

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

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

The undersigned hereby declares this instrument to
be exempt from Recording Fees (CA Govt. Code
§27383) and Documentary Transfer Tax (CA Rev.
& Tax Code § 11922)

Documentary Transfer Tax: Zero

(Space above this line reserved for Recorder's use only)

**EASEMENT AGREEMENT
(Public Sidewalk Easement)**

This Easement Agreement ("**Agreement**") is made by and between GSW Arena LLC, a Delaware limited liability company ("**Grantor**"), and the City and County of San Francisco, a municipal corporation ("**City**"), with reference to the following facts:

A. Grantor is the owner of that certain real property situated in the City and County of San Francisco, State of California, commonly known as Mission Bay Blocks 29, 30, 31 and 32, described more particularly in Exhibit C attached to this Agreement ("**Burdened Property**"):

B. City desires an easement for pedestrian passage on, over and within that portion of the Burdened Property generally depicted as "Proposed Easement" on the Plat to Accompany Legal Description Public Sidewalk Easement ("**Plat**") attached as **Exhibit A** to this Agreement and more particularly described in **Exhibit B** attached to this Agreement.

C. As shown on Final Map No.8593, recorded as of _____, 20__ as Instrument No. _____ in the Official Records of the City and County of San Francisco, Grantor made an irrevocable offer of dedication of an easement to the City for public sidewalk purposes, subject to the terms set forth in this Agreement, and the City, in accordance with Board of Supervisors Ordinance No. _____, authorized the acceptance of the easement and recordation of this Agreement, subject to the covenants and restrictions set forth herein.

D. This Agreement is entered into by Grantor and City in order to provide the terms and conditions of the Public Sidewalk Easement (defined below), and among other matters, this Agreement prohibits the construction of any permanent structures within the area subject to the Public Sidewalk Easement that are not consistent with the use of the Easement Area for the Public Sidewalk Easement.

NOW, THEREFORE, in consideration of the foregoing Recitals and the covenants and agreements of the parties contained herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Grant of Public Sidewalk Easement. Subject to the provisions of this Agreement, Grantor hereby grants in perpetuity to City for the benefit of the public a nonexclusive, irrevocable easement solely for pedestrian access, passage, ingress, and egress for public sidewalk purposes (“**Public Sidewalk Easement**”), over the portions of the Burdened Property described more particularly on the Plat and more particularly described in **Exhibit B** attached to this Agreement from the surface and (collectively, the “**Easement Area**”). The Easement Area shall be free of any obstructions. The Easement Area and the sidewalk and curb improvements thereon shall be subject to the provisions of San Francisco Public Works Code Section 706, or any successor ordinance concerning sidewalk maintenance.

2. Limitation on Use. City acknowledges that the easement granted herein is nonexclusive. Grantor, its successors, assigns, grantees, and licensees, shall have the right to use the Easement Area in a manner that will not unreasonably interfere with the use of the Easement Area for the Public Sidewalk Easement, which may include, without limitation, building overhangs, and building projections (such as awnings, marquees, signs and decorative elements), that in all cases provide a minimum of 7½ feet of vertical clearance from the sidewalk or other surface above which it is situated or such greater vertical clearance as may be required by the San Francisco Building Code. Grantor, its successors, assigns, grantees, and licensees shall maintain the Easement Area in a manner that provides an unobstructed path of travel that is free from any temporary or permanent physical obstructions (including without limitation, street furniture, such as benches, planters, tables and chairs, merchandise displays, signboards, and information kiosks), except for temporary obstructions reasonably required (i) in connection with the installation, maintenance, repair or replacement of structural elements of or utility facilities serving the improvements now or hereafter located on the Burdened Property, pursuant to City-issued permits (provided that the improvements to the Easement Area shall be promptly restored) or (ii) as needed for such activities not requiring City-issued permits, such as window-washing, which may require a limited use of the sidewalk for a temporary and reasonable period.

3. Term of Easement. The term of the Public Sidewalk Easement described in Section 1 of this Agreement shall be perpetual. City, may, however, terminate this easement at any time as to all or any portion of the Easement Area by written notice to the Grantor.

