

EXTENDED LEASE AGREEMENT

THIS EXTENDED LEASE AGREEMENT, dated February ___, 2018, (“Extended Lease”) by and between SFPP, L.P., a Delaware limited partnership (“Lessor”), and the City of Brisbane (“Lessee”) is made with reference to the following facts:

A. Lessor is the owner of certain real property located in the City of Brisbane, County of San Mateo, State of California, commonly known and hereinafter referred to as the

B. Tank Farm, located at 950 Tunnel Avenue, and more particularly described in **Exhibit A** which is attached to this Lease and incorporated to this agreement.

C. Lessor is currently leasing the Demised Premises (as defined below) to Lessee (the “Original Lease”) which commenced in 1996 and will expire on December 31, 2027.

D. Pursuant to the terms of the Mutual Release and Settlement Agreement dated February ___, 2018, by and between Lessor and Lessee, and in consideration for Lessee’s execution thereof, Lessor has agreed to extend the Original Lease for the Demised Premises to Lessee, on the terms and conditions hereinafter set forth.

E. Lessee is willing to take the Demised Premises in an as-is condition without any representations or warranties of any kind from Lessor. Lessee understands and agrees that any maintenance, repair, upkeep or alterations to the Demised Premises are to be undertaken at the sole cost and expense of Lessee and that Lessor has no obligation to maintain, repair, keep-up or alter the Demised Premises.

F. Lessor has agreed to lease the Demised Premises to Lessee, at a de minimis rent, with the understanding, and upon the condition that, Lessor shall not incur any greater cost or liability by reason of this Extended Lease than if the Demised Premises had not been leased to Lessee.

NOW, THEREFORE, Lessor and Lessee agree as follows:

1. Demised Premises

Lessor does hereby lease to Lessee, and Lessee does hereby rent from Lessor, for the term and subject to the agreements, conditions, and provisions contained herein, that certain portion of the Tank Farm consisting of approximately 1.91 acres of land, plus the building and other improvements located thereon (the “Demised Premises”), commonly known as the Unocal Building as shown on **Exhibit B** which is attached and incorporated to this agreement.

2. Reservation of Rights

(a) Lessor reserves the right, in its sole and absolute discretion, to install, operate, repair, replace and maintain pipelines and electrical power and control, and communication transmission facilities in, under, over and across the Demised Premises. Lessee shall occupy the Demised Premises in a manner that does not unreasonably interfere with Lessor’s operations.

(b) Lessor and its agents and representatives shall have the right, but not the obligation, at all reasonable times, to enter the Demised Premises upon reasonable notice for purposes of inspection, to post notices of non-responsibility, to protect the interest of Lessor in the Demised Premises, and to show the Demised Premises to prospective tenants, mortgagees or purchasers. Lessor shall endeavor to exercise its right of entry in a manner which will cause as little disturbance as reasonably practicable to Lessee's operations at the Demised Premises; provided, however, that Lessor shall not be liable for any injury or inconvenience to, or interference with, Lessee's operations or quiet enjoyment of the Demised Premises so long as Lessor has reasonably exercised the right of entry permitted by this Section. In the case of an emergency, Lessor shall have the right to enter the Demised Premises to prevent injury to persons or property by giving Lessee notice as soon as practicable under the circumstances.

3. Term

The term of this Lease shall commence upon the expiration of the Original Lease on December 31, 2027 (the "Commencement Date"). This Extended Lease shall end upon the expiration of ten (10) years from the Commencement Date on December 31, 2037 (the "Expiration Date").

4. Rent

(a) Lessee shall pay to Lessor as Base Rent for use of the Demised Premises the sum of one dollar (\$1.00), payable upon the execution of this Lease. All other amounts payable by Lessee pursuant to this Extended Lease, whether or not such payments are designated as additional rent, shall be deemed to be rent. It is the intention of the parties that Lessee will pay for all operating expenses (including without limitation, all utilities and other services for the Demised Premises), all real property taxes and assessments attributable to the Demised Premises and the improvements thereon, all personal property taxes for any of Lessee's improvements, and all insurance premiums for the insurance required to be maintained by Lessee hereunder. Such payments shall be made, prior to delinquency, directly to the person entitled thereto.

(b) Payments of rent (other than the initial payment of \$1.00 which shall be paid to Lessor as set forth above), if any, to Lessor, shall be due monthly in advance, on the first day of the month, without deduction or offset of any kind, in U.S. dollars, delivered to Lessor at the address set forth in Section 22 hereof, or such other address as Lessor may from time to time designate by written notice to Lessee.

