

**MISSION BAY SOUTH BLOCK 1  
PUBLIC IMPROVEMENT AGREEMENT**

This Mission Bay South Block 1 Public Improvement Agreement for construction of certain public improvements (the "**Agreement**") is entered into this \_\_\_\_ day of \_\_\_\_\_, 2015, by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation of the State of California (the "**City**") and 1000 Channel Street (SF) Owner, LLC, a Delaware limited liability company ("**1000 Channel Street Owner**"); and sometimes referred to herein as "**Subdivider**", with reference to the following facts.

Except as specifically defined herein, capitalized terms shall have the meaning given in the Subdivision Code of the City and County of San Francisco for the Mission Bay Project Area, including the Mission Bay Subdivision Regulations, (the "**Code**") or the Mission Bay South Redevelopment Plan (the "**Redevelopment Plan**"), or the Redevelopment Plan's implementing documents.

RECITALS

A. Catellus Development Corporation, a Delaware corporation ("**Catellus**") was the owner of certain property, including Block 8714 Lot 1 and Block 8715, Lot 1 as shown in that certain Final Map entitled Mission Bay Transfer Map filed for record on July 19, 1999 in Book Z of Maps, at Pages 97-119 ("**Mission Bay Transfer Map**"). Subsequently, Catellus filed a Lot Line Adjustment to reconfiguring Block 8714, Lot and Block 8715, Lot 1 into new parcels described as Block 8715, Lots 2 and 3. Said Lot Line Adjustment was recorded on August 30, 2000 as Document No. 2000-G822047. Effective on December 1, 2003, Catellus merged with and into Catellus Operating Limited Partnership, a Delaware corporation ("**COLP**"). Effective December 31, 2003, COLP contributed certain properties, including the Block 1 Parcels, and all of its right, title, interest and obligations with respect thereto, to Catellus Land and Development Corporation ("**CLDC**"). On October 22, 2004, CLDC transferred certain properties to

FOCIL-MB, LLC ("**FOCIL**"), including the said Block 1 Parcels, and all of its right, title, interest and obligations with respect thereto.

B. The City vacated portions of Fourth Street pursuant to Ordinance No. 259-05 and transferred the lands, including that portion of Fourth Street described as Assessor's Block 8713, Lot 3, to FOCIL per that certain Quitclaim Deed recorded on February 2, 2006 as Document No. 2006-I121832. Subsequently, FOCIL filed a Lot Line Adjustment that was recorded on January 28, 2010 as Document No. 2010-1918733, which reconfigured Block 8713, Lot 003 and Block 8715, Lots 2 and 3 into Block 8715 Lots 4 and 5.

C. The Redevelopment Agency of the City and County of San Francisco (the "**Former Agency**") and Catellus entered into that certain Mission Bay South Owner Participation Agreement dated as of November 16, 1998 (the "**Original OPA**") and recorded December 3, 1998 as Document No. 98-G477258-00 in the Official Records of San Francisco County (the "**Official Records**"), which was amended by a First Amendment to Mission Bay South Owner Participation Agreement (the "**First OPA Amendment**") dated as of February 17, 2004 and recorded March 3, 2004 as Document No. 2004H669955 in the Official Records, between Former Agency and CLDC, a Second Amendment to Mission Bay South Owner Participation Agreement (the "**Second OPA Amendment**") dated as of November 1, 2005 and recorded November 30, 2005 as Document No. 2005I080843 in the Official Records, between Former Agency, CLDC, and FOCIL, as the successor in interest to all of CLDC's rights and obligations under the Original OPA, and by a Third Amendment to the Mission Bay South Owner Participation Agreement (the "**Third Amendment**"), dated as of May 21, 2013 and recorded on December 9, 2013 as Document No. 2013J802261 in the Official Records, between the Successor Agency (as defined in Recital D below), and FOCIL. The Original OPA, as amended by the First OPA Amendment, the Second OPA Amendment and the Third OPA Amendment shall be referred to in this Agreement as the "**South OPA**".

D. On February 1, 2012, the Former Agency was dissolved pursuant to the provisions of California State Assembly Bill No. 1X 26 (Chapter 5, Statutes of 2011-12, First Extraordinary Session) (“AB 26”), codified in relevant part in California’s Health and Safety Code Sections 34161 – 34168 and upheld by the California Supreme Court in *California Redevelopment Assoc. v. Matosantos*, 153 Cal.4<sup>th</sup> 231 (2011). On June 27, 2012, AB 26 was subsequently amended in part by California State Assembly Bill No. 1484 (Chapter 26, Statutes of 2011-12) (“**AB 1484**”) (together, AB 26 and AB 1484, as amended from time to time, are referred to as the “**Redevelopment Dissolution Law**”). Pursuant to the Redevelopment Dissolution Law, all of the Former Agency’s assets and obligations were transferred to the Successor Agency to the Redevelopment Agency of the City and County of San Francisco, a public body organized and existing under the laws of the State of California (the “**Successor Agency**”), commonly known as the Office of Community Investment and Infrastructure. Accordingly, the Successor Agency assumed the obligations under the Mission Bay South Redevelopment Plan and the South OPA, which remain in effect.

E. Under the Redevelopment Dissolution Law, a successor agency has the continuing obligation, subject to certain review by an oversight board and the State of California’s Department of Finance (“**DOF**”), to implement “enforceable obligations” which were in place prior to the suspension of such redevelopment agency’s activities on June 28, 2011, the date that AB 26 was approved. The Redevelopment Dissolution Law defines “enforceable obligations” to include bonds, loans, judgments or settlements, and any “legally binding and enforceable agreement or contract that is not otherwise void as violating the debt limit or public policy” (Cal. Health & Safety Code § 34171(d)(1)(e)), as well as certain other obligations, including but not limited to requirements of state law and agreements made in reliance on pre-existing enforceable obligations. The South OPA meets the definition of “enforceable obligations” under the Redevelopment Dissolution Law.

F. On May 17, 2012, FOCIL transferred the property described as Assessor's Block 8715, Lot 4 (the “**Block 1 Property**”) to Block 1 Associates, LLC (“**Block 1 Associates**”) pursuant to the terms and conditions of that certain Purchase and Sale

Agreement Purchase and Sale Agreement and Joint Escrow Instructions (Block 1), dated as of February 17, 2012 as subsequently amended by that certain First Amendment to Agreement for Purchase and Sale and Joint Escrow Instructions (Block 1), dated as of December 20, 2013, that Second Amendment to Agreement for Purchase and Sale and Joint Escrow Instructions (Block 1), dated as of August 8, 2014 (the "**Second Amendment**") and that certain Third Amendment to Agreement for Purchase and Sale and Joint Escrow Instructions (Block 1), dated as of November 12, 2014 (as amended hereby, the "**Purchase Agreement**").

G. In connection with the Purchase Agreement, FOCIL, Block 1 Associates and the Successor Agency entered into that certain Assignment, Assumption and Release Agreement, dated May 17, 2012, recorded as Instrument No. 2012J414852 in the Official Records (the "**FOCIL Assignment**"). Under the FOCIL Assignment, FOCIL retained certain rights and obligations, defined therein as the "**Excluded Rights and Obligations**," which include the obligation to construct Infrastructure or other Improvements excluding the Project to be located on the Transferred Property (as those terms are defined in the FOCIL Assignment) in accordance with the Mission Bay South Infrastructure Plan (attached to the South OPA as Attachment D) or the Mission Bay South Scope of Development (attached to the South OPA as Attachment B), in each case as more particularly described in the Assignment.

H. Since acquiring the Block 1 Property, Block 1 Associates has engaged in subdividing and entitling the Block 1 Property for development. A tentative map, entitled "Tentative Subdivision Map for Condominium Purposes Mission Bay Block 1 San Francisco, California" for the proposed subdivision was approved by the Director (the "**Director**") of the San Francisco Department of Public Works ("**DPW**"), acting as the Advisory Agency, subject to certain requirements and conditions contained in the conditions of approval dated November 7, 2013. The tentative map and conditions of approval are referenced herein as "**Tentative Map**".

I. In accordance with Section 1423(d)(vi) of the Code, the Tentative Map allowed the subdivider thereunder to file multiple final maps on the Block 1 Property.



Phase I Final Map 7472 (the "**Phase I Final Map**") was approved by the Board of Supervisors on November 28, 2013 and recorded in the Official Records on December 2, 2013 as Instrument No. 2013J798953. The Phase I Final Map was for purposes of Conveyancing or Financing only as authorized under Code Section 1412.1, and created three legal parcels shown thereon as Lot 1, Lot 2 and Lot 3 (identified as Assessor's Block 8715, Lots 6, 7, and 8) .

J. Subsequent to the filing of the Phase I Final Map and pursuant to the provisions of the Code relating to the filing, approval, and recordation of subdivision maps, Block 1 Associates submitted to the City, for approval and recordation, a Phase II Final Map, entitled: "Phase II Final Map No. 8083" (the "**Phase II Final Map**"). The Phase II Final Map is a final map for mixed-use condominium development purposes of Lots 1, 2 shown on the Phase I Final Map (the "**Phase II Property**").

