length of time for which such failure continues, no acceptance of full or partial Base Rent or Additional Charges during the continuance of any such breach, or possession of the Premises before the expiration of the Term by or any Agent of City, shall constitute a waiver of such breach or of City's right to demand strict compliance with such term, covenant, or condition or operate as a surrender of this Lease. No express written waiver of any default or the performance of any provision of this Lease shall affect any other default or performance, or cover any other period of time, other than the default, performance, or period of time specified in such express waiver. One or more written waivers of a default or the performance of any provision of this Lease shall not be deemed to be a waiver of a subsequent default or performance. The consent of City given in any

instance under the terms of this Lease shall not relieve Tenant of any obligation to secure the consent of City in any other or future instance under the terms of this Lease.

27.3 Amendments

Neither this Lease nor any term or provision of this Lease may be changed, waived, discharged, or terminated, except by a written instrument signed by the Parties after obtaining all necessary City approvals.

27.4 Authority

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

27.5 Joint and Several Obligations

The word "Tenant" as used herein shall include the plural as well as the singular. If there is more than one Tenant, the obligations and liabilities under this Lease imposed on Tenant shall be joint and several.

27.6 Interpretation of Lease

The captions preceding the articles, sections, and subsections of this Lease and in the table of contents have been inserted for convenience of reference only, and such captions shall in no way define or limit the scope or intent of any provision of this Lease. Provisions in this Lease relating to number of days shall be calendar days, unless otherwise specified, provided that if the last day of any period to give notice, reply to a notice, or undertake any other action occurs on a Saturday, Sunday, or a bank or City holiday, then the last day for undertaking the action or giving or replying to the notice shall be the next succeeding business day. Use of the words "including," "include," or similar words shall not be construed to limit any general term, statement, or other matter in this Lease, whether or not the language of non-limitation, such as "without limitation" or similar words, is used.

27.7 Successors and Assigns

Subject to the provisions of **Article 18** [Assignment and Subletting] relating to Assignment and Subletting, the terms, covenants, and conditions contained in this Lease shall bind and inure to the benefit of City and Tenant and, except as otherwise provided herein, their personal representatives and successors and assigns; provided, however, that upon any sale, assignment or transfer by City named herein (or by any subsequent landlord) of its interest in the Premises as owner or lessee, including any transfer by operation of Law, City (or any subsequent landlord) shall be relieved from all subsequent obligations and liabilities arising under this Lease subsequent to such sale, assignment or transfer.

27.8 Brokers

Neither party has had any contact or dealings regarding the leasing of the Premises, or any communication in connection therewith, through any licensed real estate broker or other person who could claim a right to a commission or finder's fee in connection with the lease contemplated herein except as identified in the Basic Lease Information, whose commission, if any is due, shall be paid pursuant to a separate written agreement between such broker and the party through which such broker contracted. In the event that any other broker or finder perfects a claim for a commission or finder's fee based upon any such contact, dealings, or communication, the party through whom the broker or finder makes a claim shall be responsible for such commission or fee and shall Indemnify the other party from any and all Losses incurred by the indemnified party in defending against the same. The provisions of this Section shall survive any termination of this Lease.

27.9 Severability

If any provision of this Lease or the application thereof to any person, entity or circumstance shall be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons, entities, or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Lease shall be valid and be enforceable to the fullest extent permitted by Law, except to the extent that enforcement of this Lease without the invalidated provision would be unreasonable or inequitable under all the circumstances or would frustrate a fundamental purpose of this Lease.

27.10 Governing Law; Venue

This Lease shall be construed and enforced in accordance with the Laws of the State of California. Each Party stipulates that any action or proceeding arising out of or in any way connected to this Lease shall be filed and litigated exclusively in the state and federal courts located in the City and County of San Francisco.

27.11 Entire Agreement

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

27.12 Attorneys' Fees

In the event that either City or Tenant fails to perform any of its obligations under this Lease or in the event a dispute arises concerning the meaning or interpretation of any provision of this Lease, the defaulting party or the party non-prevailing party in such dispute, as the case may

be, shall pay the prevailing party reasonable attorneys' and experts' fees and costs, and all court costs and other costs of action incurred by the prevailing party in connection with the prosecution or defense of such action and enforcing or establishing its rights hereunder (whether or not such action is prosecuted to a judgment). For purposes of this Lease, reasonable attorneys' fees of the City's Office of the 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 Office of the City Attorney. The term "attorneys' fees" shall also include, without limitation, all such fees incurred with respect to appeals, mediations, arbitrations, and bankruptcy proceedings, and whether or not any action is brought with respect to the matter for which such fees were incurred. The term "costs" shall mean the costs and expenses of counsel to the parties, which may include printing, duplicating, and other expenses, air freight charges, hiring of experts, and fees billed for law clerks, paralegals, and others not admitted to the bar but performing services under the supervision of an attorney.

27.13 Holding Over

Any holding over after the expiration of the Term with the express consent of City shall be construed to automatically extend the Term of this Lease on a month-to-month basis with ongoing adjustments in Base Rent on each Adjustment Date as set forth in **Section 5.2** [Adjustments in Base Rent] or at such other Base Rent as determined by City as part of its consent, and shall otherwise be on the terms and conditions herein specified so far as applicable (except for those pertaining to the Term). Any holding over without City's consent shall constitute a default by Tenant and tenancy at sufferance, shall be at a Base Rent equal to 200% of the amount determined pursuant to the Grazing Rental Adjustment Table in accordance with **Article 5** [Rent] at the start of the holdover, and shall entitle City to exercise any or all of its remedies as provided herein, notwithstanding that City may elect to accept one or more payments of Base Rent. Failure to surrender the Premises in the condition required by this Lease will constitute holding over until the Premises are in the condition required upon surrender.

27.14 Time of Essence

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

27.15 Cumulative Remedies

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

27.16 Survival of Indemnities

Termination of this Lease shall not affect the right of either Party to enforce any and all indemnities and representations and warranties given or made to the other party under this Lease, nor shall it affect any provision of this Lease that expressly states it shall survive termination of this Lease. Tenant specifically acknowledges and agrees that, with respect to each of the indemnities contained in this Lease, Tenant has an immediate and independent obligation to defend City and the other Indemnified Parties from any claim which actually or potentially falls within the indemnity provision even if such allegation is or may be groundless, fraudulent or false, which

obligation arises at the time such claim is tendered to Tenant by City and continues at all times thereafter.

