## REVOCABLE PERMIT TO ENTER AND USE PROPERTY

by and between

## CITY AND COUNTY OF SAN FRANCISCO

and

STATE OF CALIFORNIA, acting by and through its DEPARTMENT OF GENERAL SERVICES, REAL ESTATE SERVICES DIVISION, State

to enter and use property located at Christmas Tree Point, Twin Peaks Boulevard, San Francisco, California

November 15, 2007

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## CITY AND COUNTY OF SAN FRANCISCO REVOCABLE PERMIT TO ENTER AND USE PROPERTY

(Christmas Tree Point, San Francisco)

THIS REVOCABLE PERMIT TO ENTER AND USE PROPERTY (this "Permit"), dated for reference purposes only as of November 15, 2007, is made by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("City") and STATE OF CALIFORNIA, acting by and through its DEPARTMENT OF GENERAL SERVICES, REAL ESTATE SERVICES DIVISION ("State").

City and State agree as follows:

#### 1. LICENSE

City confers to State a revocable, personal, unassignable, non-exclusive and non-possessory privilege to enter upon and use that certain real property owned by City located at Central Radio Station, 125 Christmas Tree Point, Twin Peaks Boulevard, also known as Assessor Block 2719C, Lot 004, in the City and County of San Francisco, more particularly described in Exhibits A, 1A, and 2A attached hereto (the "Permit Area"), for the limited purpose and subject to the terms, conditions and restrictions set forth below. This Permit gives State a license only, revocable at any time at the will of City, and notwithstanding anything to the contrary herein, this Permit does not constitute a grant by City of any ownership, leasehold, easement or other property interest or estate whatsoever in the Permit Area, or any portion thereof. The privilege given to State under this Permit is effective only insofar as the rights of City in the Permit Area are concerned, and State shall obtain any further permission necessary because of any other existing rights affecting the Permit Area.

#### 2. USE OF PERMIT AREA

State may enter and use the Permit Area for the sole purpose of installing, operating and maintaining radio communication equipment consisting of one (1) rack of radio equipment (to be installed by State) and one (1) radio antenna (to be installed by City for State), and for no other purpose whatsoever.

#### 3. INSTALLATION OF FACILITIES

State may install certain improvements consisting of one (1) rack of radio equipment and one (1) antenna upon four (4) square feet of rentable space on the Permit Area only upon satisfaction of the following conditions, which are for the sole benefit of City:

## 3.1 Approval of Plans and Specifications

State shall install the permitted improvements in accordance with plans and specifications approved in advance and in writing by City.

#### 3.2 Permits and Approvals

Before beginning any work, State shall obtain all applicable permits, licenses and approvals (collectively, "approvals") of any regulatory agencies required to commence and complete the permitted work. Promptly upon receipt of such approvals, State shall deliver copies of them to City. State recognizes and agrees that no approval by City for purposes of State's installation work hereunder shall be deemed to constitute the approval of any federal, state or local regulatory authority with jurisdiction, and nothing herein shall limit State's obligation to obtain all such regulatory approvals, at State's sole cost.

## 3.3 Wages and Working Conditions

With respect to the installation of any facilities or improvements, any employee performing services for State shall be paid not less than the highest prevailing rate of wages and that State shall include, in any contract for construction of such improvement work or any alterations on the Permit Area, 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. State further agrees that, as to the construction of such improvement work or any alterations on the Permit Area under this Permit, State shall comply with all the applicable provisions of Section 6.22(E) of the San Francisco Administrative Code (as the same may be amended, supplemented or replaced) that relate to payment of prevailing wages. State shall require any contractor to provide, and shall deliver to City upon request, certified payroll reports with respect to all persons performing labor in the construction of the improvement work or any alterations on the Permit Area.

Contractor agrees to comply with and be fully bound by, and to require its Subcontractors to comply with and be fully bound by, the provisions of Section 21.25-3, including, without limitation, the payment of any penalties for noncompliance and other remedies available to the City. The provisions of Section 21.25-3 are hereby incorporated by reference and made a part of this agreement. Contractor shall cooperate fully with the Labor Standards Enforcement Officer and any other City official or employee, or any of their respective agents, in the administration and enforcement of the requirements of Section 21.25-3, including, without limitation, any investigation of noncompliance by Contractor or its Subcontractors. Contractor agrees that the City may inspect and/or audit any workplace or job site involved in or related to the performance of this agreement, including, without limitation, interviewing Contractor's and any Subcontractor's employees and having immediate access to employee time sheets, payroll records, and paychecks for inspection.