K. On November 12, 2014, Block 1 Associates transferred the Phase II Property to 1000 Channel Street Owner. In connection therewith, Successor Agency, Block 1 Associates and 1000 Channel Street Owner entered into that certain Assignment, Assumption and Release Agreement, dated November 12, 2014, under which Block 1 Associates assigned to 1000 Channel Street Owner each and all of the rights and obligations of the Owner under the South OPA (except for the Excluded Rights and Obligations which continue to be held by FOCIL) to the extent applicable to the Transferred Property. In connection therewith, the Successor Agency released Block 1 Associates from Block 1 Associates' obligations under the South OPA applicable to the Transferred Property (except as expressly provided therein).

L. The Code provides that before a final subdivision map or parcel map is approved by the City, the subdivider shall either have installed and completed all of the public improvements required by the City and detailed in the plans and specifications approved by the Director, or in the alternative, the subdivider shall have entered into an agreement with the City to install and complete, free of liens, all of such public improvements within a definite period of time as prescribed by the City, which

agreement shall be guaranteed by approved improvement security to insure the performance of the work pursuant to the requirements of the Code.

M. Subdivider has requested that the Phase II Final Map be approved prior to the completion of construction and installation of the public improvements required by the conditions of approval of the Tentative Map and which are part of or appurtenant to the above mentioned subdivision (the "**Required Infrastructure**"). Consistent with the Excluded Rights and Obligations retained by FOCIL under the FOCIL Assignment and as more particularly described in the Second Amendment to Purchase Agreement (a copy of which is attached hereto as Exhibit "A"), FOCIL is undertaking as an obligation to Subdivider (as assignee of certain provisions of the Purchase Agreement) the following obligations relating to or arising hereunder in connection with the Required Infrastructure, as described below:

(1) Phase 1 Required Infrastructure.

Design, engineering, construction, installation and completion of the Phase 1 infrastructure (the "**Phase 1 Infrastructure**") described in the Phase 1 Improvement Plans identified in Exhibit "B" to this Agreement.

(2) Phase 2 Required Infrastructure. Design, engineering, construction, installation and completion of the Park P3 Improvements and the Pump Station Improvements including Storm Water Treatment, as those terms are defined below, which are referred to herein collectively as the "**Phase 2 Infrastructure**:"

(a) **Park P3:** The Phase 2 Required Infrastructure includes the proposed open space park improvements including but not limited to Storm Water Treatment Improvements associated with Storm Water Pump Station #3 located in Block P3. (the "**Park P3 Improvements**"). The Park P3 Improvements are currently described in the "Combined Basic Concept Design & Schematic Design Open Space Parcel Submittal" dated 3/19/13 prepared by CMG Landscape Architects, on file with DPW, and are subject to revision by FOCIL and approval by the Director.

Notwithstanding the completion requirements in Section 1 (c) below, the Director may grant access to Park P3 for reasonable access, staging and storage as needed for the adjacent Block 1 building construction.

(b) **Storm Water Pump Station #3:** The Phase 2 Required Infrastructure also includes the proposed Storm Water Pump Station #3 as further described in the improvement plans entitled "Mission Bay Storm Water Pump Station #3", revision 5, prepared by BKF Engineers dated 2/17/12, on file with DPW, and are subject to revision by FOCIL and approval by the Director (the "**Pump Station Improvements**").

N. Subdivider, in consideration of the approval and recordation of the subject Phase II Final Map by the City, desires to enter into this Agreement providing that Subdivider shall (a) install and complete, or cause to be installed and completed, the Phase 1 Infrastructure, and (b) install and complete, or cause to be installed and completed, the Phase 2 Infrastructure in connection with the proposed subdivision as depicted on the applicable Plans and Specifications (as defined below), in each case as more particularly set forth below.

O. FOCIL and the Agency have agreed to the Financing Plan for the financing, among other things, of the acquisition, construction and installation of Infrastructure, as more particularly defined in the Infrastructure Plan, which includes the Phase 1 Infrastructure and the Phase 2 Infrastructure. FOCIL and Agency have entered into an Acquisition Agreement in accordance with the Financing Plan, for the payment for and acquisition by the City of the Acquisition Facilities and Components of Acquisition Facilities (as same are defined therein), in accordance with the South OPA.

P. This Agreement also sets forth Subdivider's obligation to maintain and repair the Required Infrastructure until Accepted by the City, subject to the applicable warranty period.

NOW, THEREFORE, in order to ensure satisfactory performance of Subdivider's obligations under the Code, and in consideration of the approval and recordation by the

City of the Phase II Final Map (including the dedications related thereto), the implementation of the conditions of approval of the Tentative Map, and other valuable consideration, Subdivider and City agree as follows:

1. Subdivider's Obligations.

(a) Phase 1 Infrastructure. Subdivider shall in a good and workmanlike manner furnish all necessary materials and complete the Phase 1 Infrastructure described in the approved Phase 1 Improvement Plans as defined in Exhibit "B" to this Agreement and in conformity with Section 1(c)(i) hereof at Subdivider's own expense.

(b) Phase 2 Infrastructure. Subdivider shall furnish Improvement Plans and Specifications for the Phase 2 Infrastructure (the "**Phase 2 Plans and Specifications**") in such form as each would be described as "Issued for Permit" for the Park P3 Improvements and Storm Water Pump Station #3, including the underground utilities necessary to service such Improvements, the channel edge slope protection necessary to protect such Improvements and further including applicable SFPUC approved Storm Water Treatment Improvements for the Storm Water Pump Station #3 drainage area no later than January 1, 2016 and upon approval thereof, Subdivider shall in a good and workmanlike manner, install and complete or cause to be installed and completed the Phase 2 Infrastructure at Subdivider's expense in accordance with Section 1(c)(ii) hereof and to the satisfaction and approval of the City.

(c) Completion. Subdivider shall complete the Required Infrastructure as follows:

(i) Phase 1 Infrastructure. The Phase 1 Infrastructure shall be completed within two (2) years following the recordation of the Phase II Final Map, and in all cases prior to the issuance of the first certificate of occupancy for any structure on the Block 1 Property.

(ii) Phase 2 Infrastructure. The Phase 2 Infrastructure shall be completed at the earlier of within three (3) years following the recordation of the Phase

II Final Map or within eighteen (18) months of any certificate of occupancy for any structure on the Block 1 Property.

The periods of time provided in this Section 1(c) may be extended upon application by Subdivider and approval by the Executive Director of the Successor Agency and the Director of DPW. In reviewing such application for an extension of time, the Executive Director of the Successor Agency and the Director of DPW shall consider reasonable construction methodology, scheduling, access and storage requirements for each adjacent Project and the capacity of the Channel Box Sewer to handle storm water flow from the Storm Water Pump Station #3 watershed.

(d) As-Built Plans. Following the completion of the Required Infrastructure, Subdivider shall furnish to DPW and, if requested, the City Department of Building Inspection, as-built plans of the Required Infrastructure in both electronic in autocad format acceptable to the Director and paper formats and any reports required by any related Phase 1 Plans and Specifications or Phase 2 Plans and Specifications (collectively, the "**Plans and Specifications**").

(e) Stormwater Treatment. Stormwater Treatment shall meet, to the extent applicable, all Federal, State and Local regulations, including any applicable requirements of the NPDES Phase II General Permit (August 2004), and SFPUC Stormwater Design Guidelines (January 2010) as may be amended or revised. Such requirements shall be met through acceptable Best Management Practices ("**BMPs**") and a Stormwater Control Plan, as applicable, and as approved by the SFPUC through further design and development.

2. Improvement Security.

(a) Security for the Phase 1 Infrastructure. Prior to the Director executing this Agreement on behalf of the City and the City releasing the Phase II Final Map for recordation, Subdivider shall furnish and deliver to the Director bonds, in favor of the City and any co-obligees designated therein, substantially in the form attached as Exhibit "C", which shall be acceptable to the City Attorney, securing the installation and

completion of the Phase 1 Infrastructure as follows (collectively, the "Phase 1 Security"):

(i) A performance bond in the amount of Three Million Four Hundred Thousand and 00/100 Dollars (\$3,400,000.00) (100% of estimated "hard" cost of completion of construction and installation of Phase 1 Infrastructure and reasonable additional contingencies, changes and modifications thereto) to secure the satisfactory performance of Subdivider's obligation to complete the Phase 1 Infrastructure; and

(ii) A labor and material bond in the amount of One Million Seven Hundred Thousand and 00/100 Dollars (\$1,700,000.00) (50% of estimated "hard" cost of completion of construction and installation of Phase 1 Infrastructure, and reasonable additional contingencies, changes and modifications thereto) to secure payment to Subdivider's contractor, and to subcontractors and persons furnishing labor, materials, equipment or services, for construction or installation of the Phase 1 Infrastructure.

