



CITY COUNCIL AGENDA REPORT

Meeting Date: November 3, 2022

From: John Swiecki, Community Development Director

Subject: Ample Battery- Proposed Temporary Lease of City-Owned Parking Spaces

Community Goal/Result

Fiscally Prudent - Brisbane's fiscal vitality will reflect sound decisions which also speak to the values of the community

Purpose

To consider a proposal by Ample Battery to temporarily lease a limited number of city-owned parking spaces at Sierra Point and the former Bank of America site to install EV battery changing stations.

Recommendation

That the City Council authorize the City Manager to execute the attached lease agreement (See Exhibit 2).

Background/Discussion

Ample, Inc. is a California-based company with a goal to accelerate the transition to electric mobility by offering a modular and rapidly deployable EV battery swap system. More information about Ample and their platform is attached as Exhibit 1. After seven years of development, Ample launched the first deployment of battery swap stations and swap-enabled electric vehicles in the San Francisco Bay Area in early 2021. Ample is proposing to expand its network of battery swap stations with two new sites in Brisbane.

Ample proposes to lease approximately 1,725 square feet in the Brisbane Marina parking lot and 920 square feet next to the former bank building at 70 Old County Road for two years. At these two locations, Ample will deploy up to five EV battery swap stations. Each battery swap station sits atop level concrete, occupies two parking stalls, requires 100 kW electrical service, and can be deployed in just 1-2 weeks. The proposal was reviewed in August 2022 by the Economic Development Subcommittee (CMs Cunningham and Lentz) which recommended that it be forwarded to the City Council for consideration.

The attached agreement (Exhibit 2) establishes the lease terms and obligations, and has been approved by City Legal Counsel and the Public Works Director who manages the city-owned properties. Per the agreement Ample is responsible for all improvements required to serve their facilities.

The proposal would encompass 6 parking spaces at Sierra Point, which would not adversely impact the availability of public parking. The city has initiated a public space master planning process for Sierra Point and will soon initiate a community visioning process for the former Bank of America site. Both of these public processes will take time to time to complete and implement . Staff does not believe the limited 2-year lease term would interfere with any future redevelopment activities the City may choose to undertake on either of these sites.

Fiscal Impact

Per the lease agreement Ample will pay the City \$800/month per station. Assuming they deploy all 5 stations that equates to \$4000/month or \$96,000 over the 2-year lease term.

Measure of Success

Allowing a local green business to demonstrate and deploy an innovative EV charging technology through the temporary use of a small number of underutilized city-owned parking spaces.

Attachments

1. Ample Company and Project Description
2. Proposed Lease Agreement



John Swiecki, Community Development Director



Clay Holstine, City Manager



EXHIBIT 1

Ample, Inc.
100 Hooper St., Suite 25
San Francisco, CA 94107

Ample, Inc. Briefing to City of Brisbane City Council

Purpose

This document provides an overview of Ample's existing investments in the City of Brisbane and the proposed deployment of Ample battery swapping stations for electric vehicles at two locations managed by the City of Brisbane.

Overview of Ample

Ample owns and operates a repowering system for electric vehicles (EVs) that provides a superior alternative to fast charging EVs for many use cases. The system is built around a swappable battery pack and automated swapping stations that enable cleaner, faster, more efficient operation of EVs. Ample manufactures key components of the system (swappable battery packs, adaptor kits, and swapping stations) and operates a network of swapping stations that support a subscription-based repowering service for EV fleets. Ample launched operations in March 2021, providing swap-enabled Nissan Leaf and Kia Niro EVs to rideshare drivers in the Bay Area.

Background on Battery Swapping

Battery swapping is a replacement for fast charging that is as fast, economical and convenient as gasoline. Ample's battery swapping system robotically removes depleted batteries from EVs, racks them for external recharging and replaces them with charged batteries in just minutes. While battery swapping is functionally equivalent to a gasoline station in terms of speed and utility, it generates no greenhouse gas emissions or criteria pollutants. Battery swapping also has significant advantages over public charging. It is much faster, so swapping reduces dwell times (for both driver and vehicle); it increases utilization rates for capital intensive electrical generation, transmission and distribution assets; and it provides grid-scale storage for renewables, demand response functions and other grid services.

Ample's Investments in the City of Brisbane

Ample has invested significantly in the City of Brisbane. It is currently working with local stakeholders to carry out two projects within the City: 1) expansion of Ample's existing fabrication facility and 2) deployment of multiple battery swapping stations. These projects will drive economic growth, create jobs for local residents and expand the City's tax base.

