

September 25, 2014

VIA ELECTRONIC MAIL

Ms. Dana Ketcham
City and County of San Francisco
Recreation and Park Department
McLaren Lodge
San Francisco, California 94117

RE: Request for Additional Interim Uses

Dear Ms. Ketcham:

As you are aware, the City and County of San Francisco, a municipal corporation, represented by the Mayor, acting through its Recreation and Park Department (the “**City**” or “**RecPark**”), and CP Development Co., LP, a Delaware limited partnership (“**Developer**”), are parties to that certain License and Permit to Enter, dated as of March 5, 2014 (as amended and supplemented, the “**License Agreement**”) under which RecPark grants Developer access to the Permit Area (as defined in the License Agreement).

Under section 1.a of the License Agreement, Developer may from time to time request the written consent of RecPark’s General Manager for additional Interim Uses. Any such request shall include documentation describing any such additional Interim Use, including, as applicable, the work plan for any Physical Activities, the identity of the persons who will perform the work and the time periods for completion of the work.

Developer hereby requests written consent for the following additional Interim Uses:

1. As of October 20, 2014, to place clean soils in the Soil Stockpile Area of the parking lot as identified in Exhibit 1, subject to the terms of this License Agreement and all applicable law and regulation, including any applicable Mitigation Measures that may be triggered by such work.
2. As of October 20, 2014 and through October 31, 2014, subject to all applicable law and regulation and the terms of this License Agreement, to initiate hazardous material remediation in the Permit Area; provided that Developer shall provide RecPark at least 5 business days advance written notice of the area where any work is proposed to be performed (the “Advanced Remediation Area”), that such notice advises RecPark of any reasonably foreseeable impact the proposed work may have on any assets identified in Exhibit 2 or the removal of such assets from the Permit Area, and RecPark approves in writing the proposed work in the Advanced Remediation Area.

3. As of November 1, 2014, to undertake the following additional lawful activities in the Permit Area, subject to all applicable law and regulation and the terms of this License Agreement: hazardous material remediation, removal of industrial assets and equipment, pre-demolition activities and demolition activities without need for the written notice to and approval from RecPark required in paragraph 2 above.

Developer understands that RecPark's consent to the above additional Interim Uses shall not be effective unless and until this request is approved by the Recreation and Park Commission. Developer further understands that RecPark's consent is based on Developer's representation and warranty that Developer has executed a contract with Heritage Global, Inc. ("HGI"), under which HGI has released and waived any and all known and unknown claims that HGI may have now and/or in the future against the City, RecPark, the Successor Agency to the Redevelopment Agency of the City and County of San Francisco, the Office of Community Investment and Infrastructure Successor Agency and their respective officers, and employees as third party beneficiaries, arising from any HGI activities relating to the stadium or the Permit Area, including activities occurring before and after October 31, 2014. The parties understand and agree that this release and waiver from HGI is a material part of the consideration for RecPark's consent to the additional Interim Uses, and RecPark would not be willing to consent to Developer's request for additional Interim Uses without such release and waiver.

All of the additional Interim Uses shall be performed in accordance with and subject to the requirements of the License Agreement, and RecPark's consent is subject to the following additional terms and conditions:

- a. During the period from October 20, 2014 to October 31, 2014, to the extent that Developer initiates any work under 1 or 2 above, Developer shall provide all security and oversight necessary to ensure that such activities are conducted in conformance with this authorization, including ensuring that all employees and contractors are only provided access to the areas needed to complete their work.
- b. As of November 1, 2014, Developer shall assume all right and responsibilities to manage, secure, repair and maintain the Permit Area, including the provision of any necessary utility services, and shall provide adequate security to ensure safety at all times and to prevent theft and unauthorized trespass by third parties. The parties understand and agree that as of November 1, 2014, RecPark shall have no continuing obligation to perform or contract for performance of any maintenance, repair, replacement or other activity in or around the Permit Area, including maintenance of escalators, elevators or lighting or provision of janitorial service. Notwithstanding the provisions of this paragraph, Developer agrees to cooperate with RecPark in the transfer of utility accounts to Developer, provided that any utility or other services delivered to the Permit Area on or after October 31, 2014 shall be at Developer's sole cost.
- c. As of November 1, 2014, Developer assumes full responsibility for lawful disposition of any assets, equipment, and personal property RecPark may leave in the Permit Area except as provided in paragraph d below.