Contractor may obtain a copy of the current Prevailing Rate of Wages from City, including its Office of Labor Standards Enforcement. Contractor acknowledges that the City's Board of Supervisors may amend such Prevailing Rate of Wages and agrees that Contractor and any Subcontractors shall be bound by and shall fully comply with any such amendments by the Board of Supervisors.

#### 3.4 Pre-Construction Baseline

State shall document the condition of the Permit Area prior to the commencement of any construction through the use of photographs, maps and any other appropriate documentation to provide a pre-construction baseline to monitor impacts. Appropriate documentation shall be determined in consultation with City. State shall provide City with a copy of such documentation prior to the commencement of construction.

#### 3.5 Exercise of Due Care

State shall use, and shall cause its Agents (as defined in <u>Section 19</u> below) to use, due care at all times to avoid any damage or harm to City's property. State shall take such soil and resource conservation and protection measures with the Permit Area as City may request. City shall have the right to approve and supervise any excavation work. State shall do everything reasonably within its power, both independently and upon request by City, to prevent and suppress fires on and adjacent to the Permit Area attributable to State's use hereunder.

### 3.6 Cooperation with City Personnel

State and its Agents shall work closely with City personnel: to minimize any potential disturbance (even if temporary) of the natural features of the Permit Area and to avoid disruption

(even if temporary) of City property in, under, on or about the Permit Area and City uses of the Permit Area. Construction sites shall be screened with temporary fencing where possible to reduce visual impact.

#### 3.7 Work Schedule

State must begin any permitted installation work, if at all, within ninety (90) days after the commencement of the term of this Permit. At least fourteen (14) days prior to the commencement of any work on the Permit Area State shall notify Central Radio and Tower (415) 588-3884 of the date such work shall commence and the intended schedule. State shall complete all work within sixty (60) days after the date specified above for commencement of the work, subject to unavoidable delays. For purposes hereof, "unavoidable delays" shall mean any delays by reason of acts of God, accidents, breakage, repairs, strikes, lockouts, other labor disputes, inability to obtain labor or materials, enemy action, civil commotion, protests, riots, demonstrations, federal or state governmental restrictions, or by any other reason beyond the reasonable control of State.

#### 3.8 Restoration of Permit Area

Immediately following completion of any work permitted hereunder, State shall remove all debris and any excess dirt and restore the Permit Area to its condition immediately prior to State's use hereunder, to the satisfaction of City.

#### 3.9 Installation of Above-Ground Markers

State shall install above-ground markers identifying the location of any underground improvements installed pursuant to this Permit. The location, type and installation of markers and identifying information on the markers shall be subject to the prior written approval of City.

## 3.10 As-Built Drawings

Promptly upon completion of the installation of the improvements, State shall furnish City with a complete copy of final as-built drawings for the improvements.

#### 3.11 Responsibility for Maintenance of Facilities

State shall be solely responsible for maintaining all facilities placed in or on the Permit Area pursuant hereto in good and safe condition, and City shall have no duty whatsoever for any maintenance of the Permit Area or any such facilities therein.

#### 3.12 Revocability

State acknowledges and agrees that the installation of the facilitates permitted hereunder shall not in any way whatsoever limit City's right to revoke this Permit pursuant to the terms hereof or any of City's other rights hereunder.

#### 4. RESTRICTIONS ON USE

State agrees that, by way of example only and without limitation, the following uses of the Permit Area by State or any other person claiming by or through State are inconsistent with the limited purpose of this Permit and are strictly prohibited as provided below:

## 4.1 Improvements

Except as otherwise expressly provided in this Permit, State shall not construct or place any temporary or permanent structures or improvements on the Permit Area, nor shall State alter any existing structures or improvements on the Permit Area.

## 4.2 Dumping

State shall not dump or dispose of refuse or other unsightly materials on, in, under or about the Permit Area.

#### 4.3 Hazardous Material

State shall not cause, nor shall State allow any of its Agents or Invitees (as defined in Section 19 below) to cause, any Hazardous Material (as defined below) to be brought upon, kept, used, stored, generated or disposed of in, on or about the Permit Area, or transported to or from the Permit Area. State shall immediately notify City when State learns of, or has reason to believe that, a release of Hazardous Material has occurred in, on or about the Permit Area. State shall further comply with all laws requiring notice of such releases or threatened releases to governmental agencies, and shall take all action necessary to mitigate the release or minimize the spread of contamination. In the event that State or its Agents or Invitees cause a release of Hazardous Material, State shall, without cost to City and in accordance with all laws and regulations, return the Permit Area to the condition immediately prior to the release. In connection therewith, State shall afford City a full opportunity to participate in any discussion with governmental agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree or other compromise proceeding involving Hazardous Material. For purposes hereof, "Hazardous Material" means material that, because of its quantity, concentration or physical or chemical characteristics, is at any time now or hereafter deemed by any federal, state or local governmental authority to pose a present or potential hazard to public health, welfare or the environment. Hazardous Material includes, without limitation, any material or substance defined as a "hazardous substance, pollutant or contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Sections 9601 et seq., or pursuant to Section 25316 of the California Health & Safety Code; a "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 Permit Area or are naturally occurring substances in the Permit Area, and any petroleum, including, without limitation, crude oil or any fraction thereof, natural gas or natural gas liquids. The term "release" or "threatened release" when used with respect to Hazardous Material shall include any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing in, on, under or about the Permit Area.