27.17 Relationship of Parties

City is not, and none of the provisions in this Lease shall be deemed to render City, a partner in Tenant's business, or joint venturer, or member in any joint enterprise with Tenant. Neither party shall act as the agent of the other party in any respect hereunder, nor shall either Party have any authority to commit or bind the other Party without such Party's consent as provided herein. This Lease is not intended nor shall it be construed to create any third-party beneficiary rights in any third party, unless otherwise expressly provided. The granting of this Lease by City does not constitute authorization or approval by City of any activity conducted by Tenant on, in, or relating to the Premises.

27.18 Transfer by City

If City sells or otherwise transfers the Premises, City shall be released from its obligations hereunder arising on or after the date of such sale or transfer, and Tenant shall look solely to the successor-in-interest to City. Upon a sale of the Premises by City, Tenant shall attorn to the purchaser or transferee, such attornment to be effective and self-operative without the execution of any further instruments on the part of the parties to this Lease. This Lease shall not be deemed to constitute any commitment by City or create any priority or right in favor of Tenant, with regard to any future sale or other disposition of all or any part of the Premises.

27.19 No Recording

Tenant agrees that it shall not record this Lease nor any memorandum or short form of this Lease in the real estate records of county in which the Premises are located.

27.20 Non-Liability of City Officials, Employees, and Agents

No elective or appointive board, commission, member, officer, employee, or other Agent of City shall be personally liable to Tenant, its successors and assigns, in the event of any default or breach by City or for any amount which may become due to Tenant, its successors and assigns, or for any obligation of City under this Lease.

27.21 Wages and Working Conditions

Tenant agrees that any person performing labor in connection with any Alteration or Long-Term Maintenance at the Premises that is a "public work or improvement," as defined under Section 6.22(e) of the San Francisco Administrative Code or a "public work" as defined under California Labor Code Section 1720 et seq. (which includes certain construction, alteration, demolition, installation, repair, carpet laying, or refuse hauling work if paid for in whole or part out of public funds or the equivalent of public funds) shall be paid not less than the highest prevailing rate of wages consistent with the requirements of Section 6.22(e) of the San Francisco Administrative Code, and shall be subject to the same hours and working conditions, and shall receive the same benefits as in each case are provided for similar work performed in Alameda and/or Santa Clara County. Tenant shall include in any contract for such Alterations or Long-Term Maintenance a requirement that all persons performing labor under such contract shall be paid not

less than the highest prevailing rate of wages for the labor so performed. Tenant shall require any contractor to provide, and shall deliver to City upon request, certified payroll reports with respect to all persons performing such labor at the Premises.

27.22 Non-Discrimination in City Contracts and Benefits Ordinance

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

(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 131.2(a), 131.2(c)-(k), and (m) and 132.3 of the San Francisco Labor and Employment 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, on real property owned by City, or where the work is being performed for the City 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 131.2(b) of the San Francisco Labor and Employment Code.

(d) Condition to Lease. As a condition to this Lease, Tenant shall execute the City's Declaration: Nondiscrimination in Contracts and Benefits with supporting documentation and secure the approval of the form by City's Contract Monitoring Division ("CMD"). Tenant represents that before execution of this Lease, (i) Tenant executed and submitted to the CMD the form, if required, with supporting documentation, and (ii) the CMD approved the form.

(e) Incorporation of Labor and Employment Code Provisions by Reference. The provisions of Articles 131 and 132 of the San Francisco Labor and Employment 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 Agreement 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 the remedies provided in such Chapters. Without limiting the foregoing, Tenant understands that pursuant to Section 131.2(h) of the San Francisco

Labor and Employment 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.

27.23 Requiring Health Benefits for Covered Employees

Unless exempt, Tenant agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Labor and Employment Code Article 121 (“**Article 121**”), including the implementing regulations, as the same may be amended or updated from time to time. The provisions of Article 121 are incorporated herein by reference and made a part of this Lease as though fully set forth herein. The text of the HCAO is currently available on the web at <http://www.sfgov.org/olse/hcao>. Capitalized terms used in this Section and not defined in this Lease shall have the meanings assigned to such terms in Article 121.

(a) For each Covered Employee Tenant shall provide the applicable health benefit set forth in Section 121.3 of the HCAO. If Tenant chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

(b) Notwithstanding the above, if Tenant meets the requirements of a “small business” as described in Section 121.3(g) of the HCAO, it shall have no obligation to comply with part (a) above.

(c) Tenant’s failure to comply with the requirements of the HCAO shall constitute a material breach by Tenant of this Lease. If, within thirty (30) days after receiving City’s written notice of a breach of this Lease for violating the HCAO, Tenant fails to cure such breach or, if such breach cannot reasonably be cured within such thirty- (30-) day period, Tenant fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, City shall have the remedies set forth in Section 121.5(f)(1-6). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to City.

(d) Any Sublease or Contract regarding services to be performed on the Premises entered into by Tenant shall require the Subtenant or Contractor and Subcontractors, as applicable, to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Tenant shall notify the Purchasing Department when it enters into such a Sublease or Contract and shall certify to the Purchasing Department that it has notified the Subtenant or Contractor of the obligations under the HCAO and has imposed the requirements of the HCAO on the Subtenant or Contractor through a written agreement with such Subtenant or Contractor. Tenant shall be responsible for ensuring compliance with the HCAO by each Subtenant, Contractor, and Subcontractor performing services on the Premises. If any Subtenant, Contractor, or Subcontractor fails to comply, City may pursue the remedies set forth in this Section against Tenant based on the Subtenant’s, Contractor’s, or Subcontractor’s failure to comply, provided that the Contracting Department has first provided Tenant with notice and an opportunity to cure the violation.

(e) Tenant shall not discharge, reprimand, penalize, reduce the compensation of, or otherwise discriminate against, any employee for notifying City of any issue relating to the

HCAO, for opposing any practice proscribed by the HCAO, for participating in any proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

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

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

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

(i) Within five (5) business days after any request by City, Tenant shall provide City with access to pertinent records relating to any Tenant's compliance with the HCAO. In addition, City and its agents may conduct random audits of Tenant at any time during the term of this Lease. Tenant agrees to cooperate with City in connection with any such audit.

