

**MAJOR ENCROACHMENT PERMIT  
AND MAINTENANCE AGREEMENT  
(Lightweight Cellular Concrete Monitors)**

**1. PARTIES AND BACKGROUND**

A. The City and County of San Francisco Public Works (the “**Department**”) enters into this Major Encroachment Permit and Maintenance Agreement (“**Agreement**”) with Mission Rock Horizontal Sub (Phase I), LLC, a Delaware limited liability company (the “**Permittee**”), on this date, \_\_\_\_\_, 2025 for reference purposes only (“**Reference Date**”). In this Agreement, the “**Major Encroachment Permit**” or “**Permit**” collectively refers to the Encroachment Permit as shown on the Department approved plan(s), any associated Improvement (as defined below), and this Agreement, including its Attachments and accompanying documents. In this Agreement, “the **City**” refers to the City and County of San Francisco and all affiliated City agencies including, but not limited to, the Department, the San Francisco Public Utilities Commission (“**SFPUC**”) and the San Francisco Municipal Transportation Agency (“**SFMTA**”).

B. Permittee intends to monitor, repair, and replace, as needed, certain monitoring devices installed below the surface and intended to be used to measure the settlement of the improved Public Right-of-Ways, as defined in the Public Works Code (“**PROW**”), and related infrastructure located within the Mission Rock Project (“**Project**”) as such project is described in that certain Disposition and Development Agreement for the Mission Rock project (“**Project**”) between the City, acting by and through its Port Commission (“**Port**”), and Seawall Lot 337 Associates, LLC, a Delaware limited liability company, approved by the Board of Supervisors through the passage of Resolution No. 42-18 and partially assigned to Permittee and recorded in the official records of the Assessor-Recorder of the City and County of San Francisco (“**Official Records**”) on August 17, 2018 as Document No. 2018-K656938 (as amended, “**DDA**”). Permittee is also a party that certain Development Agreement between the City and the Permittee, which the Board approved through Ordinance No. 33-18 (“**Development Agreement**”).

C. In response to Permittee’s submittal of a subdivision map application for Phase 1A of the Project, on December 13, 2019, the Department issued Public Works Order (“**Order**”) No. 202368, which approved Tentative Map No. 9443 and imposed certain terms and conditions on Permittee’s use of lightweight cellular concrete (“**LCC**”) in the Public Right-of-Ways on the Project site given that LCC is a new material for use in streets accepted into the City street system. In regard to the LCC, Order No. 202368 required the Permittee to provide an “**Initial Warranty**,” that would cover the failure of the “**LCC Infrastructure**” wherever it exists for a period of two years from the date of issuance of the last Notice of Completion for all LCC Infrastructure for the applicable Project phase. In addition, Order No. 202368 requires Permittee to provide an “**Extended Warranty**” that covers all “**Failures**” of the LCC Infrastructure for a period of three years from the date of the expiration of the Initial Warranty. In addition, Order No. 202368 required that Permittee’s use of LCC Infrastructure comply with performance criteria to be issued subsequent to Order No. 202368, and to implement settlement monitoring for a ten-year period commencing upon the date of issuance of the last notice of completion for LCC Infrastructure within the subdivision map area, which occurred on November 21, 2024.

## CITY DRAFT 3.20.25

D. On March 13, 2023, the Department issued Order No. 207782, which established the Mission Rock Phase 1A Monitoring Plan and Performance Criteria for Infrastructure that the Permittee must comply with according to Order No. 202368. Compliance with the reporting requirements set forth in Order No. 207782 is intended to demonstrate that LCC design and specifications for Phase 1 of the Project can perform safely and in accordance with the intended use and purpose of the LCC Infrastructure. The City will evaluate requests to use LCC in future Project phases based on the terms of Order Nos. 202368 and 207782, including the LCC Performance Criteria defined in Order No. 207782.

E. In conjunction with Final Map No. 9443, Permittee irrevocably offered the public infrastructure associated with Phase 1A of the Mission Rock Project to the City and the Port, as clarified and supplemented in the Amended and Restated Offer of Improvements, recorded in the Official Records on March 18, 2025 as Document No. 2025019816 (the “**Offer of City Improvements**”) and the Amended and Restated Offer of Improvements, recorded in the Official Records on March 18, 2025 as Document No. 2025019812 (the “**Offer of Port Improvements**”). The Department, in Street Improvement Permit No. 20 IE-00486, dated October 1, 2020, prepared by BKF Engineers, entitled “Mission Rock Phase 1 Street Improvement Plans,” as modified by Instructional Bulletins #1 through #13 (as modified, the “**Street Improvement Permit**”) approved construction of the improvements identified in the Offer of City Improvements that would be offered for acceptance by the City including improvements located within portions of Bridgeview Way, Dr. Maya Angelou Lane, and Toni Stone Crossing (collectively, the “**Streets**”) and the utility, roadway, and sidewalk improvements (collectively, “**Phase 1A Public Infrastructure**”). The Street Improvement Permit also authorized the installation of LCC monitoring devices intended to be used to measure the settlement of the Phase 1A Public Infrastructure and to determine whether any Failures of the LCC Infrastructure have occurred. This Permit is intended to govern the installation, maintenance, repair, replacement, and removal of the LCC monitoring devices that have been installed in Public Right-of-Ways as part of Phase 1A of the Project.

E. The Port shall maintain certain Port encroachments under the interdepartmental master encroachment permit (the “**IMEP**”) approved by the Board of Supervisors in Resolution No. \_\_\_\_\_, which is on file with the Clerk of the Board of Supervisors in File No. \_\_\_\_\_.

F. Concurrently with its approval of the Acceptance Ordinance, the Board of Supervisors approved Resolution No. \_\_\_\_\_ to allow Permittee’s continued ownership and maintenance of the LCC monitoring devices within Public Right-of-Ways located within the Project site under the terms and conditions of this Permit.

## 2. PERMIT INFORMATION

**2.1 Permit Number:** Encroachment Permit No. 25ME-00003 issued under Public Works Code Section 786(a), as originally installed under Street Improvement Permit No. 20 IE-00486, dated October 1, 2020, as modified by Instructional Bulletins #1 through #13.

**2.2 Description/Location of Property:** The Improvements and the Permit Area are located on the real property described in Attachment 1.

**2.3 Description/Location of Permit Area:**

The Improvements are located in portions of Dr. Maya Angelou Way, Toni Stone Crossing, Bridgeview Way, and Third Street outlined in Attachment 2. The areas within five feet in each direction and to the depth of each installed facility of each of the Improvements are collectively referred to herein as the “**Permit Area**.”

**2.4 General Description of Improvements (See Attachment 2):**

In this Permit, the “**Improvements**” means the sanitary sewer and storm drain manhole settlement monitors, non-potable water gate valve settlement monitors, sanitary sewer and storm drain high density poly ethylene settlement monitors, extensometer settlement monitors, and piezometer settlement monitors as depicted and in the locations depicted on the Mission Rock Phase 1 Street Improvement Plans Settlement Monitoring Plan Record Drawings dated April 30, 2024, a copy of which is attached hereto as Attachment 2. The Improvements include the enclosures corresponding to each of the aforementioned monitors.

**2.5 Permit Type:** Major Encroachment Permit

**2.6 Permittee’s Corporate Information:**

Name: Mission Rock Horizontal Sub (Phase I), LLC, a Delaware limited liability company

Mailing Addresses: c/o Tishman Speyer  
45 Rockefeller Plaza  
New York, New York 10111

And:

c/o Giants Development Services LLC  
24 Willie Mays Plaza  
San Francisco, California 94107  
Attention: Julian Pancoast, Vice President, Real Estate Development

With copies to:

Tishman Speyer  
45 Rockefeller Plaza  
New York, New York 10111  
Attention: General Counsel

And:

Perkins Coie LLP  
505 Howard Street, Suite 1000  
San Francisco, California 94105  
Attention: Garrett Colli

**2.7 Permittee's Contact Information.**

The Permittee shall provide to Public Works, SFMTA, 311 Service Division, and SFPUC the information below regarding a minimum of two (2) contact persons who are in charge of or responsible for complying with the operational requirements of the Permit. Permittee shall notify both Public Works and SFMTA within thirty (30) calendar days of any changes in the Permittee's personnel structure that are material to this Permit and submit the required contact information of the current and responsible contacts. If and when the City's 311 Service Division (or successor public complaint system program) allows direct communications with the contact person(s) for the Permit, the Permittee shall participate in this program and shall provide Permittee's preferred contact persons concerning operational matters.

