

Free Recording Requested Pursuant  
to Government Code Section 27383

Recording requested by  
and when recorded mail to:

San Francisco Public Works  
Bureau of Street-Use and Mapping  
Office of the City and County Surveyor  
1155 Market Street, 3rd Floor  
San Francisco, CA 94103

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APN: 7326-002; 7326-003; 7330-002; 7330-003; 7331-249; 7362-001; 7364-001; 7365-001;  
7366-002; 7370-002

SPACE ABOVE THIS LINE RESERVED FOR  
RECORDER'S USE

**PARKMERCED BLOCKS 20, 21S, and 22 ("SUBPHASE 1B")**

**PUBLIC IMPROVEMENT AGREEMENT**

Affecting Assessor Parcel Numbers: A re-subdivision of current Assessor Parcel Numbers 7326,  
7330, 7331, 7366, and 7370.

Situs: NO SITUS ADDRESS

Owner: Parkmerced Owner LLC

**PARKMERCED BLOCKS 20, 21S, and 22 ("SUBPHASE 1B")**

**PUBLIC IMPROVEMENT AGREEMENT**

This Parkmerced Blocks 20, 21S, and 22 (Subphase 1B) Public Improvement Agreement for construction of certain public improvements (the "Agreement") is entered into this \_\_\_\_ day of \_\_\_\_\_, 2017, by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation of the State of California (the "City"), and PARKMERCED OWNER LLC, a Delaware limited liability company, its successors and assigns (the "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 (the "Code") and in the Development Agreement for the Parkmerced Project (approved by Ordinance No. 89-11) (the "Development Agreement"), including the Parkmerced Subdivision Requirements (Exhibit M of the Development Agreement) and the Parkmerced Plan Documents (the "Plan Documents").

**RECITALS**

A. Subdivider is the owner of certain property, including the property described in the Final Map described in Recital E below (the "Property").

B. The Property is a component of the project site of the Parkmerced Mixed-Use Development Project, approved on June 7, 2011 at a duly noticed public hearing by the San Francisco Board of Supervisors pursuant to amendments to the City's General Plan (approved by Ordinance No. 92-11), Zoning Map (approved by Ordinance No. 91-11) and Planning Code (approved by Ordinance No. 90-11), as well as approval of a Development Agreement.

C. The Parkmerced Mixed-Use Development Project is comprised of multiple Development Phases (as more particularly described in the Development Agreement). The Planning Director approved Development Phase 1 of the Project on June 3, 2015. Development Phase 1 is comprised of four Subphases (1A, 1B, 1C, and 1D). This Agreement pertains to the public improvements proposed by Subphase 1B.

D. Subphase 1B includes the subdivision and development of certain property located principally on Assessor's Blocks 7326, 7330, 7331, 7366, and 7370, situated in the City. A tentative map, entitled "Parkmerced Development Blocks 20, 21S & 22 Tentative Final Map, Assessor's Blocks 7326, 7330, 7331, 7366, and 7370 San Francisco, San Francisco County, California", for the proposed subdivision was approved pursuant to Department of Public Works Order No. 183946 by the Director of the Department of Public Works (the "Director"), acting as the Advisory Agency, subject to certain requirements and conditions contained in the Director's Conditions of Approval dated August 21, 2015. The aforementioned tentative map and conditions of approval are referenced herein as ("Tentative Map").

E. Pursuant to the Code relating to the filing, approval, and recordation of subdivision maps, Subdivider submitted to the City, for approval and recordation, a Final Map, entitled:

FM 8530 aka block 20/22

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A 15 LOT VERTICAL SUBDIVISION:

LOT 3 TO CONTAIN A MAXIMUM OF 313 RESIDENTIAL CONDOMINIUM UNITS,  
LOT 7 TO CONTAIN A MAXIMUM OF 176 RESIDENTIAL CONDOMINIUM UNITS,  
LOT 8 TO CONTAIN A MAXIMUM OF 161 RESIDENTIAL CONDOMINIUM UNITS,  
LOT A AND B BEING DESIGNATED AS A PRIVATE STREET,  
LOT C AND D ARE NON-BUILDABLE LOTS DESIGNATED AS OPEN SPACE,

BEING A MERGER AND SUBDIVISION OF PORTIONS OF BLOCKS 7326, 7330, 7366  
AND 7370,

TOGETHER WITH PARCEL SIX AS DESCRIBED IN THAT CERTAIN GRANT DEED  
RECORDED ON NOVEMBER 10, 2014,

AS DOCUMENT NUMBER 2014-J970575,

AS MODIFIED BY THAT CERTAIN IRREVOCABLE OFFER AND GRANT DEED

RECORDED SEPTEMBER 01, 2017, AS DOCUMENT NUMBER 2017-K509962,

TOGETHER WITH PARCELS 5, 6, 7, 8, 9, AND 10 AS DESCRIBED IN THAT CERTAIN  
QUITCLAIM

DEED RECORDED ON SEPTEMBER 1, 2017, AS DOCUMENT NUMBER 2017-K509961.

SAID LANDS ARE SHOWN IN BOOK "R" OF MAPS AT PAGES 15 THROUGH 19,  
RECORDED AUGUST 21, 1951.

CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA

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("Final Map").

F. Development Phase 1 of the Parkmerced Mixed-Use Development Project is exempt from Article 12C of the San Francisco Health Code (the "Water Reuse Ordinance"). The Water Reuse Ordinance does not apply to "District projects located within the boundaries of the Reclaimed Water Use Map, construction of new buildings subject to a development agreement or similar contractual agreement, within a development phase or sub-phase, a street improvement plan, or a tentative map or vesting tentative map approved before November 1, 2015." (San Francisco Health Code § 12C.2.) Development Phase 1 Application was approved by the Planning Department on June 3, 2015, therefore, Development Phase 1 is exempt from the Ordinance. However, the Water Reuse Ordinance shall apply to all future development phases.

G. Pursuant to Section 6.1.1 of the Development Agreement, the City shall convey those portions of streets along with public service easements, following the vacation and abandonment of any public rights, as and when needed in connection with the development of an approved Development Phase for the Project. On September 20, 2016 and January 24, 2017, the Board of Supervisors approved Ordinance No. 183-16 and Ordinance No. 012-17, respectively, authorizing the Department of Real Estate to effectuate street and public easement vacations for land within the Final Map. Subdivider shall convey any real property to the City per Section 6.1.1 of the Development Agreement.

H. Subdivider has requested that the 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 "Subphase 1B Required Infrastructure"). The Subphase 1B Required Infrastructure is more particularly described in the Improvement Plans and Specifications prepared for Subdivider by BKF Engineers, entitled Parkmerced Phase 1B Street Improvement Plans, San Francisco, San Francisco County, California dated May 1, 2017 and approved by or on behalf of the Director, on \_\_\_\_\_ (the "Plans and Specifications," attached as Exhibit A hereto), as they may be amended from time to time, for the construction, installation and completion of the Subphase 1B Required Infrastructure. Copies of the Plans and Specifications are on file with the City Department of Public Works ("Public Works").

I. The Subphase 1B Required Infrastructure includes public improvements that (i) shall be Accepted by the City upon completion pursuant to Section 5 herein (the “Dedicated Infrastructure”), (ii) may be dedicated to the City upon completion pursuant to Section 5 herein and completion of certain future Development Phases of the Parkmerced Mixed-Use Development Project (and therefore would be owned and maintained by Subdivider until completion of such Development Phases) (the “Future-Dedicated Infrastructure”) further described herein, or (iii) would never be Accepted by the City (and would therefore be owned and maintained by Subdivider in perpetuity) (the “Subdivider Infrastructure”). It is understood that the Dedicated Infrastructure does not include Future-Dedicated Infrastructure, Subdivider Infrastructure, those portions of the facilities which are identified on the “as-built” drawings delivered to and on file with the City as Service Conduits and vaults for PG&E, AT&T, Waveband, Comcast, and Clear Channel, or those portions of the facilities that encroach on the right-of-way granted by CalTrans.

J. The Future-Dedicated Infrastructure is the Low-Pressure Water System (shown on Exhibit C) and Recycled Water System (shown on Exhibit D). The Low-Pressure Water System may be dedicated to the City at a future date after completion of the entire Low-Pressure Water System within all development phases of the Parkmerced Mixed-Use Development Project, including a direct connection to the City water distribution system by Subdivider, if consistent with City approved Plans and Specifications and upon the Director’s Determination of Completeness (as defined in Section 1(b) of this Agreement) for all facilities, consistent with Section 5(a) of this Agreement. The Recycled Water System would be dedicated to the City at a future date after completion of the entire Recycled Water System within Development Phase 1 of the Parkmerced Mixed-Use Development Project including inter-connection to the City low pressure water system by Subdivider, if consistent with City approved Plans and Specifications and upon the Director’s Determination of Completeness (as defined in Section 1(b) of this Agreement) for all facilities, consistent with Section 5(a) of this Agreement. The process for dedicating the Future-Dedicated Infrastructure is further described in the Restatement and Amendment of Water System Easement, Exhibit F. The Subdivider Infrastructure consists of, but is not limited to, the stormwater management improvements shown in Exhibit E-1 and the

special street improvements shown in Exhibit E-2 and other private encroachments. The access, operation and maintenance requirements for the Subdivider Infrastructure shall be set forth in a future Master Encroachment Permit (“MEP”), a form of which is attached as Exhibit G.

K. The Parkmerced Infrastructure Report (a component of the Development Agreement) provides that the Subdivider would design and construct a dedicated underground piping system and fire hydrants within Parkmerced as an auxiliary water supply system (“AWSS”) during each phase of construction of the Project. Figure 4.4 of the Infrastructure Report shows the layout of the AWSS (the “Original AWSS Layout”) approved as part of the Development Agreement. Although reviewed in detail and agreed-upon by the San Francisco Public Utilities Commission (“SFPUC”) and the San Francisco Fire Department (the “SFFD”) as part of the Development Agreement, the Original AWSS Layout would not have allowed the AWSS to function until completion of multiple phases of the Project and a source of water had not been identified to pressurize the system. To improve fire protection and create the potential for a functional AWSS during Development Phase 1 of the Project, the SFFD and SFPUC requested in 2015 that Parkmerced modify the Original AWSS Layout. Pursuant to Section 2.2.4 of the Development Agreement, amendment of the Original AWSS Layout requires approval of an amendment of the Infrastructure Report by Parkmerced, SFFD, SFPUC, and the Director of the San Francisco Planning Department. Pursuant to a letter agreement dated April 7, 2017, Parkmerced, SFPUC, SFFD, and the Planning Director approved modifications to the Parkmerced AWSS layout, which are reflected in the Plans and Specifications.