#### 4.4 Nuisances

State shall not conduct any activities on or about the Permit Area that constitute waste, nuisance or unreasonable annoyance (including, without limitation, emission of objectionable odors, noises or lights) to City, to the owners or occupants of neighboring property or to the public.

#### 4.5 Damage

State shall not do anything about the Permit Area that will cause damage to any of City's property.

#### 5. PERMIT FEES

State shall pay to City a one-time non-refundable permit fee in the amount of \$4,014.08 to cover City's installation costs, processing, inspection and other administrative costs. Such fee is payable at such time as State signs and delivers this Permit to City. Payment shall be made in cash or by good check [cashier's check] payable to the City and County of San Francisco and delivered to City's Director of Property at the primary address for notices to City specified below, or such other place as City may designate in writing. In addition, throughout the term of this Permit beginning on the date on which the term of this Permit commences, State shall pay to City a monthly fee in the amount of \$55.00, which may be prepaid on an annual basis in the amount of \$660.00, in consideration of State's use of the Permit Area. The monthly fee shall be paid to City in advance, without prior demand and without any deduction, setoff or counterclaim whatsoever, on or before the first day of the term of this Permit and on or before the first day of each month thereafter. All sums payable by State to City hereunder shall be paid in cash or by good [cashier's or certified] check to the City and County of San Francisco and delivered to City's Director of Property at the primary address for notices to City specified below, or such other place as City may designate in writing. Such use fee shall be prorated for any fractional month. Without limiting its right to revoke this Permit or any of its other rights hereunder, City may increase such use fee at any time and from time to time upon not less than ninety (90) days written notice to State. Without limiting its right to revoke this Permit or any of its other rights hereunder, City may at any time, upon not less than thirty (30) days' written notice to State, charge a use fee for the privilege given hereunder, and City may increase such fee from time to time. In the event that City exercises its right to revoke this Permit without cause, then City shall prorate and reimburse State for any pre-paid amount. If City terminates this Permit due to any defaults made by State, or if State fails to perform any of its obligations under this Permit, then there will be no reimbursement of any pre-paid fees.

State hereby acknowledges that late payment by State to City of the use fees or other sums due hereunder will cause City to incur costs not contemplated by this Permit, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges. Accordingly, if the permit fee or any other sum due from State, shall not be received by City within fifteen (15) days after such amount shall be due, State shall pay to City a late charge of One Hundred Fifty Dollars (\$150). The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs City will incur by reason of late payment by State. Acceptance of such late charge by City neither constitutes a waiver of State's default with respect to such overdue amount, nor prevents City from exercising any of the other rights and remedies available to City.

### 6. TERM OF PERMIT; REVOCABILITY

The privilege given to State pursuant to this Permit is temporary only and shall commence on December 1, 2007, and continue on a month-to month basis unless sooner terminated pursuant to the terms hereof. Without limiting any of its rights hereunder, City may at its sole option freely revoke this Permit at any time, without cause and without any obligation to pay any consideration to State.

#### 7. INSURANCE

- (a) State shall procure and keep in effect at all times during the term of this Permit, at State's expense, and cause its contractors and subcontractors to maintain at all times during any construction activities on the Permit Area insurance as follows:
- (i) General 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 coverages for Contractual Liability, Personal Injury, Independent States, Explosion,

Collapse and Underground (XCU), Broadform Property Damage, Sudden and Accidental Pollution, Products Liability and Completed Operations;

- (ii) 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 coverages for owned, non-owned and hired automobiles, as applicable, and sudden and accidental pollution and
- (iii) Workers' Compensation Insurance with Employer's Liability Coverage with limits of not less than One Million Dollars (\$1,000,000) each accident.

State shall have the right to self-insure for any and all insurance required under this Section 7; provided State shall cause any of State's Agents, contractors and/or subcontractors using the Permit Area to comply with the applicable provisions of this Section 7 unless City agrees to waive the requirement with respect to a particular Agent, contractor or subcontractor.