27.24 Notification of Prohibition on Contributions

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

27.25 No Relocation Assistance; Release of Claims

Tenant acknowledges that it will not be a displaced person at the time this Lease is terminated or expires by its own terms, and Tenant fully RELEASES AND DISCHARGES forever any and all claims, demands, rights, and causes of action (including consequential and incidental damages) against, and covenants not to sue, City, its departments, commissions, officers, directors and employees, and all persons acting by, through or under each of them, under any Laws, including any and all claims for relocation benefits or assistance from City under federal and state

relocation assistance laws (including California Government Code Section 7260 et seq. and the Uniform Relocation Assistance and Property Acquisition Policies Act, 42 U.S.C. Sections 4601 et seq.), except as otherwise specifically provided in **Article 17** [Eminent Domain] with respect to a Taking.

27.26 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.

27.27 Conflicts of Interest

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

27.28 Charter Provisions

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

27.29 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 expressly permitted by the application of Sections 802(b) and 803(b) of the San Francisco Environment Code, Tenant shall not provide any items to the construction of the Tenant's Alterations, or otherwise in the performance of this Lease, which are tropical hardwoods, tropical hardwood wood products, virgin redwood, or virgin redwood wood products. In the event Tenant fails to comply in good faith with any of the provisions of Chapter 8 of the San Francisco Environment Code, Tenant shall be liable for liquidated damages for each violation in any amount equal to Tenant's net profit on the contract, or five percent (5%) of the total amount of the contract dollars, whichever is greater.

27.30 Prohibition of Tobacco Sales and Advertising

Tenant acknowledges and agrees that no advertising of cigarettes or tobacco products is allowed on the Premises. This advertising prohibition includes the placement of the name of a company producing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. In addition, Tenant acknowledges and agrees that no Sales, Manufacture, or Distribution of Tobacco Products (as such capitalized terms are defined in Health Code Section 19K.1) is allowed on the Premises and such prohibition must be included in

all subleases or other agreements allowing use of the Premises. The prohibition against the Sales, Manufacture, or Distribution of Tobacco Products does not apply to persons who are affiliated with an accredited academic institution where the Sale, Manufacture, and/or Distribution of Tobacco Products is conducted as part of academic research.

27.31 Prohibition of Alcoholic Beverage Advertising

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

27.32 City Consents, Approvals, Elections, and Options

Whenever this Lease requires or permits the giving by City or the SFPUC of any consent, approval, election, or option, the General Manager, or their designee, shall be authorized to provide, make, or exercise such consent, approval, election, or option, except as otherwise provided by applicable law, including City’s Charter, or by the SFPUC’s Real Estate Guidelines, as amended or replaced from time to time. Unless otherwise expressly provided in this Lease, whenever City’s or the SFPUC’s consent or approval is required to be obtained by Tenant pursuant to this Lease, City or the SFPUC may give or withhold such consent or approval at its sole and absolute discretion. No consent, approval, election, or option shall be effective unless evidenced by a written instrument.

27.33 San Francisco Packaged Water Ordinance

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

27.34 Disclosure

Tenant understands and agrees that the City’s Sunshine Ordinance (San Francisco Administrative Code Chapter 67) and the California Public Records Law (Gov’t Code Section 7920.000 *et seq.*) apply to this Lease and any and all records, information, and materials submitted to the City in connection with this Lease. Accordingly, any and all such records, information, and materials may be subject to public disclosure in accordance with the City’s Sunshine Ordinance and the State Public Records Law. Tenant hereby authorizes the City to disclose any records, information, and materials submitted to the City in connection with this Lease.

27.35 Food Service and Packaging Waste Reduction Ordinance

Tenant agrees to comply fully with and be bound by all of the applicable provisions of the Food Service and Packaging Waste Reduction Ordinance, as set forth in the San Francisco Environment Code Chapter 16, including the remedies provided therein, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Lease as though fully set forth herein. Accordingly, Tenant acknowledges that City contractors and lessees may not use Disposable Food Service Ware that contains Polystyrene Foam in City Facilities and while performing under a City contract or lease and shall instead use suitable Biodegradable/ Compostable or Recyclable Disposable Food Service Ware. This provision is a material term of this Lease.

27.36 Preservative-Treated Wood Containing Arsenic

Tenant may not purchase preservative-treated wood products containing arsenic in the performance of this Lease unless an exemption from the requirements of Environment Code Chapter 13 is obtained from the Department of Environment under Section 1304 of the Environment Code. The term “preservative-treated wood containing arsenic” shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic-copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniac copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Tenant may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of Environment. This provision does not preclude Tenant from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term “saltwater immersion” shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

27.37 Cooperative Drafting

This Lease has been negotiated at arm’s length and between persons sophisticated and knowledgeable in the matters addressed in this Lease; the Lease has been drafted through a cooperative effort of both parties, and both parties have had an opportunity to have the Lease reviewed and revised by legal counsel. Accordingly, this Lease shall be interpreted to achieve the intents and purposes of the Parties; no party shall be considered the drafter of this Lease, and no presumption or rule that an ambiguity shall be construed against the party drafting the clause shall apply to the interpretation or enforcement of this Lease.

27.38 Criminal History in Hiring and Employment Decisions

(a) Unless exempt, Tenant agrees to comply with and be bound by all of the provisions of San Francisco Labor and Employment Code Article 142 (Criminal History in Hiring and Employment Decisions), as amended from time to time (“**Article 142**”), which are hereby incorporated as may be amended from time to time, with respect to applicants and employees of Tenant who would be or are performing work at the Premises.

(b) Tenant shall incorporate by reference the provisions of Article 142 in all subleases of some or all of the Premises and shall require all Subtenants 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) Tenant and any Subtenants shall not inquire about, require disclosure of, or if such information is received, base an Adverse Action on an applicant's or potential applicant for employment, or employee's: (i) Arrest not leading to a Conviction, unless the Arrest is undergoing an active pending criminal investigation or trial that has not yet been resolved; (ii) participation in or completion of a diversion or a deferral of judgment program; (iii) a Conviction that has been judicially dismissed, expunged, voided, invalidated, or otherwise rendered inoperative; (iv) a Conviction or any other adjudication in the juvenile justice system; (v) a Conviction that is more than seven years old, from the date of sentencing; or (vi) information pertaining to an offense other than a felony or misdemeanor, such as an infraction.

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

(e) Tenant and any Subtenants shall state in all solicitations or advertisements for employees that are reasonably likely to reach persons who are reasonably likely to seek employment with Tenant or subtenant at the Premises, that the Tenant or subtenant will consider for employment qualified applicants with criminal histories in a manner consistent with the requirements of Article 142.