5. Taxes and Assessments

(a) Lessee shall pay, as additional rent, all real property taxes levied or assessed against the Demised Premises during the lease term. Real property taxes for the first and last year of the term shall be prorated, based upon the fiscal year of such taxes. In the event the Demised Premises are not assessed as a separate parcel distinct from the remaining property comprising the Tank Farm ("Remainder Parcel"), the total assessment shall be allocated between the Demised Premises and the Remainder Parcel based upon the square footage of land and the value of improvements located upon each parcel, as shown by the assessor's records or, if not readily ascertainable from such records, then as mutually agreed upon by the parties in writing.

Lessor shall furnish a copy of the annual tax bill to Lessee accompanied by a calculation showing the allocation of taxes between the Demised Premises and the Remainder Parcel, and Lessee shall pay to Lessor the portion of taxes allocated to the Demised Premises, as required above, within fifteen (15) days after receipt of the tax bill and calculation. If the Demised Premises are separately assessed, the tax bill shall be mailed directly to Lessee, and Lessee shall pay all real property taxes shown thereon at least ten (10) days prior to delinquency.

(b) Lessor shall reasonably cooperate with Lessee in obtaining any exemption from real property taxes that may be available with respect to the Demised Premises by reason of this Extended Lease of the same to a public agency and, in connection therewith, Lessor agrees to sign any reasonable applications, certificates, or other documents upon request by Lessee, so long as Lessor incurs no liability or obligations thereby.

(c) As used herein, the term “real property taxes” shall include any form of real estate tax imposed on the Demised Premises by any authority having direct or indirect power to tax real property. However, the term “real property taxes” does not include Lessor’s federal or state income taxes or franchise fees or taxes.

(d) Lessee shall pay its proportionate share of assessments for public improvements for any period falling within the term of the Extended Lease, regardless of when such amounts are assessed or billed. Lessee’s proportionate share shall be the amount assessed against the Demised Premises, if separately assessed, or the pro rata amount based upon the ratio that the square footage of the Demised Premises bears to the square footage of the Tank Farm.

(e) At least ten (10) days prior to delinquency, Lessee shall pay all taxes levied or assessed upon Lessee’s equipment, furniture, fixtures, and other personal property located in or about the Demised Premises.

(f) Lessee shall pay any privilege, sales, gross income, or other tax (not including income tax) imposed upon the rent, or upon Lessor and measured by the rent received by Lessor. Lessee shall pay all taxes levied against Lessee’s improvements located on the Demised Premises, including but not limited to any business license tax and Air Pollution Control District Tax, for any period falling within the Lease Term.

6. Condition of Demised Premises

(a) Lessee shall lease the Demised Premises “as-is” and shall be, solely responsible, at Lessee’s cost and expense, for all maintenance, repair and upkeep of the Demised Premises, including but not limited to, roof repairs, repairs to sewer facilities, paving repairs and other repairs necessary to make the building habitable and the parking area usable (including without limitation, and notwithstanding anything to the contrary set forth in this Lease, asbestos remediation or other remedial measures for hazardous waste or hazardous materials as may be required by any governmental agency with jurisdiction over such matters; which remediation is required as the result of, or incidental to, Lessee’s possession or occupation of the Demised Premises). Subject to the foregoing, Lessee shall have no liability for correction or remediation of any contamination of the Demised Premises from hazardous, toxic, or other materials subject

to regulation by any governmental agency, unless such contamination was caused by or arose in connection with Lessee's own use of the Demised Premises.

(b) Lessor has made no representation or warranty to Lessee regarding the condition of the Demised Premises or the suitability of the Demised Premises for the intended use or uses of Lessee, or for any use whatsoever, and Lessor expressly disclaims any responsibility to Lessee, and shall not be liable to Lessee for, any maintenance, repair, upkeep or alteration of the Demised Premises throughout the Lease Term. Lessor shall bear no responsibility for loss, cost, injury or damage to any persons at, or property located on or about, or used in connection with, the Demised Premises and either (i) occurring during the term of the Extended Lease and/or (ii) arising out of the activities of Lessee in connection with the Demised Premises or the Remainder Parcel.

(c) Without limiting the generality of the foregoing disclaimer that Lessor makes no representations or warranties, Lessor specifically makes no representation or warranty with respect to the drawings attached hereto as **Exhibit B**.