Without limiting the foregoing, the City acknowledges and agrees as follows:

- 1. State has elected to be insured for its motor vehicle and general liability exposures through a self-insurance program. The State Attorney General administers the general liability program through an annual appropriation from the General Fund. The Office of Risk and Insurance Management administers the motor vehicle liability program.
- 2. Under this form of insurance, State and its employees (as defined in Gov't Code Section 810.2) are insured for any tort liability that may develop through carrying out official activities, including State official operations on non-State owned property. Should any claims arise by reason of such operations or under an official contract or license agreement, they should be referred to the: Attorney General, State of California, Tort Liability Section, 1300 I Street, Sacramento, CA 95814. Claims arising from operations of a State-owned vehicle should be forwarded to the: Office of Risk and Insurance Management, Auto Self-Insurance, 707 Third Street, West Sacramento, CA 95605.
- 3. State has entered into a Master Agreement with the State Compensation Insurance Fund to administer worker compensation benefits for all State employees, as required by the Labor Code.
- (b) All liability policies required hereunder shall provide for the following: (i) name as additional insureds the City and County of San Francisco, its officers, agents and employees; and (ii) specify that such policies are primary insurance to any other insurance available to the additional insureds, with respect to any claims arising out of State's use of the Permit Area and that insurance applies separately to each insured against whom claim is made or suit is brought. Such policies shall also provide for severability of interests and that an act or omission of one of the named insureds which would void or otherwise reduce coverage shall not reduce or void the coverage as to any insured, and shall afford coverage for all claims based on acts, omissions, injury or damage which occurred or arose out of State's use of the Permit Area (or the onset of which occurred or arose) in whole or in part during the policy period. Sudden and accidental pollution coverage in the liability policies required hereunder shall be limited to losses resulting from State's activities (and State's Agents and Invitees) under this Permit (excluding nonnegligent aggravation of existing conditions with respect to Hazardous Materials).
- (c) All policies shall be endorsed to provide thirty (30) days' prior written notice of cancellation, non-renewal or reduction in coverage to City.
- (d) Prior to the commencement date of this Permit, State shall deliver to City certificates of insurance and additional insured policy endorsements from insurers in a form

- (d) Prior to the commencement date of this Permit, State shall deliver to City certificates of insurance and additional insured policy endorsements from insurers in a form satisfactory to City, evidencing the coverages required hereunder, together with complete copies of the policies at City's request. In the event State shall fail to procure such insurance, or to deliver such policies or certificates, City may procure, at its option, the same for the account of State, and the cost thereof shall be paid to City within five (5) days after delivery to State of bills therefore.
- (e) 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.
- (f) Should any of the required insurance be provided under a claims made form, State shall maintain such coverage continuously throughout the term of this Permit and, without lapse, for a period of three (3) years beyond the Permit expiration, to the effect that, should any occurrences during the Permit term give rise to claims made after expiration of the Permit, such claims shall be covered by such claims-made policies.
- (g) Upon City's request, State 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 State for risks comparable to those associated with the Permit Area, then City in its sole discretion may require State to increase the amounts or coverage carried by State hereunder to conform to such general commercial practice.
- (h) State's compliance with the provisions of this Section shall in no way relieve or decrease State's indemnification obligations under this Permit or any of State's other obligations hereunder. Notwithstanding anything to the contrary in this Permit, this Permit shall terminate immediately, without notice to State, upon the lapse of any required insurance coverage. State shall be responsible, at its expense, for separately insuring State's personal property.

#### 8. SECURITY FOR PERFORMANCE

INTENTIONALLY OMITTED.

#### 9. COMPLIANCE WITH LAWS

State shall, at its expense, conduct and cause to be conducted all activities on the Permit Area allowed hereunder in a safe and prudent manner and in compliance with all applicable laws, regulations, codes, ordinances and orders of any governmental or other regulatory entity (including, without limitation, the Americans with Disabilities Act, to the extent applicable to State's use of the Permit Area), whether presently in effect or subsequently adopted and whether or not in the contemplation of the parties. State shall, at its sole expense, procure and maintain in force at all times during its use of the Permit Area any and all business and other licenses or approvals necessary to conduct the activities allowed hereunder. State understands and agrees that City is entering into this Permit in its capacity as a property owner with a proprietary interest in the Permit Area and not as a regulatory agency with police powers. Nothing herein shall limit in any way State's obligation to obtain any required regulatory approvals from City departments, boards or commissions or other governmental regulatory authorities or limit in any way City's exercise of its police powers.