L. The Code provides that before a final subdivision map or parcel map is approved by the City, the Subdivider shall have either (i) installed and completed all of the public improvements required by the City and detailed in the plans and specifications approved by the Director, or (ii) 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 and provided improvement securities to secure satisfactory performance of such agreement.

M. Subdivider and the City desire to enter into this Agreement providing that Subdivider shall install and complete the Subphase 1B Required Infrastructure in connection with the proposed subdivision as depicted by the Plans and Specifications as described in Exhibit

A on the terms and conditions set forth below and in accordance with the Code and Development Agreement. This Agreement will enable the approval and recordation of the Final Map by the City (including the dedications contained therein), the implementation of the Conditions of Approval, and the satisfaction of the security provisions of the Subdivision Map Act and the Code.

NOW, THEREFORE, incorporating the above Recitals, 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 Final Map (including the dedications contained therein), and to implement the conditions of approval of the Tentative Map, and other valuable consideration, Subdivider and City agree as follows:

1. Subdivider's Obligations.

(a) Subphase 1B Required Infrastructure. Subdivider shall, in good and workmanlike manner, furnish all necessary materials and complete the Subphase 1B Required Infrastructure in conformity with the Plans and Specifications as described in Exhibit A and to the satisfaction and approval of the City. The Subphase 1B Required Infrastructure includes Dedicated Infrastructure, Future-Dedicated Infrastructure and Subdivider Infrastructure.

(b) Completion. Subdivider shall complete the Subphase 1B Required Infrastructure on or within two (2) years following the issuance of the associated Street Improvement Permit. Such completion shall be evidenced by the Director's written determination that the infrastructure is ready for its intended use and completed substantially in conformity with the Plans and Specifications and applicable City Regulations ("Determination of Completeness"). The period of time provided in this condition may be extended upon application by Subdivider and approval by the Director, pursuant to Section 3(b). In reviewing such application for an extension of time, the Director shall consider reasonable construction, access and storage requirements for each adjacent Project and subsequent Projects.

(c) Other Required Documentation.

(i) At the time this Agreement is approved by the City, the Subdivider shall provide executed copies of all the documents, agreements and notices referenced in this

Agreement and included in Exhibit H-1, unless deferred by the Director in writing, until the time of a request for a Determination of Completeness, pursuant to Section 1(c)(ii).

(ii) At the time of a request for a Determination of Completeness, pursuant to Section 5(a), of the Subphase 1B Required Infrastructure, or any portion thereof, Subdivider shall provide all the documents required in Exhibit H-2, plus any other materials previously deferred by the Director in item (i) above, unless deferred by the Director in writing, until the time of a request for Acceptance, pursuant to Section 5(b). In addition, the Subdivider shall furnish to Public Works and, if requested, the City Department of Building Inspection, as-built plans of the Subphase 1B Required Infrastructure, or portion thereof, in both electronic (in a reasonably current version of AutoCAD and/or another digital format acceptable to Public Works) and hardcopy formats along with any reports required by the related Plans and Specifications.

(iii) At the time of a request for Acceptance, pursuant to Section 5(c), of the Subphase 1B Required Infrastructure, or any portion thereof, Subdivider shall provide all the documents required in Exhibit H-3, plus any other materials previously deferred by the Director in items (i) and (ii) above. In addition, as part of compliance with this Section 1(c)(iii), Subdivider shall coordinate with the City and assist in the City's process for its subsequent dedication and Acceptance of the Subphase 1B 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 associated with on-site and off-site development and (ii) executing easement agreements or grant deeds or modifying existing easements or grant deeds consistent with the conditions of approval for the Tentative Map.

## 2. Improvement Security.

(a) Security. Prior to the Director executing this Agreement on behalf of the City and the City releasing the Final Map for recordation, Subdivider shall furnish and deliver to the Director bonds, in favor of the City and any Co-obligees designated therein or thereafter, substantially in the form attached as Exhibits B-1, B-2 and B-3, which shall be acceptable to the

City Attorney, securing the installation and completion of the Subphase 1B Required Infrastructure as follows (collectively the "Security"):

(i) A performance bond in the amount of Ten Million Three Hundred Eleven Thousand Seven Hundred Ninety-One and No/100 Dollars (\$10,311,791) (100% of estimated "hard" cost of completion of construction and installation of Subphase 1B Required Infrastructure and reasonable additional contingencies, changes and modifications thereto) to secure the satisfactory performance of Subdivider's obligations (Exhibit B-1); and

(ii) A payment bond or other acceptable security in the amount of Five Million One Hundred Fifty-Five Thousand Eight Hundred Ninety-Five and No/100 Dollars (\$5,155,895.00) (50% of the of the estimated cost of completion of the Subphase 1B Required Infrastructure as determined by the Director) as guarantee of payment for the labor, materials, equipment and services required for the Subphase 1B Required Infrastructure (Exhibit B-2); and

(iii) A monument bond in the amount of Twelve Thousand Five Hundred and No/100 Dollars (\$12,500) as guarantee of payment for the survey monumentation not completed before recording the Final Map (Exhibit B-3).

(b) Other Acceptable Security. In lieu of providing any of the Security described in Section 2(a), Subdivider may, subject to the approval of the Director, provide a deposit or other security as described in Section 66499 of the Government Code.

(c) Use of Security. If after commencement thereof the Subphase 1B Required Infrastructure is not completed within the time periods specified in Section 1(b) 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 may, by resolution of the Board of Supervisors, be used by the City for completion of the Subphase 1B Required Infrastructure in accordance with the Plans and Specifications and for correction of such deficiencies.

3. Construction of Subphase 1B 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 component or portion of work involved, and all applicable fees, including inspection and testing fees, have been paid. In addition, no work shall commence until the Subdivider has submitted to the City and City has approved all required supporting materials associated with the Subphase 1B Required Infrastructure, including but not limited to offers of dedication, easements, and authorizations specified in the Subdivision Code, Subdivision Regulations, and tentative map conditions unless the Director, in his or her discretion, has granted a written deferral for one or more of these materials.

(b) Extensions.

If any of the Subphase 1B Required Infrastructure is not completed within the time periods specified in Section 1(b), 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 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 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 Excusable Delay as provided in Section 8(c). The Director shall not unreasonably withhold 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. No extension approved hereunder shall relieve the surety's liability on the bond to secure the faithful performance of this Agreement.

(c) Revisions to Plans and Specifications. Requests by Subdivider for revisions, modifications, or amendments to the approved Plans and Specifications and for related modifications to supplemental agreements with contractors commonly known as "change orders", where required (each hereafter a "**Plan Revision**") shall be submitted in writing to the

Director (with a copy to the Director's designee). Subdivider shall not commence construction of any proposed Plan Revision without approval by Public Works and until revised plans have been received and approved by the Director (or the Director's designee).

(i) Any Infrastructure Report amendments or other related documentation required because of a Plan Revision shall be processed with reasonable promptness.

(ii) Plan Revisions shall be accompanied by drawings and specifications and other related documents showing the proposed Plan Revision.

(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 as specified in Article 18 of the Public Works Code. 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 portions thereof, not required to secure completion of Subdivider's obligation for construction or installation of the Phase 1B Required Infrastructure; to satisfy claims by contractors, subcontractors, and/or persons furnishing materials or equipment; or for setting monuments, set forth on the Final Map, shall be released to Subdivider, or its successors in interest, or reduced, as follows:

(a) One Year Warranty Bond. Upon issuance of the Director's Determination of Completeness of the Subphase 1B Required Infrastructure (or portion thereof) in accordance with Section 5(a), the Security shall be reduced to no less than ten percent (10%) of the original amount thereof for the purpose of warranting repair of any defect of the Subphase 1B Required Infrastructure which occurs within one (1) year of (i) the date of such Determination of Completeness for the Subphase 1B Required Infrastructure (or portion thereof), and provided that the one year warranty period for plant material, and trees shall commence after the Director certifies that the plant materials and trees have passed a plant establishment period as set forth in the Plans and Specifications, and (ii) the date on which the Clerk of the Board of Supervisors (or

the Clerk's designee) certifies that no claims by any contractor, subcontractor or person furnishing labor, materials or equipment for the Subphase 1B Required Infrastructure have been filed against the City within the one hundred (100) day period following such Determination of Completeness (or portion thereof) for the Subphase 1B Required Infrastructure. If any claims by any contractor, subcontractor or person furnishings labor, materials or equipment to Subdivider have been filed against the City, then the Security applicable to such Subphase 1B Required Infrastructure shall be reduced to an amount equal to the greater of (i) the amount of all such claims filed or (ii) ten percent (10%) of the original amount.

(b) Partial Release of Security. Notwithstanding the release provisions in Section 4(a) the Security may be reduced in conjunction with completion of any portion of the Subphase 1B Required Infrastructure to the satisfaction of the Director and may be reduced in connection and conjunction with completion of each of the respective Subphase 1B Required Infrastructure separately described on Exhibit A and upon review in accordance with Section 5(a) hereof, by an amount determined by the Director that is not less than the actual cost of the completed portion of the Subphase 1B Required Infrastructure. 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 Subphase 1B Required Infrastructure and any other obligation imposed by the Subdivision Map Act, the Code, this Agreement, the Street Improvement Permit or any other agreement relating to the completion of the Subphase 1B Required Infrastructure or (ii) ten percent (10%) of the original amount of the Security.

(c) Release of Remaining Security. The remaining Security shall be released when all of the following have occurred:

(i) One (1) year following the date of Acceptance (as defined in Section 5(b) of the Dedicated Infrastructure, or portion thereof, by the Board of Supervisors, or, with respect to street trees and park trees, one year after the commencement of the warranty period as described in Section 7(a) or, with respect to any specific claim of defects or deficiency in the Subphase 1B Required Infrastructure, one (1) year following the date that any such deficiency which the Director identified in the Subphase 1B Required Infrastructure in accordance with Section 4(a) has been corrected or waived in writing; and

(ii) One (1) year following the Director's Determination of Completeness of the Future-Dedicated Infrastructure and Subdivider Infrastructure, or portion thereof, in accordance with Section 5(a).

(iii) The Clerk of the Board of Supervisors (or the Clerk's designee) certifies that no claims by any contractor, subcontractor or person furnishing labor, materials or equipment for the Subphase 1B Required Infrastructure have been filed against the City, all such claims have been satisfied, withdrawn, or otherwise secured by bond or other security approved by the Director (or the Director's designee).