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

(g) Tenant and any Subtenants understand and agree that upon any failure to comply with the requirements of Article 142, City may pursue any rights or remedies available under Article 142 or this Lease, including but not limited to a penalty of \$50.00 for a second violation and \$100.00 for a subsequent violation for each employee, applicant or other person as to whom a violation occurred or continued, termination or suspension in whole or in part of this Lease.

(h) If Tenant has any questions about the applicability of Article 142, it may contact the City's Real Estate Division for additional information. City's Real Estate Division may consult with the Director of the City's Office of Contract Administration, who may also grant a waiver, as set forth in Section 142.8.

27.39 Vending Machines; Nutritional Standards.

Tenant may not install or permit any vending machine on the Premises without the prior written consent of City. Any permitted vending machine must comply with the food nutritional and calorie labeling requirements set forth in San Francisco Administrative Code Section 4.9-1(c), as may be amended from time to time (the "**Nutritional Standards Requirements**"). Tenant agrees to incorporate the Nutritional Standards Requirements into any contract for the installation of a vending machine on the Premises or for the supply of food and beverages to that vending machine. Failure to comply with the Nutritional Standards Requirements or to otherwise comply

with this Section 27.39 will be deemed a material breach of this Lease. Without limiting City's other rights and remedies under this Lease, City will have the right to require the immediate removal of any vending machine on the Premises that is not permitted or that violates the Nutritional Standards Requirements.

27.40 Counterparts

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

27.41 Qualified Commercial Tenant. Tenant hereby represents and warrants that, as of the date Tenant executes this Lease, it is not deemed a "qualified commercial tenant" as defined in California Senate Bill 1103. Tenant shall provide the SFPUC with notice if at any time during the Term, Tenant is deemed a 'qualified commercial tenant' as defined in California Senate Bill 1103.

27.42 City Authority

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS LEASE, TENANT ACKNOWLEDGES AND AGREES THAT NO OFFICER OR EMPLOYEE OF CITY HAS AUTHORITY TO COMMIT CITY HERETO UNLESS AND UNTIL A RESOLUTION OF CITY'S PUBLIC UTILITIES COMMISSION THEREFORE, ANY OBLIGATIONS OR LIABILITIES OF CITY HEREUNDER ARE CONTINGENT UPON PASSAGE OF SUCH */A/*RESOLUTION*/S/*, AND THIS LEASE SHALL NOT BE EFFECTIVE UNLESS AND UNTIL THE CITY'S PUBLIC UTILITIES COMMISSION IN ITS SOLE AND ABSOLUTE DISCRETION, AND IN ACCORDANCE WITH ALL APPLICABLE LAWS.

[SIGNATURES ON FOLLOWING PAGE]

City and Tenant have executed this Lease, in triplicate, as of the date first written above.

CITY:

TENANT:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

_____,
a _____

By: _____
DENNIS J. HERRERA
General Manager
San Francisco Public Utilities
Commission

By: _____

Its: _____

By: _____

Its: _____

AUTHORIZED BY

PUBLIC UTILITIES COMMISSION

Resolution No. _____

Adopted: _____

[BOARD OF SUPERVISORS

Resolution No. _____

Adopted _____]

APPROVED AS TO FORM:

DAVID CHIU
City Attorney

By: _____
Nancy Taylor Deputy City Attorney

EXHIBIT A

Property Description

EXHIBIT B

Depiction of the Premises and Access to the Premises

Consisting of _____ Page(s)

See attached

EXHIBIT C

Form of Grazing Inventory Report

**San Francisco Public Utilities Commission – Natural Resources and Lands
Management Division**

LIVESTOCK INVENTORY REPORT

REPORTING MONTH

LESSEE NAME

DATE OF REPORT

PARCEL NAME

NUMBER ON PARCEL - FIRST DAY OF MONTH										
COWS	<input type="text"/>	CALVES	<input type="text"/>	BULLS	<input type="text"/>	HEIFERS	<input type="text"/>	STEERS	<input type="text"/>	
DAY	ADDITIONS					REMOVALS				
	COWS	CALVES	BULLS	HEIFERS	STEERS	COWS	CALVES	BULLS	HEIFERS	STEERS
1										
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										
13										
14										
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23										
24										
25										
26										
27										
28										
29										
30										
31										

NUMBER ON PARCEL - LAST DAY OF MONTH

COWS CALVES BULLS HEIFERS STEERS

EXHIBIT D

Grazing Rental Adjustment Table

(attach copy)

San Francisco Public Utilities Commission
 Natural Resources & Lands Management Department