Brisbane Plant

Ample opened its Brisbane modular battery pack production facility (based in the Crocker Industrial Park) in 2022. By 2024, Ample estimates that annual production at the Brisbane Plant will be equivalent to approximately 14,400 EVs. Currently, Ample employs 20 people at the Brisbane Plant. Headcount is expected to increase to 31 within two years. This growth will bring well-paid jobs to the city and generate associated tax revenue. Ample has worked with City staff



and elected officials to secure a competitive manufacturing grant through the California Energy Commission’s GFO-21-605 Zero-Emission Transportation Manufacturing Grant Program. The proposed grant project would result in positive economic impacts on the Brisbane community stemming from construction-related employment (short term) and additional manufacturing employment (long term). As a result of Ample’s existing investments and positive experience collaborating with City officials, Brisbane is also a top contender for future investments in facilities to support Ample’s manufacturing and operations. In the coming years, Ample will require millions of square feet of industrial space for on-vehicle components, battery Swapping station subsystems, and inventory warehouses, which will employ hundreds of workers. Ample looks forward to continuing to collaborate with the City and growing our local presence.

Battery Swapping Stations

The City of Brisbane is an ideal swapping station deployment site due to proximity to both U.S. Route 101 and San Francisco International Airport. Deploying Battery swapping stations in the City will strengthen Ample’s relationship with Brisbane and directly benefit the local economy. Ample swapping stations will support the electrification of local business transport and delivery vehicles, and benefit businesses through increased customer traffic. It will also establish public EV infrastructure that will eventually serve Brisbane residents. Each of the proposed locations can serve up to 80 drivers per day per station. These drivers will patronize businesses located in the Brisbane Village Center.

Station Specifications

Energy Storage:

- Energy Chemistry: Lithium-ion (NMC)
- Energy Storage Capacity: up to 440 kWh

Electrical Specifications:

- Power (AC): 100 kW
- Voltage (AC) 3-phase 208/240V - 480V
- Current: 3-phase: 200 A service, 125 A typical
- Frequency: 50 / 60 Hz +/- 1%

Mechanical Specifications:

- Dimensions: 19’ 0” (5782mm) x 16’ 8” (5074mm) x 9’ 6” (2901mm)
- Weight: 1,912 kg (4,215 lbs)
- Grading: < 2 degrees inclination

Environmental Specifications:

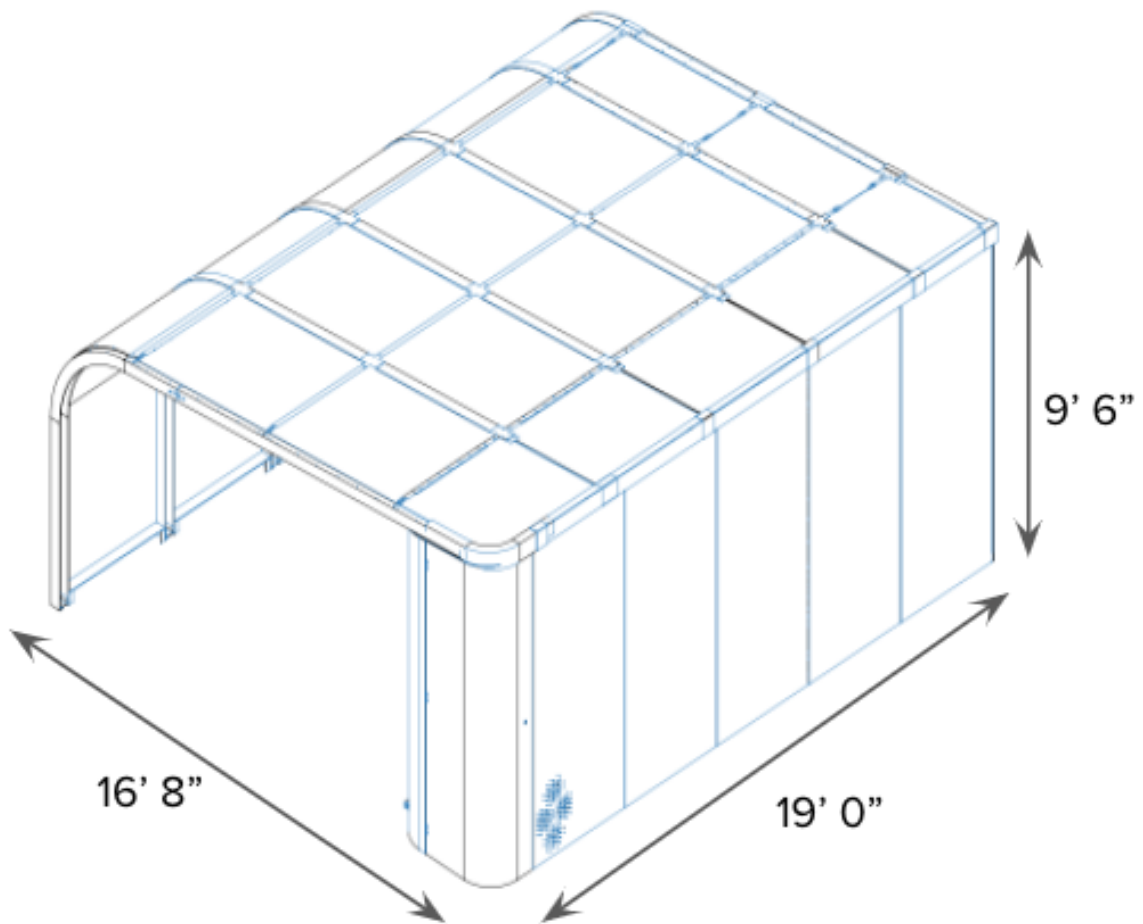
- Installation Location: Outdoor

Network and Compliance:

- Network Connection: Ethernet (preferred)/4G LTE
- Internet Speed: 10 mbps minimum

Adjacent space

- (Desired) 18' in front of station for easy turning radius
- 3" away from building structures or walls

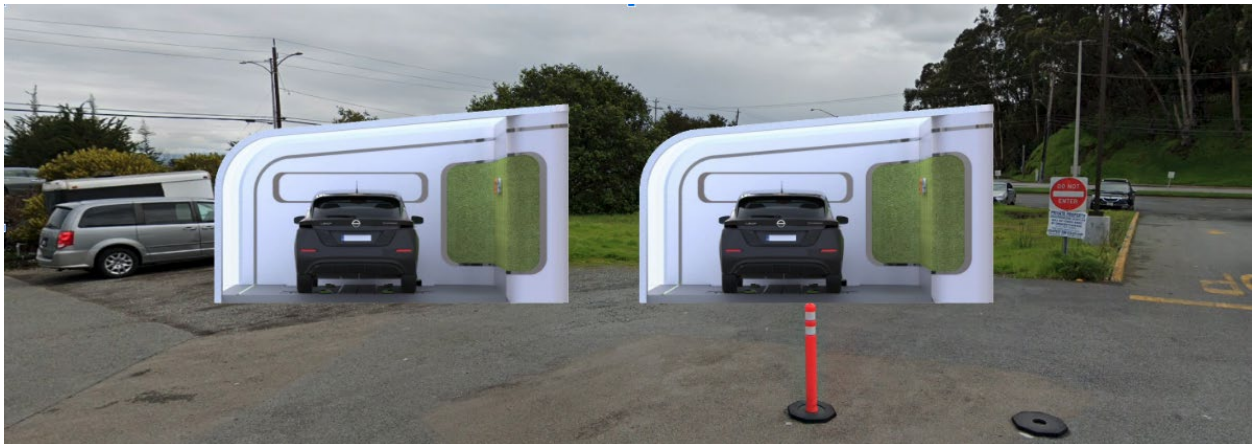


Visual Approximations

Brisbane Marina



70 Old County Rd



Lease Agreement

City of Brisbane, a Municipal Corporation ("Landlord") and **Ample, Inc.** ("Tenant") agree as follows:

1. **PROPERTY:** Landlord rents to Tenant and Tenant rents from Landlord, the real property and improvements described as: (1) a portion of the City of Brisbane's Marina parking lot, located at 400 Sierra Point Parkway ("Marina Premises"), and 2) a portion of the parking area located on property owned by the City of Brisbane located at 70 Old Country Road ("the OCR Premises"). See EXHIBIT A for locations of the two Premises.
2. **TENANT USE OF PROPERTY:**
 - a. Tenant shall install and maintain up to 3 electric vehicle battery swapping stations ("the Station") on each of the two Premises for the duration of the agreement. The Station(s) will be used by vehicles that will temporarily park inside the Station, refuel with energized batteries, and then exit the Premises. Vehicles entering the Premises to use the Station will not be required to pay Landlord to access Premises.
 - b. Tenant will install a new electric service, including electric meter, panel and additional electrical equipment as required by the distribution utility. The on-site electrical panel will be connected to the Station(s) and any additional equipment installed on the Premises. Tenant will pay for all costs associated with the electrical installation and will establish a new customer account with the utility and be responsible to pay for all energy used on both of the Premises. Tenant acknowledges that it must comply with other technical details of Landlord concerning installation of the Stations and the new electric service, which details concern, among other things, trench backfill and Tenant's responsibility for participation in DigAlert notification. A list of those technical details is attached hereto as Exhibit B and incorporated herein by reference. Landlord will provide necessary permissions and otherwise cooperate with the electricity distribution utility, internet provider, and other utilities needed to operate the Station(s).
 - c. Tenant will install new pavement and may install fencing along the Premises leased by the Tenant. Tenant shall provide a phone number and email address of Landlord for 24 hour customer support to address any issues associated with the use or operation of the Stations.
3. **TERM:**
 - a. The term begins on November 6, 2022 ("Commencement Date").
 - b. The agreement shall terminate on November 5, 2024. Any holding over after the term of this agreement expires, with Landlord's consent, shall create a month-to-month tenancy that either party may terminate. Rent shall be at a rate equal to the rent for the immediately preceding month, payable in advance. All other terms and conditions of this agreement shall remain in full force and effect.
4. **BASE RENT:**
 - a. Tenant agrees to pay Base Rent at the rate of \$800 per Station for the term of the agreement.
 - b. Base Rent is payable in advance on the 1st day of each calendar month, and is delinquent on the tenth day of the calendar.
 - c. If the Commencement Date falls on any day other than the first day of the month, Base Rent for the first calendar month shall be prorated based on a 30-day period. If Tenant

has paid one full month's Base Rent in advance of Commencement Date, Base Rent for the second calendar month shall be prorated based on a 30-day period.

d. **Payment:** Rent shall be paid to Landlord by bank transfer or check, c/o the Finance Department.

- 5. CONDITION OF PREMISES:** Tenant has examined the Premises and acknowledges that Premises are clean, in operative condition, and suitable for installation and maintenance of the Stations.
- 6. SIGNS:** Subject to Landlord's approval of such signage, Landlord authorizes Tenant to place on the Premises commercially reasonable signage with Tenant's business name and or logo consistent with the Tenant's use of the Premises.
- 7. TENANT'S OBLIGATIONS UPON VACATING PREMISES:** Upon termination of agreement, Tenant shall: (i) vacate Premises and surrender it to Landlord empty of all Station(s), and other personal property; (ii) clean Premises in a commercially reasonable manner; and (iii) restore the Premises to the conditions the Premises were in prior to this agreement.
- 8. LANDLORD'S LIEN WAIVER:** It is contemplated that the Stations or other Personal Property now or hereafter installed by Tenant on the Premises is or may be either leased by Tenant or purchased by Tenant from a lessor or conditional seller, or otherwise hypothecated to a "Third Party." All of Tenant's Stations or other Personal Property, now or hereafter located upon the Premises and owned by the Tenant or any Third Party, and regardless of the method in which such Station or Personal Property is attached or affixed to the Premises, shall not be deemed a fixture of the real estate and shall be and remain the Personal Property of the Tenant or such Third Party. All such Stations or Personal Property of Tenant or any Third Party is herein referred to collectively as "Tenant's Equipment." Tenant or any Third Party shall have the right to remove Tenant's Station and other equipment from the Premises from time to time; provided, however, that if such removal shall injure or damage the Property, Tenant shall repair the damage and place the Premises in same condition as it would have been if such equipment had not been installed, Landlord hereby waives its rights, statutory or otherwise, to any lien on Tenant's Stations or other equipment. Landlord shall, upon request of the Tenant or any Third Party, execute, or cause to be executed, a commercially reasonable waiver of landlord's lien or mortgagee's lien on any of Tenant's Stations or other Equipment.
- 9. INSURANCE:**
 - a. Tenant's personal property, Station(s), fixtures, equipment, inventory and vehicles are not insured by Landlord against loss or damage due to fire, theft, vandalism, rain, water, criminal or negligent acts of others, or any other cause. Tenant indemnifies and holds harmless the Landlord for such losses.
 - b. Tenant is to carry Tenant's own property insurance to protect Tenant from any such loss and Landlord shall be an additional insured on such policy. Tenant shall provide Landlord with a certificate of insurance and endorsement establishing Tenant's compliance.
 - c. Prior to the Commencement Date, Tenant will acquire and present to Landlord an additionally insured endorsement that names Landlord (e.g.: CG2011 endorsement).
 - d. Tenant releases Landlord, and waive its respective rights to subrogation against Landlord, for loss or damage covered by insurance.
- 10. INDEMNIFICATION:** (a) Except for the gross negligence and intentional misconduct of Landlord and/or any of the Landlord Parties (as hereinafter defined), Tenant shall indemnify and hold harmless Landlord and Landlord's officers, agents, employees, partners, successors, and assigns (collectively, the "Landlord Parties") from and against any and all claims arising from Tenant's use of the Premises, or from the conduct of Tenant's business or from any activity, work, or things done, permitted, or suffered by Tenant in, on, or about the Premises or elsewhere, and