7. Use of Demised Premises

Lessee may use the Demised Premises for any municipal purpose of Lessee which is approved by Lessor in writing, such approval to be given or withheld in Lessor's sole and absolute discretion, including, but not limited to, use as a corporation yard for the storage of fire, hazard, and public works equipment and vehicles (but not for the storage or use of hazardous or toxic materials that are subject to regulation by any governmental entity). Lessee shall not use the Demised Premises for other than storage purposes without the prior written consent of Lessor.

8. Improvements

Lessee must first obtain written approval from Lessor before constructing and/or altering any improvements on the Demised Premises.

9. Utilities and Other Services

Installation, maintenance and operation of all utility services provided to the Demised Premises, including telephone, water, gas, electricity, and sanitary sewer, shall be the sole responsibility of and at the sole expense of Lessee. Lessee shall provide at its sole cost and expense, all services with respect to the Demised Premises, including without limitation, HVAC, janitorial, security, landscaping and other services, and Lessor shall have no responsibility or liability for or in connection with such services.

10. Insurance

(a) Lessee shall at all times during the term of the Extended Lease maintain in full force and effect a policy of standard fire and extended coverage insurance, with vandalism and malicious mischief endorsements, or other equivalent insurance, with coverage in an amount not less than \$2,000,000 per occurrence and \$2,000,000 in the aggregate, or, if less, covering the Demised Premises to the extent of at least the full insurable replacement value thereof. Said

policy shall name both Lessor and Lessee as insured parties, as their respective interests may appear. At the request of Lessor, a copy of the policy or a certificate of insurance evidencing the same shall be furnished to Lessor. Lessee may, but shall not be required to, obtain either flood or earthquake insurance covering the Demised Premises. Lessor has no obligation to obtain any insurance for the Demised Premises.

(b) Lessee represents to Lessor that Lessee is a participant in the joint powers agency liability insurance pool administered by the Bay Cities Insurance Pool, under which Lessee has general liability coverage in the amount of Five Million Dollars (\$5,000,000). Lessee shall take such actions, if any, as may be necessary to assure that such insurance coverage is made applicable to the Demised Premises and to the activities of Lessee and its employees, agents, or contractors with respect to the Demised Premises and the Remainder Parcel during the term of the Extended Lease. In the event Lessee should withdraw from the Bay Cities Insurance Pool or if the Bay Cities Insurance Pool should discontinue providing liability coverage required of Lessee under this Extended Lease, Lessee shall obtain replacement general liability coverage for the Demised Premises in the amount of not less than Two Million Dollars (\$2,000,000) in the aggregate and per occurrence, and Lessor and any lender with a mortgage secured by the Demised Premises shall be named as an insured thereunder. If not included in Bay Cities Insurance Pool coverage, Lessee shall obtain a broad form commercial liability insurance policy with limits of not less than \$2,000,000 in the aggregate and per occurrence, and with completed operations and contractual liability coverage.

(c) Lessee shall carry worker's compensation insurance in the amounts required by applicable law.

(d) All such insurance policies of Lessee shall be primary and non-contributory and shall contain a waiver of subrogation against Lessor. All such policies, except the Bay Cities Insurance Pool coverage and worker's compensation policies, shall name Lessor and any lender with a mortgage secured by the Demised Premises, as additional named insureds.

11. Damage or Destruction of Demised Premises

(a) In the event of any damage or destruction to the Demised Premises that can be repaired or restored within 180 days, Lessee may elect either (i) to terminate this Extended Lease pursuant to Section 13 or (ii) to continue the Lease in force and repair and restore the Demised Premises. If Lessee terminates the Extended Lease, Lessor shall be entitled to retain all insurance proceeds except such portion of the insurance proceeds representing damage to or loss of Lessee's personal property, equipment, machinery, and trade fixtures and the unamortized cost of the alterations and improvements constructed or installed by Lessee in or upon the Demised Premises. If Lessee elects to continue the Extended Lease in force, Lessor shall make the insurance proceeds available to Lessee and, Lessee shall repair and restore the Demised Premises to its configuration immediately prior to the damage or destruction or in such other manner as may be approved in writing by Lessor, which approval on the part of Lessor shall not be unreasonably withheld or delayed, Lessor has no obligation to repair or restore the Demised Premises, and Lessor shall not be required to contribute toward the cost of any repairs or restoration in the event that the insurance proceeds are not sufficient to complete them. If Lessee elects to repair or restore the Demised Premises but does not substantially complete such work

within 180 days from the date of the damage or destruction, then Lessor may terminate this Extended Lease by written notice to Lessee.