4. Condition of Burdened Property and Easement Area.

(a) As-Is. Grantor makes no representations or warranties whatsoever, under this Agreement with respect to the current physical condition of the Burdened Property and Grantor shall have no responsibility under this Agreement with respect thereto (except as otherwise specifically set forth herein). The use of the Public Sidewalk Easement granted herein shall be with the Burdened Property in its “as is” physical condition, except as otherwise specifically provided herein. City hereby waives any and all claims against Grantor arising from, out of or in connection with the suitability of the physical condition of the Burdened Property for the uses permitted under Section 2 above. However, Grantor shall not take any action that would unreasonably impair the ability of the public to use the Public Sidewalk Easement granted herein.

(b) No Interference. Notwithstanding the provisions of Section 4(a) above, neither Grantor nor any subsequent fee owner of the Burdened Property, nor their successors and assigns as to all or any portion of such fee, nor any party claiming an interest in the Burdened Property through any such party, shall construct or permit any structures on the Easement Area

that would interfere with or obstruct the use of the Easement Area for the Public Sidewalk Easement without the City's prior written approval, which City may withhold in its sole discretion.

(c) Maintenance. Grantor shall maintain the Easement Area, including, without limitation, the sidewalk and curb improvements thereon, in a safe condition and in such physical condition as specified in City's Public Works Code, and in accordance with San Francisco Public Works Code Section 706, or any successor ordinance concerning sidewalks or sidewalk areas, including curbs, parking strips, parkways, automobile runways, and vegetation maintenance. Grantor shall perform such repair and maintenance at Grantor's expense and to the reasonable satisfaction of City.

(d) Initial Improvements. Grantor shall construct a sidewalk on the Easement Area at Grantor's expense, to City standards, in compliance with all laws and to the satisfaction of City in accordance with the Improvement Plans and Specifications prepared for FOCIL MB, LLC by Freyer and Laureta, Inc., entitled "[_____]", with [Job Number _____], dated [_____], 2015, approved by the City in accordance with that certain Mission Bay South Blocks 29-32 Public Improvement Agreement, dated _____, 2015.

5. No Liability; Indemnity.

(a) No Liability. City, by acceptance of the Public Sidewalk Easement, shall not in any event whatsoever be liable for any injury or damage to any person happening on or about the Easement Area or the Burdened Property, for any injury or damage to the Burdened Property, or to any property of any tenant or occupant, or to any property of any other person, entity or association on or about the Burdened Property, except only such injury or damage as is caused exclusively by the willful misconduct or gross negligence of the City.

(b) Indemnification. Grantor, and each successor and assign to Grantor holding an interest in the Burdened Property (collectively called "**Indemnitors**"), shall defend, hold harmless and indemnify the City, including but not limited to all of its boards, commissions, departments, agencies and other subdivisions, and their respective officers, directors, commissioners, employees and agents (collectively, "**Indemnified Parties**"), of and all liabilities, penalties, costs, damages, expenses, causes of action, claims or judgments (including without limitation attorneys fees) (collectively, "**Indemnified Claims**"), resulting from: (i) injury or the death of any person (including without limitation any Indemnified Party) or physical damage to property, real or personal, of any kind wherever located and by whomever owned (including, without limitation, property owned by an Indemnified Party), occurring in the Easement Area; (ii) any default by an Indemnitor in the observation or performance of any of the terms, covenants or conditions of this Agreement to be observed or performed on such Indemnitor's part; (iii) any use of the Easement Area or actions on the Easement Area by or on behalf of any Indemnitor; and (iv) the use, generation, processing, production, packaging, treatment, storage, emission, discharge or disposal of Hazardous Materials (as that term is defined below) by any party other than City or its employees, contractors or agents on or about the Easement Area; however, Indemnitor shall have no obligation to indemnify, defend or hold harmless any Indemnified Party to the extent any Indemnified Claims arise out of or result from the gross negligence or willful misconduct of any Indemnified Party. Grantor, on behalf of the Indemnitors, specifically acknowledges and agrees that the Indemnitors have an immediate and independent obligation to defend the Indemnified Parties from any claim which actually or