5. Completion and Acceptance.

(a) Director's Inspection. Upon receiving a written request from Subdivider for a Determination of Completeness accompanied with any and all materials required under Section 1(c)(ii), the Director shall promptly determine whether the Subphase 1B Required Infrastructure (including the Future-Dedicated Infrastructure and the Subdivider Infrastructure), or portion 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 such Subphase 1B Required Infrastructure satisfies such requirements, the Director shall issue a Determination of Completeness, if the determination is that such Subphase 1B Required Infrastructure does not satisfy such requirements, the Director shall provide notification thereof, including identifying with particularity the reasons therefor.

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

(i) The Dedicated Infrastructure, or portion or component thereof which is requested by Subdivider in accordance with Section 5(a) to be accepted, has been completed and the Director has issued a Determination of Completeness for the Dedicated Infrastructure, or component thereof, in accordance with Section 5(a);

(ii) The Subdivider submits a written request to the Director to initiate the Board of Supervisors acceptance legislation. The submission includes any and all materials

required under Section 1(c) and 5(a) above, including any and all materials that the Director authorized deferral under Section 1(c), and any other outstanding materials the Director deems necessary to provide the required authorizations and certifications to the Board of Supervisors as part of the acceptance legislation; and

(iii) The Board of Supervisors, by ordinance, accepts the Dedicated Infrastructure, or portion thereof, for public use and maintenance in accordance with the provisions of San Francisco Administrative Code Section 1.52 and Subdivider's maintenance and warranty obligations under Sections 5(a) and Section 7(a), respectively, hereof.

(c) Acceptance and Dedications. The Final Map includes certain offers of dedication as more particularly set forth therein. The Board of Supervisors shall accept, conditionally accept or reject such offers of dedication, and shall also accept, conditionally accept or reject for public right of way and utility purposes the Subphase 1B Required Infrastructure (or portions thereof) which are not included in such previous offers of dedication, by ordinance or other appropriate action upon the Director's Determination of Completeness in accordance with Section 5(a) of the Subphase 1B Required Infrastructure, or portion thereof.

(d) Subdivider Infrastructure and Future Dedicated Infrastructure. The Subdivider Infrastructure shall never be Accepted by the City and shall be owned, operated, and maintained by Subdivider, or their successor, in perpetuity, subject to the requirements, guidelines, and access rights agreed to in the future MEP. The Future Dedicated Infrastructure shall not be dedicated to the City as part of the Subphase 1B project, and shall be owned, operated, and maintained by Subdivider, subject to the requirements, guidelines and access rights agreed to in the Restatement and Amendment of Water Easement Agreement, Exhibit F, until such time that it can be dedicated to the City, pursuant to the terms of the Water Easement Agreement. Because the Subdivider Infrastructure and Future Dedicated Infrastructure are integral components of the Subphase 1B Required Infrastructure and necessary for a fully functional street, Subdivider must obtain a Director's Determination of Completeness, pursuant to Section 5(a) above, for the Dedicated Infrastructure, the Subdivider Infrastructure, and the Future Dedicated Infrastructure as a precedent for dedication and City Acceptance of the Dedicated Infrastructure.

6. Subdivider's Maintenance Responsibility.

(a) Maintenance of Dedicated Infrastructure. Until Accepted, Subdivider shall be responsible for the maintenance and repair of the Dedicated Infrastructure. Upon Acceptance, Subdivider shall be released from any obligation to maintain, operate, and/or repair the Dedicated Infrastructure and the City shall assume the responsibility of operating and maintaining the Dedicated Infrastructure, or portion thereof, subject to the limitations in Section 5(b)(iii) above, Subdivider's obligations under Section 7(a) of this Agreement, the obligations on the fronting property owners under Public Works Code section 706 and 810B, and other maintenance obligations otherwise required by law. If Subdivider, or its successor, chooses to assume the maintenance obligations of the fronting property owners, as defined under Public Works Code sections 706 and 810B, and other applicable law, Subdivider is required to obtain an encroachment permit with the City to provide access rights and notice of maintenance responsibility.

(b) Maintenance of Future-Dedicated Infrastructure. Until the Future-Dedicated Infrastructure has been Accepted by the City, as described in Section 5(d), Subdivider shall be responsible for the maintenance and repair of the Future-Dedicated Infrastructure. Upon future dedication and Acceptance, Subdivider shall be released from any obligation to maintain, operate, and/or repair the Future-Dedicated Infrastructure and the City shall assume full responsibility of operating and maintaining the Future-Dedicated 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. In order to protect the Future-Dedicated Infrastructure from damage until such time as the Future-Dedicated Infrastructure, or portion thereof, is dedicated and Accepted by the City, Subdivider shall maintain the Future-Dedicated Infrastructure to the standards agreed to in the Restated and Amended Water Easement Agreement attached hereto as Exhibit F.

(c) Maintenance of Subdivider Infrastructure. Subdivider shall be responsible for the maintenance and repair of the Subdivider Infrastructure. Subdivider shall maintain the Subdivider Infrastructure until such maintenance responsibilities are transferred to a Master HOA as defined herein. Master homeowner associations will be established as a private master

community association ("Master HOA"). The maintenance responsibilities and liability for the Subdivider Infrastructure shall be defined in the future MEP. Upon formation, a Master HOA will assume maintenance of and liability for the Subdivider Infrastructure, and the Master HOA's declaration of covenants, conditions, and restrictions ("Master HOA CC&Rs") shall set forth the Master HOA's obligations and liability under the future MEP. Upon formation of the Master HOA, Subdivider or its successor shall provide the City with copies of the Master HOA CC&Rs, as revised from time to time.

(d) Protection of Subphase 1B Required Infrastructure. In order to protect the Subphase 1B Required Infrastructure from damage until such time as the applicable Dedicated Infrastructure, or portion thereof, is Accepted, Subdivider may erect a construction fence around areas under construction, areas to be constructed in the future, or areas 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 the public.

7. Warranty and Indemnity.

(a) Warranty. Acceptance of Dedicated Infrastructure by the City shall not constitute a waiver of defects by the City. Subdivider covenants that all Subphase 1B Required Infrastructure constructed or installed by Subdivider shall be free from defects in material or workmanship and shall perform satisfactorily for a period of two (2) years following a Determination of Completeness of the Subphase 1B Required Infrastructure (or portion thereof) unless a longer warranty period applies based on applicable law ("Warranty Period"), except that the warranty period for plant materials and trees planted pursuant to the Subphase 1B Required Infrastructure shall not commence until the Director receives a certification from the City's Construction Manager that the trees have passed a plant establishment period set in accordance with the Plans and Specifications. For the period of time described in Section 4(a) hereof, Subdivider shall, as necessary, and upon receipt of a request in writing from the Director that the work be done, test, correct, repair or replace any defects in the Subphase 1B Required Infrastructure at its own expense. During the Warranty Period, should Subdivider fail to act with

reasonable promptness to make such testing, correction, repair or replacement, or should an emergency require that testing, 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 tests, correction, repair or replacement or otherwise perform the necessary work at Subdivider's expense. 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. Subdivider's liability pursuant to the warranty in this Section 7(a) shall cover defects and defective material or workmanship, and shall not extend to ordinary wear and tear or harm or damage from improper maintenance or operation of the Public Improvement by a City agency or the City's agent.

(b) Indemnity. Subdivider agrees that subject to the limitations 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, harmless from and against any and all Losses arising out of the breach of this Agreement by Subdivider, Subdivider's or any of its contractors', agents', consultants' or representatives' negligent or defective construction of the Subphase 1B Required Infrastructure, constructed or installed by Subdivider under this Agreement, Subdivider's non-payment under contracts between Subdivider and its consultants, engineers, advisors, contractors, subcontractors or suppliers in the provision of such Subphase 1B Required Infrastructure, or any claims of persons employed by Subdivider or its contractors, agents, consultants or representatives to construct such Subphase 1B Required Infrastructure, all 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 Development 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 Subphase 1B Required Infrastructure, or portion therefor, receives a Determination of Completeness from 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 Subphase 1B 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 Subphase 1B Required Infrastructure as specified in this Agreement, except as may arise due to the negligence or willful acts or omissions of the City.

8. Miscellaneous.

(a) Final Map Recordation. The City, in accordance with the Code, shall record the 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. In the event the Final Map is not recorded, this Agreement shall be null and void.

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

(c) Excusable Delay. All time periods in this Agreement shall be extended for Excusable Delay (as defined in the Development Agreement) in accordance with this Section. A party who is subject to Excusable 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 Excusable Delay. If repair, replacement, or reconstruction of any Subphase 1B Required Infrastructure (or any portion thereof) or any other public improvements is necessitated by Excusable Delay, then the time period for completion of the applicable work as provided in this Agreement shall be extended as provided in this Section 8(c), 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 change order in accordance with this Agreement. This Excusable Delay provision 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) a party claiming the Excusable 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 or other dispute resolution mechanism ("DRM") 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, court or DRM costs or 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 or DRM 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 incurred in connection with such action.

For purposes of this Agreement, reasonable fees of attorneys and any in-house counsel for the City or 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 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 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 Public Works:

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

With copies to:

Office of the Mayor  
Office of Economic and Work Force Development  
City and County of San Francisco  
City Hall, Room 458  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102  
Attn: Heather Diaz-Tran  
Reference: Parkmerced Mixed-Use Development Project

Office of the City Attorney  
City Hall, Room 234  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102  
Attn: Public Works General Counsel  
Reference: Parkmerced Mixed-Use Development Project

San Francisco Public Utilities Commission  
525 Golden Gate Avenue  
San Francisco, CA 94102  
Attn: Molly Petrick, Dave Briggs and John Roddy  
Reference: Parkmerced Mixed-Use Development Project

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

Parkmerced Owner LLC  
One Maritime Plaza Suite 1900  
San Francisco, California 94111  
Attn: Seth Mallen

With copies to:

J. Abrams Law, P.C.  
One Maritime Plaza Suite 1900  
San Francisco, California 94111  
Attn: Jim M. Abrams

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 Parkmerced 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 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.

(iii) Any notice or request for review, consent or other determination or action by the Director under any provision of this Agreement shall display prominently on the envelope enclosing such request (if any) and the first page of such request, substantially the following words: "PARKMERCED INFRASTRUCTURE: IMMEDIATE ATTENTION REQUIRED."