(b) In the event of any damage or destruction to the Demised Premises that will take more than 180 days to repair or restore, either party may terminate this Extended Lease upon written notice to the other party, provided that such termination by Lessee shall be subject to the obligations of Lessee pursuant to Section 13 hereof. If the Extended Lease is terminated pursuant to this paragraph, Lessor shall be entitled to all insurance proceeds attributable to the damage or destruction of the Demised Premises except that Lessee will be entitled to such portion of the insurance proceeds representing damage to or loss of Lessee's personal property, equipment, machinery and trade fixtures and the unamortized cost of the alterations and improvements constructed or installed by Lessee in or upon the Demised Premises.

12. Condemnation

(a) Except as provided below, in the event that all or any part of the Demised Premises shall be taken for public purposes by condemnation as a result of any act or proceeding in eminent domain, Lessor shall be entitled to receive the entire amount of any award without deduction for any estate or interest of Lessee. Any compensation or damages for taking the Demised Premises or Lessee's leasehold interest therein awarded to Lessee shall be paid to and is hereby assigned to Lessor. Within sixty (60) days of receipt of notice of such taking, either Lessor or Lessee may terminate this Lease effective as of the date possession is required to be surrendered to such authority, provided that such termination by Lessee shall be subject to the obligations of Lessee pursuant to Section 13 of this Extended Lease.

(b) If (i) the condemnation proceeding is commenced and pursued by an entity unrelated to Lessee and (ii) Lessee loses possession of the Demised Premises for a period of at least twelve months as the result of such condemnation, then Lessee shall be entitled to receive compensation out of the award for the taking and damaging of Lessee's personal property, equipment, machinery and trade fixtures and the amortized cost of the alterations and improvements constructed or installed by Lessee in or upon the Demised Premises, except that Lessee shall not be entitled to recover a larger percentage of its actual losses than the percentage recovered by Lessor to cover its losses. Except as expressly provided herein, Lessee shall not assert any claim against Lessor or the taking authority for any compensation because of such taking.

13. Default by Lessee

The occurrence of any of the following shall constitute a material default and breach of this Extended Lease by Lessee:

(a) The failure by Lessee to pay the rent or make, any other payment required to be made by Lessee under this Extended Lease as and when due where such failure continues for three (3) days after notice thereof by Lessor to Lessee.

(b) The abandonment or vacation of the Demised Premises by Lessee for a period of ninety (90) days, or the failure by Lessee to take occupancy within ninety (90) days following the Commencement Date.

(c) The failure of Lessee to perform any of the terms, covenants, conditions or agreements required under this Extended Lease to be performed by Lessee.

(d) Any action taken by or against Lessee pursuant to any statute pertaining to bankruptcy or insolvency or the reorganization of Lessee; the making by Lessee of any general assignment for the benefit of creditors; the appointment of a trustee or receiver to take possession of all or any portion of Lessee's assets located at the Demised Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within thirty (30) days; or the attachment, execution or other judicial seizure of all or any portion of Lessee's assets located at the Demised Premises or of Lessee's interest in this Extended Lease, if not discharged within thirty (30) days.

(e) Lessee's failure to vacate and surrender the Demised Premises as required by this Extended Lease upon the expiration of the term or any earlier termination of this agreement.

14. Remedies of Lessor

(a) In the event of any default by Lessee in the performance of any term, covenant, condition, or agreement contained in this Extended Lease, which default remains uncured after the expiration of any permitted cure period, Lessor shall have all rights and remedies of a Lessor under applicable law, including without limitation those afforded under California Civil Code sections 1951.2 and 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has right to sublet or assign, subject only to reasonable limitations). These remedies also include without limitation Lessor's right to continue the lease in effect and collect damages for any default by Lessee or the immediate right to terminate this Extended Lease and to retake possession of the Demised Premises.

(b) Lessee shall have thirty (30) days after written notice from Lessor to Lessee to cure any nonmonetary default by Lessee under this Extended Lease, or, if the nature of the default is such that it cannot be cured within thirty (30) days, then Lessee must commence the corrective action within such thirty (30) day period and prosecute the same diligently to completion.