potentially falls within this indemnity even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such Indemnified Claim is tendered to any applicable Indemnitor. Indemnitors' obligations under this Section 5 shall survive termination of the Easements as to any indemnification obligation arising out of an event or conditions occurring prior to such termination. For purposes of this Section 5, the term "Hazardous Materials" shall mean any substance, material or waste that, because of its quantity, concentration, or physical or chemical characteristics, poses a significant present or potential hazard to human health and safety or to the environment, including, but not limited to petroleum, petroleum-based products, natural gas, or any substance, material, or waste that is or shall be listed, regulated or defined by federal, state or local statute, regulation, rule, ordinance or other governmental requirement to be hazardous, acutely hazardous, extremely hazardous, toxic, radioactive, biohazardous, infectious, or otherwise dangerous.

6. Enforcement. City, but not the general public, shall have all rights and remedies at law and in equity in order to enforce the Public Sidewalk Easement and the terms of this Agreement (including, but not limited to, remedies for violation of a building permit or San Francisco Public Works Code Section 706, or any successor ordinance concerning sidewalk maintenance). All rights and remedies available to City under this Agreement or at law or in equity shall be cumulative and not alternative, and invocation of any such right or remedy shall not constitute a waiver or election of remedies with respect to any other available right or remedy. In the event of any breach of this Agreement, the City shall be entitled to recover all attorneys' fees and costs reasonably incurred in connection with City's enforcement activities and actions.

7. Litigation Expenses.

(a) General. If either party hereto brings an action or proceeding (including any cross-complaint, counterclaim, or third-party claim) against the other party by reason of a default, or otherwise arising out of this Agreement, the prevailing party in such action or proceeding shall be entitled to its costs and expenses of suit, including but not limited to reasonable attorneys' fees, which shall be payable whether or not such action is prosecuted to judgment. "Prevailing party" within the meaning of this Section 7 shall include without limitation, a party who dismisses an action for recovery hereunder in exchange for payment of the sums allegedly due, performance of covenants allegedly breached, or consideration substantially equal to the relief sought in the action.

(b) Appeal. Attorneys' fees under this Section shall include attorneys' fees on any appeal, and, in addition, a party entitled to attorneys' fees shall be entitled to all other reasonable costs and expenses incurred in connection with such action.

(c) Fee Award for City's Attorneys. For purposes of this Agreement, reasonable fees of attorneys of the City's Office of City Attorney shall be based on the fees regularly charged by private attorneys with an equivalent number of hours of professional experience in the subject matter area of the law for which City's counsel's services were rendered who practice in the City and County of San Francisco, State of California, in law firms with approximately the same number of attorneys as employed by the Office of City Attorney.

8. Time. Time is of the essence of this Agreement and each and every part hereof.

9. Amendment. This Agreement may be amended or otherwise modified only in writing signed and acknowledged by Grantor and City, or the respective successors and assigns of each.

10. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

11. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be entitled to be the original and all of which shall constitute one and the same agreement.

12. References; Titles. Wherever in this Agreement the context requires, reference to the singular shall be deemed to include the plural. Titles of sections and paragraphs are for convenience only and neither limit nor amplify the provisions of this Agreement.

13. Notices.

(a) Notices. Any notice given under this Agreement shall be in writing and given by delivering the notice in person, by commercial overnight courier that guarantees next day delivery and provides a receipt, or by sending it by registered or certified mail, or Express Mail, return receipt requested, with postage prepaid, to the mailing address listed below or any other address notice of which is given.

Grantor: GSW Arena LLC
1011 Broadway
Oakland, California 95607
Attention: David Kelly, Esq.

with copies to: Gibson, Dunn & Crutcher LLP
555 Mission Street
San Francisco, California 94105
Attention: Neil Sekhri

City: Director of Department of Public Works
Department of Public Works
City and County of San Francisco
Room 348, City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, California 94102

with copies to: City Attorney, City of San Francisco
Room 234, City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, California 94102-4682
Attention: John Malamut, Esq.

and to: Director of Property
Real Estate Department

25 Van Ness Avenue, Suite 400
San Francisco, California 94108

Any mailing address may be changed at any time by giving written notice of such change in the manner provided above at least ten (10) days prior to the effective date of the change. All notices under this Agreement shall be deemed given, received, made or communicated on the date personal receipt actually occurs or, if mailed, on the delivery date or attempted delivery date shown on the return receipt.