AUM Pricing Index Table

Column 1		Column 2		Column 3	
Average Price/cwt Steers\Heifers 500-800 lbs.	AUM Rate	Average Price/cwt Steers\Heifers 500-800 lbs.	AUM Rate	Average Price/cwt Steers\Heifers 500-800 lbs.	AUM Rate
\$ 200.01 to \$ 200.50	\$ 22.50	\$ 300.01 to \$ 300.50	\$ 30.95	\$ 400.01 to \$ 400.50	\$ 39.40
\$ 200.51 to \$ 201.00	\$ 22.55	\$ 300.51 to \$ 301.00	\$ 31.00	\$ 400.51 to \$ 401.00	\$ 39.45
\$ 201.01 to \$ 201.50	\$ 22.60	\$ 301.01 to \$ 301.50	\$ 31.05	\$ 401.01 to \$ 401.50	\$ 39.50
\$ 201.51 to \$ 202.00	\$ 22.65	\$ 301.51 to \$ 302.00	\$ 31.10	\$ 401.51 to \$ 402.00	\$ 39.55
\$ 202.01 to \$ 202.50	\$ 22.70	\$ 302.01 to \$ 302.50	\$ 31.15	\$ 402.01 to \$ 402.50	\$ 39.60
\$ 202.51 to \$ 203.00	\$ 22.75	\$ 302.51 to \$ 303.00	\$ 31.20	\$ 402.51 to \$ 403.00	\$ 39.65
\$ 203.01 to \$ 203.50	\$ 22.80	\$ 303.01 to \$ 303.50	\$ 31.25	\$ 403.01 to \$ 403.50	\$ 39.70
\$ 203.51 to \$ 204.00	\$ 22.85	\$ 303.51 to \$ 304.00	\$ 31.30	\$ 403.51 to \$ 404.00	\$ 39.75
\$ 204.01 to \$ 204.50	\$ 22.90	\$ 304.01 to \$ 304.50	\$ 31.35	\$ 404.01 to \$ 404.50	\$ 39.80
\$ 204.51 to \$ 205.00	\$ 22.95	\$ 304.51 to \$ 305.00	\$ 31.40	\$ 404.51 to \$ 405.00	\$ 39.85
\$ 205.01 to \$ 205.50	\$ 23.00	\$ 305.01 to \$ 305.50	\$ 31.45	\$ 405.01 to \$ 405.50	\$ 39.90
\$ 205.51 to \$ 206.00	\$ 23.05	\$ 305.51 to \$ 306.00	\$ 31.50	\$ 405.51 to \$ 406.00	\$ 39.95
\$ 206.01 to \$ 206.50	\$ 23.10	\$ 306.01 to \$ 306.50	\$ 31.55	\$ 406.01 to \$ 406.50	\$ 40.00
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\$ 207.01 to \$ 207.50	\$ 23.20	\$ 307.01 to \$ 307.50	\$ 31.65	\$ 407.01 to \$ 407.50	\$ 40.10
\$ 207.51 to \$ 208.00	\$ 23.25	\$ 307.51 to \$ 308.00	\$ 31.70	\$ 407.51 to \$ 408.00	\$ 40.15
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\$ 209.51 to \$ 210.00	\$ 23.45	\$ 309.51 to \$ 310.00	\$ 31.90	\$ 409.51 to \$ 410.00	\$ 40.35
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\$ 217.01 to \$ 217.50	\$ 24.20	\$ 317.01 to \$ 317.50	\$ 32.65	\$ 417.01 to \$ 417.50	\$ 41.10
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\$ 218.01 to \$ 218.50	\$ 24.30	\$ 318.01 to \$ 318.50	\$ 32.75	\$ 418.01 to \$ 418.50	\$ 41.20
\$ 218.51 to \$ 219.00	\$ 24.35	\$ 318.51 to \$ 319.00	\$ 32.80	\$ 418.51 to \$ 419.00	\$ 41.25
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\$ 223.01 to \$ 223.50	\$ 24.80	\$ 323.01 to \$ 323.50	\$ 33.25	\$ 423.01 to \$ 423.50	\$ 41.70
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\$ 242.01	to	\$ 242.50	\$ 26.70	\$ 342.01	to	\$ 342.50	\$ 35.15	\$ 442.01	to	\$ 442.50	\$ 43.60
\$ 242.51	to	\$ 243.00	\$ 26.75	\$ 342.51	to	\$ 343.00	\$ 35.20	\$ 442.51	to	\$ 443.00	\$ 43.65
\$ 243.01	to	\$ 243.50	\$ 26.80	\$ 343.01	to	\$ 343.50	\$ 35.25	\$ 443.01	to	\$ 443.50	\$ 43.70
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\$ 248.01	to	\$ 248.50	\$ 27.30	\$ 348.01	to	\$ 348.50	\$ 35.75	\$ 448.01	to	\$ 448.50	\$ 44.20
\$ 248.51	to	\$ 249.00	\$ 27.35	\$ 348.51	to	\$ 349.00	\$ 35.80	\$ 448.51	to	\$ 449.00	\$ 44.25
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\$ 251.51	to	\$ 252.00	\$ 27.65	\$ 351.51	to	\$ 352.00	\$ 36.10	\$ 451.51	to	\$ 452.00	\$ 44.55
\$ 252.01	to	\$ 252.50	\$ 27.70	\$ 352.01	to	\$ 352.50	\$ 36.15	\$ 452.01	to	\$ 452.50	\$ 44.60
\$ 252.51	to	\$ 253.00	\$ 27.75	\$ 352.51	to	\$ 353.00	\$ 36.20	\$ 452.51	to	\$ 453.00	\$ 44.65
\$ 253.01	to	\$ 253.50	\$ 27.80	\$ 353.01	to	\$ 353.50	\$ 36.25	\$ 453.01	to	\$ 453.50	\$ 44.70
\$ 253.51	to	\$ 254.00	\$ 27.85	\$ 353.51	to	\$ 354.00	\$ 36.30	\$ 453.51	to	\$ 454.00	\$ 44.75
\$ 254.01	to	\$ 254.50	\$ 27.90	\$ 354.01	to	\$ 354.50	\$ 36.35	\$ 454.01	to	\$ 454.50	\$ 44.80
\$ 254.51	to	\$ 255.00	\$ 27.95	\$ 354.51	to	\$ 355.00	\$ 36.40	\$ 454.51	to	\$ 455.00	\$ 44.85
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\$ 257.01	to	\$ 257.50	\$ 28.20	\$ 357.01	to	\$ 357.50	\$ 36.65	\$ 457.01	to	\$ 457.50	\$ 45.10
\$ 257.51	to	\$ 258.00	\$ 28.25	\$ 357.51	to	\$ 358.00	\$ 36.70	\$ 457.51	to	\$ 458.00	\$ 45.15
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\$ 263.01	to	\$ 263.50	\$ 28.80	\$ 363.01	to	\$ 363.50	\$ 37.25	\$ 463.01	to	\$ 463.50	\$ 45.70
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\$ 264.01	to	\$ 264.50	\$ 28.90	\$ 364.01	to	\$ 364.50	\$ 37.35	\$ 464.01	to	\$ 464.50	\$ 45.80
\$ 264.51	to	\$ 265.00	\$ 28.95	\$ 364.51	to	\$ 365.00	\$ 37.40	\$ 464.51	to	\$ 465.00	\$ 45.85
\$ 265.01	to	\$ 265.50	\$ 29.00	\$ 365.01	to	\$ 365.50	\$ 37.45	\$ 465.01	to	\$ 465.50	\$ 45.90
\$ 265.51	to	\$ 266.00	\$ 29.05	\$ 365.51	to	\$ 366.00	\$ 37.50	\$ 465.51	to	\$ 466.00	\$ 45.95