Contact Person For Operational Matters:

Last Name, First Name: Lum, Patrick  
Title/Relationship to Owner: Chief Engineer, Mission Rock  
Phone Number: (415) 793-5291  
Email Addresses: plum@tishmanspeyer.com  
Address: 1023 Third Street, Suite 01, San Francisco, CA 94158

Contact Person For Operational Matters:

Last Name, First Name: Ng, Lily  
Title/Relationship to Owner: Property Manager, Mission Rock:  
Phone Number: [ \_\_\_\_\_ ]  
Email Addresses: Lng@tishmanspeyer.com  
Address: 1023 Third Street, Suite 01, San Francisco, CA 94158

Agent for Service of Process:

1505 Corporation  
National Registered Agents, Inc.  
330 N. Brand Blvd.  
Glendale, California 91203

**2.8 List of Attachments.** The following additional documents are attached to or accompany this Agreement. All attachments shall be on sheets sizing 8.5 by 11 inches so they can be easily inserted into this agreement as an attachment:

## CITY DRAFT 3.20.25

- Attachment 1: **Property Information**. Written description of the location of the real property in which the Permit Area is located.
- Attachment 2: Diagram showing the boundary limits of the Permit Area and identifying all Improvements in the Permit Area (“**Precise Diagram**”).
- Attachment 3: The **Maintenance Plan** identifies any routine maintenance, repair and replacement tasks, as applicable. Permittee shall provide the regular (e.g., daily, weekly, etc.) estimated expenses, including labor hours, cost per hour, and materials needed for maintenance. See Section 5.4B for additional information regarding the Maintenance Plan.
- Attachment 4: Permittee shall provide the Department with the **Operations Manual** within six months of the Reference Date.
- Attachment 5: [RESERVED.]

### **3. EFFECTIVE DATE; REVOCABLE, NON-EXCLUSIVE PERMIT; RECORDATION**

(a) Following Board of Supervisors approval and confirmation that the Department has received all required permit documents and fees, the Department shall issue the approved Permit. The date this Encroachment Agreement is executed by all parties shall be the “**Effective Date**” of the Permit.

(b) Subject to the provisions of Sections 14 (Assignment of Agreement) and 15 (Transfer and Acceptance Procedures) below, the privilege given to Permittee under this Agreement with respect to the Improvements located in the Permit Area is revocable, personal, non-exclusive, non-possessory, and effective only insofar as the rights of City in the PROW are concerned.

(c) This Permit does not grant any rights to construct or install Improvements in the Permit Area until the Public Works Director issues written authorization for such work.

### **4. INSPECTION, MONITORING, AND MAINTENANCE RESPONSIBILITIES**

Permittee acknowledges its responsibility to maintain and monitor the Permit Area and its Improvements according to an “**Inspection, Monitoring, and Reporting Program**,” document performance of the maintenance activities as described herein, and retain documentary evidence of the maintenance activities (the “**Maintenance Report**”) for a minimum of ten (10) years. Within ten (10) business days from the date of the Director’s written request for maintenance information, the Permittee shall provide proof that maintenance activities have been performed according to the requirements and frequency of maintenance described in the Maintenance Plan.

The Permittee shall inspect each of the Improvements and take measurements using the Improvements in accordance with the monitoring schedule prescribed in Order 207782. Moreover, Permittee shall maintain a written and image log of all maintenance issues, including, but not

limited to: defects, damages, defacing, complaints, and repairs performed on the Improvements and the Permit Area. The images for the logged maintenance issues and repairs shall clearly show the location and detail of the damaged or defaced element or area, and its repair and restoration. Permittee shall maintain all files and provide them, when requested by City under this Section 4, in a format and media consistent with current standards for data retention and transfer, such as a USB flash drive compatible with a commonly available personal computer. The Maintenance Report, at a minimum, shall include the following information: monitor readings in accordance with the monitoring schedule prescribed in Order 207782; date and time of maintenance; description and type of encroachment element requiring repair, resolution, or restoration and method used to repair, resolve, or restore it; time and duration to repair, resolve, or restore such element; company (and contact information for the company) that performed the repair, resolution, or restoration. Permittee will provide a Maintenance Report to Public Works after completing any repair or replacement of the Improvements that would impact the collection and reporting of LCC monitoring data.

## **5. CONDITIONS OF ENTRY AND USE**

By entering into this Agreement, Permittee acknowledges its responsibility to comply with all requirements for maintenance of the Improvements as specified in this Agreement, Public Works Code Section 786, Article 2.4 of the Public Works Code (“**Excavation in the Public Right-of-Way**”) and Public Works Order No. [*Drafting Note: Insert reference to LCC Excavation Order.*], and as directed by the Director. Permittee shall comply and cause its agents to comply, with each of the following requirements in its performance of the Permitted Activities.

### **5.1 Permits and Approvals**

#### **5.1A Requirement to Obtain all Regulatory Permits and Approvals.**

Permittee has obtained Street Improvement Permit No. 20 IE-00486, dated October 1, 2020, as modified by Instructional Bulletins #1 through #13, for the installation of the Improvements.

#### **5.1B Subsequent Excavation within Permit Area.**

When maintenance or repair of the Improvements requires excavation as described in Article 2.4 of the Public Works Code, or prevents public access through the Permit Area, or obstructs the movement of vehicles or bicycles where allowed by law, Permittee shall apply for applicable permits from the Department and any other affected City agencies. Permittee or agent of Permittee shall comply with all applicable excavation permit bonding and security requirements when performing or causing to be performed any excavations or occupancies within the Permit Area.

#### **5.1C Additional Approvals.**

Further permission from the Department may be required prior to Permittee’s performance of work within the Permit Area including, but not limited to, the restoration of a temporarily restored trench, removal and replacement of a tree or other landscaping, or repair of damaged or

uplifted sidewalk or other paving material. This Agreement does not limit, prevent, or restrict the Department from approving and issuing permits for the Permit Area including, but not limited to, occupancy, encroachment, and excavation permits. The Department shall include as a condition in all subsequent permits issued in the Permit Area that any subsequent permittee notify and coordinate with the Permittee prior to occupying, encroaching, or excavating within the Permit Area, and that such Permittee bear the cost of restoration of the Permit Area as applicable under Section 5.8.

**5.2 Exercise of Due Care.**

During any entry on the Permit Area to perform any of the Permitted Activities, Permittee shall, at all times and at its sole cost, perform the Permitted Activities in a manner that maintains the Permit Area in a good, clean, safe, secure, sanitary, and attractive condition. Permittee shall use due care at all times to avoid any damage or harm to the Permit Area or any Improvements or property located thereon or adjacent to, and to take such soil and resource conservation and protection measures within the Permit Area as are required by applicable laws and as City may reasonably request in writing. Permittee shall not perform any excavation work without City's prior written approval. Under no circumstances shall Permittee knowingly or intentionally damage, harm, or take any rare, threatened, or endangered species on or about the Permit Area. While on the Permit Area to perform the Permitted Activities, Permittee shall use commercially reasonable efforts to prevent and suppress fires on and adjacent to the Permit Area attributable to such entry.

**5.3 Cooperation with City and Fronting Property Owners.**

Permittee shall work closely with City personnel to avoid unreasonable disruption (even if temporary) of access to the Improvements and property in, under, on or about the Permit Area and City and public uses of the Permit Area. Permittee shall perform work in accordance with the Permit and this Agreement. Permittee also shall perform work pursuant to one or more Street Improvement Permits or General Excavation Permits and in accordance with Public Improvement Agreements if either or both are applicable.

Permittee shall provide advance notice and work closely with all owners of improvements on adjacent or proximate parcels ("**Fronting Property Owners**") to avoid unreasonable disruption (even if temporary) of use and access to their property during any Permitted Activities or other permitted or unpermitted activity by Permittee that may impact Fronting Property Owners, as determined by the Director.

**5.4 Permittee's Maintenance and Liability Responsibilities.**

**5.4A Permittee's Maintenance and Liability.**

(a) Permittee acknowledges its maintenance and liability responsibility for the Improvements (including, but not limited to, materials, elements, fixtures, etc.) in accordance with the Permit and this Agreement, and all other applicable City permits, ordinary wear and tear excepted. Permittee agrees to maintain said Improvements as described in the Permit and Order 207782. Permittee shall reimburse the Department for any work performed by the Department as

## **CITY DRAFT 3.20.25**

a result of the Permittee's failure to comply with the maintenance and restoration terms as specified in this Agreement under Section 8. Permittee is wholly responsible for any facilities installed in the Permit Area that are subject to this Permit's terms and for the quality of the work performed in the Permit Area under this Agreement. Permittee is liable for all claims related to the installed facilities and any condition caused by Permittee's performed work. Neither the issuance of any permit nor the inspection, nor the repair, nor the suggestion, nor the approval, nor the acquiescence of any person affiliated with the City shall excuse the Permittee from such responsibility or liability.

(b) In the event that the Director agrees to maintain one or more of the Improvements pursuant to Section 5.9B of this Agreement, Permittee shall not be responsible for the quality of maintenance or restoration work performed, nor liable for the resulting consequences of City work.