shall further indemnify and hold harmless the Landlord Parties from and against any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this agreement, or arising from any negligence of the Tenant, or any of Tenant's agents, contractors, or employees, and from and against all costs, attorneys' fees, expenses, and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon; and in case any action or proceeding shall be brought against Landlord by reason of any such claim, Tenant, upon notice from Landlord, shall defend the same at Tenant's expense by counsel satisfactory to Landlord. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damages to property or injury to persons, in, on, or about the Premises arising from any cause, and Tenant hereby waives all claims in respect thereof against any of the Landlord Parties.

(b) Except for the negligence and intentional misconduct of Tenant and/or any of the Tenant's Parties (as hereinafter defined), Landlord shall indemnify and hold harmless Tenant and Tenant's officers, agents, employees, partners, successors, and assigns (collectively, the "Tenant Parties") from and against any and all claims arising from Landlord's use of the Premises, or from the conduct of Landlord's business or from any activity, work, or things done, permitted, or suffered by Landlord in, on, or about the Premises, and shall further indemnify and hold harmless the Tenant Parties from and against any and all claims arising from any breach or default in the performance of any obligation on Landlord's part to be performed under the terms of this agreement, or arising from any negligence of the Landlord, the Landlord Parties, or any of Landlord's agents, contractors, or employees, and from and against all cost, attorneys' fees, expenses, and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon; and in case any action or proceeding shall be brought against Tenant by reason of any such claim, Landlord, upon notice from Tenant, shall defend the same at Landlord's expense by counsel satisfactory to Tenant.

- 11. CONFIDENTIALITY:** The Landlord will use their best efforts to stop the disclosure of any of the Tenant's confidential information to any other party over the term of this agreement and for a period of three years after termination of this agreement. Confidential information includes but is not limited to photos, video, descriptions of the Tenant's battery swapping station or its component pieces, t, and any information about the deployment or operation of the Tenant's service.
- 12. GOVERNING LAW; VENUE:** The Laws of the State of California shall govern the validity, performance, and enforcement of this agreement. The parties consent to personal jurisdiction and venue in the state and judicial district in which the Premises is located. The courts of the State of California will have exclusive jurisdiction and the parties hereby agree to such exclusive jurisdiction.
- 13. SUCCESSORS:** The provisions of this agreement shall be binding upon and inure to the benefit of Landlord and Tenant, respectively, and their respective successors, assigns, heirs, executors, and administrators. Tenant agrees to become the tenant of Landlord's successor in interest under the same terms and conditions of its tenancy hereunder.
- 14. RELATIONSHIP OF PARTIES:** Landlord and Tenant agree that the relationship between them is that of landlord and tenant and that Landlord is leasing space to Tenant. It is not the intention of the parties, nor shall anything herein be constructed to constitute Landlord as a partner or joint venturer with Tenant.
- 15. AUTHORITY:** Landlord makes the following representations to Tenant, on which Tenant is entitled to rely in executing this Lease: (i) Landlord is qualified to do business in the State of

California, has the power to enter into this agreement and the transactions contemplated hereby and to perform its obligations hereunder, and by proper resolution the signatory hereto has been duly authorized to execute and deliver this agreement; and (ii) the execution, delivery, and performance of this agreement and the consummation of the transactions herein contemplated shall not conflict with or result in a violation or breach of any indenture, mortgage, note, security agreement, or other agreement or instrument to which Landlord is a party or by which it is bound or to which any of its properties is subject.