(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,

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 approval of the Director. Section 3.5.5 of the Development Agreement anticipates that the maintenance obligations described herein for the Future-Dedicated Infrastructure and the Subdivider Infrastructure would be assigned to and assumed by the Master HOA; accordingly, Subdivider's assignment of such maintenance obligations to the Master HOA and the Master HOA's assumption of such obligations are explicitly contemplated by this Agreement, and the City shall cooperate with such assignment to the Master HOA. Such assignment shall occur as part of a City approved encroachment permit associated with such infrastructure.

(g) Development Agreement. The City shall cooperate with Subdivider consistent with the terms of the Development Agreement, including, without limitation, in obtaining applicable approvals required for the construction of the Subphase 1B 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. 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 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 Subdivider shall be for the sole and exclusive benefit of the City and 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 Subdivider. The Director 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 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. This Agreement shall in no way be construed to limit or replace any other obligations or liabilities which Subdivider and City may have in the Development Agreement. This Agreement is an Implementing Approval of the Development Agreement.

9. Insurance. Subdivider shall, at all times prior to Acceptance of the Subphase 1B Required Infrastructure, comply with the insurance requirements set forth in any Permit to Enter issued by the City in accordance with the Development Agreement, or otherwise in accordance with any other applicable City Regulations. Subdivider shall furnish to the City, from time to time upon request by the City's Risk Manager, a certificate of insurance (and/or, upon request by 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 City in accordance with the Development 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.

SUBDIVIDER

By: 

Seth Mallen  
Vice President

CITY AND COUNTY OF SAN FRANCISCO

By: Mohammed Nuru  
Its: Director of Public Works

APPROVED AS TO FORM:

DENNIS J. HERRERA  
CITY ATTORNEY

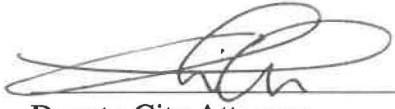
  
Deputy City Attorney

Exhibit A

Improvement Plans and Specifications prepared for Subdivider by BKF Engineers,  
entitled Parkmerced Phase 1B Street Improvement Plans, San Francisco, San Francisco County,  
California dated May 1, 2017 and approved by or on behalf of the Director, on  
\_\_\_\_\_ (the "Plans and Specifications").

Exhibit B-1

Faithful Performance Bond  
Subphase 1B Required Infrastructure

*[Attached]*



**LEXON SURETY  
GROUP**

*Lexon Insurance Company  
Bond Safeguard Insurance Company*

\*Thousand Seven Hundred Ninety One & no/100.  
BOND 1153083  
Premium: \$107,242.63/2yr

Form: Faithful Performance Bond  
Subphase 1B Required Infrastructure

Whereas, the Board of Supervisors of the City and County of San Francisco, State of California, and Parkmerced Owner LLC (hereafter designated as "Principal") have entered into an agreement whereby Principal agrees to install and complete certain designated public improvements, which agreement, entitled, Parkmerced Blocks 20, 21S, and 22 ("Subphase 1B") Public Improvement Agreement dated \_\_\_\_\_ and identified as Subphase 1B Required Infrastructure or the work described in and required by such agreement, is hereby referred to and made a part hereof; and

Whereas, Principal is required under the terms of the agreement to furnish a bond for the faithful performance of the agreement; Phase 1B Public Improvements

Now, therefore, we, Principal and Lexon 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 Ten Million Three Hundred Eleven Dollars ~~(\$10,311,791.0000)~~ 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.

KANSASVILLE OFFICE  
12890 LEBANON ROAD  
KANSASVILLE, TN 37123  
PH: 615-553-9500 FX: 615-553-9502

CHICAGO OFFICE  
500 S. FRONTAGE ROAD, SUITE 250  
WOODBRIDGE, IL 60517  
PH: 630-495-9380 FX: 630-495-9272  
[www.LexonSurety.com](http://www.LexonSurety.com)

LOUISVILLE OFFICE  
10602 SHEFFYVILLE ROAD, SUITE 100  
LOUISVILLE, KY 40223  
PH: 502-253-6500 FX: 502-253-6570



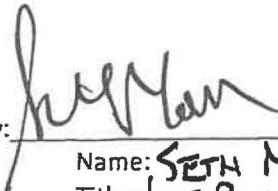
**LEXON SURETY**  
GROUP

*Lexon Insurance Company*  
*Bond Safeguard Insurance Company*

In witness whereof, this instrument has been duly executed by Principal and Surety on  
November 2, 2017.

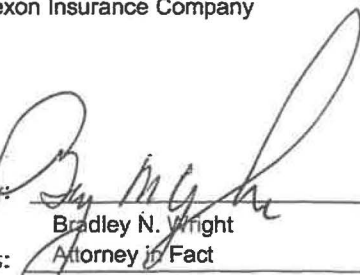
"PRINCIPAL"

Parkmerced Owner LLC

By:   
Name: **SETH MAIER**  
Title: **VICE PRESIDENT**

"SURETY"

Lexon Insurance Company

By:   
Name: **Bradley N. Wright**  
Title: **Attorney in Fact**

Address: 525 Market Street, 34th Floor  
San Francisco, CA 94105

Telephone: 415-955-0100

Facsimile: 415-982-7978

NASHVILLE OFFICE  
12880 LEBANON ROAD  
NAT. JURY, TN 37122  
PH: 615-553-9500 FX: 615-553-9502

CHICAGO OFFICE  
900 S. FRONTAGE ROAD, SUITE 250  
WOODRIDGE, IL 60517  
PH: 630-495-9380 FX: 630-495-9272  
[www.LexonSurety.com](http://www.LexonSurety.com)

LOUISVILLE OFFICE  
10902 ST. ELRYVILLE ROAD, SUITE 100  
LOUISVILLE, KY 40223  
PH: 502-253-6500 FX: 502-253-6570

## 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 San Francisco

On NOVEMBER 2, 2017 before me, S. Nicole Evans, Notary Public  
(insert name and title of the officer)

personally appeared Bradley N. Wright,  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are  
subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in  
his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the  
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

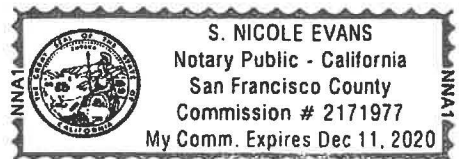
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature



(Seal)



POWER OF ATTORNEY

LX- 317651

**Lexon Insurance Company**

KNOW ALL MEN BY THESE PRESENTS, that **LEXON INSURANCE COMPANY**, a Texas Corporation, with its principal office in Louisville, Kentucky, does hereby constitute and appoint Bradley N. Wright its true and lawful Attorney(s)-In-Fact to make, execute, seal and deliver for, and on its behalf as surety, any and all bonds, undertakings or other writings obligatory in nature of a bond.

This authority is made under and by the authority of a resolution which was passed by the Board of Directors of **LEXON INSURANCE COMPANY** on the 1<sup>st</sup> day of July, 2003 as follows:

Resolved, that the President of the Company is hereby authorized to appoint and empower any representative of the Company or other person or persons as Attorney-In-Fact to execute on behalf of the Company any bonds, undertakings, policies, contracts of indemnity or other writings obligatory in nature of a bond not to exceed \$10,500,000.00, Ten Million Five Hundred Thousand dollars, which the Company might execute through its duly elected officers, and affix the seal of the Company thereto. Any said execution of such documents by an Attorney-In-Fact shall be as binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company. Any Attorney-In-Fact, so appointed, may be removed for good cause and the authority so granted may be revoked as specified in the Power of Attorney.

Resolved, that the signature of the President and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Assistant Secretary, and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certificate so executed and sealed shall, with respect to any bond of undertaking to which it is attached, continue to be valid and binding on the Company.

IN WITNESS THEREOF, **LEXON INSURANCE COMPANY** has caused this instrument to be signed by its President, and its Corporate Seal to be affixed this 5th day of August, 2015.



**LEXON INSURANCE COMPANY**

BY

*David E. Campbell*  
David E. Campbell  
President

**ACKNOWLEDGEMENT**

On this 5th day of August, 2015, before me, personally came David E. Campbell to me known, who be duly sworn, did depose and say that he is the President of **LEXON INSURANCE COMPANY**, the corporation described in and which executed the above instrument; that he executed said instrument on behalf of the corporation by authority of his office under the By-laws of said corporation.



AMY TAYLOR  
Notary Public- State of Tennessee  
Davidson County  
My Commission Expires 07-08-19

BY

*Amy Taylor*  
Amy Taylor  
Notary Public

**CERTIFICATE**

I, the undersigned, Assistant Secretary of **LEXON INSURANCE COMPANY**, A Texas Insurance Company, DO HEREBY CERTIFY that the original Power of Attorney of which the forgoing is a true and correct copy, is in full force and effect and has not been revoked and the resolutions as set forth are now in force.

Signed and Seal at Mount Juliet, Tennessee this 2nd Day of NOV, 20 17.




BY

*Andrew Smith*  
Andrew Smith  
Assistant Secretary

"WARNING: Any person who knowingly and with intent to defraud any insurance company or other person, files and application for insurance of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties."

**CIVIL CODE § 1189**

State of California )  
County of San Francisco )  
On 11.3.17 before me, Grace Simpson, Notary Public,  
*Date Here Insert Name and Title of the Officer*  
personally appeared Seth Mallen  
*Name(s) of Signer(s)*

Signature   
Signature of Notary Public



### OPTIONAL

Signer's Name: \_\_\_\_\_  
☐ Corporate Officer — Title(s): \_\_\_\_\_  
☐ Partner — ☐ Limited ☐ General  
☐ Individual ☐ Attorney in Fact  
☐ Trustee ☐ Guardian or Conservator  
☐ Other: \_\_\_\_\_  
 Signer Is Representing: \_\_\_\_\_

Exhibit B-2

Payment Bond  
Subphase 1B Required Infrastructure

*[Attached]*

Bond No.: 1153083  
Premium: Included in  
Performance Bond

Form: Labor and Material Bond  
Subphase 1B Required Infrastructure

Whereas, the Board of Supervisors of the City and County of San Francisco, State of California, and Parkmerced Owner LLC (hereafter designated as "Principal") have entered into an agreement whereby Principal agrees to install and complete certain designated public improvements, which agreement, entitled <sup>Parkmerced Blocks 20, 21S, and 22</sup> Public Improvement Agreement, dated \_\_\_\_\_, 200\_\_\_\_, and identified as Subphase 1B Required Infrastructure is hereby referred to and made a part hereof; 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 ("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 Five Million One Hundred Fifty Five\* Dollars (\$ 5,155,895.00—), 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.