### **5.4B Maintenance Plan.**

The Permittee shall submit to the Department a Maintenance Plan with a detailed description of means and methods to maintain any and all elements of the Permit. The Maintenance Plan should identify estimated annual operating expenses, regular maintenance expenses, replacement costs, replacement lifespan, and any specialized equipment necessary for continued operation of the facilities, which shall be certified by the City Engineer in conformance with Public Works Code Section 786.8(c). Refer to Attachment 3. Within six months of the Reference Date, Permittee also shall submit an Operations Manual with a detailed description of how to operate any specialized equipment necessary for continued operation of the facilities along with manufacturer's instructions for operation and other information pertinent information about the equipment. The City Engineer shall review and certify both the Maintenance Plan and Operations Manual.

### **5.4C Abatement of Unsafe, Hazardous, Damaged, or Blighted Conditions.**

Permittee acknowledges its maintenance responsibility to abate any unsafe, hazardous, damaged, or blighted conditions that arise from Permittee's ownership and maintenance of the Improvements within the Permit Area. Following receipt of a notice by the Department of an unsafe, damaged, or blighted condition of the Improvements (or of the Permit Area arising out of the presence of the Improvements therein), Permittee shall immediately respond to the notice and restore the site to the condition specified on the Construction Plans within thirty (30) calendar days, unless the Department specifies a shorter or longer compliance period based on the nature of the condition or the problems associated with it; provided, however, to the extent that such restoration cannot be completed using commercially reasonable efforts within such thirty (30) calendar day period or other period specified by the Department, then such period shall be extended provided that the Permittee has commenced and is diligently pursuing such restoration. In addition, Permittee acknowledges its responsibility to abate any hazardous conditions that result directly or indirectly from Permittee's use of the Permit Area, promptly upon receipt of notice from the Department. For unsafe or hazardous conditions, the Permittee shall immediately place or cause to be placed temporary measures to protect the public. Failure to promptly respond to an unsafe or hazardous condition or to restore the site within the specified time may result in the Department's performing the temporary repair or restoration in order to protect the public health,



safety, and welfare. Permittee shall reimburse the Department for any such temporary repair or restoration. Failure to abate the problem also may result in the Department's issuance of a Correction Notice or Notice of Violation citation and/or request for reimbursement fees to the Department for departmental and other City services necessary to abate the condition in accordance with Section 8.

**5.5 Permittee's Maintenance, Liability, and Notice Responsibilities.**

The Permittee's maintenance responsibility generally shall be limited to the Improvements in the Permit Area, and its immediate vicinity, including any sidewalk damage directly related to the Improvements or Permitted Activities. Permittee acknowledges its responsibility to coordinate with the Port and its agents or contractors concerning repairs or restoration of any improvements within the Permit Area that are subject to the IMEP. Permittee shall be responsible for the restoration of any improvements (including, e.g., sidewalk, landscaping, or non-standard hardscape) within the Permit Area subject to the IMEP that are disturbed or otherwise damaged by the Improvements or through Permittee's performance of Permitted Activities. Permittee agrees to work expeditiously with the City and the Port to coordinate any such repairs within the required timeframes under the IMEP.

**5.6 Annual Certification of Insurance.**

Upon receipt of a written request by the Department, but no more than annually, Permittee shall submit written evidence to the Department indicating that the requirements of Section 7 (Insurance) and, if applicable, Section 8 (Security), have been satisfied.

**5.7 Damage to and Cleanliness and Restoration of Permit Area and City Owned or Controlled Property.**

Permittee, at all times, shall maintain the Improvements in a clean and orderly manner to the satisfaction of the Director. Following any construction activities or other activities on the Permit Area, Permittee shall remove all debris and any excess dirt from the Permit Area and Improvements.

If any portion of the Permit Area, any City-owned or controlled property located adjacent to the Permit Area, including other publicly dedicated PROW, or private property in the vicinity of the Permit Area is damaged by any of the activities conducted by Permittee hereunder, Permittee shall immediately, at its sole cost, repair any and all such damage and restore the Permit Area or affected property to its previous condition to the satisfaction of the Director.

**5.8 Excavation or Temporary Encroachment within the Permit Area.**

Permittee acknowledges its maintenance responsibility for the Improvements, and any portion of the Permit Area in which the Permittee has excavated, following any excavation or temporary encroachment of any portion or portions of the Permit Area as described below.

**5.8A Excavation by City or UCP Holders.** After providing public notice according to Article 2.4 of the Public Works Code, any City Agency or Public Utility may excavate within the PROW, which may include portions of the Permit Area. A “**City Agency**” shall include, but not be limited to, the SFPUC, SFMTA, and any City authorized contractor or agent, or their sub-contractor performing excavation for a City project, but shall not include any Public Utility or private third-party excavating pursuant to a City or Port-issued permit. “Public Utility” shall include any company or entity currently holding a valid Utility Conditions Permit (“**UCP**”) or a valid franchise with the City or the California Public Utilities Commission. Permittee acknowledges that it will provide and not obstruct access to any utilities and facilities owned and operated by any City Agency or a Public Utility at any time within the Permit Area for maintenance, repair, and/or replacement.

Emergency Work. In the case of an emergency, a City Agency or Public Utility need not notify the Permittee of the work until after the emergency situation has been abated at which point the Department will strive to cooperate with affected City department to provide written notice to the Permittee concerning the emergency work.

In the performance of any excavation in the Permit Area by a City Agency or Public Utility, it shall be the responsibility of the Permittee to coordinate with the City Agency or Public Utility and restore the Improvements and the affected portion of the Permit Area to the condition specified on the Construction Plans, provided, however, the excavator shall implement commercially reasonable precautions to protect the Improvements located within the Permit Area from injury or damage during the excavation or future work.

In the case where the excavated portion of the Permit Area consists of only City Standard materials, the City Agency or Public Utility shall complete its restoration work within thirty (30) calendar days following the completion of the excavation or temporary encroachment; provided, however, to the extent that such restoration cannot be completed within such thirty (30) calendar day period due to weather or unforeseen circumstances, then such period shall be extended provided that the excavator has commenced and is diligently pursuing such restoration.

The Permittee shall not seek or pursue compensation from a City Agency or a Public Utility for Permittee’s coordination of work or the inability to use of the Permit Area for the duration of excavation or occupancy.

**5.8B Excavation by Private Parties.** Following any excavation of any portion or portions of the Permit Area by a private party not contracted by the City (e.g., Fronting Property Owner, resident, or Fronting Property Owner’s or resident’s contractor or agent), it shall be the responsibility of the private party and the Permittee to coordinate the restoration of the Improvements and the private party shall bear all the cost of restoration; provided, however, that in all events the private party shall be required to restore the Improvements within thirty (30) calendar days after completion of the excavation or temporary encroachment, provided, however, to the extent that such restoration cannot be completed using commercially reasonable efforts within such thirty (30) calendar day period, then the Department shall extend such period provided that the private party has commenced and is diligently pursuing such restoration.

If the private party fails to perform such restoration, then the Permittee should notify the Department of such failure in writing and allow any Departmental corrective procedures to conclude prior to pursuing any and all claims against such private party related thereto should the permittee have such third-party rights. The City, through its separate permit process with that private party, shall require that private party to bear all the costs of restoration and cooperate with the Permittee on how the restoration is performed and how any costs that the Permittee assumes for work performed (time and materials) are reimbursed.

The Permittee shall only seek or pursue compensation for work performed (time and materials) and shall not seek or request compensation for coordination or the inability to use the Improvements for the duration of excavation or occupancy.

**5.8C Temporary Encroachments for Entities Other Than Permittee.** In the case of temporary encroachments Permittee shall work collaboratively with the entity that will be temporarily encroaching the Permit Area (“**Temporary Encroacher**”) to coordinate the temporary encroachment. It shall be the responsibility of the Temporary Encroacher to protect in-place the Improvements.

**5.8D Additional Time to Complete Site Restoration Where Future Work Is Anticipated.** Prior to the Permittee’s undertaking of any restoration of the Improvements or the applicable portion of the Permit Area (if required per Section 5.7) to the conditions specified in the Construction Plans, the Permittee and the City shall confer as to whether any party (e.g., any City Agency, Public Utility, or private party) intends to perform any future work (e.g., any excavation or temporary encroachment) that would be likely to damage, disrupt, disturb or interfere with any restoration of the Permit Area.

If such future work is anticipated within six (6) months following completion of any then proposed excavation or temporary encroachment, then the Permittee’s deadline for restoring the site shall be automatically extended. The Permittee may submit to the Department a written request for an extension to the restoration deadline if future work is anticipated to commence more than six (6) months from the completion of the prior excavation and temporary encroachment. If the restoration deadline is extended as set forth above, then the Permittee shall be obligated to complete the restoration within the timeframes specified in this Agreement.

## **5.9 Permit Revocation; Termination; Modification of Agreement**

### **5.9A Permit Revocation or Termination.**

Permittee acknowledges and agrees that the obligations of the Permittee, successor owner(s), or Permittee’s successor(s) in interest to perform the Permitted Activities shall continue for the term of the Permit. The City reserves the right to revoke the Permit under the procedures set forth in the Public Works Code Sections 786 et seq.