(b) Security for the Phase 2 Infrastructure. Prior to Director executing this Agreement on behalf of the City and the City releasing the Phase II Final Map for recordation, Subdivider shall furnish and deliver to the Director bonds, in favor of the City and any co-obligees designated therein, substantially in the form attached as Exhibit "C", which shall be acceptable to the City Attorney, securing the installation and completion of the Phase 2 Infrastructure as follows (collectively the "Phase 2 Security"; and together with the Phase 1 Security, the "Security"):

(i) A performance bond for the Park P3 Improvements in the amount of Two Million Eight Hundred Thousand and 00/100 Dollars (\$2,800,000.00) ([100]% of estimated "hard" cost of completion of construction and installation of Park P3 and Storm Water Treatment Improvements based upon conceptual designs approved by the City and reasonable additional contingencies, changes and modifications thereto) to secure performance of Subdivider's obligation to construct the Park P3 Improvements;

(ii) A performance bond for the Storm Water Pump Station #3 Improvements in the amount of Seven Million Three Hundred Thousand and 00/100 Dollars (\$7,300,000.00) (100% of estimated "hard" cost of completion of construction and installation of the Pump Station #3 Improvements based upon conceptual designs approved by the City and reasonable additional contingencies, changes and modifications thereto) to secure performance of Subdivider's obligation to install the Pump Station Improvements;

(iii) A labor and material bond for the Park P3 Improvements in the amount of One Million Four Hundred Thousand and 00/100 Dollars (\$1,400,000.00) (50% of the estimated "hard" cost of completion of construction of the Park P3 Improvements based upon conceptual designs approved by the City and reasonable additional contingencies, changes and modifications thereto) to secure payment to Subdivider's contractor, and to subcontractors and persons furnishing labor, materials, equipment or services, for construction or installation of the Park P3 Improvements; and

(iv) A labor and material bond for the Pump Station Improvements in the amount of Three Million Six Hundred Fifty Thousand and 00/100 Dollars (\$3,650,000.00) (50% of the estimated "hard" cost of completion of construction of the Pump Station Improvements based upon conceptual designs approved by the City and reasonable additional contingencies, changes and modifications thereto) to secure payment to Subdivider's contractor, and to subcontractors and persons furnishing labor, materials, equipment or services, for construction or installation of the Pump Station Improvements.

(c) Adjustment to Security Amount.

(i) Following the approval of any of the Phase 2 Infrastructure Plans and Specifications by the City, the Director may require that the Phase 2 Infrastructure Security be adjusted to an amount equal to (a) in the case of any performance bond, 100% of estimated "hard" cost of completion of construction and installation of the applicable Phase 2 Infrastructure based upon such Phase 2 Plans and Specifications and reasonable additional contingencies, changes and modifications



thereto and (b) in the case of any labor and material bond, 50% of estimated "hard" cost of completion of construction and installation of the applicable Phase 2 Infrastructure based upon such Phase 2 Plans and Specifications and reasonable additional contingencies, changes and modifications thereto. The Director's receipt of the adjusted Phase 2 Security required hereunder shall be a condition precedent to the issuance of a Street Improvement Permit for the construction of the applicable Phase 2 Infrastructure.

(d) Other Acceptable Security. In lieu of providing any of the Security described in Sections 2(a), 2(b), 2(c) or 3(c), Subdivider may, subject to the approval of the Director, provide a deposit or other security as described in Section 66499 of the Government Code. Security shall be provided hereunder only to the extent that the projected Acquisition Funds are reasonably determined by the Director (in consultation with the Successor Agency, as appropriate), to be insufficient (in time or amount) to pay the expected Acquisition Prices of the Acquisition Facilities.

(e) Use of Security. If, after commencement thereof, any portion of the Required Infrastructure is not completed within the time periods specified in Section 1(c), and such period is not extended by the City or as otherwise provided under this Agreement, or Subdivider has not satisfactorily corrected all deficiencies during the Warranty Period, the Security provided for such portion of the Required Infrastructure may, by resolution of the Board of Supervisors, be used by the City for completion of such Required Infrastructure in accordance with the applicable Plans and Specifications and for correction of such deficiencies.

### 3. Construction of Required Infrastructure.

(a) Permits and Fees. Subdivider shall not perform any work subject to this Agreement until all required permits have been obtained for the portion of work involved, and all applicable fees, including inspection and testing fees, have been paid.

(b) Extensions.

(i) Extensions Generally. If any of the Required Infrastructure is not completed within the time periods specified in Section 1(c), the Subdivider may request extensions of time, by submission of a request(s) to the Director. A request shall be in writing, state adequate evidence to justify the extension, and shall be made not less than thirty (30) days prior to expiration of the applicable time period set forth in this Agreement or any extension thereof. The Director shall in good faith attempt to determine within such time whether an extension of time shall be granted. The Director's failure to respond within the time specified shall, however, not constitute either a grant or denial of the requested extension. The time period for completion under this Agreement shall be automatically extended for the period during which a request for an extension is pending a determination by the Director or for any "**Unavoidable Delay**" as provided in Section 3(b)(ii) and in Section 8(c). The Director shall not unreasonably withhold or delay a request for an extension. The Director may reasonably condition an extension subject to the terms of this Agreement and the conditions provided in the Code, including execution of an extension agreement as provided in the Code Sec. 1451.1.C(3). No extension approved hereunder shall relieve the surety's liability on the bond to secure the faithful performance of this Agreement.

(ii) The periods of time for performance under this Agreement shall be extended for Unavoidable Delay, as provided below, and as further provided in Section 8(c), associated with permit processing, including, without limitation, permit processing and obtaining permits and approvals from all other agencies with jurisdiction, such as, as applicable, Caltrans and resource agencies, and for Unavoidable Delays associated with construction, provided that Subdivider has acted diligently and in good faith to avoid foreseeable delays in performance, to remove the cause of the delay, or to develop a reasonable alternative means of performance. The period of extension for Unavoidable Delay shall not be less than the period of such delay. Once a determination of Unavoidable Delay has been made, the Subdivider shall provide the City with monthly status reports so the Director can assess whether the Unavoidable Delay is appropriate or whether the delay period should be modified.

(iii) The provisions in this Section 3(b) are in addition to and not a limitation of any other provision for extensions in this Agreement.

(c) Revisions to Plans and Specifications. Requests by the Subdivider for revisions, modifications or amendments to the approved Plans and Specifications ("Plan Revision") shall be submitted in writing to the Director (with a copy to the Director's designee and, if requested, to the Successor Agency). If the Plan Revision is acceptable to the Director (or the Director's designee) and the Successor Agency, as required, and is substantially consistent with the Plans, Plan Documents and Tentative Map, the Director (or the Director's designee) shall initial the proposed Plan Revision. Construction in accordance with any Subdivider-proposed Plan Revision shall not commence until the Plan Revision has been received and approved by the Director (or the Director's designee).

(i) Notwithstanding the foregoing, prior approval by the Director (or the Director's designee) of Plan Revisions shall only be required for such Plan Revisions which in any way materially alter the quality or character or expected future maintenance costs of the Required Infrastructure, involve an amount equal to the greater of five percent (5%) of the amount of the bid for the portion of the Required Infrastructure involved or \$50,000, or are not substantially consistent with the Plans, Plan Documents and Tentative Map. The cost of the Plan Revision shall be evidenced through submittal of copies of supplemental agreements with contractors. The Director (or the Director's designee) shall approve or deny all such Plan Revisions for which such approval is required hereunder. Any denial shall be in writing, and within ten (10) business days of receipt by the Director (or the Director's designee), state the reasons for denial and the actions, if any, that the Director (or the Director's designee) in good faith believes can be taken to obtain later approval. Any such Plan Revision properly submitted to the Director (or the Director's designee) and not denied in writing by the Director (or the Director's designee) within such 10 day period shall be deemed to be approved in the form submitted for purposes of this Agreement.

(ii) If the proposed Plan Revision includes a change which will require a non-material change (within the meaning of the Interagency Cooperation Agreement) to the Infrastructure Plan then in effect, the Subdivider shall not proceed with such affected portion of the work without the prior written authorization (or conditional authorization) from the Director (or the Director's designee). The Director shall in good faith attempt to determine, within ten (10) business days of receipt of the proposed Plan Revision, whether to approve, conditionally approve or deny the proposed Plan Revision. The Director's failure to respond within such ten (10) day period, however, shall not constitute either an approval or denial of the application, provided that the Director shall respond in good faith within a reasonable time thereafter. The proposed Plan Revision may be performed pending final review and approval of a non-material change to the Infrastructure Plan, provided either that (1) adequate Security is still available (2) adequate other acceptable Security has been provided or separate Security is deemed unnecessary in accordance with Section 2(c), or (3) additional security is provided, if Security provided hereunder has been otherwise released, for both the proposed Plan Revision and, if deemed reasonable and appropriate by the Director, for any subsequent modification (or removal) of the proposed Plan Revision that may be required by a subsequent action, if any is necessary, approving, denying or modifying the proposed non-material change.