(b) Construction Notices. Grantor shall provide prior written notice to City of any planned construction or installation activities in or affecting the Easement Area to City at the following address:

Director of Department of Public Works
c/o Barbara Moy
30 Van Ness Avenue, Suite 4200
San Francisco, California 94102

14. Exclusive Benefit of Parties. The provisions of this Agreement are for the exclusive benefit of Grantor and City and their successors and assigns, subject to the provisions hereof, and not for the benefit of nor give rise to any claim or cause of action by any other person; and this Agreement shall not be deemed to have conferred any rights upon any person except Grantor and City. Nothing herein shall be deemed a dedication of any portion of the Burdened Property to or for the benefit of the general public.

15. Severability. If any provision of this Agreement shall to any extent be invalid or unenforceable, the remainder of this Agreement (or the application of such provisions to persons or circumstances other than those in respect of which it is invalid or unenforceable) shall not be affected thereby, and each provision of this Agreement, unless specifically conditioned upon such invalid or unenforceable provision, shall be valid and enforceable to the fullest extent permitted by law.

16. Entire Agreement. This Agreement, together with any attachments hereto or inclusions by reference, constitute the entire agreement between the parties on the subject matter hereof, and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties hereto with respect to the easement which is the subject matter of this Agreement.

17. Compliance With Laws. Grantor, at Grantor's expense, shall comply with all laws, statutes, ordinances, rules and regulations of federal, state and local authorities (including, without limitation, City itself) having jurisdiction over the Easement Area, now in force or hereafter adopted, with respect to the use by the public of the Easement Area under the authority of the easement herein granted.

18. Default. The failure to perform any covenant or obligation of a party hereunder and to cure such non-performance within thirty (30) days of written notice by the party to whom performance is owed shall constitute a default hereunder, provided that if more than thirty (30) days are reasonably required for such cure, no event of default shall occur if the defaulting party commences such cure within such period and diligently prosecutes such cure to completion.

Upon such default, the non-defaulting party shall be entitled to all remedies and means to cure or correct such default, both legal and equitable, allowed by operation of law except termination of the easement herein granted.

19. Burden on Land. The Public Sidewalk Easement created by this Agreement shall be a burden on the Burdened Property, which burden shall run with the land and shall be binding on any future owners and encumbrances of the Burdened Property or any part thereof and their successors and assigns.

[No further text this page.]

20. Survival. All representations, warranties, and waivers given or made hereunder shall survive termination of this Agreement.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto on _____, 20__.

CITY:

CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation

By: _____
JOHN UPDIKE
Director of Property

GRANTOR:

GSW Arena LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM:

DENNIS HERRERA,
City Attorney

By: _____
Deputy City Attorney

DESCRIPTION CHECKED/APPROVED:

Bruce Storrs P.L.S. Date
City and County Surveyor
City and County of San Francisco
LS 6914
Expires _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
) ss
County of San Francisco)

On _____, before me, _____, a notary public in and for said State, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
) ss
County of San Francisco)

On _____, before me, _____, a notary public in and for said State, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

(Notary Seal)

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by this Easement Agreement dated _____, from the grantor to the City and County of San Francisco, a charter city and county, is hereby accepted by the Director of Real Estate Division of the Office of the City Administrator in accordance with the authority granted by Board of Supervisors' Ordinance No. _____, adopted on _____, 201_, and the grantee consents to recordation thereof by its duly authorized officer.

Dated: _____

CITY AND COUNTY OF SAN FRANCISCO

By: _____
JOHN UPDIKE
Director of Property

EXHIBIT A

**Plat to Accompany Legal Description
Public Sidewalk Easement**

EXHIBIT B

**Legal Description
Easement Area**

EXHIBIT C

Legal Description of Grantor's Property