If the Permit is terminated by Permittee, revoked or terminated by City, or revoked by operation of the events set forth in Section 5.9B(3) (each an “**MEP Termination Event**”) with respect to a portion or portions of the Permit Area, Permittee shall remove the Improvements therein and restore the Permit Area to a condition specified by City for a standard PROW or as

the Director of Public Works deems appropriate under the circumstances, at Permittee's sole cost (the "**Right-of-Way Conversion** ") by (i) applying for, and providing the materials necessary to obtain, a Public Works permit or other authorization from City for the performance of such conversion work; (ii) performing such conversion work pursuant to the terms and conditions of such street improvement permit or other City authorization; and (iii) warranting that the conversion work that meets the standards required by a Public Works street improvement permit with a duration not less than one (1) year from the date Public Works confirms that the work is complete. For avoidance of doubt, acquisition of the Improvements by a party with legal authority to maintain the Improvements without this Permit shall not give rise to the Right-of-Way Conversion requirements hereof.

A termination or revocation of the Permit under the procedures set forth in Public Works Code Sections 786 et seq. shall result in an automatic termination of this Agreement as to the affected portion of the Permit Area, and all of Permittee's responsibilities and obligations hereunder shall terminate, unless otherwise provided for in this Agreement. The City may partially terminate or revoke the Permit as to those portions of the Permit Area subject to default and the City may elect to allow the Permit to remain effective as to all portions of the Permit Area that are not subject to default.

The obligation of Permittee, successor owner, or Permittee's successor in interest to remove the Improvements and restore the PROW to a condition satisfactory to Director of Public Works shall survive the revocation, expiration, or termination of this Permit. Upon completion of the Right-of-Way Conversion, and subject to Section 5.9B, Permittee shall have no further obligations under the Permit for the portion of the Permit area subject to the Right-of-Way Conversion and to the extent the Director has agreed to terminate the Permittee's obligations in regard to all or a portion of the Right-of-Way Conversion, except as to any applicable warranty.

The City and any and all City subdivisions or agencies shall be released from the responsibility to maintain the existence of the Improvements and shall not be required to preserve or maintain the Improvements in any capacity following the termination or revocation of the Permit unless the Department, in its discretion and in accordance with this Agreement, agrees to an alternative procedure.

#### **5.9B Modification or Termination of the Agreement.**

(a) This Agreement shall continue and remain in full force and effect at all times until the Permittee's removal or abandonment in place (both subject to Public Works' concurrence) of the Improvements, except if the City elects to terminate Permittee's maintenance obligations pursuant to this Section 5.9B and provides written notice to the address provided in Section 2.7. Under such circumstances, this Agreement shall terminate at the time specified in such written notice with exception to those terms as specified in this Agreement that apply to the any remaining Permit obligations. City shall record evidence of any such termination in the Official Records. The Director may agree to extend the term of the Agreement upon written request of Permittee.

(b) At any time during the term of the Permit, Permittee may request to amend the scope of such Permitted Activities through a written amendment to this Agreement. The Director, in

his or her sole discretion, may approve, approve with conditions, or deny the requested amendment. If the Director approves an amendment, both parties shall execute and record the approved amendment. Further, Permittee and Director may, but are not required to, execute a written modification of this Agreement to provide for the Department's maintenance of a portion or all of the Improvements as described in the Permit Area (Attachment 2). In the event of such modification of this Agreement, the Department may require Permittee to pay the Department for the cost of maintaining specified Improvements as described in the Maintenance Plan (defined in Section 5.4B) and Attachment 3. The Director's written modification shall, among other relevant terms, identify the specific portion of the Improvements that the Department shall maintain and the terms of Permittee's payments.

(c) In addition, Permittee and City may mutually elect to modify Permittee's obligation to perform the Right-of-Way Conversion described in Section 5.9.A including any modification necessary to address any Improvements that cannot be modified or replaced with a PROW improvement built according to the City's standard specifications. Any such modification may include, but not be limited to, Permittee's agreement to convert, at its sole cost, specified Improvements to a PROW built according to the City's standard specifications while leaving other specified Improvements in their as-is condition, with Permittee assuming a continuing obligation to pay for City's costs to maintain and replace such remaining Improvements. In addition, any such modification may address any applicable City requirements for maintenance security payment obligations and City's acquisition of specialized equipment needed to perform the maintenance work, however, no such specialized equipment shall be required for Improvements built to City standards. If City and the Permittee mutually agree to any modification to the Right-of-Way Conversion that results in Permittee assuming such a maintenance payment obligation, Permittee shall execute and acknowledge, and City shall have the right to record in the Official Records of San Francisco County, an amendment to this Agreement that details such payment obligation.

### **5.10 Green Maintenance Requirements**

In performing any Permitted Activities that require cleaning materials or tools, Permittee, to the extent commercially reasonable, shall use cleaning materials or tools selected from the Approved Alternatives List created by City under San Francisco Environmental Code, Chapter 2, or any other material or tool approved by the Director. Permittee shall properly dispose of such cleaning materials or tools.

## **6. USE RESTRICTIONS**

Permittee agrees that the following uses of the PROW by Permittee or any other person claiming by or through Permittee are inconsistent with the limited purpose of this Agreement and are strictly prohibited as provided below. The list of prohibited uses includes, but is not limited to, the following uses.

### **6.1 Improvements**

Other than the approved Improvements, Permittee shall not make, construct, or place any temporary or permanent alterations, installations, additions, or improvements on the PROW,

structural or otherwise, nor alter any existing structures or improvements on the PROW (each, a “**Proposed Alteration**”), without the Director’s prior written consent in each instance. The in-kind replacement or repair of existing Improvements shall not be deemed a Proposed Alteration.

Permittee may request approval of a Proposed Alteration. The Director shall have a period of twenty (20) business days from receipt of request for approval of a Proposed Alteration to review and approve or deny such request for approval. Should the Director fail to respond to such request within said twenty (20) business day period, Permittee’s Proposed Alteration shall be deemed disapproved. In requesting the Director's approval of a Proposed Alteration, Permittee acknowledges that the Director's approval of such Proposed Alteration may be conditioned on Permittee's compliance with specific installation requirements and Permittee's performance of specific on-going maintenance thereof or other affected PROW. If Permittee does not agree with the Director's installation or maintenance requirements for any Proposed Alteration, Permittee shall not perform the Proposed Alteration. If Permittee agrees with the Director's installation or maintenance requirements for any Proposed Alteration, prior to Permittee's commencement of such Proposed Alteration, Permittee and the Director shall enter into a written amendment to this Agreement that modifies the Permitted Activities to include such requirements. Prior approval from the Director shall not be required for any repairs made pursuant to and in accordance with the Permitted Activities.

If Permittee performs any City-approved Proposed Alteration, Permittee shall comply with all of the applicable terms and conditions of this Agreement, including, but not limited to, any and all conditions of approval of the Proposed Alteration(s).

Permittee shall obtain all necessary permits and authorizations from the Department and other regulatory agencies prior to commencing work for the Proposed Alteration. The Director’s decision regarding a Proposed Alteration shall be final and not appealable.

## **6.2 Dumping**

Permittee shall not dump or dispose of refuse or other unsightly materials on, in, under, or about the PROW.

## **6.3 Hazardous Material**

Permittee shall not cause, nor shall Permittee allow any of its agents to cause, any Hazardous Material (as defined below) to be brought upon, kept, used, stored, generated, or disposed of in, on, or about the PROW, or transported to or from the PROW. Permittee shall immediately notify City if Permittee learns or has reason to believe that a release of Hazardous Material has occurred in, on, or about the PROW. In the event Permittee or its agents cause a release of Hazardous Material in, on, or about the PROW, Permittee shall, without cost to City and in accordance with all laws and regulations, (i) comply with all laws requiring notice of such releases or threatened releases to governmental agencies, and shall take all action necessary to mitigate the release or minimize the spread of contamination, and (ii) return the PROW to a condition which complies with applicable law. In connection therewith, Permittee shall afford City a full opportunity to participate in any discussion with governmental agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree or other compromise

proceeding involving Hazardous Material. For purposes hereof, "Hazardous Material" means material that, because of its quantity, concentration, or physical or chemical characteristics, is at any time now or hereafter deemed by any federal, state, or local governmental authority to pose a present or potential hazard to public health, welfare, or the environment. Hazardous Material includes, without limitation, any material or substance defined as a "hazardous substance, pollutant or contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Sections 9601 et seq., or pursuant to Section 25316 of the California Health & Safety Code; a "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the PROW or are naturally occurring substances in the PROW, and any petroleum, including, without limitation, crude oil or any fraction thereof, natural gas or natural gas liquids. The term "release" or "threatened release" when used with respect to Hazardous Material shall include any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing in, on, under, or about the PROW.