\$ 266.01 to \$ 266.50	\$ 29.10	\$ 366.01 to \$ 366.50	\$ 37.55	\$ 466.01 to \$ 466.50	\$ 46.00
\$ 266.51 to \$ 267.00	\$ 29.15	\$ 366.51 to \$ 367.00	\$ 37.60	\$ 466.51 to \$ 467.00	\$ 46.05
\$ 267.01 to \$ 267.50	\$ 29.20	\$ 367.01 to \$ 367.50	\$ 37.65	\$ 467.01 to \$ 467.50	\$ 46.10
\$ 267.51 to \$ 268.00	\$ 29.25	\$ 367.51 to \$ 368.00	\$ 37.70	\$ 467.51 to \$ 468.00	\$ 46.15
\$ 268.01 to \$ 268.50	\$ 29.30	\$ 368.01 to \$ 368.50	\$ 37.75	\$ 468.01 to \$ 468.50	\$ 46.20
\$ 268.51 to \$ 269.00	\$ 29.35	\$ 368.51 to \$ 369.00	\$ 37.80	\$ 468.51 to \$ 469.00	\$ 46.25
\$ 269.01 to \$ 269.50	\$ 29.40	\$ 369.01 to \$ 369.50	\$ 37.85	\$ 469.01 to \$ 469.50	\$ 46.30
\$ 269.51 to \$ 270.00	\$ 29.45	\$ 369.51 to \$ 370.00	\$ 37.90	\$ 469.51 to \$ 470.00	\$ 46.35
\$ 270.01 to \$ 270.50	\$ 29.50	\$ 370.01 to \$ 370.50	\$ 37.95	\$ 470.01 to \$ 470.50	\$ 46.40
\$ 270.51 to \$ 271.00	\$ 29.55	\$ 370.51 to \$ 371.00	\$ 38.00	\$ 470.51 to \$ 471.00	\$ 46.45
\$ 271.01 to \$ 271.50	\$ 29.60	\$ 371.01 to \$ 371.50	\$ 38.05	\$ 471.01 to \$ 471.50	\$ 46.50
\$ 271.51 to \$ 272.00	\$ 29.65	\$ 371.51 to \$ 372.00	\$ 38.10	\$ 471.51 to \$ 472.00	\$ 46.55
\$ 272.01 to \$ 272.50	\$ 29.70	\$ 372.01 to \$ 372.50	\$ 38.15	\$ 472.01 to \$ 472.50	\$ 46.60
\$ 272.51 to \$ 273.00	\$ 29.75	\$ 372.51 to \$ 373.00	\$ 38.20	\$ 472.51 to \$ 473.00	\$ 46.65
\$ 273.01 to \$ 273.50	\$ 29.80	\$ 373.01 to \$ 373.50	\$ 38.25	\$ 473.01 to \$ 473.50	\$ 46.70
\$ 273.51 to \$ 274.00	\$ 29.85	\$ 373.51 to \$ 374.00	\$ 38.30	\$ 473.51 to \$ 474.00	\$ 46.75
\$ 274.01 to \$ 274.50	\$ 29.90	\$ 374.01 to \$ 374.50	\$ 38.35	\$ 474.01 to \$ 474.50	\$ 46.80
\$ 274.51 to \$ 275.00	\$ 29.95	\$ 374.51 to \$ 375.00	\$ 38.40	\$ 474.51 to \$ 475.00	\$ 46.85
\$ 275.01 to \$ 275.50	\$ 30.00	\$ 375.01 to \$ 375.50	\$ 38.45	\$ 475.01 to \$ 475.50	\$ 46.90
\$ 275.51 to \$ 276.00	\$ 30.05	\$ 375.51 to \$ 376.00	\$ 38.50	\$ 475.51 to \$ 476.00	\$ 46.95
\$ 276.01 to \$ 276.50	\$ 30.10	\$ 376.01 to \$ 376.50	\$ 38.55	\$ 476.01 to \$ 476.50	\$ 47.00
\$ 276.51 to \$ 277.00	\$ 30.15	\$ 376.51 to \$ 377.00	\$ 38.60	\$ 476.51 to \$ 477.00	\$ 47.05
\$ 277.01 to \$ 277.50	\$ 30.20	\$ 377.01 to \$ 377.50	\$ 38.65	\$ 477.01 to \$ 477.50	\$ 47.10
\$ 277.51 to \$ 278.00	\$ 30.25	\$ 377.51 to \$ 378.00	\$ 38.70	\$ 477.51 to \$ 478.00	\$ 47.15
\$ 278.01 to \$ 278.50	\$ 30.30	\$ 378.01 to \$ 378.50	\$ 38.75	\$ 478.01 to \$ 478.50	\$ 47.20
\$ 278.51 to \$ 279.00	\$ 30.35	\$ 378.51 to \$ 379.00	\$ 38.80	\$ 478.51 to \$ 479.00	\$ 47.25
\$ 279.01 to \$ 279.50	\$ 30.40	\$ 379.01 to \$ 379.50	\$ 38.85	\$ 479.01 to \$ 479.50	\$ 47.30
\$ 279.51 to \$ 280.00	\$ 30.45	\$ 379.51 to \$ 380.00	\$ 38.90	\$ 479.51 to \$ 480.00	\$ 47.35
\$ 280.01 to \$ 280.50	\$ 30.50	\$ 380.01 to \$ 380.50	\$ 38.95	\$ 480.01 to \$ 480.50	\$ 47.40
\$ 280.51 to \$ 281.00	\$ 30.55	\$ 380.51 to \$ 381.00	\$ 39.00	\$ 480.51 to \$ 481.00	\$ 47.45
\$ 281.01 to \$ 281.50	\$ 30.60	\$ 381.01 to \$ 381.50	\$ 39.05	\$ 481.01 to \$ 481.50	\$ 47.50
\$ 281.51 to \$ 282.00	\$ 30.65	\$ 381.51 to \$ 382.00	\$ 39.10	\$ 481.51 to \$ 482.00	\$ 47.55
\$ 282.01 to \$ 282.50	\$ 30.70	\$ 382.01 to \$ 382.50	\$ 39.15	\$ 482.01 to \$ 482.50	\$ 47.60
\$ 282.51 to \$ 283.00	\$ 30.75	\$ 382.51 to \$ 383.00	\$ 39.20	\$ 482.51 to \$ 483.00	\$ 47.65
