



BOARD OF DIRECTORS

SENIOR MANAGEMENT REQUIRED OCCUPANCY POLICY

The Board of Directors has determined that it is necessary and in the best interests of the Presidio Trust to require up to three senior level managers to reside in the Presidio. The presence of senior level managers will provide the Presidio Trust with the ability to respond appropriately at the highest levels of management to serious emergencies such as fires, earthquakes, criminal or terrorist activities, storms and natural disasters.

The senior level managers who are required as a condition of their employment to occupy housing on the Presidio are i) the Chief Executive Officer, and ii) up to two other senior level managers having responsibility in the areas of facilities operation, public safety and/or maintenance, as designated by the Chief Executive Officer. The US Park Police major in charge of the San Francisco Field Office may be designated as one of the senior level managers through agreement with the US Park Police.

In the event that personal circumstances delay or prevent the Chief Executive Officer from residing at the Presidio, or in the event of a vacancy in the Chief Executive Officer position, the Board of Directors may designate another senior manager to reside at the Presidio in the Chief Executive Officer's stead.

Senior level managers who reside in the Presidio pursuant to this policy shall coordinate amongst themselves to collectively ensure that they are generally familiar with Presidio Trust operations and activities and are reasonably available to on-call crew members to provide senior management level guidance.

Each senior level manager who is required to live in the Presidio under this policy may choose any available unit in which to live. The Chief Executive Officer will be entitled to a monthly rent credit up to a maximum of the average market rent of a 4 bedroom/2 bath unit in the East Washington neighborhood, unless the Board of Directors sets a different limit ("Monthly Credit"). The senior managers (including the US Park Police major) will be entitled to a monthly rent credit up to a maximum of the average market rent of a 2 bedroom/2 bath unit in the Baker Beach neighborhood ("Monthly Credit"). The Monthly Credit is recalculated annually in January.

If the market rent of the selected unit is higher than the Monthly Credit amount, the CEO, senior manager or US Park Police major must pay the Trust the difference. If the market rent for the unit selected is lower than the Monthly Credit, the CEO, senior manager or US Park Police major will not be entitled to receive the difference. Rents shall be adjusted annually per market conditions. All rental rates will be determined and administered by the Trust or its residential property management agent.

This policy will be applicable to any senior level managers required to live in the Presidio who are assigned to live in the Presidio on or after the effective date of this policy.