#### 10. COVENANT TO MAINTAIN PERMIT AREA

In connection with its use hereunder, State shall at all times, at its sole cost, maintain the Permit Area in a good, clean, safe, secure, sanitary and sightly condition, so far as the Permit Area may be affected by State's activities hereunder. City shall in no way be liable for any loss, theft, damage or destruction to State's property and/or improvements for any cause whatsoever, including, but not limited to, City's negligence. State's sole remedy for any loss or City default is to terminate this Permit. City would not be willing to give this Permit without this provision, and State expressly assumes the risk with respect thereto.

#### 11. REMOVAL OR ALTERATION OF IMPROVEMENTS

Without limiting any of City's other rights hereunder, State shall promptly, at City's request, alter or remove at its sole expense any and all improvements or other property installed or placed in, on, under or about the Permit Area by State, as may be necessary to avoid any actual or potential interference with any public utilities now or later installed in, on, under or about the Permit Area, with the maintenance or repair thereof, or otherwise with any public trust uses or any other municipal operations or uses by City. In the event of an emergency City may, at its sole option and without notice, alter, remove or protect at State's sole expense, any and all facilities, improvements, plantings or other property installed or placed in, on, under or about the Permit Area by State if and to the extent such alternation removal or protection action is needed in light of the emergency. City recognizes that the State's equipment at the Permit Area may, in fact, be needed to ensure proper communication during an emergency, and City agrees that it will not remove the equipment when the equipment is so needed.

#### 12. SURRENDER

Upon the expiration of this Permit or within ten (10) days after any sooner revocation or other termination of this Permit, State shall surrender the Permit Area in the same condition as received, and broom clean, free from hazards, and clear of all debris. At such time, State shall remove all of its property from the Permit Area and any signs or any other improvements permitted hereunder, and shall repair, at its cost, any damage to the Permit Area caused by such removal. State's obligations under this Section shall survive any termination of this Permit.

# 13. WAIVER OF CLAIMS; WAIVER OF CONSEQUENTIAL AND INCIDENTAL DAMAGES

Neither City nor any of its commissions, departments, boards, officers, agents or employees shall be liable for any damage to the property of State, its officers, agents, employees, contractors or subcontractors, or their employees, or for any bodily injury or death to such persons, resulting or arising from the condition of the Permit Area or its use by State. Notwithstanding anything to the contrary herein, this Permit is made upon the express condition that City is to be free from all liability and claims for damages by reason or an injury to any person or persons, including State, or property of any kind whatsoever and to whomsoever belonging, including State, from any cause whatsoever while in, upon, or in any way connected with the Premises during the term of this Permit or any occupancy hereunder, except those arising out of the for the negligence of City. Without limiting any indemnification obligations of State or other waivers contained in this Permit and as a material part of the consideration for this Permit, State fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action 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 present or future laws, statutes, or regulations, including, but not limited to, any claim for relocation benefits, inverse condemnation or the payment of just compensation under the law of eminent domain, or otherwise at equity, for any losses arising out of this Permit or the use of the Permit Area, any

interference with State's use of the Permit Area, or for any termination or revocation of this Permit.

#### 14. REPAIR OF DAMAGE

If any portion of the Permit Area or any property of City located on or about the Permit Area is damaged by any of the activities conducted by State hereunder, State shall immediately, at its sole cost, repair any and all such damage and restore the Permit Area or property to its previous condition.

#### 15. SIGNS

State shall not place, erect or maintain any sign, advertisement, banner or similar object on or about the Permit Area, except for any temporary sign that is necessary for State's use so long as State first obtains City's written consent, which City may give or withhold in its sole discretion.

#### 16. LOCATION OF UTILITIES

City has no responsibility or liability of any kind with respect to any utilities that may be on, in or under the Permit Area. State has the sole responsibility to locate such utilities and protect them from damage. State shall arrange and pay for any necessary temporary relocation of City and public utility company facilities, subject to the prior written approval by City and any such utility companies of any such relocation. State shall be solely responsible for arranging and paying directly for any utilities or services necessary for its activities hereunder.

#### 17. CITY'S RIGHT TO CURE DEFAULTS BY PERMITTEE

If State fails to perform any of its obligations under this Permit, to restore the Permit Area or repair damage caused by State, its Agents or Invitees, or if State defaults in the performance of any of its other obligations under this Permit, then City may, at its sole option, remedy such failure for State's account and at State's expense by providing State with three (3) days' prior written or oral notice of City's intention to cure such default (except that no such prior notice shall be required in the event of an emergency as determined by City). Such action by City shall not be construed as a waiver of any rights or remedies of City under this Permit, and nothing herein shall imply any duty of City to do any act that State is obligated to perform. State shall pay to City upon demand, all costs, damages, expenses or liabilities incurred by City, including, without limitation, reasonable attorneys' fees, in remedying or attempting to remedy such default. State's obligations under this Section shall survive the termination of this Permit.