- 16. PARTIAL INVALIDITY:** If any clause or provision of this agreement is illegal, invalid, or unenforceable under present or future laws, the remainder of this agreement shall not be affected thereby and there shall be added as part of this agreement a replacement clause or provision as similar in terms to such illegal, invalid, or unenforceable clause or provision as may be possible and be legal, valid, and enforceable.
- 17. TAKING:** Should either of the Premises be taken, appropriated, or condemned for public purposes, or voluntarily transferred in lieu of condemnation, in whole or in such substantial part as to render the Premises unsuitable for Landlord's purposes or the Premises unsuitable for Tenant's purposes, including a material loss of access, the Term of this agreement shall, at the option of Landlord in the first instance and at the option of Tenant in the second instance, terminate when Tenant's right to possession is terminated. All compensation awarded for such taking of the fee and leasehold shall belong to and be the property of Landlord without any deduction therefrom for any present or future estate of Tenant and Tenant hereby assigns to Landlord all its right, title, and interest to any such award. However, Tenant shall have the right to recover from the condemning authority, but not from Landlord, such compensation as may be awarded to Tenant on account of interruption of Tenant's business, for moving and relocation expenses, and for depreciation to and removal of Tenant's goods and trade fixtures

Notwithstanding the foregoing: (a) Tenant shall have the right to terminate this agreement if the condemnation renders the Premises unsuitable for Tenant's purposes, including a material loss of vehicular access to the Premises, or if ten percent (10%) or more of the Premises is impaired. If Tenant elects to exercise its termination right hereunder, Tenant shall provide written notice thereof to Landlord within thirty (30) days after the condemnation acquisition (or voluntary transfer in lieu of condemnation) has occurred, whereupon this agreement shall be terminated effective as of the date of condemnation acquisition (or voluntary transfer in lieu of condemnation) and neither party shall have any further rights or obligations hereunder (except for any obligations that expressly survive the termination of this agreement).

Tenant shall have the right to make a separate claim in the condemnation proceeding for: (i) the unamortized portion of any expenditures by Tenant for its improvements or alterations to the Premises; (ii) Loss of goodwill (iii) moving and relocation costs, including relocation costs permitted under California Government Code §7262; and (iv) any other amount in addition to the foregoing that does not reduce the amount of the award payable to Landlord.]

- 18. FORCE MAJEURE:** A "force majeure event" shall mean any of the following events: (a) acts of God; (b) floods, fires, earthquakes, explosions, or other natural disasters; (c) war, invasions, hostilities (whether war is declared or not), terrorist threats or acts, riots or other civil unrest; (d) proclamations, orders, laws, actions, or requests made or enacted by governmental authority; (e) embargoes or blockades; (f) epidemics, pandemics, or other national or regional

public health emergencies; (g) strikes, labor stoppages or slowdowns, or other industrial disturbances; (h) shortages of supplies, adequate power, or transportation facilities; and (i) other similar events beyond the control of the parties.

Neither party shall be liable or responsible to the other party, nor be deemed to have defaulted under or breached this agreement, for any failure or delay in fulfilling or performing any obligation under this agreement when and to the extent such failure or delay is caused by a Force Majeure Event. The failure or inability of either party to perform its obligations in this agreement due to a Force Majeure Event shall be excused for the duration of the Force Majeure Event and extended for a period equivalent to the period of such delay

To the extent either party relies on a Force Majeure Event to delay performance of any obligation hereunder in accordance with this section, such party (the "**Noticing Party**") shall give the other party notice within fourteen (14) days of the commencement of the Force Majeure Event, explaining the nature or cause of the delay and stating the period of time the delay is expected to continue. The Noticing Party shall use commercially reasonable efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized. The Noticing Party shall resume the performance of its obligations as soon as reasonably practicable after the Force Majeure Event ends. [In the event that the failure or delay remains uncured for a period of ninety (90) days following written notice given by the Noticing Party under this Section, the other party may thereafter terminate this agreement upon thirty (30) days' written notice, in which event neither party shall have any further obligations under this agreement thereafter, except for those obligations which are expressly stated to survive termination or expiration of the agreement.