(iii) If the proposed Plan Revision includes a change which will require a material amendment (within the meaning of the Interagency Cooperation Agreement) to the Infrastructure Plan then in effect, the Subdivider shall not proceed with such affected portion of the work without the prior written authorization (or conditional authorization) from the Director (or the Director's designee). The Director shall in good faith attempt to determine, within fifteen (15) business days of receipt of the proposed Plan Revision, whether to approve, conditionally approve or deny the proposed Plan Revision. The Director's failure to respond within such fifteen (15) day period, however, shall not constitute either an approval or denial of the application, provided that the Director shall respond in good faith within a reasonable time thereafter. The Director may, in the exercise of the Director's reasonable discretion, suspend performance of the affected portion of the work pending approval of the

proposed material Infrastructure Plan amendment, or may allow the Plan Revision to be performed by the Subdivider, at Subdivider's own risk, pending final review and approval of the proposed Infrastructure Plan amendment, subject to such conditions as the Director may reasonably determine are appropriate. Any such conditional authorization to proceed with the proposed Plan Revision may include, without limitation, ensuring that there is (1) adequate Security still available, (2) adequate other acceptable security has been provided (or separate security is deemed unnecessary) in accordance with Section 2(c), or (3) additional security is provided, if Security provided hereunder has been otherwise released, for the proposed Plan Revision and, if deemed reasonable and appropriate by the Director, for any subsequent modification (or removal) of the proposed Plan Revision that may be required by a subsequent action approving, denying or modifying the proposed material amendment.

(iv) Any Infrastructure Plan amendments or other related documentation required because of a Plan Revision shall be processed with reasonable promptness as determined by the parties. Infrastructure Plan amendments may be processed separately or joined with other proposed amendments.

(v) Plan revisions shall be accompanied by drawings and specifications and other related documents showing the proposed Plan Revision so as to adequately describe the proposed change and the cost and affect thereof.

(d) Subdivider shall, at no cost to the City, cause all new or replacement electricity distribution facilities, telephone, community cable, and other distribution facilities located on the subject property to be placed underground. Prior to issuance of any street or building permits for Infrastructure, the site plans must demonstrate that underground utilities and structures are designed to accommodate future settlement. All utilities, vaults, splice boxes and appurtenances shall be placed underground, subject to approval by the Director.

4. Release of Security. The Security, or any portion thereof, not required to (i) secure completion of Subdivider's obligations for constructing or installing the Required Infrastructure to which such Security relates or (ii) satisfy claims by

contractors, subcontractors, and/or persons furnishing materials or equipment in connection with the Required Infrastructure to which such Security relates shall be released to Subdivider, or its successors in interest, or reduced, as follows:

(a) One Year Warranty Bond. Upon the Director's completeness determination in accordance with Section 5(a), the performance bond or other security in the amount provided in Sections 2(a)(i) or (b)(i)-(ii) (as the same may be adjusted from time to time in accordance with the terms hereof), as applicable, shall be reduced to ten percent (10%) of the original amount for the purpose of warranting repair of any defect in the applicable Required Infrastructure which defect occurs during the applicable Warranty Period (as defined below).

(b) Payment Claims. If at the time of the Director's completeness determination made in accordance with Section 5(a), any claims by any contractor, subcontractor or person furnishing labor, materials or equipment to the Subdivider have been filed against the City, then the labor and materials bond Security shall only be reduced to an amount equal to the amount of all such claims filed or to 10% of the original amount whichever is greater.

(c) Partial Release. Notwithstanding the release provisions in Section 4(a) and 4(b), the Security may be reduced in conjunction with completion of any portion or Component of the Required Infrastructure to the satisfaction of the Director in accordance with Section 5(a) hereof to an amount determined by the Director that is not less than the Actual Cost of an Acquisition Facility or a Component thereof for a completed Acquisition Facility or Component. Prior to the date that the conditions set forth in Section 4(d) are satisfied, in no event, however, shall the amount of the Security be reduced below the greater of (i) the amount required to guarantee the completion of the remaining portion of the Phase 1 Infrastructure or the applicable Phase 2 Infrastructure, as applicable, and any other obligation imposed by the Subdivision Map Act, the Code or this Agreement; or (ii) ten percent (10%) of the original amount.

(d) Release of Remaining Security. The remaining Security shall be released when all of the following have occurred with respect to the applicable Required Improvement:

(i) the expiration of the Warranty Period or, with respect to any specific claim of defects or deficiency in the Required Infrastructure timely made pursuant to Section 4(a), one (1) year following the date that such deficiency was corrected or waived in writing; and

(ii) if any claims identified in Subsection 4(b) above have been filed against the City, all such claims have been satisfied or withdrawn, or otherwise secured, by bond or other security approved by the Director (or the Director's designee).

Nothing herein shall be construed to mean that the Subdivider is responsible under the warranty bond or otherwise for the repair, replacement, restoration, or maintenance of Required Infrastructure damaged by the actions of third parties, including, without limitation, the owners or developers of adjacent projects, their agents, employees, contractors, subcontractors, invitees or licensees, and no actions by any such parties shall affect Subdivider's responsibilities or the release of the Security.

5. Completion and Acceptance.

(a) Director's Inspection. Upon request from the Subdivider for a completeness determination, the Director shall promptly determine whether the Phase 1 Infrastructure or any of the Phase 2 Infrastructure, or portion or Component thereof, is ready for its intended use and completed substantially in conformity with the Plans and Specifications and applicable City Regulations and shall notify Subdivider as soon as reasonably practicable in writing of the determination. If the determination is that it does meet such requirements, the applicable Required Infrastructure, or portion thereof, shall be deemed complete. If the determination is that it does not meet such requirements, the Director shall, in such determination notice, identify with particularity the reasons therefor.



(b) Acceptance. "**Acceptance**" by the City of any Required Infrastructure, or portion or Component thereof, for public use and maintenance shall be deemed to have occurred when:

(i) The Required Infrastructure, or portion or Component thereof, which is requested by the Subdivider in accordance with Section 5(a) to be accepted, has been completed;

(ii) The Required Infrastructure, or portion or Component thereof, has been inspected by the Director in accordance with Subsection 5(a) above and found by the Director to be ready for its intended use and completed substantially in accordance with the Plans and Specifications, and applicable City Regulations, and the Director has certified to the Board of Supervisors that all of the Required Infrastructure which the City is requested to accept has been so satisfactorily completed; and

(iii) The Board of Supervisors, by ordinance, accepts the applicable Required Infrastructure, or portion thereof, for public use and maintenance subject to the provisions of San Francisco Administrative Code Section 1.52 and Subdivider's maintenance and warranty obligations under Sections 6(a) and 7(a), respectively, hereof.

(c) Acceptance and Dedications. The Phase II Final Map does not require any offers of dedication of land since the Required Infrastructure Improvements will be built within the existing Public streets or on City-owned land. However, Offers of Dedication for the Required Infrastructure Improvements will be necessary for Board Acceptance.

The Board of Supervisors shall accept, conditionally accept or reject such offers of dedication by ordinance or other appropriate action upon the Director's determination in accordance with Section 5(b) of completion of the Required Infrastructure, or portion or Component thereof. Subdivider will coordinate with the City and assist in the City's process for dedication and Acceptance of Required Infrastructure by: (i) providing necessary maps, legal descriptions and plats for street openings, proposed easements

and/or dedications for right of way or utility purposes and for relinquishment of existing rights of access and utilities associates with on-site and off-site development; (ii) executing easement agreements consistent with the conditions of approval for the Tentative Map; and (iii) providing easement agreements consistent with the conditions of approval of the Tentative Map and the Completion and Acceptance, per this Section 5, of the Required Infrastructure.

6. Subdivider's Maintenance Responsibility.

(a) Maintenance. Until Accepted, Subdivider shall be responsible for the maintenance and repair of the Required Infrastructure. Thereafter, the City shall assume the responsibility of operating and maintaining the Required Infrastructure, or portion thereof, subject to the limitations in Section 5(b)(iii) above, and Subdivider's obligations under Section 7(a) of this Agreement.

(b) Protection of Required Infrastructure. In order to protect the Required Infrastructure from damage until such time as the Required Infrastructure, or portion thereof, is Accepted, Subdivider may erect a construction fence around areas under construction to be constructed in the future or constructed but not Accepted, provided that Subdivider has procured all necessary permits and complied with all applicable laws; however, no construction fence may be constructed or maintained which is determined by the Director to adversely affect public health or safety, or the ingress and egress of emergency vehicles.

7. Warranty and Indemnity.

(a) Warranty. Acceptance of Required Infrastructure by the City shall not constitute a waiver of defects by the City. Subdivider covenants that all Required Infrastructure constructed or installed by Subdivider shall be free from defects in material or workmanship and shall perform satisfactorily for a period of (1) one (1) year following the completion of the Required Infrastructure (or applicable portion thereof) to the satisfaction of the Director in accordance with Section 5(a) above, (2) in the case of the Storm Water Pump Station #3, three (3) years following the completion to the

satisfaction of the General Manager of the PUC or his or her representative, and (3) in the case of plant materials and trees, one (1) year from the date the Director receives certification from the City Construction Manager that the trees have passed a plant establishment period as set forth in the Plans and Specifications (each of the foregoing time periods, the "**Warranty Period**"). During the Warranty Period, Subdivider shall, as necessary, and upon receipt of a request in writing from the Director that the work be done, correct, repair or replace any defects in the Required Infrastructure at its own expense. During the Warranty Period, should Subdivider fail to act with reasonable promptness to make such correction, repair or replacement, or should an emergency require that correction, repair or replacement be made before Subdivider can be notified (or prior to Subdivider's ability to respond after notice), City may, at its option, provided that notice thereof is provided to Subdivider, make the necessary correction, repair or replacement or otherwise perform the necessary work and Subdivider shall reimburse the City for the actual cost thereof. During the Warranty Period, the City shall hold Subdivider's reduced performance bond (or separate warranty bond in the same amount) as described in Section 4, to secure performance of Subdivider's foregoing warranty obligations.