Notwithstanding anything herein to the contrary, if the Director determines that neither Permittee nor its agents caused the release or threatened release of the Hazardous Material, Permittee shall have no liability whatsoever (including, without limitation, the costs of any investigation, any required or necessary repair, replacement, remediation, cleanup or detoxification, or preparation and implementation of any closure, monitoring, or other required plans) with respect to any release or threatened release of any Hazardous Material on, in, under or about the PROW. If the Director finds that neither Permittee nor its agents was the source and did not cause the release of such Hazardous Material, Permittee shall not be listed or identified as the generator or responsible party of any waste required to be removed from the PROW, and will not sign any manifests or similar environmental documentation, with respect to any Environmental Condition (as hereinafter defined). "Environmental Condition" shall mean any adverse condition relating to the release or discharge of any Hazardous Materials on, in, under, or about the PROW by any party other than Permittee or its agents.

#### **6.4 Nuisances**

Permittee shall not conduct any activities on or about the PROW that constitute waste, nuisance, or unreasonable annoyance (including, without limitation, emission of objectionable odors, noises, or lights) to City, to the owners or occupants of neighboring property, or to the public. The parties hereby acknowledge that customary use of landscaping and similar equipment (such as lawn mowers, clippers, hedge trimmers, leaf blowers, etc.) that would typically be used to perform the Permitted Activities shall not be considered a nuisance under this Section 6.4 if such equipment is used in compliance with all applicable laws.

#### **6.5 Damage**

Permittee shall use due care at all times to avoid causing damage to any of the PROW or any of City's property, fixtures, or encroachments thereon. If any of the Permitted Activities or Permittee's other activities at the PROW causes such damage, Permittee shall notify City, and, if directed by City, restore such damaged property or PROW to the condition it was in prior to the

commencement of such Permittee activity to the Director's satisfaction; or, if the City chooses to restore the damaged property, Permittee shall reimburse City for its costs of restoration.

**7. INSURANCE**

**7.1** As described below, Permittee shall procure and keep insurance in effect at all times during the term of this Agreement, at Permittee's own expense, and cause its contractors and subcontractors to maintain insurance at all times, during Permittee's or its contractors performance of any of the Permitted Activities on the PROW. If Permittee uses any contractors or subcontractors to perform any of the Permitted Activities on or about the Permit Area, Permittee shall require the contractors or subcontractors to provide all necessary insurance and to name the City and County of San Francisco and its officers, agents, and employees, and the Permittee as additional insureds and to waive subrogation in favor of City, where required. If Permittee fails to maintain the insurance in active status, such failure shall be a Permit default subject to the Department's enforcement remedies. The insurance policy shall be maintained and updated annually to comply with the Department's applicable requirements. The following Sections represent the minimum insurance standard as of the Effective Date of this Permit.

**7.1A** An insurance policy or insurance policies issued by insurers with ratings comparable to A-VIII, or higher that are allowed to do business in the State of California, and that are satisfactory to the City. Approval of the insurance by City shall not relieve or decrease Permittee's liability hereunder;

**7.1B** Commercial General Liability Insurance written on an Insurance Services Office (ISO) Coverage form CG 00 01 or another form providing equivalent coverage with limits not less than One Million Dollars (\$1,000,000) each occurrence and Two Million Dollars (\$2,000,000) in the aggregate for bodily injury and property damage, including coverages for contractual liability, personal injury, products and completed operations, independent permittees, and broad form property damage;

**7.1C** Commercial Automobile Liability Insurance with limits not less than One Million Dollars (\$1,000,000) each occurrence, combined single limit for bodily injury and property damage, including coverages for owned, non-owned, and hired automobiles, as applicable for any vehicles brought onto PROW; and

**7.1D** Workers' Compensation Insurance, in statutory amounts, with Employer's Liability Coverage with limits of not less than One Million Dollars (\$1,000,000) each accident, injury, or illness.

**7.2** All liability policies required in this Agreement shall provide for the following: (i) name as additional insured the City and County of San Francisco, its officers, agents, and employees, jointly and severally; (ii) specify that such policies are primary insurance to any other insurance available to the additional insureds, with respect to any claims arising out of this Agreement; and (iii) stipulate that no other insurance policy of the City and County of San Francisco will be called on to contribute to a loss covered hereunder.



## **CITY DRAFT 3.20.25**

**7.3** Limits may be provided through a combination of primary and excess insurance policies. Such policies shall also provide for severability of interests and that an act or omission of one of the named insureds which would void or otherwise reduce coverage shall not reduce or void the coverage as to any insured, and shall afford coverage for all claims based on acts, omissions, injury, or damage which occurred or arose (or the onset of which occurred or arose) in whole or in part during the policy period.

**7.4** All insurance policies shall provide for thirty (30) days' prior written notice of cancellation for any reason, non-renewal or material reduction in coverage, or depletion of insurance limits, except for ten (10) days' notice for cancellation due to non-payment of premium, to both Permittee and City. Permittee shall provide a copy of any notice of intent to cancel or materially reduce, or cancellation, material reduction, or depletion of, its required coverage to Department within one business day of Permittee's receipt. Permittee also shall take prompt action to prevent cancellation, material reduction, or depletion of coverage, reinstate or replenish the cancelled, reduced or depleted coverage, or obtain the full coverage required by this Section from a different insurer meeting the qualifications of this Section. Notices shall be sent to ATTN: Infrastructure Task Force (Mission Rock Project), Department of Public Works, 49 South Van Ness Avenue, 9th Floor, San Francisco, CA, 94103, or any future address for the Department. The permission granted by the Permit shall be suspended upon the termination of such insurance. Upon such suspension, the Department and Permittee shall meet and confer to determine the most appropriate way to address the Permit. If the Department and Permittee cannot resolve the matter, the Permittee shall restore the PROW to a condition acceptable to the Department without expense to the Department. As used in this Section, "Personal Injuries" shall include wrongful death.

**7.5** Prior to the Effective Date, Permittee shall deliver to the Department certificates of insurance and additional insured policy endorsements from insurers in a form reasonably satisfactory to Department, evidencing the coverages required hereunder. Permittee shall furnish complete copies of the policies upon written request from City. In the event Permittee shall fail to procure such insurance, or to deliver such certificates or policies (following written request), Department shall provide notice to Permittee of such failure and if Permittee has not procured such insurance or delivered such certificates within five (5) days following such notice, City may initiate proceedings to revoke the permit and require restoration of the PROW to a condition that the Director deems appropriate.

**7.6** Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general aggregate limit shall double the occurrence or claims limits specified above.

**7.7** Should any of the required insurance be provided under a claims-made form, Permittee shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three (3) years beyond the expiration of this Agreement, to the effect that, should any occurrences during the term of this Agreement give rise to claims made after expiration of this Agreement, such claims shall be covered by such claims-made policies.

## CITY DRAFT 3.20.25

**7.8** Upon City’s request, Permittee and City shall periodically review the limits and types of insurance carried pursuant to this Section. If the general commercial practice in the City and County of San Francisco is to carry liability insurance in an amount or coverage materially greater than the amount or coverage then being carried by Permittee for risks comparable to those associated with the PROW, then City in its sole discretion may require Permittee to increase the amounts or coverage carried by Permittee hereunder to conform to such general commercial practice.

**7.9** Permittee’s compliance with the provisions of this Section shall in no way relieve or decrease Permittee’s indemnification obligations under this Agreement or any of Permittee’s other obligations hereunder. Permittee shall be responsible, at its expense, for separately insuring Permittee’s personal property.

## **8. VIOLATIONS; SECURITY DEPOSIT; MAINTENANCE ENDOWMENT.**

### **8.1 Notices of Violation; Uncured Defaults**

Permittee acknowledges that the Department may pursue the remedies described in this Section in order to address a default by Permittee of any obligation under this Permit with respect to any Permit Area for which Permittee is responsible pursuant to the relevant Notice of Assignment, if applicable. In addition to the procedures below and as set forth in Section 5.4B, if Permittee fails to promptly respond to an unsafe or hazardous condition or to restore the site within the time the Department specifies, the Department may perform the temporary repair or restoration in order to protect the public health, safety, and welfare. Permittee shall reimburse the Department for any such temporary repair or restoration.

(a) Correction Notice (CN). The Department may issue a written notice informing Permittee that there is an unsafe, hazardous, damaged, or blighted condition within the Permit Area, or stating that the Permittee has otherwise failed to maintain the Permit Area as required by this Permit or stating that the Permittee has otherwise failed to comply with a term or terms of this Agreement (“**Correction Notice**”). The Correction Notice shall identify the issue, deficiency, or maintenance obligation that is the subject of the notice with reasonable particularity and specify the time for correction, which shall be no less than thirty (30) days; provided, however, to the extent that such correction cannot be completed using reasonable efforts within the initially specified timeframe, then such period shall be extended provided that the Permittee has commenced and is diligently pursuing such correction. In the event of an emergency or other situation presenting a threat to public health, safety, or welfare, the Director may require correction in less than thirty (30) days.