- 19. ENTIRE AGREEMENT; WAIVERS:** This agreement forms the entire agreement between Landlord and Tenant and no provision hereof shall be altered, waived, amended, or extended, except in writing signed by both parties. Tenant affirms that, except as expressly set forth herein, neither Landlord nor any of its agents has made, nor has Tenant relied upon, any representation, warranty, or promise with respect to the Premises or any part thereof. Landlord shall not be considered to have waived any of the rights, covenants, or conditions of this agreement unless evidenced by its written waiver and the waiver of one default or right shall not constitute the waiver of any other. The acceptance of rent shall not be construed to be a waiver of any breach or condition of this agreement.
- 20. REAL ESTATE TAXES:** "Real Estate Taxes" shall mean any form of real estate tax or assessment, general, special, ordinary, or extraordinary imposed upon the Premises, buildings, the land, or any portion thereof by any authority having the direct or indirect power to tax, including any city, state, or federal government, or any school, sanitary, fire, street, drainage, or other improvement district thereof, levied against any legal or equitable interest of Landlord in the Premises, buildings, the land, or any portion thereof. The term "Real Estate Taxes" shall also include any tax, fee, levy, assessment, or charge, or any increase therein, imposed by reason of events occurring, or changes in applicable zoning, municipal, county, state, and federal laws, ordinances, and regulations, and any covenants or restrictions of record taking effect during the Term of this agreement, including but not limited to a change in ownership of the Premises, buildings, the land, or the improvements thereon (or any portion thereof), the execution of this agreement, or any modification, amendment, or transfer thereof, and whether or not contemplated by the parties hereto. It is acknowledged by Tenant and Landlord that Proposition 13 was adopted by the voters of the State of California in the June 1978 election ("Proposition 13") and that assessments, taxes, fees, levies, and charges may be imposed by governmental

agencies for such services as fire protection, street, sidewalk and road maintenance, refuse removal, and for other governmental services formerly provided without charge to property owners or occupants. It is the intention of Tenant and Landlord that all such new and increased assessments, taxes, fees, levies, and charges and all similar assessments, taxes, fees, levies, and charges be included within the definition of Real Estate Taxes for purposes of this agreement, including, without limitation any increase in assessments, taxes, fees, levies, or charges resulting from a reassessment caused by or attributable from a change in ownership of the Building or Property, new construction, or any other cause ("Proposition 13 Triggering Event").

Tenant acknowledges that currently no Real Estate Taxes are included in the Base Rent. If the County of San Mateo imposes any form of Real Estate Taxes, such as a possessory interest tax, on either of the Premises due to this agreement, Tenant shall pay such Real Estate Taxes.

21. NOTICE: Unless specifically stated otherwise in this agreement, all notices, waivers, and demands required or permitted hereunder shall be in writing and delivered to the addresses of Landlord and Tenant set forth below, by one of the following methods: (a) hand delivery, whereby delivery is deemed to have occurred at the time of delivery; (b) a nationally recognized overnight courier company, whereby delivery is deemed to have occurred the business day following deposit with the courier; (c) registered United States mail, signature required, and postage-prepaid, whereby delivery is deemed to have occurred on the third business day following deposit with the United States Postal Service; or (d) electronic transmission by email provided that the transmission is completed no later than 4:00 p.m. Pacific Time on a business day. Any Party shall change its address for purposes of this Lease by giving written notice as provided in this paragraph and notices shall only be valid if delivered in the manner provided. All notices and demands delivered by a Party's attorney on a Party's behalf shall be deemed to have been delivered by said Party. For purposes hereof, Landlord's address for electronic transmission is rbreault@ci.brisbane.ca.us and Tenant's address for electronic transmission are esorensen@ample.com

TENANT:

Ample, Inc.
Attn: Eric Sorensen
100 Hooper St. Suite 25, San Francisco, CA 94107

LANDLORD:

City of Brisbane
50 Park Place
Brisbane, CA 94005
Attn: Director of Public Works

Such addresses may be changed from time to time by any part by providing notice to the other interested parties as described above.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the date first set forth below.


TENANT AMPLE, INC.