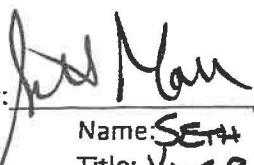
**LEXON SURETY**  
GROUP

*Lexon Insurance Company*  
*Bond Safeguard Insurance Company*

In witness whereof, this instrument has been duly executed by Principal and Surety on  
November 2, 2017.

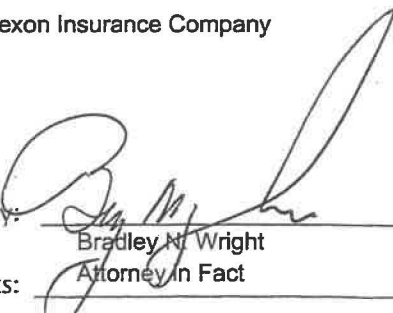
"PRINCIPAL"

Parkmerced Owner LLC

By:   
Name: SETH MAUGH  
Title: VICE PRESIDENT

"SURETY"

Lexon Insurance Company

By:   
Name: Bradley H. Wright  
Title: Attorney in Fact

Address: 525 Market Street, 34th Floor  
San Francisco, CA 94105

Telephone: 415-955-0100

Facsimile: 415-982-7978

NASHVILLE OFFICE  
12890 LEBANON ROAD  
MT. JULIET, TN 37122  
PH: 615-553-9500 Fx: 615-553-9502

CHICAGO OFFICE  
900 S. FRONTAGE ROAD, SUITE 250  
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PH: 630-495-9380 Fx: 630-495-9272  
[www.LexonSurety.com](http://www.LexonSurety.com)

LOUISVILLE OFFICE  
10002 SHELBYVILLE ROAD, SUITE 300  
LOUISVILLE, KY 40223  
PH: 502-253-6500 Fx: 502-253-6570

## 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 San Francisco

On NOVEMBER 2, 2017 before me, S. Nicole Evans, Notary Public  
(insert name and title of the officer)

personally appeared Bradley N. Wright,  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are  
subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in  
his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the  
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

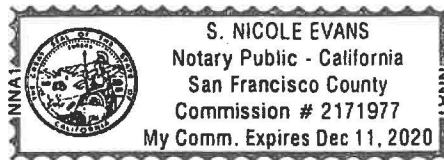
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature



(Seal)



POWER OF ATTORNEY

LX- 317651

**Lexon Insurance Company**

KNOW ALL MEN BY THESE PRESENTS, that **LEXON INSURANCE COMPANY**, a Texas Corporation, with its principal office in Louisville, Kentucky, does hereby constitute and appoint Bradley N. Wright its true and lawful Attorney(s)-In-Fact to make, execute, seal and deliver for, and on its behalf as surety, any and all bonds, undertakings or other writings obligatory in nature of a bond.

This authority is made under and by the authority of a resolution which was passed by the Board of Directors of **LEXON INSURANCE COMPANY** on the 1<sup>st</sup> day of July, 2003 as follows:

Resolved, that the President of the Company is hereby authorized to appoint and empower any representative of the Company or other person or persons as Attorney-In-Fact to execute on behalf of the Company any bonds, undertakings, policies, contracts of indemnity or other writings obligatory in nature of a bond not to exceed \$10,500,000.00, Ten Million Five Hundred Thousand dollars, which the Company might execute through its duly elected officers, and affix the seal of the Company thereto. Any said execution of such documents by an Attorney-In-Fact shall be as binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company. Any Attorney-In-Fact, so appointed, may be removed for good cause and the authority so granted may be revoked as specified in the Power of Attorney.

Resolved, that the signature of the President and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Assistant Secretary, and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certificate so executed and sealed shall, with respect to any bond of undertaking to which it is attached, continue to be valid and binding on the Company.

IN WITNESS THEREOF, **LEXON INSURANCE COMPANY** has caused this instrument to be signed by its President, and its Corporate Seal to be affixed this 5th day of August, 2015.



**LEXON INSURANCE COMPANY**

BY

*David E. Campbell*  
David E. Campbell  
President

**ACKNOWLEDGEMENT**

On this 5th day of August, 2015, before me, personally came David E. Campbell to me known, who be duly sworn, did depose and say that he is the President of **LEXON INSURANCE COMPANY**, the corporation described in and which executed the above instrument; that he executed said instrument on behalf of the corporation by authority of his office under the By-laws of said corporation.



AMY TAYLOR  
Notary Public- State of Tennessee  
Davidson County  
My Commission Expires 07-08-19

BY

*Amy Taylor*  
Amy Taylor  
Notary Public

**CERTIFICATE**

I, the undersigned, Assistant Secretary of **LEXON INSURANCE COMPANY**, A Texas Insurance Company, DO HEREBY CERTIFY that the original Power of Attorney of which the forgoing is a true and correct copy, is in full force and effect and has not been revoked and the resolutions as set forth are now in force.

Signed and Seal at Mount Juliet, Tennessee this 2nd Day of NOV, 2017.



BY

*Andrew Smith*  
Andrew Smith  
Assistant Secretary

**"WARNING: Any person who knowingly and with intent to defraud any insurance company or other person, files and application for insurance of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties."**

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT****CIVIL CODE § 1189**

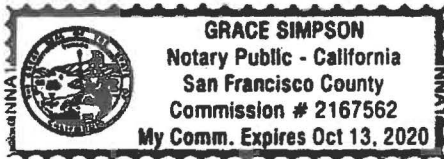
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of San Francisco )  
On 11.3.17 before me, Grace Simpson, Notary Public,  
Date Here Insert Name and Title of the Officer  
personally appeared Seth Mallen  
Name(s) of Signer(s)

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]  
Signature of Notary Public

Place Notary Seal Above

**OPTIONAL**

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_ Document Date: \_\_\_\_\_

Number of Pages: \_\_\_\_\_ Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_

☐ Corporate Officer — Title(s): \_\_\_\_\_

☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

Signer's Name: \_\_\_\_\_

☐ Corporate Officer — Title(s): \_\_\_\_\_

☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

Exhibit B-3

Monument Bond  
Subphase 1B Required Infrastructure

*[Attached]*



**LEXON SURETY  
GROUP**

*Lexon Insurance Company  
Bond Safeguard Insurance Company*

BOND 1153084  
Premium: \$130/2yr

Form: Faithful Performance Bond

Subphase 1B Required Survey Monuments

Whereas, the Board of Supervisors of the City and County of San Francisco, State of California, and Parkmerced Owner LLC (hereafter designated as "Principal") have entered into an agreement whereby Principal agrees to install and complete certain designated public improvements, which agreement, entitled Final Map No. 8530

dated \_\_\_\_\_, 2017 and identified as Subphase 1B Required Survey Monuments, for the work described in and required by such agreement, is hereby referred to and made a part hereof; 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 Lexon 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 Twelve Thousand Five Hundred Dollars (\$12,500.00) 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.

NASHVILLE OFFICE  
1789C LEBANON ROAD  
NAT JULIET, TN 37122  
PH: 615-553-9500 FX: 615-553-9502

CHICAGO OFFICE  
900 S. FRONTAGE ROAD, SUITE 250  
WOODRIDGE, IL 60517  
PH: 630-495-9380 FX: 630-495-9272  
[www.LexonSurety.com](http://www.LexonSurety.com)

LOUISVILLE OFFICE  
10002 SHELBYVILLE ROAD, SUITE 100  
LOUISVILLE, KY 40223  
PH: 502-253-6500 FX: 502-253-6570



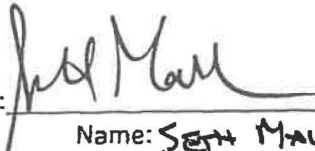
**LEXON SURETY**  
GROUP

*Lexon Insurance Company*  
*Bond Safeguard Insurance Company*

In witness whereof, this instrument has been duly executed by Principal and Surety on  
November 2, 2017.

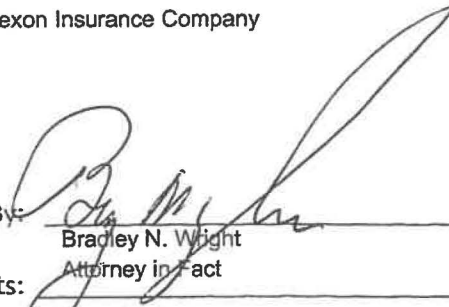
"PRINCIPAL"

Parkmerced Owner LLC

By:   
Name: SETH MALLEN  
Title: VICE PRESIDENT

"SURETY"

Lexon Insurance Company

By:   
Name: Bradley N. Wright  
Title: Attorney in Fact

Address: 525 Market Street, 34th Floor

San Francisco, CA 94105

Telephone: 415-955-0100

Facsimile: 415-982-7978

NASHVILLE OFFICE  
12890 LEBANON ROAD  
MT. JUBET, TN 37122  
PH: 615-553-9500 FX: 615-553-9502

CHICAGO OFFICE  
900 S. FRONTAGE ROAD, SUITE 250  
WOODRIDGE, IL 60517  
PH: 630-495-9380 FX: 630-495-9272  
[www.LexonSurety.com](http://www.LexonSurety.com)

LOUISVILLE OFFICE  
10002 SHELBYVILLE ROAD, SUITE 100  
LOUISVILLE, KY 40223  
PH: 502-253-6500 FX: 502-253-6570

## 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 San Francisco

On NOVEMBER 2, 2017 before me, S. Nicole Evans, Notary Public  
(insert name and title of the officer)

personally appeared Bradley N. Wright  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are  
subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in  
his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the  
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

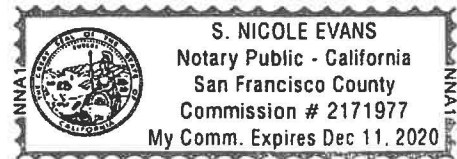
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature



(Seal)



POWER OF ATTORNEY

LX- 279380

**Lexon Insurance Company**

KNOW ALL MEN BY THESE PRESENTS, that **LEXON INSURANCE COMPANY**, a Texas Corporation, with its principal office in Louisville, Kentucky, does hereby constitute and appoint: Victoria M. Campbell, Robin Rutlin, Suzanne M. Brenner, Bradley N. Wright, Carolyne Emery its true and lawful Attorney(s)-In-Fact to make, execute, seal and deliver for, and on its behalf as surety, any and all bonds, undertakings or other writings obligatory in nature of a bond.