(b) Notice of Violation (NOV).

(i) The Department may issue a written notice of violation to the Permittee for failure to maintain the Improvements within the Permit Area and creating an unsafe, hazardous, damaged, or blighted condition within the Permit Area, failure to comply with the terms of this agreement, or failure to respond to the Correction Notice by abating the identified condition(s) within the time specified therein. The NOV shall identify each violation and any fines imposed per applicable

## CITY DRAFT 3.20.25

code(s) or Agreement sections and specify the timeframe in which to cure the violation and pay the referenced fines (“**Notice of Violation**”), thirty (30) days if not specified.

(ii) Permittee shall have ten (10) days to submit to the Department, addressed to the Director via Permits Division, Department of Public Works, 49 South Van Ness Avenue, 9th Floor, San Francisco, CA, 94103, a written appeal of the NOV or a written request for administrative review of specific items. If Permittee submits said appeal or request for review, the Director shall hold a public hearing on the dispute in front of an administrative hearing officer. The Director shall then issue a final written decision on his or her determination to approve, conditionally approve, modify, or deny the appeal based on the recommendation of the hearing officer and the information presented at the time of the hearing.

(c) Uncured Default. If the violation described in the Notice of Violation is not cured within ten (10) days after the latter of (1) the expiration of the Notice of Violation appeal period or (2) the written decision by the Director following the hearing to uphold the Notice of Violation or sections thereof, said violation shall be deemed an “Uncured Default.” In the event of an Uncured Default, the Director may undertake either or both of the following:

(i) Cure the Uncured Default and issue a written demand to Permittee to pay the Department’s actual reasonable costs to remedy said default in addition to any fines or penalties described in the Notice of Violation within ten (10) days (each such notice shall be referred to as a “**Payment Demand**”).

(ii) Notify Permittee that it must submit a Security Deposit (as defined in Section 8(d)) for the maintenance obligation that is the subject of the Notice of Violation. Alternatively, the Director may initiate the procedures under Public Works Code Section 786 to revoke the Permit with respect to the particular portion of the Permit Area that is the subject of the Notice of Violation and require a Right-of-Way Conversion (as defined in Section 5.9.A) with respect to that area, in the Director’s discretion.

(d) Security Deposit Required for Uncured Default.

If there is an Uncured Default as defined in Section 8(c) of this Agreement, then within thirty (30) business days of the Director's request, Permittee shall deposit with the Department via the Department’s Permits Division the sum of no less than twice the annual cost of maintenance as set forth in the Maintenance Plan on file with the Director (the “**Security Deposit**”) with respect to the maintenance obligation that is the subject of the Uncured Default, to secure Permittee's faithful performance of all terms and conditions of this Agreement, including, without limitation, its obligation to maintain the PROW in the condition that the Director deems acceptable. When Permittee delivers the Security Deposit to the Department pursuant to the foregoing sentence, the Department shall have the right to require Permittee to proportionately increase the amount of the Security Deposit by an amount that reflects the increase in the Consumer Price Index Urban Wage Earners and Clerical Workers (base years 1982-1984 = 100) for San Francisco-Oakland-San Jose area published by the United States Department of Labor, Bureau of Labor Statistics (“**Index**”) published most immediately preceding the date the amount of the Security Deposit was established and the Index published most immediately preceding the date the Department delivers written

notice of the increase in the Security Deposit. The amount of the Security Deposit shall not limit Permittee's obligations under this Agreement.

Permittee agrees that the Department may, but shall not be required to, apply the Security Deposit in whole or in part to remedy any damage to the PROW caused by Permittee, its agents, or the general public using the Permit Area to the extent that the Director of Public Works required Permittee to perform such remediation under this Agreement and Permittee failed to do so, or Permittee failed to perform any other terms, covenants, or conditions contained herein (including, but not limited to, the payment of any sum due to the Department hereunder either before or after a default). Notwithstanding the preceding, the Department does not waive any of the Department's other rights and remedies hereunder or at law or in equity against the Permittee should Department use all or a portion of the Security Deposit. Upon termination of the Permitted Activities after an MEP Termination Event as described herein, the Department shall return any unapplied portion of the Security Deposit to Permittee, less any administrative processing cost.

Should the Department use any portion of the Security Deposit to cure any Uncured Default, Permittee shall replenish the Security Deposit to the original amount within ten (10) days of the date of a written demand from the Department for reimbursement of the Security Deposit. Subject to the following sentence, the Permittee's obligation to replenish the Security Deposit shall continue for two (2) years from the date of the initial payment of the Security Deposit unless the Director, in his or her sole discretion, agrees to a shorter period; provided, however, that if the Director does not issue a new Notice of Violation related to the issues triggering the MEP Termination Event for a period of one year from the date of the initial payment of the Security Deposit, then, upon Permittee's written request, the Director shall submit a check request to City's Controller's Office to have any remaining Security Deposit, less any administrative processing cost, delivered to Permittee. The Department's obligations with respect to the Security Deposit are solely that of debtor and not trustee. The Department shall not be required to keep the Security Deposit separate from its general funds, and Permittee shall not be entitled to interest on the Security Deposit. The amount of the Security Deposit shall in no way limit the liabilities of Permittee under any provision of the Permit or this Agreement. Upon termination of the Permitted Activities after an MEP Termination Event, the Department shall return any unapplied portion of the Security Deposit to Permittee, less any administrative processing cost.

(e) Demand for Uncured Default Costs. Where the Permittee has failed to timely remit the funds described in a Payment Demand, the Security Deposit, or to pay the City's costs associated with the City's performance of a Right-of-Way Conversion (collectively, "**Uncured Default Costs**"), the Director may initiate any remedy in equity or at law.

## **8.2 Annual Encroachment Maintenance Endowment**

Permittee shall pay to the Department an annual encroachment maintenance endowment on the anniversary of the date of permit approval. The annual endowment shall be twenty percent (20%) of the annual cost of maintenance as estimated by the Permittee in the Maintenance Plan and verified by the City as specified in Section 5.4B. Such payments shall be made for the first 10 years of the Permit, provided, however, that Permittee may accelerate payments in (including by making a single, lump sum payment) in its discretion. Should Permittee fail to perform its obligations under this Permit, the Department may use such endowment to reimburse City costs

related to the Permit or for restoration of the public right-of-way to a condition acceptable to the Director. To the extent that the Department uses such endowment for these purposes, the Permittee shall replenish the endowment fund for such costs. Should the Permittee terminate or abandon the Permit, the Department may use any remaining endowment to maintain the Encroachment Permit Area, to restore the public right-of-way to a condition acceptable to the Director. The Director will cause the return of any unused funds, minus any applicable administrative costs unpaid by Permittee, to Permittee or its designee upon the termination of this Agreement and corresponding removal or abandonment of the Improvements as otherwise described in Section 5.9B.

## **9. COMPLIANCE WITH LAWS**

Permittee shall, at its expense, conduct and cause to be conducted all activities under its control on the PROW allowed hereunder in a safe and prudent manner and in compliance with all laws, regulations, codes, ordinances, and orders of any governmental or other regulatory entity (including, without limitation, the Americans with Disabilities Act and any other disability access laws), whether presently in effect or subsequently adopted and whether or not in the contemplation of the parties. Permittee shall, at its sole expense, procure and maintain in force at all times during its use of the PROW any and all business and other licenses or approvals necessary to conduct the Permitted Activities. Nothing herein shall limit in any way Permittee's obligation to obtain any required regulatory approvals from City departments, boards, or commissions or other governmental regulatory authorities or limit in any way City's exercise of its police powers. At the Director's written request, Permittee shall deliver written evidence of any such regulatory approvals Permittee is required to obtain for any of the Permitted Activities.

## **10. SIGNS**

Permittee shall not place, erect, or maintain any sign, advertisement, banner, or similar object on or about the PROW without the Director's written prior consent, which the Director may give or withhold in its sole discretion; provided, however, that Permittee may install any temporary sign that is reasonably necessary to protect public health or safety during the performance of a Permitted Activity.

## **11. UTILITIES**

The Permittee shall be responsible for locating and protecting in place all above and below grade utilities from damage, when Permittee, or its authorized agent, elects to perform any work in, on, or adjacent to the Permit Area. If necessary, prior to or during the Permittee's execution of any work, including Permitted Activities, a utility requires temporary or permanent relocation, the Permittee shall obtain written approval from the utility owner and shall arrange and pay for all costs for relocation. If Permittee damages any utility during execution of its work, the Permittee shall notify the utility owner and arrange and pay for all costs for repair. Permittee shall be solely responsible for arranging and paying directly to the City or utility company for any utilities or services necessary for its activities hereunder.

## **CITY DRAFT 3.20.25**

Permittee shall be responsible for installing, maintaining, and paying for utility services necessary to support any Improvements, such as light fixtures, water fountains, storm drains, etc. in the Permit Area that are included in the Permit.