\$ 283.01 to \$ 283.50	\$ 30.80	\$ 383.01 to \$ 383.50	\$ 39.25	\$ 483.01 to \$ 483.50	\$ 47.70
\$ 283.51 to \$ 284.00	\$ 30.85	\$ 383.51 to \$ 384.00	\$ 39.30	\$ 483.51 to \$ 484.00	\$ 47.75
\$ 284.01 to \$ 284.50	\$ 30.90	\$ 384.01 to \$ 384.50	\$ 39.35	\$ 484.01 to \$ 484.50	\$ 47.80
\$ 284.51 to \$ 285.00	\$ 30.95	\$ 384.51 to \$ 385.00	\$ 39.40	\$ 484.51 to \$ 485.00	\$ 47.85
\$ 285.01 to \$ 285.50	\$ 31.00	\$ 385.01 to \$ 385.50	\$ 39.45	\$ 485.01 to \$ 485.50	\$ 47.90
\$ 285.51 to \$ 286.00	\$ 31.05	\$ 385.51 to \$ 386.00	\$ 39.50	\$ 485.51 to \$ 486.00	\$ 47.95
\$ 286.01 to \$ 286.50	\$ 31.10	\$ 386.01 to \$ 386.50	\$ 39.55	\$ 486.01 to \$ 486.50	\$ 48.00
\$ 286.51 to \$ 287.00	\$ 31.15	\$ 386.51 to \$ 387.00	\$ 39.60	\$ 486.51 to \$ 487.00	\$ 48.05
\$ 287.01 to \$ 287.50	\$ 31.20	\$ 387.01 to \$ 387.50	\$ 39.65	\$ 487.01 to \$ 487.50	\$ 48.10
\$ 287.51 to \$ 288.00	\$ 31.25	\$ 387.51 to \$ 388.00	\$ 39.70	\$ 487.51 to \$ 488.00	\$ 48.15
\$ 288.01 to \$ 288.50	\$ 31.30	\$ 388.01 to \$ 388.50	\$ 39.75	\$ 488.01 to \$ 488.50	\$ 48.20
\$ 288.51 to \$ 289.00	\$ 31.35	\$ 388.51 to \$ 389.00	\$ 39.80	\$ 488.51 to \$ 489.00	\$ 48.25
\$ 289.01 to \$ 289.50	\$ 31.40	\$ 389.01 to \$ 389.50	\$ 39.85	\$ 489.01 to \$ 489.50	\$ 48.30
\$ 289.51 to \$ 290.00	\$ 31.45	\$ 389.51 to \$ 390.00	\$ 39.90	\$ 489.51 to \$ 490.00	\$ 48.35
\$ 290.01 to \$ 290.50	\$ 31.50	\$ 390.01 to \$ 390.50	\$ 39.95	\$ 490.01 to \$ 490.50	\$ 48.40
\$ 290.51 to \$ 291.00	\$ 31.55	\$ 390.51 to \$ 391.00	\$ 40.00	\$ 490.51 to \$ 491.00	\$ 48.45
\$ 291.01 to \$ 291.50	\$ 31.60	\$ 391.01 to \$ 391.50	\$ 40.05	\$ 491.01 to \$ 491.50	\$ 48.50
\$ 291.51 to \$ 292.00	\$ 31.65	\$ 391.51 to \$ 392.00	\$ 40.10	\$ 491.51 to \$ 492.00	\$ 48.55
\$ 292.01 to \$ 292.50	\$ 31.70	\$ 392.01 to \$ 392.50	\$ 40.15	\$ 492.01 to \$ 492.50	\$ 48.60
\$ 292.51 to \$ 293.00	\$ 31.75	\$ 392.51 to \$ 393.00	\$ 40.20	\$ 492.51 to \$ 493.00	\$ 48.65
\$ 293.01 to \$ 293.50	\$ 31.80	\$ 393.01 to \$ 393.50	\$ 40.25	\$ 493.01 to \$ 493.50	\$ 48.70
\$ 293.51 to \$ 294.00	\$ 31.85	\$ 393.51 to \$ 394.00	\$ 40.30	\$ 493.51 to \$ 494.00	\$ 48.75
\$ 294.01 to \$ 294.50	\$ 31.90	\$ 394.01 to \$ 394.50	\$ 40.35	\$ 494.01 to \$ 494.50	\$ 48.80
\$ 294.51 to \$ 295.00	\$ 31.95	\$ 394.51 to \$ 395.00	\$ 40.40	\$ 494.51 to \$ 495.00	\$ 48.85
\$ 295.01 to \$ 295.50	\$ 32.00	\$ 395.01 to \$ 395.50	\$ 40.45	\$ 495.01 to \$ 495.50	\$ 48.90
\$ 295.51 to \$ 296.00	\$ 32.05	\$ 395.51 to \$ 396.00	\$ 40.50	\$ 495.51 to \$ 496.00	\$ 48.95
\$ 296.01 to \$ 296.50	\$ 32.10	\$ 396.01 to \$ 396.50	\$ 40.55	\$ 496.01 to \$ 496.50	\$ 49.00
\$ 296.51 to \$ 297.00	\$ 32.15	\$ 396.51 to \$ 397.00	\$ 40.60	\$ 496.51 to \$ 497.00	\$ 49.05
\$ 297.01 to \$ 297.50	\$ 32.20	\$ 397.01 to \$ 397.50	\$ 40.65	\$ 497.01 to \$ 497.50	\$ 49.10
\$ 297.51 to \$ 298.00	\$ 32.25	\$ 397.51 to \$ 398.00	\$ 40.70	\$ 497.51 to \$ 498.00	\$ 49.15
\$ 298.01 to \$ 298.50	\$ 32.30	\$ 398.01 to \$ 398.50	\$ 40.75	\$ 498.01 to \$ 498.50	\$ 49.20
\$ 298.51 to \$ 299.00	\$ 32.35	\$ 398.51 to \$ 399.00	\$ 40.80	\$ 498.51 to \$ 499.00	\$ 49.25
\$ 299.01 to \$ 299.50	\$ 32.40	\$ 399.01 to \$ 399.50	\$ 40.85	\$ 499.01 to \$ 499.50	\$ 49.30
\$ 299.51 to \$ 300.00	\$ 32.45	\$ 399.51 to \$ 400.00	\$ 40.90	\$ 499.51 to \$ 500.00	\$ 49.35