(c) Termination of this Extended Lease shall not affect Lessee's liability by reason of any act, default or occurrence prior to such termination and vacation of the Demised Premises pursuant thereto, or arising in connection with such termination.

15. Holding Over, Interest, and Late Charges

(a) In the event Lessee holds over after the expiration or earlier termination of the Extended Lease Term, with or without the express or implied consent of Lessor, such tenancy shall be from month-to-month only, and not a renewal of this Extended Lease or an extension for any further term. Such month-to-month tenancy shall be subject to the terms and conditions of this Extended Lease except that Lessee shall pay as Base Rent during any holding over period, an amount equal to the greater of (i) \$3,500.00 per month, or (ii) one hundred fifty percent (150%) of the fair market value rental rate of the Demised Premises immediately preceding the expiration or termination of the term.

(b) Nothing in this Section shall be construed as a consent by Lessor to any holding over by Lessee, and Lessor expressly reserves the right to require Lessee to surrender possession of the Demised Premises upon the expiration of the term or upon the earlier termination hereof and to assert any remedy in law or equity to evict Lessee and/or collect damages in connection with such holding over.

(c) Any amount due from Lessee to Lessor which is not paid when due shall bear interest at the lesser of two percent (2%) above the prime rate or the maximum rate per annum which Lessor is permitted by law to charge, from the date such payment is due until paid, but the payment of such interest shall not excuse or cure any default by Lessee under this Extended Lease.

(d) If Lessee is more than three (3) days late in paying any amount due under this Extended Lease, Lessee shall pay Lessor a late charge equal to three percent (3%) of the amount that is delinquent. The parties agree that it would be extremely difficult and impracticable to determine the amount and extent of detriment to Lessor should Lessee fail or refuse to perform the terms, covenants, conditions, and agreements provided for in this Extended Lease within the time and in the manner set forth herein and that the amount of such late charge represents a reasonable estimate of the cost and expense that would be incurred by Lessor in collecting and processing a delinquent payment by Lessee. Such late charge shall be paid to Lessor as liquidated damages for each delinquent payment pursuant to California Civil Code section 1671. The payment of such late charge shall not excuse or cure any default by Lessee under the Extended Lease.

16. Quiet Enjoyment

(a) Lessor hereby covenants with Lessee that upon observance and performance of the terms of this Lease by Lessee, Lessee shall peaceably hold and enjoy the Demised Premises for the term hereby demised without hindrance or interruption by Lessor or any person or persons lawfully or equitably claiming by, through or under Lessor.

(b) In case Lessee should lawfully be deprived (except by or through Lessor) of the possession of the Demised Premises, or any part thereof which materially interferes with the continuing conduct of Lessee's operations thereon, Lessee shall notify Lessor in writing, setting forth in full the circumstances in relation thereto, whereupon Lessor may, at its option, either install Lessee in possession of the Demised Premises or terminate this Lease, whereupon no claims for damages of whatsoever kind or character incurred by either party by reason of such dispossession shall be chargeable against the other.

17. Possession Following Termination

(a) Upon the expiration of the term, or earlier termination of this Extended Lease, Lessee, without the need for further notice from Lessor, shall promptly deliver to Lessor possession of the Demised Premises, broom clean and in good condition, normal wear and tear excepted, with all improvements, alterations and repairs completed. Provided that Lessee is not in default under this Extended Lease, Lessee shall be entitled at any time prior to such expiration or termination, or within sixty (60) days thereafter, to remove from the Demised Premises any

personal property, equipment, machinery, and trade fixtures located thereon and owned by Lessee, provided that Lessee shall repair any damage to the Demised Premises caused by such removal.

(b) Upon failure of Lessee to remove said property within sixty (60) days after expiration or termination of this Extended Lease, Lessor shall, at its option, either acquire ownership of the property or remove, store and/or dispose of such property and make any necessary repairs to the Demised Promises, all at the expense of Lessee.

18. Compliance With Governmental Regulations and Maintenance of Premises

(a) Lessee shall comply, at its own expense, with all applicable, laws, regulations and requirements of federal, state, county, and other governmental authorities pertaining to the use and occupancy of the Demised Premises by Lessee. Except as otherwise provided in this Extended Lease, this obligation shall not include any law requiring an upgrading or modification of the Demised Premises irrespective of Lessee's use, including, by way of illustration and not limitation, a legal requirement for seismic retrofitting of any structure unless such upgrading or modification is a condition to Lessee's use or occupation of the Demised Premises, in which case Lessee must either

(i) comply with such law at Lessee's sole cost and expense, or

(ii) subject to the provisions of Section 13 hereof, terminate the Lease and vacate the Demised Premises.