### **12. NO COSTS TO CITY; NO LIENS**

Permittee shall bear all costs or expenses of any kind or nature in connection with its use of the PROW pursuant to this Agreement, and shall keep the PROW free and clear of any liens or claims of lien arising out of or in any way connected with its (and not others') use of the PROW pursuant to this Agreement.

### **13. "AS IS, WHERE IS, WITH ALL FAULTS" CONDITION OF PROW; DISABILITY ACCESS; DISCLAIMER OF REPRESENTATIONS**

Permittee acknowledges and agrees that Permittee shall install the Improvements contemplated in the permit application for the Improvements and has full knowledge of the condition of the Improvements and the physical condition of the PROW. Permittee agrees to use the PROW in its "AS IS, WHERE IS, WITH ALL FAULTS" condition, without representation or warranty of any kind by City, its officers, agents, or employees, including, without limitation, the suitability, safety, or duration of availability of the PROW or any facilities on the PROW for Permittee's performance of the Permitted Activities. Without limiting the foregoing, this Agreement is made subject to all applicable laws, rules, and ordinances governing the use of the PROW, and to any and all covenants, conditions, restrictions, encroachments, occupancy, permits, and other matters affecting the PROW, whether foreseen or unforeseen, and whether such matters are of record or would be disclosed by an accurate inspection or survey. It is Permittee's sole obligation to conduct an independent investigation of the PROW and all matters relating to its use of the PROW hereunder, including, without limitation, the suitability of the PROW for such uses. Permittee, at its own expense, shall obtain such permission or other approvals from any third parties with existing rights as may be necessary for Permittee to make use of the PROW in the manner contemplated hereby.

Under California Civil Code Section 1938, to the extent applicable to this Agreement, Permittee is hereby advised that the PROW has not undergone inspection by a Certified Access Specialist to determine whether it meets all applicable construction-related accessibility requirements.

### **14. ASSIGNMENT OF AGREEMENT; PERMIT BINDING UPON SUCCESSORS AND ASSIGNEES; NOTICE OF ASSIGNMENT**

(a) This Agreement shall be the obligation of Permittee and each future fee owner of the Improvements, and may not be assigned, conveyed, or otherwise transferred to any other party unless approved in writing by the Director. This Agreement shall bind Permittee, its successors and assignees, with each successor or assignee being deemed to have assumed the obligations under this Agreement at the time of such acquisition.

## **CITY DRAFT 3.20.25**

Permittee shall initiate a request to assign this Agreement by submitting a “**Notice of Assignment**” to the Department.

The **Notice of Assignment** shall include:

- (1) Identification of the Assignee and written acknowledgment of the Assignee’s acceptance of the responsibilities under this permit;
- (2) The contact person for the Assignee and the contact information as required under Section 2.7;
- (3) If the Assignee is the Association, a copy of recorded CC&Rs and written evidence indicating the Association has acquired the Improvements;
- (4) A statement identifying whether a Community Facilities District or other Special Tax Entity will expend monetary or staff resources on the Permit area for maintenance or other activities;
- (5) A copy of the Assignee’s general liability insurance that satisfies Section 7 and security under Section 8 if applicable; and
- (6) Any other considerations necessary to promote the health, safety, welfare, including demonstration to the Director’s satisfaction that the Assignee has the monetary and/or staff resources available and committed to perform the maintenance obligation.

Permittee shall submit to Public Works a Notice of Assignment in a form acceptable to Public Works. Prior to approval from the Director, the Department shall provide a written determination that the proposed assignee satisfies Section 7 (Insurance) and Section 8 (Security). Following such assignment, the obligations of the assigning Permittee shall be deemed released and the assigning Permittee shall have no obligations under this Agreement.

## **15. TRANSFER AND ACCEPTANCE PROCEDURES**

Before any proposed transfer of the Improvements, the Permittee shall provide the City and the Port of San Francisco (“Port”) with written notice (the “Transfer Notice”) describing fully the proposed transfer, including (a) the name and address of the proposed transferee; and (b) the actual, bona fide cash price or other consideration for which the Permittee proposes to transfer the Improvements, (c) the total fair market value of the Improvements, and (d) the terms of the transfer. The Transfer Notice must be signed by both the Permittee and the proposed transferee, must constitute a bona fide and binding commitment of the Permittee and the proposed transferee for the transfer of the Improvements, and must contain sufficient information to show the bona fide nature of the proposed transfer. If the Port determines that the Transfer Notice is insufficient to establish the bona fide nature of the transfer (or otherwise fails to meet the requirements of this Section), the Permittee shall have no right to transfer the Improvements until the Permittee first provides a compliant Transfer Notice and complies with this Section 17.

Following the written consent of the Director, after consulting with the Port, this Permit and the accompanying benefits and obligations are automatically transferred to any successor

owner(s) of the Improvements. If the Permittee is selling the Improvements, the successor owner(s) shall submit contact information to the Department immediately upon closing on the transaction along with an acknowledgement that the successor owner(s) shall accept and assume all Permit responsibilities. The Department may require that such a transfer be evidenced by a new written Agreement with the Director and require evidence of the requisite insurance to be submitted within a specified period of time.

If the Association acquires the Improvements pursuant to separate commercial agreements between the Association and Permittee, the Association will be deemed to be an approved transferee, provided that the Director is promptly notified of the transfer.

**16. NO REAL PROPERTY INTEREST CONVEYED**

All Facilities installed by Permittee in the PROW are Permittee's personal property and are subject to removal, as described in Section 5.9A, upon notice from City or upon the expiration or termination of this Permit. Nothing in this Permit, nor any use hereunder, shall be deemed to grant, convey, create, or vest in Permittee a real property interest in any portion of the Public Right-Of-Way or City property including, but not limited to, any fee or leasehold interest in land, easement, or franchise, except that nothing herein shall affect any possible liability for possessory interest taxes pursuant to Section 17.

**17. POSSESSORY INTEREST TAXES**

Permittee recognizes and understands that this Agreement may create a possessory interest subject to property taxation with respect to privately-owned or occupied property in the PROW, and that Permittee may be subject to the payment of property taxes levied on such interest under applicable law. Permittee agrees to pay taxes of any kind, including any possessory interest tax, if any, that may be lawfully assessed on Permittee's interest under this Agreement or use of the PROW pursuant hereto and to pay any other taxes, excises, licenses, permit charges, or assessments based on Permittee's usage of the PROW that may be imposed upon Permittee by applicable law (collectively, a "**Possessory Interest Tax**"). Permittee shall pay all of such charges when they become due and payable and before delinquency. The parties hereto hereby acknowledge that the PROW will be a public open space during the term of this Agreement and Permittee's use of the PROW pursuant to this Agreement is intended to be non-exclusive and non-possessory.

**18. PESTICIDE PROHIBITION**

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



## **CITY DRAFT 3.20.25**

Permittee shall comply with the requirements of Sections 303(a) and 303(b) of the Pesticide Ordinance. Nothing herein shall prevent Permittee, through the Director, from seeking a determination from the Commission on the Environment that it is exempt from complying with certain portions of the Pesticide Ordinance as provided in Section 303 thereof.

### **19. PROHIBITION OF TOBACCO SALES AND ADVERTISING**

Permittee acknowledges and agrees that no sale or advertising of cigarettes or tobacco products is allowed on the PROW. This advertising prohibition includes the placement of the name of a company producing, selling or distributing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. This advertising prohibition does not apply to any advertisement sponsored by a state, local, nonprofit, or other entity designed to (a) communicate the health hazards of cigarettes and tobacco products, or (b) encourage people not to smoke or to stop smoking.

### **20. PROHIBITION OF ALCOHOLIC BEVERAGE ADVERTISING**

Permittee acknowledges and agrees that no advertising of alcoholic beverages is allowed on the PROW. For purposes of this Section, "alcoholic beverage" shall be defined as set forth in California Business and Professions Code Section 23004, and shall not include cleaning solutions, medical supplies, and other products and substances not intended for drinking. This advertising prohibition includes the placement of the name of a company producing, selling, or distributing alcoholic beverages or the name of any alcoholic beverage in any promotion of any event or product. This advertising prohibition does not apply to any advertisement sponsored by a state, local, nonprofit, or other entity designed to (a) communicate the health hazards of alcoholic beverages, (b) encourage people not to drink alcohol or to stop drinking alcohol, or (c) provide or publicize drug or alcohol treatment or rehabilitation services.

### **21. CONFLICTS OF INTEREST**

Through its execution of this Agreement, Permittee acknowledges that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Sections 87100 et seq. and Sections 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which would constitute a violation of said provisions, and agrees that if Permittee becomes aware of any such fact during the term of this Agreement, Permittee shall immediately notify the City.