EXHIBIT E
Annual Operating Plan Template

(attach copy)



San Francisco
Water Power Sewer

Services of the San Francisco Public Utilities Commission

ANNUAL OPERATING PLAN GRAZING UNIT ANNUAL REVIEW AND PLANNING

DATE:

GRAZING UNIT:

GRAZING TENANT:

REVIEW OF PREVIOUS GRAZING SEASON:

Grazing Operation Type (Stocker, Cow/Calf, etc.):

Grazing Season of Use and Duration:

Stocking Rate:

Residual Dry Matter (RDM Results:

Projects Completed:

Areas/Issues of Concern (RDM levels, erosion, trespass, non-native invasive species, feral pig activity or condition of roads, fences, ponds or water infrastructure, etc.)

OPERATING PLAN FOR UPCOMING GRAZING SEASON:

Planned Grazing Operation Type (Stocker, Cow/Calf, etc.)

Planned Season of Use and Duration:

Planned Stocking Rate:

Planned Supplemental Feeding Times/Locations:

RDM Objectives:

Other Goals:

Attach a copy of current herd health program.

GRAZING INFRASTRUCTURE PRIORITIES:

Short Term Needs:

Long Term Needs:

PROJECTS PLANNED FOR RENT CREDIT (UPCOMING SEASON) OR NATURAL RESOURCES CONSERVATION SERVICE (NRCS) ASSISTANCE (EQUIPMENT):

SFPUC REVIEW AND APPROVAL:

SFPUC GRAZING UNIT ASSESSMENT SUMMARY:
**(Refer to Annual Rangeland Assessment
Key Areas for Discussion)**

Area	Notes
Monitoring	
RDM range	
Composition results	
Roads and Erosion	
Roads and Culverts	
Erosion	
Infrastructure	
Fencing/Gates/Locks	
Corral/Holding Area:	
Pond Conditions	
Water Infrastructure	
Developed springs	
Vegetation/Habitat	
Riparian Areas	
Springs	
Native Vegetation Condition	
Integrated Pest Management	
Non-native invasive plants	
Feral pigs	
Misc	
Trash/Hazardous Materials	
Fuel management	

GOALS AND PRIORITIES:

UPCOMING PROJECTS (INDICATE TIMING, FUNDING AND ROLES):

PLAN APPROVAL:

TENANT

NAME: _____

DATE: _____

PRINT NAME: _____

SFPUC RANGELAND MANAGER

NAME: _____

DATE: _____

SFPUC WATERSHED RESOURCE MANAGER

NAME: _____

DATE: _____

EXHIBIT F
SFPUC Grazing Lease Tenant Request for Rent Credit Form

(attach copy)

Step 1: Preapproval

Approval of the proposed improvements and estimated cost of those improvements. The Tenant has permission to incur costs for the performance of the above-referenced work to submit for rent credit once completed.

_____ Date: _____
Clayton Koopman
SFPUC Rangeland Manager

_____ Date: _____
Miranda Maupin
SFPUC Watershed Resources Manager

Step 2: Inspection and Approval of Work Completed

Inspection and approval of Tenant's completed work. On _____, the SFPUC inspected this work and hereby recommended for approval of the issuance of a rent credit in the sum of \$ _____ to Tenant. SFPUC inventory has been updated with current conditions and photographs.

Tenant has attached the following invoices (describe):

_____ Date: _____
Clayton Koopman
SFPUC Rangeland Manager

_____ Date: _____
Miranda Maupin
SFPUC Watershed Resources Manager

Step 3: Rent Credit Approval

Approval of the issuance of a rent credit in the sum of \$ _____ to Tenant.

_____ Date: _____
Tim Ramirez, Division Director
SFPUC, Natural Resources and Land Management

_____ Date: _____
Rosanna Russell
SFPUC Real Estate Director

EXHIBIT G

Forms of Estoppel Certificates

LANDLORD ESTOPPEL CERTIFICATE

[Insert Address]

Re: Lease, dated _____, 20__ (the "Lease"), by and between the City and County of San Francisco, a municipal corporation, acting by and through its Public Utilities Commission ("Landlord") and _____, a _____ ("Tenant"), relating to certain property located in _____ County, California (the "Premises")

Dear Sir or Madam:

The undersigned hereby confirms, represents, and warrants to Tenant that:

1. Attached hereto is a true and correct copy of the Lease;
2. The Expiration Date of the Lease is _____;
3. The Lease is in full force and effect and, except as shown in the attachments to this Certificate, has not been assigned, modified, supplemented, or amended in any way;
4. The Lease represents the entire agreement between Tenant and Landlord with respect to the Premises;
5. To Landlord's knowledge, on this date, there are no known defaults under this Lease and no event has occurred, which with the giving of notice, the passage of time or both, would constitute a default by Landlord or Tenant under the Lease [except as set forth in Schedule A attached to this Certificate];
6. All rent amounts due and owing to date have been paid, and no rental, other than for the current month, has been paid in advance [except as set forth in Schedule A to this Certificate];
7. The undersigned executing this estoppel certificate represents and warrants that he or she is duly authorized to execute this certificate on behalf of Landlord.

The truth and accuracy of the certifications contained herein may be relied upon by Tenant and the addressee set forth above, and their successors and assigns.

Very truly yours

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation, acting by and through its
Public Utilities Commission

By: _____
Name: _____
Title: _____
Date: _____

TENANT ESTOPPEL CERTIFICATE

[Insert Address]

Re: Lease, dated _____, 20__ (the "Lease"), by and between the City and County of San Francisco, a municipal corporation, acting by and through its Public Utilities Commission ("Landlord") and _____, a _____ ("Tenant"), relating to certain property located in _____ County, California (the "Premises")

Dear Sir or Madam::

The undersigned hereby confirms, represents, and warrants to Landlord that:

1. Attached hereto is a true and correct copy of the Lease;
2. Tenant has accepted possession of the Premises under the Lease;
3. The Expiration Date of the Lease is _____;
4. The Lease is in full force and effect and, except as shown in the attachments to this Certificate, has not been assigned, modified, supplemented, or amended in any way;
5. The Lease represents the entire agreement between Tenant and Landlord with respect to the Premises;
6. To Tenant's knowledge, on this date, there are no known defaults under this Lease and no event has occurred, which with the giving of notice, the passage of time or both, would constitute a default by Landlord or Tenant under the Lease [except as set forth in Schedule A attached to this Certificate];
7. All rent amounts due and owing to date have been paid, and no rental, other than for the current month, has been paid in advance [except as set forth in Schedule A to this Certificate];
8. The undersigned executing this estoppel certificate represents and warrants that he or she is duly authorized to execute this certificate on behalf of Tenant.

The truth and accuracy of the certifications contained herein may be relied upon by Landlord and the addressee set forth above, and their successors and assigns.

Very truly yours

[Insert Signature block for Tenant]