This authority is made under and by the authority of a resolution which was passed by the Board of Directors of **LEXON INSURANCE COMPANY** on the 1<sup>st</sup> day of July, 2003 as follows:

Resolved, that the President of the Company is hereby authorized to appoint and empower any representative of the Company or other person or persons as Attorney-In-Fact to execute on behalf of the Company any bonds, undertakings, policies, contracts of indemnity or other writings obligatory in nature of a bond not to exceed \$2,500,000.00, Two Million Five Hundred Thousand dollars, which the Company might execute through its duly elected officers, and affix the seal of the Company thereto. Any said execution of such documents by an Attorney-In-Fact shall be as binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company. Any Attorney-In-Fact, so appointed, may be removed for good cause and the authority so granted may be revoked as specified in the Power of Attorney.

Resolved, that the signature of the President and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Assistant Secretary, and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certificate so executed and sealed shall, with respect to any bond of undertaking to which it is attached, continue to be valid and binding on the Company.

IN WITNESS THEREOF, **LEXON INSURANCE COMPANY** has caused this instrument to be signed by its President, and its Corporate Seal to be affixed this 5th day of August, 2015.



**LEXON INSURANCE COMPANY**

BY

David E. Campbell  
President

**ACKNOWLEDGEMENT**

On this 5th day of August, 2015, before me, personally came David E. Campbell to me known, who be duly sworn, did depose and say that he is the President of **LEXON INSURANCE COMPANY**, the corporation described in and which executed the above instrument; that he executed said instrument on behalf of the corporation by authority of his office under the By-laws of said corporation.



AMY TAYLOR  
Notary Public- State of Tennessee  
Davidson County  
My Commission Expires 07-08-19

BY

Amy Taylor  
Notary Public

**CERTIFICATE**

I, the undersigned, Assistant Secretary of **LEXON INSURANCE COMPANY**, A Texas Insurance Company, DO HEREBY CERTIFY that the original Power of Attorney of which the forgoing is a true and correct copy, is in full force and effect and has not been revoked and the resolutions as set forth are now in force.

Signed and Seal at Mount Juliet, Tennessee this 2nd Day of Nov, 2012.



BY

Andrew Smith  
Assistant Secretary

**"WARNING: Any person who knowingly and with intent to defraud any insurance company or other person, files and application for insurance of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties."**

**CIVIL CODE § 1189**

State of California )  
County of San Francisco )  
On 11.3.17 before me, Grace Simpson, Notary Public,  
Date Here Insert Name and Title of the Officer  
personally appeared Seth Mallen  
Name(s) of Signer(s)

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

 **GRACE SIMPSON**  
Notary Public - California  
San Francisco County  
Commission # 2167562  
My Comm. Expires Oct 13, 2020

Signature \_\_\_\_\_  
Signature of Notary Public

### OPTIONAL

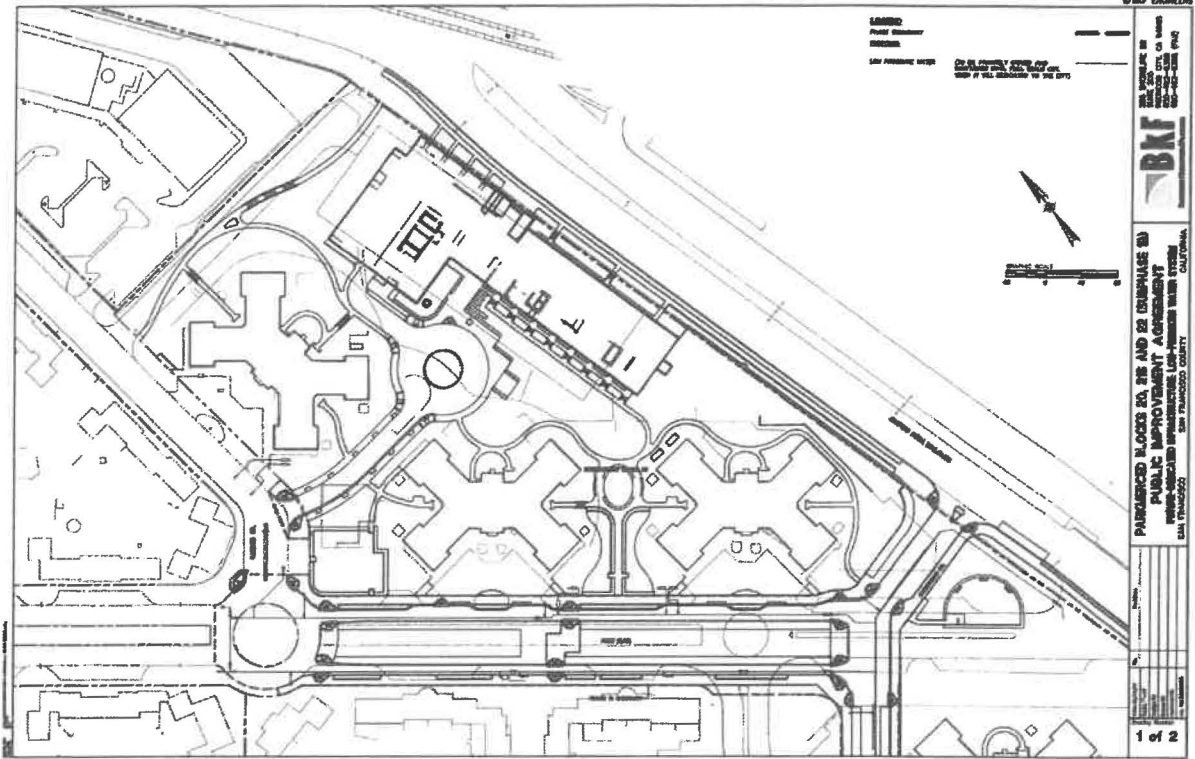
Signer's Name: \_\_\_\_\_  
☐ Corporate Officer — Title(s): \_\_\_\_\_  
☐ Partner — ☐ Limited ☐ General  
☐ Individual ☐ Attorney in Fact  
☐ Trustee ☐ Guardian or Conservator  
☐ Other: \_\_\_\_\_  
 Signer Is Representing: \_\_\_\_\_

Exhibit C

Future-Dedicated Infrastructure: Low-Pressure Water System

*[Attached]*

PARKMERCEC BLOCKS 20, 21S AND 22 (SUBPHASE 1B) PUBLIC IMPROVEMENT AGREEMENT - EXHIBIT C



PARKMERCEC BLOCKS 20, 21S AND 22 (SUBPHASE 1B) PUBLIC IMPROVEMENT AGREEMENT - EXHIBIT C

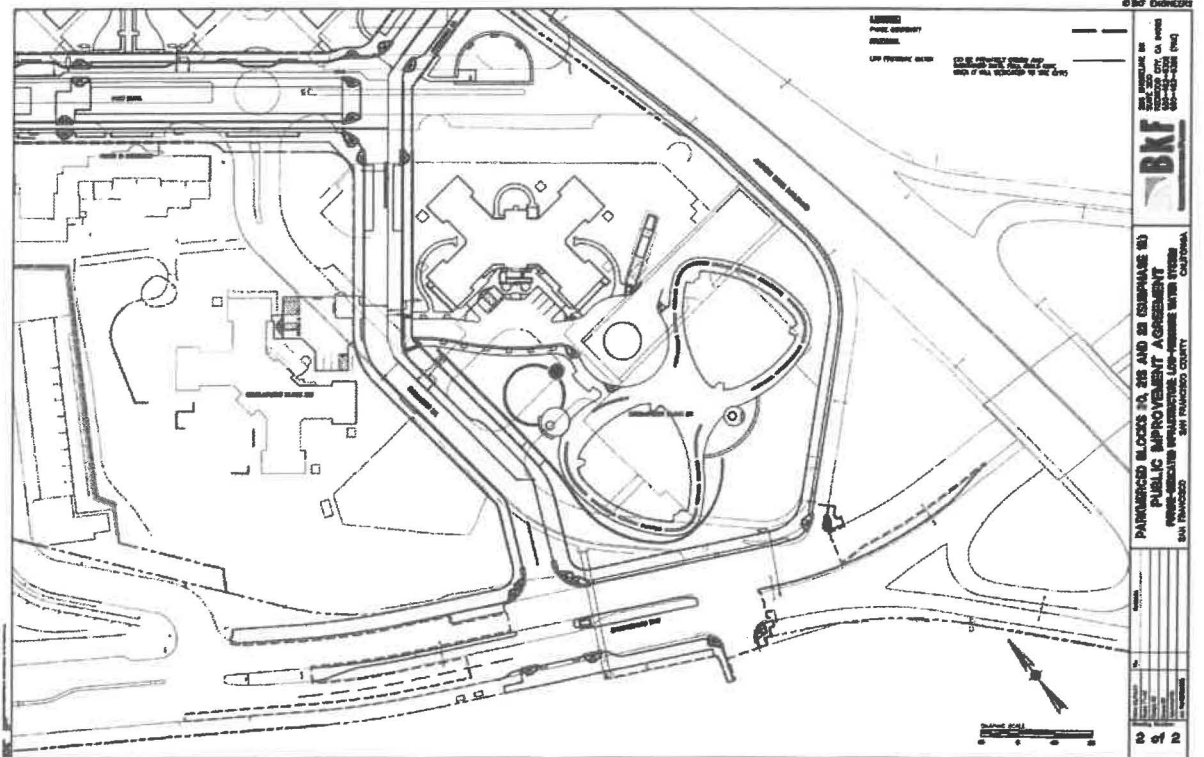
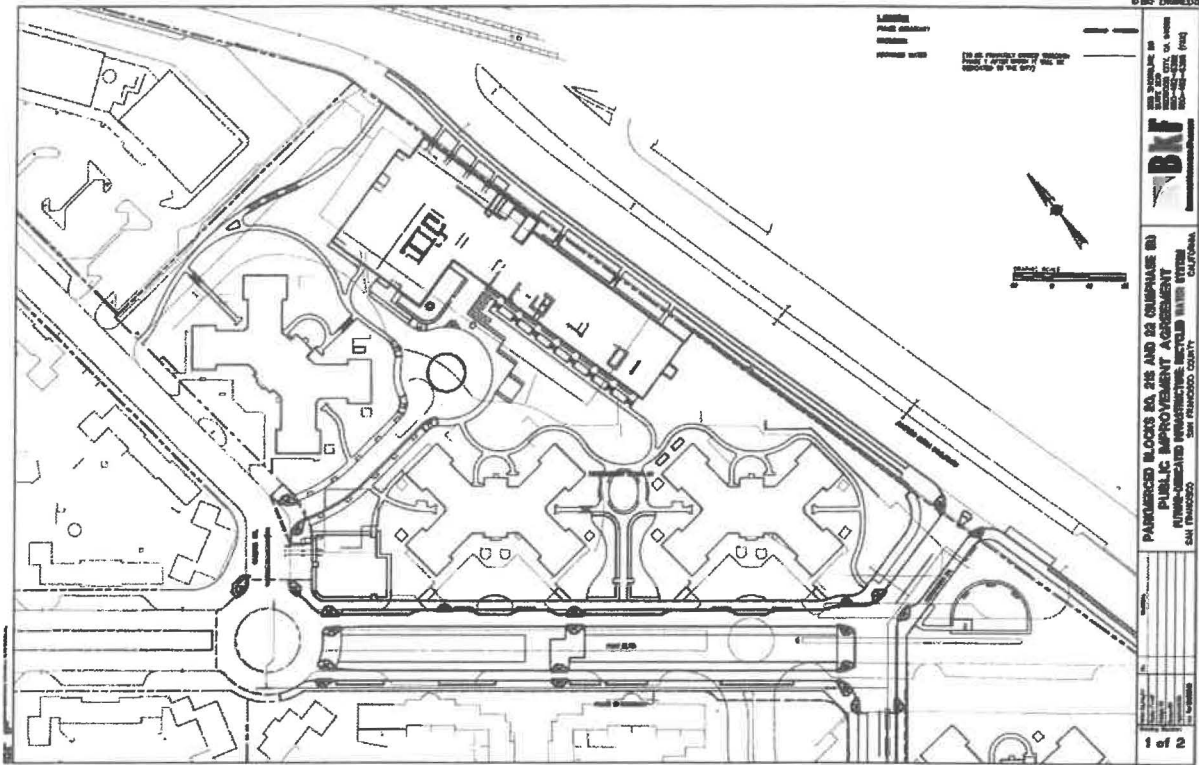