(b) Indemnity. Subdivider agrees that subject to the warranty provisions on Subdivider's obligations set forth in Section 7(a), Subdivider shall indemnify, defend and hold the City and each of the City's Agencies, together with their commissioners, directors, officers, employees, agents, successors and assigns (collectively, "**City Indemnified Parties**"), harmless from and against any and all Losses arising out of the breach of this Agreement by the Subdivider, the Subdivider's or any of its contractors', agents', consultants' or representatives' negligent or defective construction of the Required Infrastructure constructed or installed by the Subdivider under this Agreement, the Subdivider's non-payment under contracts between the Subdivider and its consultants, engineers, advisors, contractors, subcontractors or suppliers in the provision of such Required Infrastructure, or any claims of persons employed by the Subdivider or its contractors, agents, consultants or representatives to construct such Required Infrastructure, in all cases subject to the terms, conditions, exceptions (including, without limitation, the exception for negligence or willful acts or

omissions of the indemnified party) and limitations contained in the South OPA and the Interagency Cooperation Agreement, as applicable, and further provided that any demand for indemnification hereunder with respect to negligent or defective construction must be brought, if at all, within two (2) years after the related Required Infrastructure, or portion therefor, is determined to be complete by the Director in accordance with Section 5(a) hereof.

The City shall not be an insurer or surety for the design or construction of the Required Infrastructure pursuant to the approved Plans and Specifications, nor shall any officer or employee thereof be liable or responsible for any accident, loss, or damage happening or occurring during the construction of the Required Infrastructure as specified in this Agreement, except as may arise due to the negligence or willful acts or omissions of the City Indemnified Parties.

8. Miscellaneous.

(a) Phase II Final Map Recordation. The City, in accordance with the Code, shall record the Phase II Final Map with the County Clerk in the Official Records of the City and County of San Francisco. The City shall notify Subdivider of the time of recordation and provide a conformed copy of the Phase II Final Map to Subdivider. In the event the Phase II Final Map is not recorded, this Agreement shall be null and void.

(b) Independent Contractor. In performing its obligations under this Agreement, the Subdivider is an independent contractor and not an agent or employee of the City or the Agency.

(c) Unavoidable Delay. All time periods in this Agreement shall be extended for Unavoidable Delay in accordance with this Section. A party who is subject to Unavoidable Delay in the performance of an obligation hereunder, or in the satisfaction of a condition to the other party's performance hereunder, shall be entitled to a postponement of the time for performance of such obligation or satisfaction of such condition during the period of enforced delay attributable to an event of Unavoidable Delay. If repair, replacement, or reconstruction of any Required Infrastructure (or any

portion thereof) or any other public improvements is necessitated by Unavoidable Delay, then the time period for completion of the applicable work as provided in this Agreement shall be extended as provided in this Section, including any periods required for redesign, mobilization and other construction related requirements and such repair, replacement or reconstruction shall, as necessary, be reflected in a Plan Revision or Extension Agreement [See Code 1451.1.C(3)] in accordance with this Agreement. The Unavoidable Delay provision set forth in this Section shall not apply, however, unless (i) the party seeking to rely upon such provisions shall have given notice to the other party, within thirty (30) days after obtaining knowledge of the beginning of an enforced delay, of such delay and the cause or causes thereof, to the extent known, and (ii) the party claiming the Unavoidable Delay must at all times be acting diligently and in good faith to avoid foreseeable delays in performance, to remove the cause of the delay or to develop a reasonable alternative means of performance.

(d) Attorneys' Fees. Should either party hereto institute any action or proceeding in court to enforce any provision hereof or for damages by reason of an alleged breach of any provision of this Agreement, the prevailing party shall be entitled to receive from the losing party, actual court costs and expenses incurred by the prevailing party including, without limitation, expert witness fees, document copying expenses, exhibit preparation costs, carrier expenses and postage and communication expenses, and such amount as the court may adjudge to be reasonable attorneys' fees for the services rendered the prevailing party in such action or proceeding. Attorneys' fees under this Section 9(d) 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 actually incurred in connection with such action.

For purposes of this Agreement, reasonable fees of attorneys and any in-house counsel for the City or the Subdivider shall be based on the fees regularly charged by private attorneys with an equivalent number of years of professional experience in the subject matter area of the law for which the City's or the Subdivider's in-house counsel's services were rendered who practice in the City in law firms with approximately the

same number of attorneys as employed by the City, or, in the case of the Subdivider's in-house counsel, as employed by the outside counsel for the Subdivider.

(e) Notices.

(i) A notice or communication under this Agreement by either party to the other (or by or to the Director) shall be sufficiently given or delivered if dispatched by hand or by registered or certified mail, postage prepaid, addressed as follows:

In the case of a notice or communication to the Director of DPW:

Director of Public Works  
City and County of San Francisco  
City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102  
Attn: Infrastructure Task Force Manager  
Telefacsimile: (415) 554-6944

With copies to:

Successor Agency to the Redevelopment Agency of the  
City and County of San Francisco  
One South Van Ness Avenue, 5<sup>th</sup> Floor  
San Francisco, California 94103  
Attn: Mission Bay Project Manager  
Telefacsimile: (415) 749-2585

Office of the City Attorney  
City Hall, Room 234  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102  
Attn: John Malamut  
Reference: Mission Bay South  
Telefacsimile: (415) 554-4757

And in the case of a notice or communication to the Subdivider at:

CIM Group Acquisitions, LLC  
c/o CIM Group LLC  
4700 Wilshire Boulevard  
Los Angeles, CA 90010  
Attention: John Bruno  
Telephone: (323) 860-4994  
Email: jbruno@cimgroup.com

With copies to:  
CIM Group Acquisitions, LLC  
c/o CIM Group LLC  
4700 Wilshire Boulevard  
Los Angeles, CA 90010  
Attention: General Counsel

and

Katten Muchin Rosenman LLP  
2029 Century Park East, Suite 2600  
Los Angeles, California 90067  
Attention: Benzion J. Westreich, Esq.  
Sean T. Torres, Esq.  
Telephone: (310) 788-4409/(310) 788-4466  
Email: benny.westreich@kattenlaw.com  
sean.torres@kattenlaw.com

And to:

Strada Investment Group  
100 Spear Street, Suite 420  
San Francisco, California 94105  
Attention: Michael Cohen  
Telecopier: (415) 500-2329  
Telephone: (415) 263-9143

And to:

Gibson, Dunn & Crutcher LLP  
555 Mission Street  
San Francisco, California 94105  
Attn: Neil Sekhri  
Telecopier: (415) 374-8435  
Telephone: (415) 393-8334



And to:

FOCIL-MB, LLC  
c/o Mission Bay Development Group, LLC  
410 China Basin Street  
San Francisco, California 94158  
Attention: Mr. Seth Hamalian and Legal Department  
Telecopier No: (415) 355-6692  
Telephone No.: (415) 355-6612

For the convenience of the parties, copies of notice may also be given by telefacsimile.

Every notice given to a party hereto, pursuant to the terms of this Agreement, must state (or must be accompanied by a cover letter that states) substantially the following:

(A) the Section of this Agreement pursuant to which the notice is given and the action or response required, if any;

(B) if applicable, the period of time within which the recipient of the notice must respond thereto;

(C) if approval is being requested, shall be clearly marked "Request for Approval under the Mission Bay – Public Improvement Agreement"; and

(D) if a notice of disapproval or an objection which requires reasonableness, shall specify with particularity the reasons therefor.

(ii) Any mailing address or telefacsimile number 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. A party may not give official or binding notice by telefacsimile.

(iii) Any notice or request for review, consent or other determination or action by the Director that could be subject to deemed approval under any provision of this Agreement shall display prominently on the envelop enclosing such request (if any) and the first page of such request, substantially the following words: "MISSION BAY INFRASTRUCTURE: IMMEDIATE ATTENTION REQUIRED; FAILURE TO RESPOND COULD RESULT IN THE REQUEST BEING DEEMED APPROVED."

(f) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto, and upon such transfer, the Subdivider shall be released from its obligations hereunder. Any such assignment shall be in writing, shall clearly identify the scope of the rights and/or obligations assigned and shall be subject to the reasonable approval of the Director. Any such assignee shall be afforded all of the rights of Subdivider hereunder, including the right to enter upon property owned by the City in order to perform its obligations hereunder. Upon the effective date of any such assignment, City shall release Subdivider, as assignor, from all obligations hereunder accruing from and after the effective date of such assignment.