#### 18. NO COSTS TO CITY

State shall bear all costs or expenses of any kind or nature in connection with its use of the Permit Area, and shall keep the Permit Area free and clear of any liens or claims of lien arising out of or in any way connected with its use of the Permit Area.

#### 19. INDEMNITY

To the extent permissible under California Government Code Section 14662.5, State shall indemnify, defend and hold harmless City, its officers, agents, employees and contractors, and each of them, from and against any and all demands, claims, legal or administrative proceedings, losses, costs, penalties, fines, liens, judgments, damages and liabilities of any kind (collectively, "Losses"), caused by reason of uses authorized by this Permit, including (a) any injury to or death of any person or damage to or destruction of any property occurring in, on or about the Permit Area, or any part thereof, whether the person or property of State, its officers, agents,

employees, contractors or subcontractors (collectively, "Agents"), its invitees, guests or business visitors (collectively, "Invitees"), or third persons, relating use or activity under this Permit, (b) any failure by State to faithfully observe or perform any of the terms, covenants or conditions of this Permit, (c) the use of the Permit Area or any activities conducted thereon by State, its Agents or Invitees, or (d) any release or discharge, or threatened release or discharge, of any Hazardous Material caused by State, its Agents or Invitees, on, in, under or about the Permit Area, any improvements permitted thereon, or into the environment; except to the extent of Losses resulting from the negligence or willful misconduct of City or City's authorized representatives. The foregoing indemnity shall include, without limitation, reasonable attorneys' and consultants' fees, investigation and remediation costs and all other reasonable costs and expenses incurred by the indemnified parties, including, without limitation, damages for decrease in the value of the Permit Area and claims for damages or decreases in the value of adjoining property. State specifically acknowledges and agrees that it has an immediate and independent obligation to defend City 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 State by City and continues at all times thereafter. State's obligations under this Section shall survive the expiration or other termination of this Permit.

## 20. "AS IS" CONDITION OF PERMIT AREA; DISCLAIMER OF REPRESENTATIONS

State accepts the Permit Area in its "AS IS" condition, without representation or warranty of any kind by City, its officers, agents or employees, including, without limitation, the suitability, safety, or duration of availability of the Permit Area or any facilities on the Permit Area for State's use. Without limiting the foregoing, this Permit is made subject to all applicable laws, rules and ordinances governing the use of the Permit Area, and to any and all covenants, conditions, restrictions, easements, encumbrances, claims of title and other title matters affecting the Permit Area, whether foreseen or unforeseen, and whether such matters are of record or would be disclosed by an accurate inspection or survey. It is State's sole obligation to conduct an independent investigation of the Permit Area and all matters relating to its use of the Permit Area hereunder, including, without limitation, the suitability of the Permit Area for such uses. State, at its own expense, shall obtain such permission or other approvals from any third parties with existing rights as may be necessary for State to make use of the Permit Area in the manner contemplated hereby.

#### 21. NO ASSIGNMENT

This Permit is personal to State and shall not be assigned, conveyed or otherwise transferred by State under any circumstances. Any attempt to assign, convey or otherwise transfer this Permit shall be null and void and cause the immediate termination and revocation of this Permit.

#### 22. CESSATION OF USE

State will not terminate its activities on the Permit Area pursuant hereto without prior written notice to City.

#### 23. NO JOINT VENTURES OR PARTNERSHIP; NO AUTHORIZATION

This Permit does not create a partnership or joint venture between City and State as to any activity conducted by State on, in or relating to the Permit Area. State is not a State actor with respect to any activity conducted by State on, in, or under the Permit Area. The giving of this Permit by City does not constitute authorization or approval by City of any activity conducted by State on, in or relating to the Permit Area.

#### 24. 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. State acknowledges that it has read and understands the above statement of the City and County of San Francisco concerning doing business in Northern Ireland.

#### 25. NON-DISCRIMINATION

#### 25.1 Covenant Not to Discriminate

In the performance of this Permit, State covenants and agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability, height, weight or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status) against any employee of, any City employee working with, or applicant for employment with, State, in any of State's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by State.

#### 25.2 Subcontracts

State shall include in all subcontracts relating to the Permit Area a non-discrimination clause applicable to such subcontractor in substantially the form of <u>Subsection 25.1</u> above. In addition, State shall incorporate by reference in all subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all subcontractors to comply with such provisions. State's failure to comply with the obligations in this Subsection shall constitute a material breach of this Permit.

#### 26. TROPICAL HARDWOODS 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. State agrees that, except as permitted by the application of Sections 802(b) and 803(b), State shall not use or incorporate any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product in the performance of this Permit.