(b) If Lessee does not terminate the Lease pursuant to subdivision (a)(ii), any failure by Lessee to comply with such laws will constitute a default under the Lease.

(c) Neither Lessee nor any of Lessee's agents, employees, visitors or licensees shall at any time use or keep in, on, or about the Demised Premises or any of its improvements any kerosene, gasoline or other flammable, explosive or combustible fluid, chemical, gas or substance or any hazardous or toxic substance which would be in violation of any federal, state or local environmental statutes and regulations, except normal office products. Lessee, shall notify Lessor within ten (10) days after the release of any hazardous or toxic material upon the Demised Premises when such release is in violation of any applicable law, regulation or requirement of any governmental authority. Lessor reserves the right to enter upon the Demised Premises, upon reasonable notice, for the purpose of inspecting the Demised Premises for contamination and to perform testing that does not unreasonably interfere with Lessee's use of the Demised Premises; provided, however, that Lessor is not assuming any affirmative obligation to inspect or test the Demised Premises for contamination.

(d) Lessee agrees to keep the Demised Premises free from rubbish, debris, and abandoned vehicles or equipment. All materials and supplies located on the Demised Premises shall be maintained in a neat and orderly manner. Lessee shall keep the Demised Premises and all improvements thereon well maintained in good clean order and safe condition.

19. Indemnification

(a) Lessee shall indemnify, defend and save Lessor harmless from and against all cost, expense, loss, liability, damage or claims arising out of or related to injuries to or deaths of persons (including, but not limited to personnel of the parties hereto, as well as third parties), or to damage or destruction of property (including but not limited to property of the parties and their personnel as well as of third parties), in any way arising out of, or by reason of, Lessee's operations on, or control and occupancy of, the Demised Premises, or Lessee's activities on or with respect to the Remainder Parcel (see Section 5(a) above), regardless of whether such cost, expense, loss, liability, damage or claim arises during or after the term of the Extended Lease.

(b) Without limiting the generality of the foregoing, Lessee shall defend, indemnify and save Lessor harmless from and against all claims, costs, expenses, loss, liability, or damage for soil, water, air or other environmental contamination from any hazardous materials resulting from or used in connection with the conduct of Lessee's operations on the Demised Premises, regardless of whether such claim, cost, expense, loss, liability or damage arises during or after the term of the Extended Lease, except to the extent such contamination is caused by the sole negligence of Lessor.

(c) The obligations of Lessee pursuant to this section shall survive the expiration or termination of this Lease.

20. Assignment

(a) Lessee shall not assign this Extended Lease or sublet the Demised Premises without the prior written consent of Lessor which consent may be given or withheld in Lessor's sole and absolute discretion; provided, however, that this restriction shall not apply to any assignment of this Extended Lease, or any interest herein, or any subletting of the Demised Premises, or any part thereof to an agency or district which is an instrumentality or political subdivision of the City of Brisbane, but no such assignment or subletting shall discharge or release Lessee from its obligations hereunder.

(b) Notwithstanding anything to the contrary set forth herein, there shall be no assignment or sublease to any agency or district which assignment or sublease would result in a use prohibited by Section 7 hereof.

(c) With respect to any permitted assignees or sublessees, Lessee shall give Lessor thirty (30) days' prior written notice of the proposed assignment or sublease and shall provide Lessor with a copy of the fully executed assignment or sublease prior to the effective date of such assignment or sublease.

(d) In the event of any permitted assignment or sublease, Lessee shall pay to Lessor ninety percent (90%) of the profits from such assignment or sublease. The profits shall be paid to Lessor on a monthly basis as additional rent. For purposes of this Extended Lease, "profits" shall mean the actual cash receipts to Lessee arising out of such assignment or sublease, directly or indirectly, less (i) reasonable leasing commissions paid by Lessee in connection with the assignment or sublease, and (ii) the amount of rent payable for such period by Lessee and allocable to the space being subleased or as to which rights are assigned (such allocation being

made on a pro rata basis according to the ratio of square footage of the Demised Premises to the square footage of the assigned or subleased space).