Exhibit D

Future-Dedicated Infrastructure: Recycled Water System

*[Attached]*

PARKMERCEC BLOCKS 20, 21S AND 22 (SUBPHASE 1B) PUBLIC IMPROVEMENT AGREEMENT - EXHIBIT D



PARKMERCEC BLOCKS 20, 21S AND 22 (SUBPHASE 1B) PUBLIC IMPROVEMENT AGREEMENT - EXHIBIT D

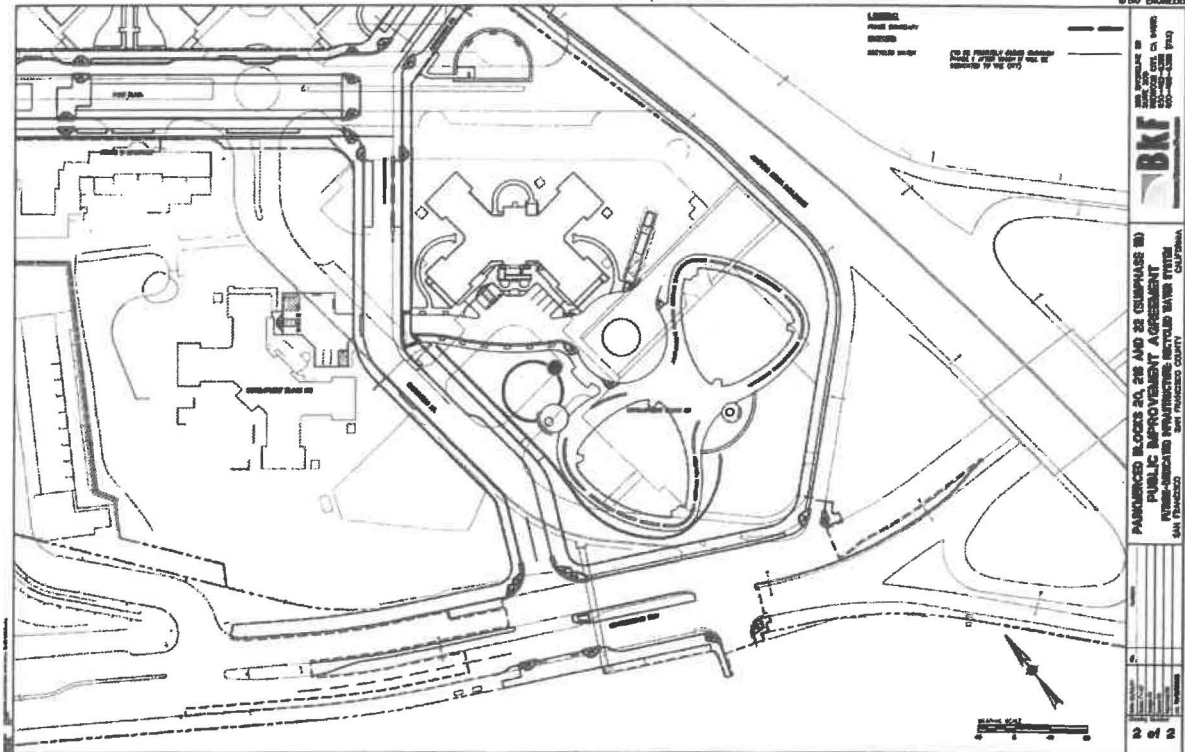
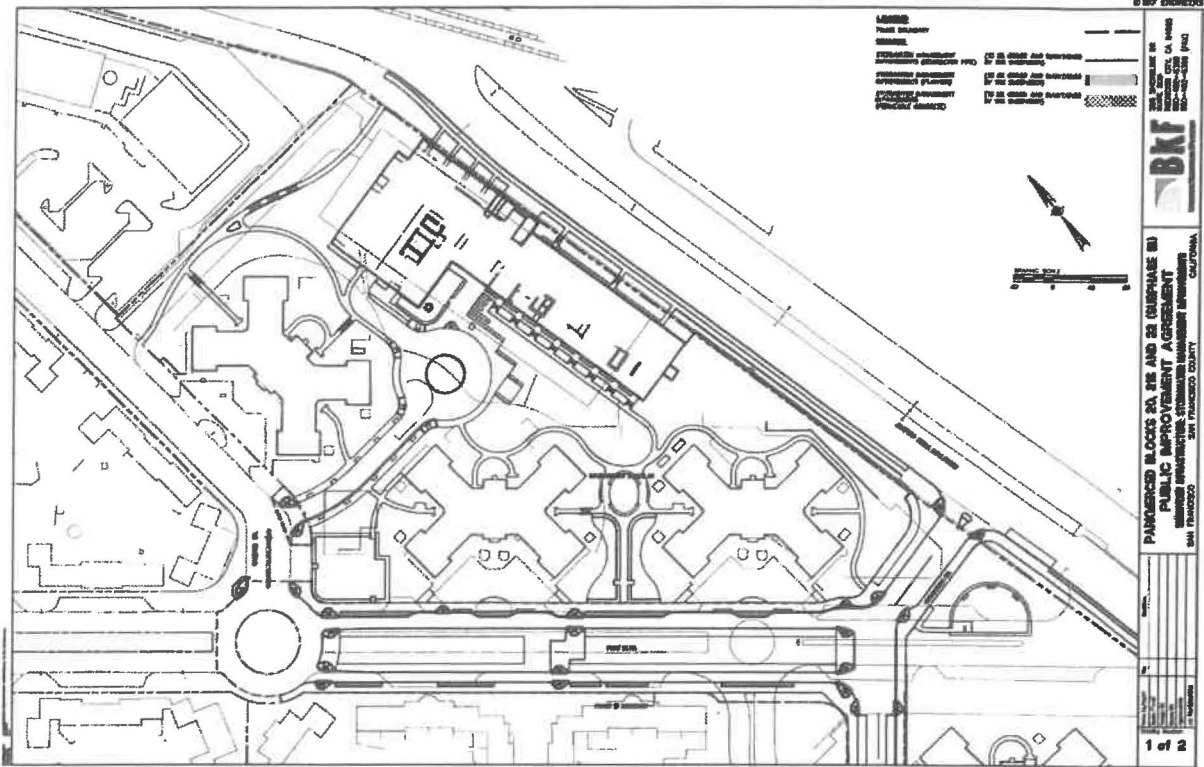