(g) Interagency Cooperation Agreement. The City shall cooperate with the Subdivider consistent with the terms of the Interagency Cooperation Agreement, including, without limitation, in obtaining applicable approvals required for the construction of the Required Infrastructure. The City shall use reasonable efforts to obtain the compliance by Agency and affected City departments with the provisions of the Interagency Cooperation Agreement as they affect the inspection and Acceptance by the City of Required Infrastructure.

(h) Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's right to insist upon and demand strict compliance by the other party with the terms of this Agreement thereafter.

(i) Parties in Interest. Except as set forth in Section 9(f), nothing in this Agreement, expressed or implied, is intended to or shall be construed to confer upon or to give to any person or entity other than the City and the Subdivider any rights, remedies or claims under or by reason of this Agreement or any covenants, conditions or stipulations hereof, and all covenants, conditions, promises, and agreements in this Agreement contained by or on behalf of the City or the Subdivider shall be for the sole and exclusive benefit of the City and the Subdivider.

(j) Amendment. This Agreement may be amended, from time to time, by written supplement or amendment hereto and executed by both the City and the Subdivider. The Director of DPW is authorized to execute on behalf of the City any amendment that the Director determines is in the City's best interests and does not materially increase the City's obligations or materially diminish the City's rights under this Agreement.

(k) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

(l) Interpretation of Agreement. Unless otherwise provided in this Agreement, whenever approval, consent or satisfaction is required of the Subdivider or the City pursuant to this Agreement, it shall not be unreasonably withheld or delayed. Captions used in this Agreement are for convenience or reference only and shall not affect the interpretation or meaning of this Agreement.

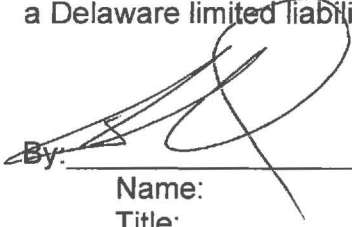
(m) Other Requirements. Subdivider shall comply with any applicable requirements of Attachment H, Mission Bay South Program in Diversity/Economic Development Program, to the South OPA.

This Agreement shall in no way be construed to limit or replace any other obligations or liabilities which the parties may have in the Plan and Plan Documents, including the South OPA, the Land Transfer Agreements, the Interagency Cooperation Agreement or any Permit to Enter issued in accordance therewith.

9. Insurance. Subdivider shall, at all times prior to Acceptance of the Required Infrastructure, comply with the insurance requirements set forth in any Permit to Enter issued by the Successor Agency in accordance with the South OPA or by the City in accordance with the Interagency Cooperation Agreement, or otherwise in accordance with any other applicable City Regulations. Subdivider shall furnish to the Successor Agency and the City, from time to time upon request by Agency's or the City's Risk Manager, a certificate of insurance (and/or, upon request by the Successor Agency or the City's Risk Manager, a complete copy of any policy) regarding each insurance policy required to be maintained by the Subdivider under any Permit to Enter issued by the Successor Agency in accordance with the South OPA or by the City in accordance with the Interagency Cooperation Agreement, or otherwise in accordance with any other applicable City Regulations.

IN WITNESS WHEREOF, City and Subdivider have executed this Agreement in one or more copies as of the day and year first above written.

1000 CHANNEL STREET (SF) OWNER, LLC,  
a Delaware limited liability company

By:  \_\_\_\_\_  
Name:  
Title:

CITY AND COUNTY OF SAN FRANCISCO

\_\_\_\_\_  
Name:  
Title: Director of the Department of Public Works

APPROVED AS TO FORM:

DENNIS J. HERRERA  
CITY ATTORNEY

\_\_\_\_\_  
John Malamut  
Deputy City Attorney

Exhibit "A"

Second Amendment to Purchase Agreement

**Exhibit "B"**

**Phase 1 Plans and Specifications**

Improvement Plans and Specifications prepared for FOCIL-MB, LLC by Freyer & Laureta, Inc., entitled "MISSION BAY BLOCK 1, MISSION BAY, SANFRANCISCO, CALIFORNIA", dated December 19, 2014



Exhibit "C"

Form: Faithful Performance Bond

**Block 1**

[Phase 1 Infrastructure][Park P3 Improvements][Pump Station Improvements]

Whereas, the Board of Supervisors of the City and County of San Francisco, State of California, and 1000 Channel Street (SF) Owner, LLC (hereafter designated as "**Principal**") have entered into that certain Mission Bay South Block 1 Public Improvement Agreement, dated \_\_\_\_\_, 2015 (the "**Agreement**"), which is hereby referred to and made a part hereof, whereby Principal agrees to install and complete certain designated public improvements identified therein as the [Phase 1 Infrastructure][Park P3 Improvements][Pump Station Improvements]; and

Whereas, Principal is required under the terms of the Agreement to furnish a bond for the faithful performance of the Agreement;

Now, therefore, we, Principal and \_\_\_\_\_, as **Surety**, are held and firmly bound unto the **City and County of San Francisco** (hereafter called "**City of San Francisco**") in the penal sum of \_\_\_\_\_ Dollars (\$\_\_\_\_\_ .00) lawful money of the United States, for the payment of which we bind ourselves, our heirs, successors, executors, and administrators, jointly and severally, firmly by these presents.

The condition of this obligation is such that the obligation shall become null and void if the above-bounded Principal, his or its heirs, executors, administrators, successors, or assigns, shall in all things stand to, abide by, well and truly keep, and perform the covenants, conditions, and provisions in the agreement and any alteration thereof made as therein provided, on his or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to his or their true intent and meaning, and shall indemnify and save harmless the City of San Francisco, its officers, agents, and employees, as therein stipulated; otherwise, this obligation shall be and remain in full force and effect.

As part of the obligation secured hereby and in addition to the face amount specified, costs and reasonable expenses and fees shall be included, including reasonable attorneys' fees, incurred by the City of San Francisco in successfully enforcing the obligation, all to be taxed as costs and included in any judgment rendered.

The Surety hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the agreement, the work to be performed thereunder, or the specifications accompanying the agreement shall in any way affect its obligations on this bond. The Surety hereby waives notice of any such change, extension of time, alteration, or addition to the terms of the agreement, the work, or the specifications.

In witness whereof, this instrument has been duly executed by Principal and Surety on \_\_\_\_\_, 201\_\_.

**"PRINCIPAL"**

1000 CHANNEL STREET (SF)  
OWNER, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
Name:  
Title:

**"SURETY"**

By: \_\_\_\_\_

Its: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Telephone: \_\_\_\_\_

Facsimile: \_\_\_\_\_

## Labor and Material Bond

### Block 1

[Phase 1 Infrastructure][Park P3 Improvements][Pump Station Improvements]

Whereas, the Board of Supervisors of the City and County of San Francisco, State of California, and 1000 Channel Street (SF) Owner, LLC (hereafter designated as "**Principal**") have entered into that certain Mission Bay South Block 1 Public Improvement Agreement, dated \_\_\_\_\_, 2015 (the "**Agreement**"), which is hereby referred to and made a part hereof, whereby Principal agrees to install and complete certain designated public improvements identified therein as the [Phase 1 Infrastructure][Park P3 Improvements][Pump Station Improvements]; and

Whereas, under the terms of the Agreement, Principal is required before entering upon the performance of the work to file a good and sufficient payment bond with the City and County of San Francisco to secure the claims to which reference is made in Title 15 (commencing with section 3082) of Part 4 of Division 3 of the Civil Code of the State of California;

Now, therefore, we, the Principal and the undersigned as corporate Surety, are held and firmly bound unto the City and County of San Francisco and all contractors, subcontractors, laborers, material men, and other persons employed in the performance of the agreement and referred to in Title 15 of the Civil Code in the sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_ .00), for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to such work or labor, that Surety will pay the same in an amount not exceeding the amount set forth. If suit is brought on this bond, Surety will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorneys' fees, incurred by the City and County of San Francisco, in successfully enforcing the obligation, to be awarded and fixed by the Court, to be taxed as costs, and to be included in the judgment rendered.

It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies, and corporations entitled to file claims under Title 15 (commencing with section 3082) of Part 4 of Division 3 of the Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond.

If the condition of this bond is fully performed, then this obligation shall become null and void; otherwise, it shall be and remain in full force and effect.

The Surety hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the agreement or the specifications accompanying the agreement shall in any manner affect its obligations on this bond. The Surety hereby waives notice of any such change, extension, alteration, or addition.

In witness whereof, this instrument has been duly executed by Principal and Surety on \_\_\_\_\_, 2015.

**"PRINCIPAL"**

**"SURETY"**

1000 CHANNEL STREET (SF)  
OWNER, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Telephone: \_\_\_\_\_

Facsimile: \_\_\_\_\_

Bond No. CMS284335  
Premium: \$68,000.00

Faithful Performance Bond  
Block 1  
Phase 1 Infrastructure

Whereas, the Board of Supervisors of the City and County of San Francisco, State of California, and 1000 Channel Street Owner, LLC (hereafter designated as "**Principal**") have entered into that certain Mission Bay South Block 1 Public Improvement Agreement, dated \_\_\_\_\_, 2015 (the "**Agreement**"), which is hereby referred to and made a part hereof, whereby Principal agrees to install and complete certain designated public improvements identified therein as the Phase 1 Infrastructure; and

Whereas, Principal is required under the terms of the Agreement to furnish a bond for the faithful performance of the Agreement;

Now, therefore, we, Principal and RLI Insurance Company, as **Surety**, are held and firmly bound unto the **City and County of San Francisco** (hereafter called "**City of San Francisco**") in the penal sum of Three Million Four Hundred Thousand and No/100 Dollars (\$3,400,000.00) lawful money of the United States, for the payment of which we bind ourselves, our heirs, successors, executors, and administrators, jointly and severally, firmly by these presents.