(e) Nothing in this Lease shall be construed as limiting the right of Lessor to enter into agreements with other persons, firms or corporations concerning any facilities at Brisbane Terminal other than the Demised Premises.

21. Notices

All notices to Lessor hereunder shall, until further notice by or on behalf of Lessor, be addressed to:

SFPP, L.P.
888 South Figueroa Street
Los Angeles, California 90017
Attention: Manager, Contracts & Right of Way

All notices to Lessee hereunder shall, until further written notice by or on behalf of Lessee, be addressed to:

City of Brisbane
Attention: City Manager
50 Park Lane
Brisbane, California 94005

All notices to be served hereunder shall be deemed properly served when deposited in the United States mail, properly addressed as aforesaid, postage fully prepaid, for delivery by registered or certified mail, return receipt requested. The date of service of such notice shall be the date shown on the return receipt as the date of delivery. This provision shall not affect the validity of notice actually given and received by other means.

22. Miscellaneous Provisions

(a) Amendments. Any supplements, modifications or amendments to this Extended Lease shall be in writing and signed by both parties.

(b) Governing Law. This Extended Lease shall be governed by the laws of the State of California.

(c) Waiver. No covenant, term or condition or the breach thereof shall be deemed waived, except by written consent of the party against whom the waiver is claimed, and any waiver of a covenant, term or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term or condition. Lessor's receipt and acceptance of Rent or other payments from any person shall not constitute a waiver of Lessor's rights or remedies under this Lease.

(d) Entire Agreement. This Extended Lease is intended by the parties to be the complete and final expression of their agreement related to the Demised Premises. Each party

agrees that any prior negotiations, statements, representations or agreements which are inconsistent with any provision of this Lease are merged in and superseded by this Extended Lease, and that such parties have not relied on a representation or promise, oral or otherwise, which is not set forth in this Extended Lease.

(e) Subordination. This Extended Lease shall, at Lessor's option, be subordinated to the lien of a mortgage or deed of trust on the Demised Premises, whether now existing or hereinafter created. Lessee shall, upon written demand by Lessor, provide such information and execute such instruments, including without limitation, subordination agreements, attornment agreements, and estoppel certificates, as may be required from time to time to subordinate the rights and interests of Lessee under this Lease to the lien of any mortgage or deed of trust encumbering the Demised Premises or to satisfy the demands of the beneficiary of such mortgage or deed of trust. Notwithstanding the foregoing, so long as Lessee is not in default hereunder, this Extended Lease shall not be terminated and Lessee's quiet enjoyment of the Demised Premises shall not be disturbed in the event such mortgage or deed of trust is foreclosed. In the event of such foreclosure, Lessee shall thereupon become a tenant of and attorn to the successor in interest of Lessor on, the same terms and conditions as are contained in this Extended Lease.

(f) Authority. Each of the parties hereby represents and warrants to the other that the persons executing this Extended Lease on its behalf are duly authorized and empowered to do so.

(g) Calendar Days. All references herein to any acts or obligations to be performed within a certain number of days shall mean calendar days.

(h) Severability. If any term or provision of this Extended Lease shall, to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Extended Lease shall not be affected thereby, and each term and provision of this Extended Lease shall be valid and enforceable to the fullest extent permitted by law.

(i) Successors and Assigns. Subject to the restrictions against assignment and subletting by Lessee, this Extended Lease shall be binding upon and shall inure to the benefit of the respective successors and assigns of the parties hereto.

(j) Exemption from the Subdivision Map Act (Cal. Gov. Code §§ 66410–66499.37). Lessee hereby acknowledges that the division of the Tank Farm for the purpose of conveying the leasehold estate to Lessee pursuant to this Agreement is exempt from any requirement under the state and local laws for the filing of a parcel map for the reason that Lessee is a public agency and Lessor is a public utility.

(k) Forum Selection. If any action is brought to remedy the breach of, or to enforce or interpret, any of the terms or conditions of this Extended Lease, then any court of competent jurisdiction in the county of the principal place of business of Lessor shall have exclusive venue; and Lessee hereby waives any objection to the above.

(l) Signage. Lessee shall not post or affix to the Demised Premises any signs except with the prior written approval of Lessor which may be given or withheld in its sole and absolute discretion.

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

LESSOR:

SFPP, L.P., a Delaware limited partnership

Signed: _____

By: _____

Its: _____

LESSEE:

THE CITY OF BRISBANE, a municipal corporation

Signed: _____

By: _____

Its: _____