#### 27. NOTIFICATION OF LIMITATIONS ON CONTRIBUTIONS

Through its execution of this Permit, State acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the selling or leasing any land or building to or from the City whenever such transaction would require approval by a City elective officer or the board on which that City elective officer serves, from making any campaign contribution to the officer at any time from the commencement of negotiations for such contract until the termination of negotiations for such contract or three (3) months has elapsed from the date the contract is approved by the City elective officer, or the board on which that City elective officer serves.

#### 28. POSSESSORY INTEREST TAXES

State recognizes and understands that this Permit may create a possessory interest subject to property taxation and that State may be subject to the payment of property taxes levied on such interest under applicable law. State agrees to pay taxes of any kind, including possessory interest taxes, if any, that may be lawfully assessed on State's interest under this Permit or use of the Permit Area pursuant hereto and to pay any other taxes, excises, licenses, permit charges or assessments based on State's usage of the Permit Area that may be imposed upon State by applicable law. State shall pay all of such charges when they become due and payable and before delinquency provided State does not dispute the lawfulness of such tax.

#### 29. NO FRANCHISE RIGHT

#### INTENTIONALLY OMITTED

#### 30. PESTICIDE PROHIBITION

State shall comply with the provisions of Section 308 of Chapter 3 of the San Francisco Environment Code (the "Pesticide Ordinance") which (i) prohibit the use of certain pesticides on City property, (ii) require the posting of certain notices and the maintenance of certain records regarding pesticide usage and (iii) require State to submit to Real Estate Division, an integrated pest management ("IPM") plan that (a) lists, to the extent reasonably possible, the types and estimated quantities of pesticides that State may need to apply to the Permit Area during the term of this Permit, (b) describes the steps State will take to meet the City's IPM Policy described in Section 300 of the Pesticide Ordinance and (c) identifies, by name, title, address and telephone number, an individual to act as the State's primary IPM contact person with the City. In addition, State shall comply with the requirements of Sections 303(a) and 303(b) of the Pesticide Ordinance.

#### 31. PROHIBITION OF TOBACCO ADVERTISING

State acknowledges and agrees that no advertising of cigarettes or tobacco products is allowed on any real property owned by or under the control of the City, including the Permit Area. This prohibition includes the placement of the name of a company producing selling or distributing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. This prohibition does not apply to any advertisement sponsored by a state, local or nonprofit entity designed to communicate the health hazards of cigarettes and tobacco products or to encourage people not to smoke or to stop smoking.

#### 32. CONFLICTS OF INTEREST

Through its execution of this Permit, State acknowledges that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of 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 State becomes aware of any such fact during the term of this Permit, State shall immediately notify the City.

#### 33. NOTICES

Except as otherwise expressly provided herein, any notices given under this Permit 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 overnight courier, return receipt requested, with postage prepaid, addressed as follows:

City:

Real Estate Division

City and County of San Francisco 25 Van Ness Avenue, Suite 400 San Francisco, California 94102 Attn: Director of Property

State:

State of California

Department of General Services Real Estate Services Division

Lease Management 707 Third Street, 5<sup>th</sup> Floor

West Sacramento, California 95605

Attn: Beth Blair, Senior Real Estate Officer State Owned Leasing & Development

Notices herein shall be deemed given two (2) days after the date when it shall have been mailed if sent by first class, certified or overnight courier, or upon the date personal delivery is made.

#### 34. COUNTERPARTS

This Permit 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.

#### 35. GENERAL PROVISIONS

(a) This Permit may be amended or modified only by a writing signed by City and State. (b) No waiver by any party of any of the provisions of this Permit shall be effective unless in writing and signed by an officer or other authorized representative, and only to the extent expressly provided in such written waiver. (c) All approvals and determinations of City requested, required or permitted hereunder may be made in the sole and absolute discretion of the Director of Property or other authorized City official. (d) This instrument (including the exhibit(s) hereto) contains the entire agreement between the parties and all prior written or oral negotiations, discussions, understandings and agreements are merged herein. (e) The section and other headings of this Permit are for convenience of reference only and shall be disregarded in the interpretation of this Permit. (f) Time is of the essence. (g) This Permit shall be governed by California law and the City's Charter. (h) If either party commences an action against the other or a dispute arises under this Permit, the prevailing party shall be entitled to recover from the other reasonable attorneys' fees and costs. For purposes hereof, reasonable attorneys' fees of City shall be based on the fees regularly charged by private attorneys in San Francisco with comparable experience. (i) If State consists of more than one person then the obligations of each person shall be joint and several. (j) State may not record this Permit or any memorandum hereof. (k) Subject to the prohibition against assignments or other transfers by State hereunder, this Permit shall be binding upon and inure to the benefit of the parties and their respective heirs, representatives, successors and assigns. (1) In the event City sells or otherwise conveys the property burdened by this Permit this Permit shall automatically be revoked.