The condition of this obligation is such that the obligation shall become null and void if the above-bounded Principal, his or its heirs, executors, administrators, successors, or assigns, shall in all things stand to, abide by, well and truly keep, and perform the covenants, conditions, and provisions in the agreement and any alteration thereof made as therein provided, on his or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to his or their true intent and meaning, and shall indemnify and save harmless the City of San Francisco, its officers, agents, and employees, as therein stipulated; otherwise, this obligation shall be and remain in full force and effect.

As part of the obligation secured hereby and in addition to the face amount specified, costs and reasonable expenses and fees shall be included, including reasonable attorneys' fees, incurred by the City of San Francisco in successfully enforcing the obligation, all to be taxed as costs and included in any judgment rendered.

The Surety hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the agreement, the work to be performed thereunder, or the specifications accompanying the agreement shall in any way affect its obligations on this bond. The Surety hereby waives notice of any such change, extension of time, alteration, or addition to the terms of the agreement, the work, or the specifications.

In witness whereof, this instrument has been duly executed by Principal and Surety on March 20, 2015.

**"PRINCIPAL"**

1000 CHANNEL STREET OWNER,  
LLC,  
a Delaware limited liability company

By: EA

Name:

Title: **Eric Rubinfeld  
Vice President & Secretary**

**"SURETY"**

RLI Insurance Company

By: Tracy Aston

Its: Tracy Aston, Attorney-in-Fact

Address: 8950 S. 52<sup>nd</sup> Street, Suite 209

Tempe, AZ 85284

Telephone: 480-940-8420

Facsimile: 480-940-8425

# CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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

County of Los Angeles

On MAR 20 2015 before me, Edward C. Spector, Notary Public, personally appeared Tracy Aston 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.

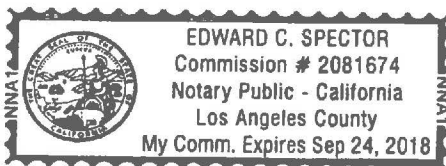
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature



Signature of Notary Public





RLI Surety  
 9025 N. Lindbergh Dr. | Peoria, IL 61615  
 Phone: (800)645-2402 | Fax: (309)689-2036  
 www.rlicorp.com

# POWER OF ATTORNEY

## RLI Insurance Company

**Know All Men by These Presents:**

That this Power of Attorney is not valid or in effect unless attached to the bond which it authorizes executed, but may be detached by the approving officer if desired.

That **RLI Insurance Company**, an Illinois corporation, does hereby make, constitute and appoint:

Tracy Aston, Ashraf Elmasry, Simone Gerhard, KD Conrad, Edward C. Spector, Daravy Mady, James Ross, B. Aleman, Lisa Crail,  
Kristine Mendez, Misty Wright, jointly or severally

in the City of Los Angeles, State of California its true and lawful Agent and Attorney in Fact, with full power and authority hereby conferred, to sign, execute, acknowledge and deliver for and on its behalf as Surety, the following described bond.

**Any and all bonds provided the bond penalty does not exceed Twenty Five Million Dollars (\$25,000,000.00).**

The acknowledgment and execution of such bond by the said Attorney in Fact shall be as binding upon this Company as if such bond had been executed and acknowledged by the regularly elected officers of this Company.

The **RLI Insurance Company** further certifies that the following is a true and exact copy of the Resolution adopted by the Board of Directors of **RLI Insurance Company**, and now in force to-wit:

"All bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, any Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys in Fact or Agents who shall have authority to issue bonds, policies or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile."

IN WITNESS WHEREOF, the **RLI Insurance Company** has caused these presents to be executed by its Vice President with its corporate seal affixed this 3rd day of September, 2014.



**RLI Insurance Company**

By: [Signature]  
 Roy C. Die Vice President

State of Illinois }  
 County of Peoria } SS

**CERTIFICATE**

On this 3rd day of September, 2014, before me, a Notary Public, personally appeared Roy C. Die, who being by me duly sworn, acknowledged that he signed the above Power of Attorney as the aforesaid officer of the **RLI Insurance Company** and acknowledged said instrument to be the voluntary act and deed of said corporation.

I, the undersigned officer of **RLI Insurance Company**, a stock corporation of the State of Illinois, do hereby certify that the attached Power of Attorney is in full force and effect and is irrevocable; and furthermore, that the Resolution of the Company as set forth in the Power of Attorney, is now in force. In testimony whereof, I have hereunto set my hand and the seal of the **RLI Insurance Company** this \_\_\_\_\_ day of \_\_\_\_\_.

**MAR 20 2015**

By: [Signature]  
 Jacqueline M. Bockler Notary Public

**RLI Insurance Company**

By: [Signature]  
 Roy C. Die Vice President





Bond No. CMS284335  
Premium charged is included  
in charge for performance bond

**Labor and Material Bond**  
**Block 1**  
Phase 1 Infrastructure

Whereas, the Board of Supervisors of the City and County of San Francisco, State of California, and 1000 Channel Street Owner, LLC (hereafter designated as "**Principal**") have entered into that certain Mission Bay South Block 1 Public Improvement Agreement, dated \_\_\_\_\_, 2015 (the "**Agreement**"), which is hereby referred to and made a part hereof, whereby Principal agrees to install and complete certain designated public improvements identified therein as the Phase 1 Infrastructure; and

Whereas, under the terms of the Agreement, Principal is required before entering upon the performance of the work to file a good and sufficient payment bond with the City and County of San Francisco to secure the claims to which reference is made in Title 15 (commencing with section 3082) of Part 4 of Division 3 of the Civil Code of the State of California;

Now, therefore, we, the Principal and the undersigned as corporate Surety, are held and firmly bound unto the City and County of San Francisco and all contractors, subcontractors, laborers, material men, and other persons employed in the performance of the agreement and referred to in Title 15 of the Civil Code in the sum of One Million Seven Hundred Thousand and NO/100 Dollars (\$1,700,000.00), for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to such work or labor, that Surety will pay the same in an amount not exceeding the amount set forth. If suit is brought on this bond, Surety will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorneys' fees, incurred by the City and County of San Francisco, in successfully enforcing the obligation, to be awarded and fixed by the Court, to be taxed as costs, and to be included in the judgment rendered.

It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies, and corporations entitled to file claims under Title 15 (commencing with section 3082) of Part 4 of Division 3 of the Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond.

If the condition of this bond is fully performed, then this obligation shall become null and void; otherwise, it shall be and remain in full force and effect.

The Surety hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the agreement or the specifications accompanying the agreement shall in any manner affect its obligations on this bond. The Surety hereby waives notice of any such change, extension, alteration, or addition.

In witness whereof, this instrument has been duly executed by Principal and Surety on March 20, 2015.


**"PRINCIPAL"**

1000 CHANNEL STREET OWNER,  
LLC,  
a Delaware limited liability company

By:   
Name: \_\_\_\_\_  
Title: **Eric Rubinfeld**  
**Vice President & Secretary**

**"SURETY"**

RLI Insurance Company

By:   
Its: Tracy Aston, Attorney-in-Fact

Address: 8950 S. 52<sup>nd</sup> Street, Suite 209  
Tempe, AZ 85284

Telephone: 480-940-8420

Facsimile: 480-940-8425

# CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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

County of Los Angeles

On MAR 20 2015 before me, Edward C. Spector, Notary Public, personally appeared Tracy Aston 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.

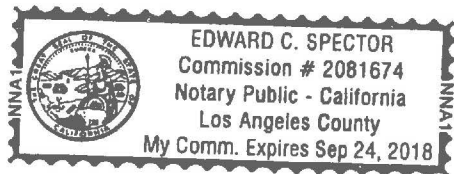
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature



Signature of Notary Public





RLI Surety  
 9025 N. Lindbergh Dr. | Peoria, IL 61615  
 Phone: (800)645-2402 | Fax: (309)689-2036  
 www.rlicorp.com

# POWER OF ATTORNEY

## RLI Insurance Company

**Know All Men by These Presents:**

That this Power of Attorney is not valid or in effect unless attached to the bond which it authorizes executed, but may be detached by the approving officer if desired.

That **RLI Insurance Company**, an Illinois corporation, does hereby make, constitute and appoint:

Tracy Aston, Ashraf Elmasry, Simone Gerhard, KD Conrad, Edward C. Spector, Daravy Mady, James Ross, B. Aleman, Lisa Crail, Kristine Mendez, Misty Wright, jointly or severally

in the City of Los Angeles, State of California its true and lawful Agent and Attorney in Fact, with full power and authority hereby conferred, to sign, execute, acknowledge and deliver for and on its behalf as Surety, the following described bond.

