



Board of Harbor Commissioners

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March 24, 2017

Tao Tao Song
Chief Executive Officer
Oyster Point Development, LLC
c/o Greenland USA – San Francisco
400 Marina Boulevard, Suite 200
South San Francisco, CA 94080

Re: Notice of Violation - Maintenance of Full Service Fuel Dock on Parcel E-3 and E-4, and Related Facilities

Dear Mr. Song:

As you know, The San Mateo County Harbor District (District) and Oyster Point Development, LLC ("OPD"), are parties to the July 1, 1986 Lease and Management Agreement (Lease), assigned to OPD on August 11, 2016.

Pursuant to Article IV of the Lease, OPD is required to operate and maintain a full service marine fuel dock located on Parcel E-4. Article V, Paragraph A of the Lease further requires OPD to provide fuel dock services during regular business hours at least six (6) days of each week. Article X of the General Conditions, incorporated into the Lease, imposes specified environment protection obligations on OPD and Article XIII of the General Conditions more generally requires OPD to comply with all applicable laws, ordinances and regulations of public authorities—these would include those imposed by the California Regional Water Quality Control board, the California Environmental Protection Agency, the San Mateo County Environmental Health Department, the Bay Area Air Quality Management District, and the San Mateo County Division of Weights and Measures. These agencies must conduct, and the fuel dock must pass, periodic inspections.

The District now writes to put OPD on notice that it is not in compliance with the above-referenced obligations related to the fuel dock. First, the District is informed that there is presently no staff person on site during operating hours to provide fuel dock service. Second, the dock itself has not been maintained and is in extraordinarily poor condition, with unsecured decking that presents numerous safety concerns. Finally, the District has been informed that the fuel dock has not undergone, or has failed, inspections by the required regulatory authorities, creating a potentially hazardous condition for which OPD is responsible.

The District requires OPD to take action to remedy the above deficiencies to come into compliance with the terms of the Lease. In particular, the District requires that OPD provide the District (a) with a current set of inspection reports, evidencing that the fuel dock is in compliance with all applicable regulations, and (b) with confirmation that it intends on addressing the lack of maintenance and will remedy the unacceptably poor condition of the fuel dock and related facilities, and with a date by which such work will be completed.

The District reserves all its rights to avail itself of appropriate remedies under the Lease and at law should OPD not take immediate action. Your response is requested no later than April 5, 2017.

Thank you for your prompt attention to this critical matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Steve McGrath", with a long, sweeping flourish extending to the right.

Steve McGrath, General Manager
San Mateo County Harbor District

cc: Stephanie Rosenberg