#### REMAINDER OF PAGE INTENTIONALLY BLANK

State represents and warrants to City that it has read and understands the contents of this Permit and agrees to comply with and be bound by all of its provisions.

## PERMITTEE:

STATE OF CALIFORNIA, acting by and through its DEPARTMENT OF GENERAL SERVICES, REAL ESTATE SERVICES DIVISION

By:

Jim Martin, Assistant Chief Real Property Services Section

CITY:

CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation

By:

AMY L. BROWN Director of Property

(pursuant to San Francisco Administrative

Code Section 23.22)

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

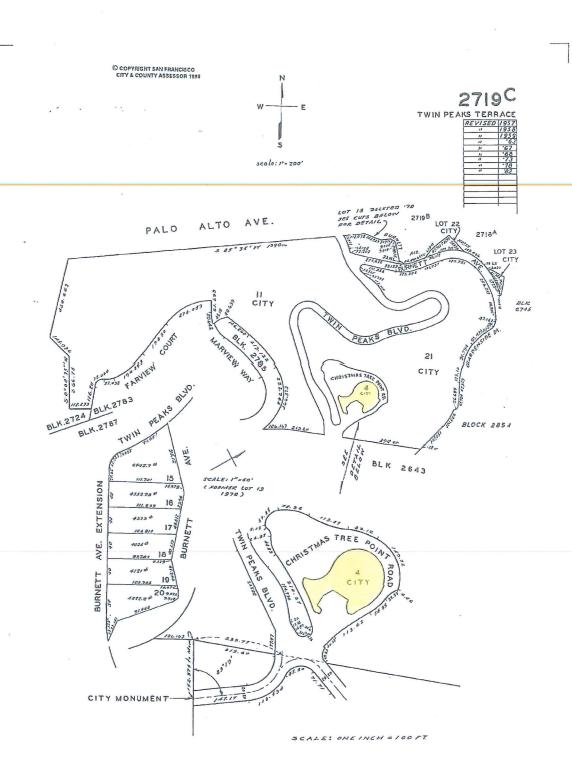
By:

Deputy City Attorney

Charles R. Sullivan

## EXHIBIT A

**Description of Permit Area** 



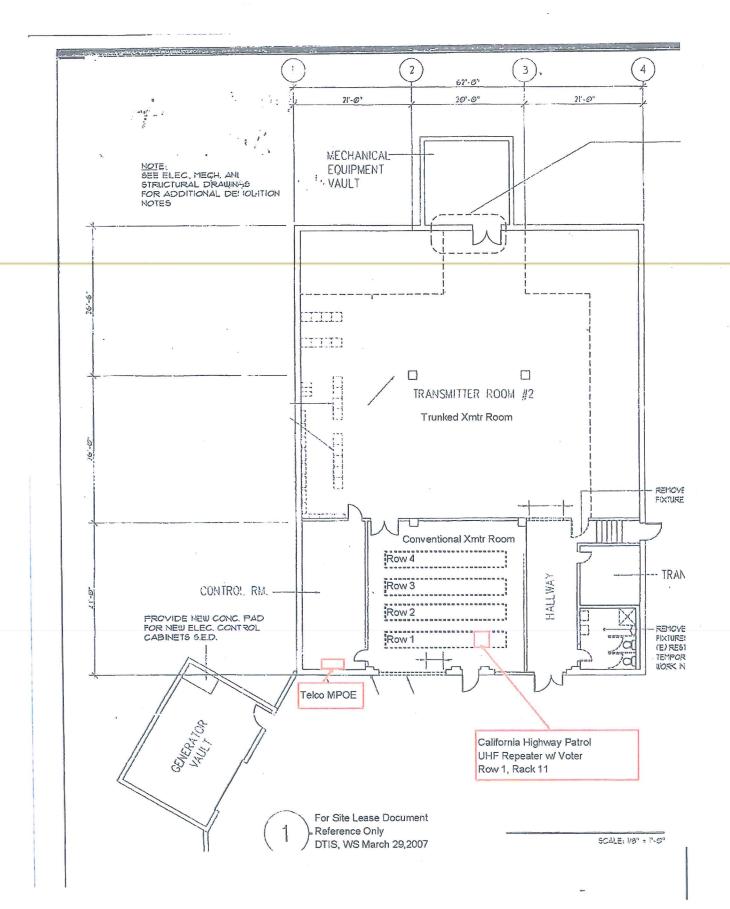


Exhibit A-1