**Any and all bonds provided the bond penalty does not exceed Twenty Five Million Dollars (\$25,000,000.00).**

The acknowledgment and execution of such bond by the said Attorney in Fact shall be as binding upon this Company as if such bond had been executed and acknowledged by the regularly elected officers of this Company.

The **RLI Insurance Company** further certifies that the following is a true and exact copy of the Resolution adopted by the Board of Directors of **RLI Insurance Company**, and now in force to-wit:

"All bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, any Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys in Fact or Agents who shall have authority to issue bonds, policies or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile."

IN WITNESS WHEREOF, the **RLI Insurance Company** has caused these presents to be executed by its Vice President with its corporate seal affixed this 3rd day of September, 2014.



**RLI Insurance Company**

By: [Signature]  
 Roy C. Die Vice President

State of Illinois }  
 County of Peoria } SS

**CERTIFICATE**

On this 3rd day of September, 2014, before me, a Notary Public, personally appeared Roy C. Die, who being by me duly sworn, acknowledged that he signed the above Power of Attorney as the aforesaid officer of the **RLI Insurance Company** and acknowledged said instrument to be the voluntary act and deed of said corporation.

I, the undersigned officer of **RLI Insurance Company**, a stock corporation of the State of Illinois, do hereby certify that the attached Power of Attorney is in full force and effect and is irrevocable; and furthermore, that the Resolution of the Company as set forth in the Power of Attorney, is now in force. In testimony whereof, I have hereunto set my hand and the seal of the **RLI Insurance Company** this      day of     ,     .

By: [Signature]  
 Jacqueline M. Bockler Notary Public

**MAR 20 2015**

**RLI Insurance Company**  
 By: [Signature]  
 Roy C. Die Vice President



0433477020212

Bond No. CMS284336  
Premium: \$56,000.00

Faithful Performance Bond  
Block 1  
Park P3 Improvements

Whereas, the Board of Supervisors of the City and County of San Francisco, State of California, and 1000 Channel Street Owner, LLC (hereafter designated as "**Principal**") have entered into that certain Mission Bay South Block 1 Public Improvement Agreement, dated \_\_\_\_\_, 2015 (the "**Agreement**"), which is hereby referred to and made a part hereof, whereby Principal agrees to install and complete certain designated public improvements identified therein as the Park P3 Improvements; and

Whereas, Principal is required under the terms of the Agreement to furnish a bond for the faithful performance of the Agreement;

Now, therefore, we, Principal and RLI Insurance Company, as **Surety**, are held and firmly bound unto the **City and County of San Francisco** (hereafter called "**City of San Francisco**") in the penal sum of Two Million Eight Hundred Thousand and NO/100 Dollars (\$2,800,000.00) lawful money of the United States, for the payment of which we bind ourselves, our heirs, successors, executors, and administrators, jointly and severally, firmly by these presents.

The condition of this obligation is such that the obligation shall become null and void if the above-bounded Principal, his or its heirs, executors, administrators, successors, or assigns, shall in all things stand to, abide by, well and truly keep, and perform the covenants, conditions, and provisions in the agreement and any alteration thereof made as therein provided, on his or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to his or their true intent and meaning, and shall indemnify and save harmless the City of San Francisco, its officers, agents, and employees, as therein stipulated; otherwise, this obligation shall be and remain in full force and effect.

## CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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

County of Los Angeles

On MAR 20 2015 before me, Edward C. Spector, Notary Public, personally appeared Tracy Aston 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.

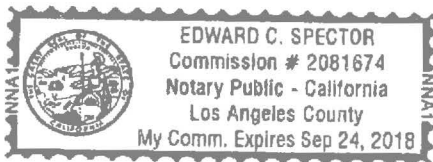
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_



Signature of Notary Public



Bond No. CMS284336  
Premium charged is included  
in charge for performance bond

**Labor and Material Bond**

**Block 1**

**Park P3 Improvements**

Whereas, the Board of Supervisors of the City and County of San Francisco, State of California, and 1000 Channel Street Owner, LLC (hereafter designated as "**Principal**") have entered into that certain Mission Bay South Block 1 Public Improvement Agreement, dated \_\_\_\_\_, 2015 (the "**Agreement**"), which is hereby referred to and made a part hereof, whereby Principal agrees to install and complete certain designated public improvements identified therein as the Park P3 Improvements, and

Whereas, under the terms of the Agreement, Principal is required before entering upon the performance of the work to file a good and sufficient payment bond with the City and County of San Francisco to secure the claims to which reference is made in Title 15 (commencing with section 3082) of Part 4 of Division 3 of the Civil Code of the State of California;

Now, therefore, we, the Principal and the undersigned as corporate Surety, are held and firmly bound unto the City and County of San Francisco and all contractors, subcontractors, laborers, material men, and other persons employed in the performance of the agreement and referred to in Title 15 of the Civil Code in the sum of One Million Four Hundred Thousand and NO/100 Dollars (\$1,400,000.00), for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to such work or labor, that Surety will pay the same in an amount not exceeding the amount set forth. If suit is brought on this bond, Surety will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorneys' fees, incurred by the City and County of San Francisco, in successfully enforcing the obligation, to be awarded and fixed by the Court, to be taxed as costs, and to be included in the judgment rendered.

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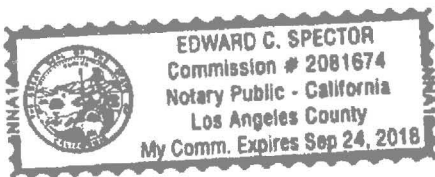
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature



Signature of Notary Public





Bond No. CMS284337  
Premium: \$146,000.00

Faithful Performance Bond  
Block 1  
Pump Station Improvements

Whereas, the Board of Supervisors of the City and County of San Francisco, State of California, and 1000 Channel Street Owner, LLC (hereafter designated as "**Principal**") have entered into that certain Mission Bay South Block 1 Public Improvement Agreement, dated \_\_\_\_\_, 2015 (the "**Agreement**"), which is hereby referred to and made a part hereof, whereby Principal agrees to install and complete certain designated public improvements identified therein as the Pump Station Improvements; and

Whereas, Principal is required under the terms of the Agreement to furnish a bond for the faithful performance of the Agreement;

Now, therefore, we, Principal and RLI Insurance Company, as **Surety**, are held and firmly bound unto the **City and County of San Francisco** (hereafter called "**City of San Francisco**") in the penal sum of Seven Million Three Hundred Thousand and NO/100 Dollars (\$7,300,000.00) lawful money of the United States, for the payment of which we bind ourselves, our heirs, successors, executors, and administrators, jointly and severally, firmly by these presents.

The condition of this obligation is such that the obligation shall become null and void if the above-bounded Principal, his or its heirs, executors, administrators, successors, or assigns, shall in all things stand to, abide by, well and truly keep, and perform the covenants, conditions, and provisions in the agreement and any alteration thereof made as therein provided, on his or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to his or their true intent and meaning, and shall indemnify and save harmless the City of San Francisco, its officers, agents, and employees, as therein stipulated; otherwise, this obligation shall be and remain in full force and effect.

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State of California

County of Los Angeles

**MAR 20 2015**

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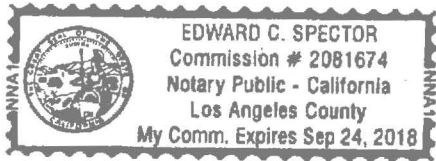
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_



Signature of Notary Public



Bond No. CMS284337  
Premium charged is included  
in charge for performance bond

**Labor and Material Bond**

**Block 1**

**Pump Station Improvements**

Whereas, the Board of Supervisors of the City and County of San Francisco, State of California, and 1000 Channel Street Owner, LLC (hereafter designated as "**Principal**") have entered into that certain Mission Bay South Block 1 Public Improvement Agreement, dated \_\_\_\_\_, 2015 (the "**Agreement**"), which is hereby referred to and made a part hereof, whereby Principal agrees to install and complete certain designated public improvements identified therein as the Pump Station Improvements; and

Whereas, under the terms of the Agreement, Principal is required before entering upon the performance of the work to file a good and sufficient payment bond with the City and County of San Francisco to secure the claims to which reference is made in Title 15 (commencing with section 3082) of Part 4 of Division 3 of the Civil Code of the State of California;

Now, therefore, we, the Principal and the undersigned as corporate Surety, are held and firmly bound unto the City and County of San Francisco and all contractors, subcontractors, laborers, material men, and other persons employed in the performance of the agreement and referred to in Title 15 of the Civil Code in the sum of Three Million Six Hundred Fifty Thousand and NO/100 Dollars (\$3,650,000.00), for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to such work or labor, that Surety will pay the same in an amount not exceeding the amount set forth. If suit is brought on this bond, Surety will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorneys' fees, incurred by the City and County of San Francisco, in successfully enforcing the obligation, to be awarded and fixed by the Court, to be taxed as costs, and to be included in the judgment rendered.

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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 *Ed C. S.*  
Signature of Notary Public