- d. Notwithstanding Section 4 of the License Agreement, in consideration for RecPark's early authorization for Developer to assume full control over the Permit Area and for RecPark's forbearance from selling certain industrial assets from which RecPark expected to obtain salvage value, Developer shall pay RecPark a license fee in the amount of \$236,000 within ten days following approval of this authorization by the Recreation and Park Commission. If Developer fails to pay this amount, RecPark may immediately suspend or terminate this authorization and Developer's right to perform the additional Interim Uses. Upon RecPark's receipt of Developer's payment pursuant to this paragraph, Developer shall, as of November 1, 2014 take ownership of (and title shall pass to Developer for) all assets, equipment, materials, salvageables, fixtures and other items in the Candlestick Park Stadium, except the following assets identified in Exhibit 2: the St. Francis Statue, the generators, the "Signature Wall" and the Pump Station in the Main Parking Lot. Developer shall take all reasonable steps to preserve and protect the St. Francis Statue, the "Signature Wall" and the generators and shall cooperate in good faith with City's removal of these assets. Developer has requested authority to make use of the Pump Station in the Main Parking Lot. Rec Park will leave the pump station in the Permit Area for Developer use, provided that Developer shall, no later than the date of transfer of title of the Permit Area to Developer, deliver the pump station to a location specified by Rec Park.
- e. This authorization of additional Interim Uses is approved under and shall become part of Exhibit B to the License Agreement. All activities by Developer or its agents in connection with the additional Interim Uses shall be subject to all the terms and conditions set forth in the License Agreement. Any third party dispute or claim related to the Permit Area or Developer's rights and obligations related to the additional Interim Uses from and after the effective date of this consent shall be the responsibility of Developer and shall be subject to the indemnification under Section 5 of the License Agreement.
- f. Developer shall keep RecPark reasonably informed of any material matters relating to its removal activities and other activities authorized by the additional Interim Uses. RecPark shall have the right to access the Permit Area at all times, and, except as may require to respond to an emergency, shall, on or after October 31, 2014, provide Developer with 48 hours advanced notice, delivered to an individual identified by Developer, of any planned entry to the Permit Area.
- g. The insurance coverage requirements in 10.a of the License Agreement shall be increased from \$3 million to \$10 million.

Please confirm your consent to the additional Interim Uses by countersigning the appropriate space below. Upon our receipt of your consent, (1) the additional Interim Uses as described in this request shall become an Interim Use under the License Agreement without conditions or limitations except as set forth in this consent, and (2) this request and your consent will be attached to the License Agreement as part of Exhibit B.

Sincerely,

CP DEVELOPMENT CO., LP,
a Delaware limited partnership

By: CP/HPS DEVELOPMENT CO. GP, LLC
a Delaware limited liability company,
its General Partner

By: _____
Name: _____
Title: _____

ACKNOWLEDGED AND AGREED:

City and County of San Francisco,
a municipal corporation

Philip A. Ginsburg
General Manager, Recreation and Park Department

cc: San Francisco City Attorney's Office
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, California 94102
Attention: RE/Finance

Exhibits:

- 1 Soil Stockpile Area
- 2 Remaining City Assets

EXHIBIT 1



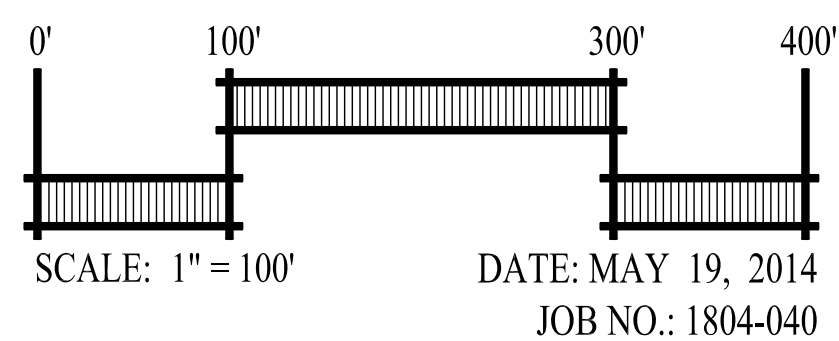
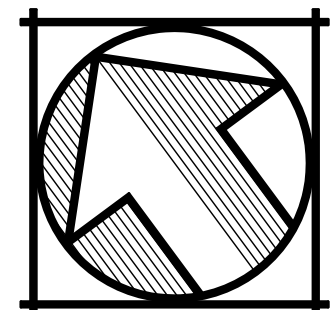
NOTES:

1) INTERNAL LINES ARE PRELIMINARY AND ARE SUBJECT TO CHANGE.

PRELIMINARY

EXHIBIT CANDLESTICK POINT

CITY AND COUNTY OF SAN FRANCISCO CALIFORNIA



	Carlson, Barbee & Gibson, Inc. CIVIL ENGINEERS • SURVEYORS • PLANNERS
	2633 CAMINO RAMON, SUITE 350 SAN RAMON, CALIFORNIA 94583
	(925) 966-0322 www.cbng.com

Exhibit 2

Remaining City Assets

A. The City intends to remove the following assets from the Permit Area. In accordance with paragraph 2, Developer shall identify any reasonably foreseeable impacts any Developer activities may have on any of the following assets or City's removal of the following assets:

- 1) 175K Generator - CAT 00C66EN601947
- 2) 175K Generator - CAT 00C66EN601998
- 3) 150K Generator - Kohler s/n 385463
- 5) HVAC System – Near Stadium Gate B
- 6) Two (2) Large Ice Machines – Press Box and Luxury Suites
- 7) Serving Line(s) from Stadium Club
- 8) Any and all City vehicles
- 9) Luxury Suite Seats and Stadium Seats
- 10) Stadium Club Bar
- 11) St. Francis Statue – Stadium Gate B
- 12) Assets owned by Centerplate and offered for auction by Heritage Global Partners, Inc.
- 13) Players' lockers
- 14) "Signature Wall"
- 15) Pump Station in Main Parking Lot