By: _____
Eric Sorensen, President

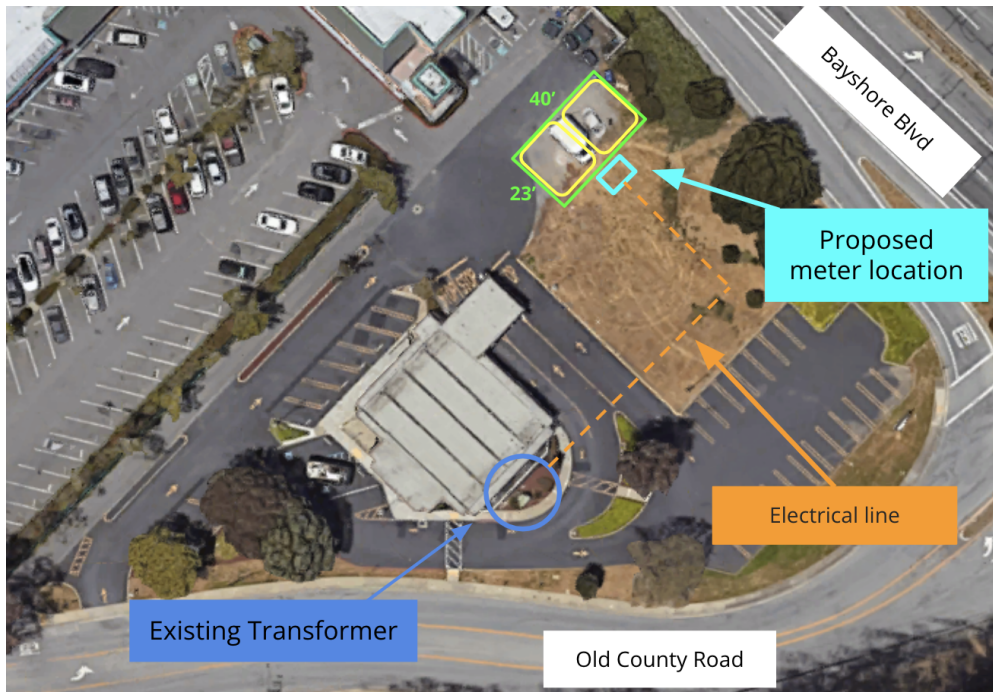
LANDLORD, CITY OF BRISBANE

By: _____
Clay Holstine, City Manager

Approved as to form:


Michael Roush, Legal Counsel

70 Old County Road, Brisbane, CA



Brisbane Marina, Brisbane, CA

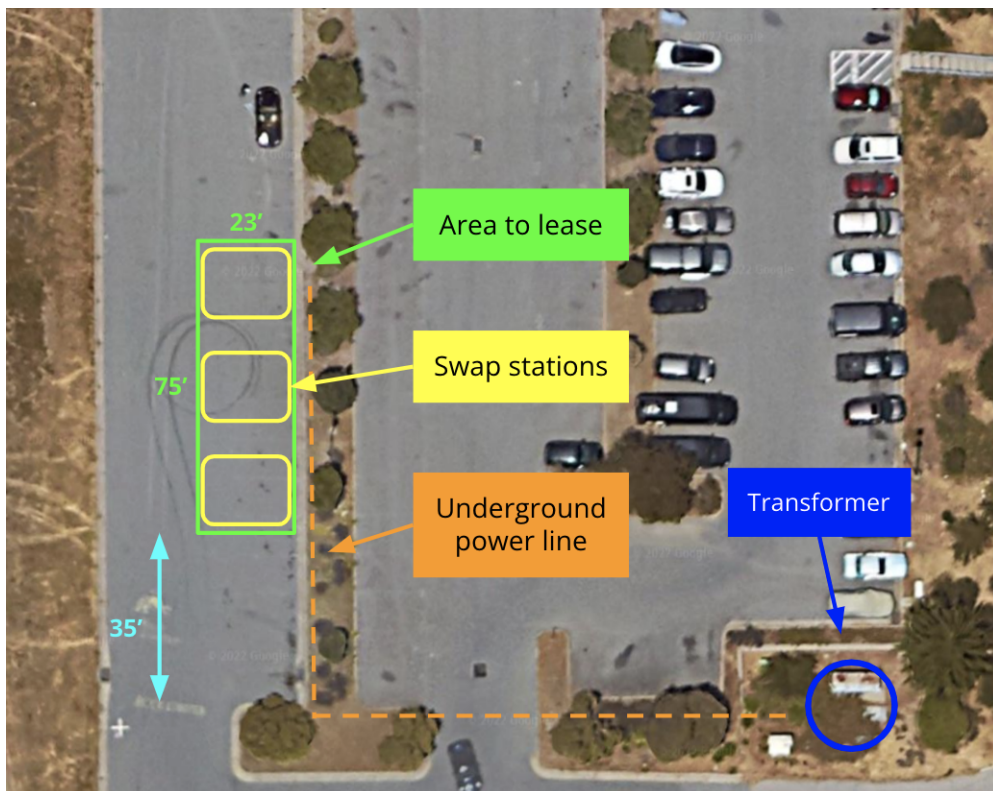


Exhibit B:

To the satisfaction of the City Engineer, Tenant shall:

Repair electrical utility trenches per City Standard Detail UT-1, except the backfill above the pipe zone shall be Class II slurry with added red oxide (or other approved pigment to indicate buried electrical conduit) .

Replaced asphalt section shall be equal to the existing AC thickness plus 1 inch (no less than 3 inches in any repair) and to the existing AB thickness.

Place above ground utility markers as required by the City Engineer.

Maintain active membership in Underground Service Alert and respond timely to requests for marking of underground utilities as required by Underground Service Alert and as required by Government Code, section 4216.