



March 16, 2015

Ken Alex, Governor's Office of Planning and Research
Kurt Karperos, California Air Resources Board

Re: Greenhouse Gas Emissions Offset Commitments

Dear Mr. Alex and Mr. Karperos:

This letter is a supplement to the application filed on February 19, 2015 by GSW Arena LLC (the "Project Sponsor"), an affiliate of Golden State Warriors, LLC, which entity owns and operates the Golden State Warriors National Basketball Association team, and is the project sponsor of the Golden State Warriors event center and mixed-use development project located at Blocks 29-32 in the South Mission Bay Area of San Francisco (the "Project").

As you know, the Project Sponsor has applied for certification by the Governor as a leadership project under the Jobs and Economic Improvement Through Environmental Leadership Act of 2011, as amended (collectively, "AB 900" or the "Act"). The application includes projected emissions for the Project that show certain projected net additional emissions of greenhouse gases as a result of the construction of the Project and as a consequence of Project operations. The Project Sponsor agrees to meet the requirement set forth in California Public Resources Code Section 21183 (c), which requires that the Project demonstrate that it will not result in net additional emissions of greenhouse gases, through the acquisition of voluntary carbon credits sufficient to offset all projected additional emissions, in the following manner:

1. No later than six (6) months after the issuance of a Temporary Certificate of Occupancy for the Project, the Project Sponsor shall provide to the lead agency, the Office of Community Investment and Infrastructure ("OCII"), a calculation of the net additional emissions resulting from the construction of the Project (the "Construction Emissions"), to be calculated in accordance with the methodology agreed upon by the Air Resources Board (ARB) in connection with the AB 900 certification of the Project (the "Agreed Methodology"). Project Sponsor shall provide courtesy copies of the calculations to the ARB and the Governor's Office promptly following transmittal of the calculations to OCII. Project Sponsor shall enter into one or more contracts to purchase voluntary carbon credits from a qualified greenhouse gas emissions broker in an amount sufficient to offset the Construction Emissions. The Project Sponsor shall provide courtesy copies of any such

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contracts to the ARB and the Governor's Office promptly following the execution of such contracts.

2. No later than six (6) months after Project Stabilization, to be defined as the date following Project completion when the Project is ninety percent (90%) leased and occupied (and with respect to the arena component, of the Project, ninety percent (90%) of the available booking dates are utilized), the Project Sponsor shall submit to OCII a projection of operational emissions arising from the Project, based on data accumulated to that date and reasonable projections of operational emissions for the useful life of the Project of [thirty (30)] years, to be calculated in accordance with the Agreed Methodology (the "Operational Emissions"). The Project Sponsor shall provide courtesy copies of the calculations to the ARB and the Governor's Office promptly following transmittal to OCII. Project Sponsor shall enter into one or more contracts to purchase voluntary carbon credits from a qualified greenhouse gas emissions broker in an amount sufficient to offset the Operational Emissions, on a net present value basis in light of the fact that Project Sponsor is proposing to acquire such credits in advance of any creation of the emissions subject to the offset. The Project Sponsor shall provide courtesy copies of any such contracts to the ARB and the Governor's Office promptly following the execution of such contracts.

The commitments outlined herein will be incorporated into the the Project's Final Subsequent Environmental Impact Report (FSEIR) as a proposed improvement measure. The Project Sponsor will agree to comply with all improvement measures and mitigation measures contained in the FSEIR through the Project's Mitigation Monitoring and Reporting Program, which represents a binding and enforceable agreement with the Project's lead agency, the Office of Community Investment and Infrastructure (OCII).

Please do not hesitate to call if you have any questions.

Sincerely,

David Kelly
General Counsel, GSW Arena LLC

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