### **22. FOOD SERVICE WASTE REDUCTION**

If there is a City permit or authorization for the Permit Area that will allow food service, Permittee agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in the San Francisco Environment Code, Chapter 16, including the remedies provided therein, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Agreement as though fully set forth herein and the Permittee will be treated as a lessee for purposes of compliance with Chapter 16. This provision is a material term of this Agreement. By entering into this Agreement,

## **CITY DRAFT 3.20.25**

Permittee agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine. Without limiting City's other rights and remedies, Permittee agrees that the sum of One Hundred Dollars (\$100.00) liquidated damages for the first breach, Two Hundred Dollars (\$200.00) liquidated damages for the second breach in the same year, and Five Hundred Dollars (\$500.00) liquidated damages for subsequent breaches in the same year is a reasonable estimate of the damage that City will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made. Such amounts shall not be considered a penalty, but rather as mutually agreed upon monetary damages sustained by City because of Permittee's failure to comply with this provision.

### **23. MAINTENANCE OF PLANS AND RECORDATION OF DRAWINGS**

Permittee shall maintain current, accurate and complete plans and record drawings showing, in detail, the exact location, depth, and size of any Improvements constructed or installed in the Public Rights-Of-Way. Upon demand from Public Works, such plans and record drawings shall be delivered to Public Works in a form to be determined by Public Works pursuant to the following timeframes: (a) immediately in the event of an emergency; (b) within five City business days for requests of ten or fewer records; or (c) within ten City business days for requests of more than ten records.

### **24. GENERAL PROVISIONS**

Unless this Agreement provides otherwise: (a) This Agreement may be amended or modified only in writing and signed by both the Director and Permittee; provided that the Director shall have the right to terminate or revoke the Permit in accordance with this Agreement. (b) No waiver by any party of any of the provisions of this Agreement shall be effective unless in writing and signed by an officer or other authorized representative, and only to the extent expressly provided in such written waiver. (c) All approvals and determinations of City requested, required, or permitted hereunder may be made in the sole and absolute discretion of the Director or other authorized City official. (d) This Agreement (including its Attachments and associated documents hereto), the Permit, the Board of Supervisors legislation approving the Permit, and any authorization to proceed, discussions, understandings, and agreements are merged herein. (e) The section and other headings of this Agreement are for convenience of reference only and shall be disregarded in the interpretation of this Agreement. Director shall have the sole discretion to interpret and make decisions regarding any and all discrepancies, conflicting statements, and omissions found in the Permit, Agreement, the Agreement's Attachments and associated documents, and Improvement Plans, if applicable. (f) Time is of the essence. (g) This Agreement shall be governed by California law and the City's Charter. (h) If either party commences an action against the other or a dispute arises under this Agreement, the prevailing party shall be entitled to recover from the other reasonable attorneys' fees and costs. For purposes hereof, reasonable attorneys' fees of City shall be based on the fees regularly charged by private attorneys in San Francisco with comparable experience, notwithstanding the City's use of its own attorneys. (i) If Permittee consists of more than one person, then the obligations of each person shall be joint and several. (j) This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, representatives, successors, and assigns. (k) City is the sole beneficiary of Permittee's obligations under this Agreement. Nothing contained herein shall be deemed to be a

gift or dedication to the general public or for any public purposes whatsoever, nor shall it give rights to the parties expressly set forth above. Without limiting the foregoing, nothing herein creates a private right of action by any person or entity other than the City. (l) This Agreement does not create a partnership or joint venture between the City and Permittee as to any activity conducted by Permittee in its performance of its obligations under this Agreement. Permittee shall not be deemed a state actor with respect to any activity conducted by Permittee on, in, around, or under the Improvements pursuant to this Agreement. Notwithstanding anything to the contrary in this Agreement, the City agrees that no direct or indirect partner, shareholder, member, manager, owner, officer, director, trustee, agent, affiliate, or employee in or of Permittee or in or of any of the foregoing of Permittee shall be personally liable in any manner or to any extent under or in connection with any obligation of Permittee under this Agreement.

## **25. INDEMNIFICATION**

Permittee, on behalf of itself and its successors and assigns (“**Indemnitors**”), shall indemnify, defend, and hold harmless (“**Indemnify**”) the City including, but not limited to, all of its boards, commissions, departments, agencies, and other subdivisions, including, without limitation, the Department, and all of the heirs, legal representatives, successors, and assigns (individually and collectively, the “**Indemnified Parties**”), and each of them, for any damages the Indemnified Parties may be required to pay as satisfaction of any judgment or settlement of any claim or legal or administrative action (collectively, “**Claims**”), incurred in connection with or arising in whole or in part from: (a) any accident, injury to or death of a person, or loss of or damage to property, howsoever or by whomsoever caused, occurring in or about the Permit Area arising from the Permitted Activities, with the exception of Claims to the extent they arise exclusively from the City’s failure to maintain one or more Improvements after agreeing to perform such maintenance and accepting funding from Permittee for that purpose; (b) any default by such Indemnitors in the observation or performance of any of the terms, covenants, or conditions of this Permit to be observed or performed on such Indemnitors’ part; and (c) any release or discharge, or threatened release or discharge, of any Hazardous Material caused or allowed by Indemnitors in, under, on, or about the Permit Area arising from the Permitted Activities. Permittee on behalf of the Indemnitors specifically acknowledges and agrees that the Indemnitors have an immediate and independent obligation to defend the City from any claim which actually or potentially falls within this Indemnity even if such allegation is or may be groundless, fraudulent, or false, which obligation arises at the time such Claim is tendered to such Indemnitors by the City and continues at all times thereafter. Permittee agrees that the indemnification obligations assumed under this Permit shall survive expiration of the Permit or completion of work. It is expressly understood and agreed that the applicable Indemnitor shall only be responsible for Claims arising or accruing during its period of ownership of the Improvements.

## **26. SEVERABILITY**

If any provision of this Agreement or the application thereof to any person, entity or circumstance shall be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to persons, entities, or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Agreement shall be

valid and enforceable to the fullest extent permitted by law, except to the extent that enforcement of this Agreement without the invalidated provision would be unreasonable or inequitable under all the circumstances or would frustrate a fundamental purpose of this Agreement.

**27. FORCE MAJEURE**

If Permittee is delayed, interrupted, or prevented from performing any of its obligations under this Agreement, excluding all obligations that may be satisfied by the payment of money or provision of materials within the control of Permittee, and such delay, interruption, or prevention is due to fire, natural disaster, act of God, civil insurrection, federal or state governmental act or failure to act, labor dispute, unavailability of materials, or any cause outside such Party's reasonable control, then, provided written notice of such event and the effect on the Party's performance is given to the other Party within thirty (30) days of the occurrence of the event, the time for performance of the affected obligations of that Party shall be extended for a period equivalent to the period of such delay, interruption, or prevention.

**28. USA NORTH MEMBERSHIP**

Permittee shall become a member of USA North and shall be subject to all support and work around clauses as required by Public Works for all third-party utilities, including the City Standard Specifications Section 00 73 20 and 00 73 21 (effective 2021) and all updates to said specifications for utility relocation and support and work around.

*[Signature Page to Follow]*

**CITY DRAFT 3.20.25**

In witness whereof the undersigned Permittee has executed this agreement this \_\_\_\_\_ day of \_\_\_\_\_, 2025.

PERMITTEE

Mission Rock Horizontal Sub (Phase I),  
LLC, a Delaware limited liability  
company

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

CITY AND COUNTY OF SAN FRANCISCO  
DEPARTMENT OF PUBLIC WORKS

\_\_\_\_\_  
City Engineer of San Francisco

\_\_\_\_\_  
Director of Public Works

**ATTACHMENT 1**

**PROPERTY INFORMATION**

The land referred to is situated in the County of San Francisco, City of San Francisco, State of California, as shown on Final Map No. 9443 (“Final Map No. 9443”), recorded on June 12, 2020, as Document No. 2020-K940602 of Official Records. The Improvements are located on portions of Third Street and newly dedicated rights-of-way as shown on Final Map No. 9443:

Lot B (APN 8719C-002);

Lot D (APN 8719A-007);

Lot E (APN 8719B-003);

Lot F (APN 8719A-009);

Lot G (APN 8719A-010)

ATTACHMENT 2  
PRECISE DIAGRAM







**ATTACHMENT 3**

**MAINTENANCE PLAN**

<b>Monitor Type</b>	<b>Description of Annual Maintenance, Inspection and Repair or Replacement</b>	<b>Estimated Annual Maintenance, Inspection and Repair or Replacement Costs (Per Year)</b>
Extensometers	Inspection of monitoring equipment, minor facility replacement or repair	Labor: \$250 for annual inspection Contingency for minor facility replacement or repair: \$250
Piezometers	Inspection of monitoring equipment, yearly battery replacement, minor facility replacement or repair	Labor: \$300 for annual inspection Battery replacement: \$500 Contingency for minor facility replacement or repair: \$250
Survey Monuments	Inspection of monitoring equipment, minor facility replacement or repair	Labor: \$600 for annual inspection Contingency for minor facility replacement or repair: \$200

**ATTACHMENT 4**  
**OPERATIONS MANUAL**  
**[RESERVED]**