Exhibit E-1

Subdivider Infrastructure: Stormwater Management Improvements

*[Attached]*

PARKMERGED BLOCKS 20, 21S AND 22 (SUBPHASE 1B) PUBLIC IMPROVEMENT AGREEMENT - EXHIBIT E-1



PARKMERGED BLOCKS 20, 21S AND 22 (SUBPHASE 1B) PUBLIC IMPROVEMENT AGREEMENT - EXHIBIT E-1

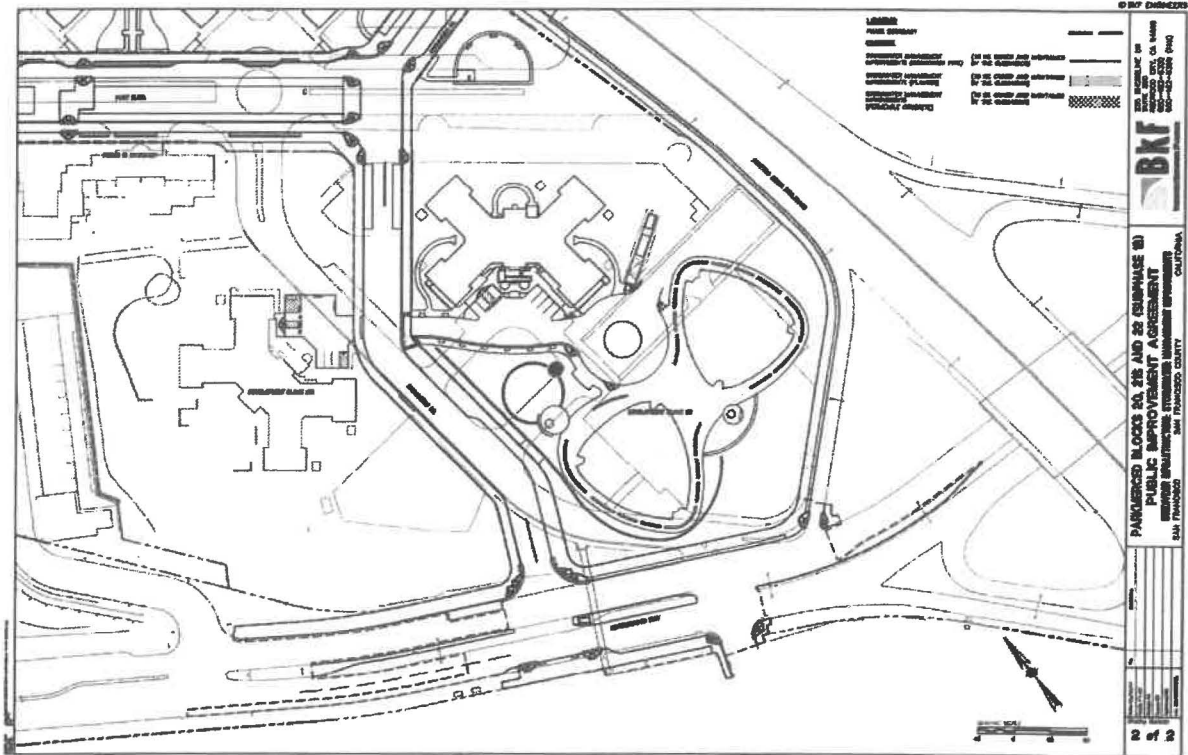
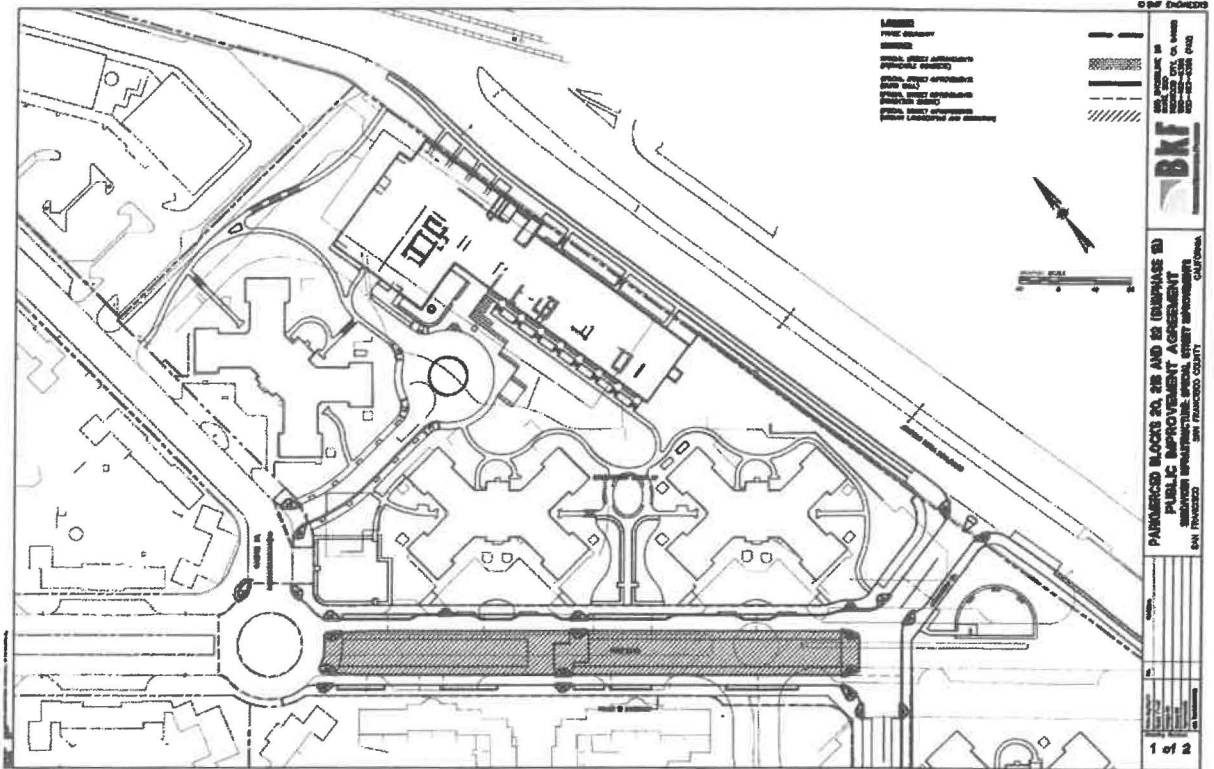


Exhibit E-2

Subdivider Infrastructure: Special Street Improvements

*[Attached]*

PARKMERCED BLOCKS 20, 21S AND 22 (SUBPHASE 1B) PUBLIC IMPROVEMENT AGREEMENT - EXHIBIT E-2



PARKMERCED BLOCKS 20, 21S AND 22 (SUBPHASE 1B) PUBLIC IMPROVEMENT AGREEMENT - EXHIBIT E-2

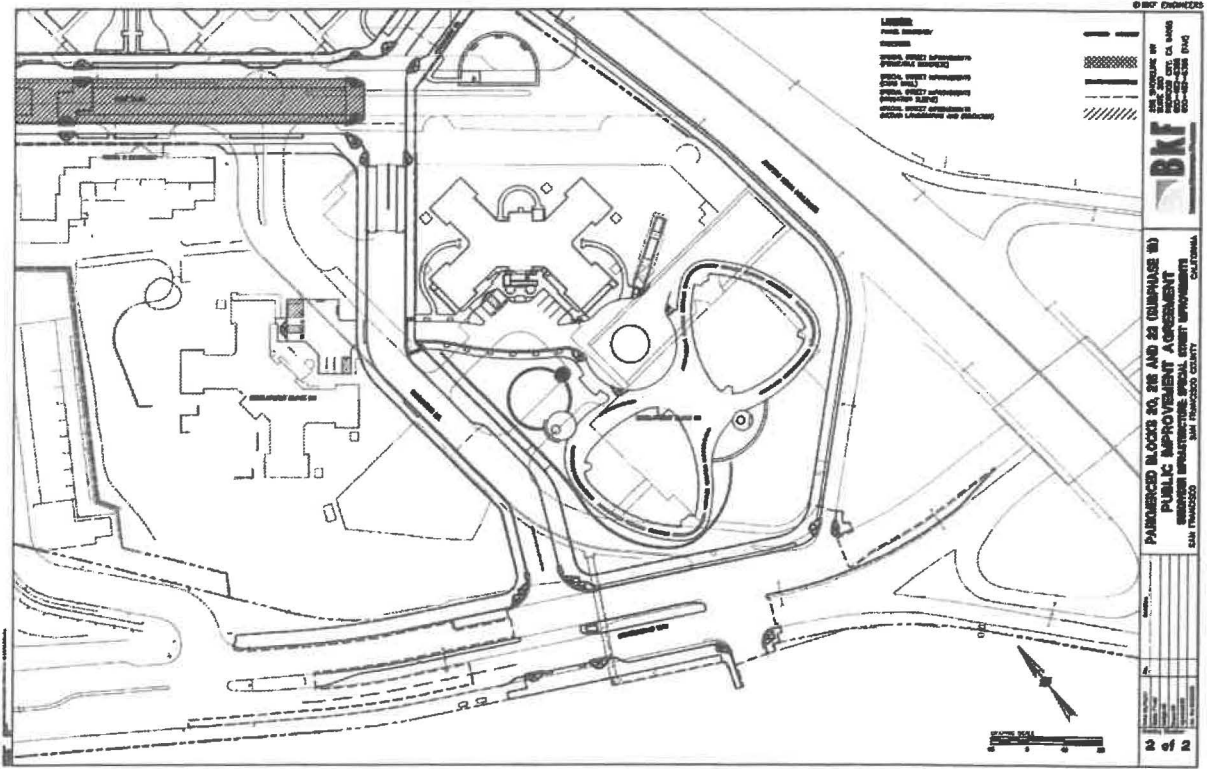


Exhibit F

Restated and Amended Water Easement Agreement

RECORDING REQUESTED BY  
AND WHEN RECORDED RETURN TO:

San Francisco Real Estate Division  
25 Van Ness Avenue, Suite 400  
San Francisco, CA 94102  
Attn: Director of Property

WITH A CONFORMED COPY TO:  
San Francisco Public Utilities Commission  
City and County of San Francisco  
525 Golden Gate Avenue, 10th Floor  
San Francisco, CA 94102  
Attn: Real Estate Director

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

**RESTATEMENT AND AMENDMENT OF WATER SYSTEM EASEMENT**

THIS RESTATEMENT AND AMENDMENT OF WATER SYSTEM EASEMENT (this "Easement Agreement") dated \_\_\_\_\_, 20\_\_, is by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("Grantor" or "City"), and PARKMERCED OWNER LLC, a Delaware limited liability company its successors and assigns ("Grantee") (collectively, the "Parties").

**RECITALS**

A. In 1944, the Metropolitan Life Insurance Company caused to be divided certain land known as "Parkmerced" and recorded a survey map of this land, as adopted by the Board of Supervisors in Resolution No. 3795 (Series of 1939), in the official records of the City and County of San Francisco (the "Official Records") at Map Book O, Pages 97 to 101; and,

B. In 1945, the Metropolitan Life Insurance Company transferred certain lands to the City for public streets within Parkmerced as set forth in a deed recorded in the Official Records at Book 4252, Pages 85 to 89 (the "Street Dedication Deed"); and,

C. The City's Board of Supervisors approved the aforementioned map, accepted the transferred property for street areas, and dedicated certain City-owned property as open public streets and changed the name of certain streets by Resolution No. 4807 (Series of 1939) recorded in the Official Records at Book 4252, Pages 89 to 90; and,

D. The Street Dedication Deed excluded from the conveyance to the City and reserved to the Metropolitan Life Insurance Company title to the water distribution system (including all

pipes, conduits, valves, meters, fittings, appurtenances, and appliances attached or incident to any such systems) located within the public streets within Parkmerced (the “Low-Pressure Water System”) and reserved to the Metropolitan Life Insurance Company, its successors and assigns, a right of way easement in, over, across and upon the lands conveyed, to install, operate, patrol, repair, and replace the Low-Pressure Water System (the “Water System Easement”); and,

E. In 2014, Grantee acquired the property known as Parkmerced by deed recorded November 10, 2014 as, **DOC-2014-J970575-00**, in the Official Records of the City and County of San Francisco, California (the “Official Records”); and,

F. In 2017, Grantee and the City executed a quitclaim deed (recorded on September 1, 2017 as, **DOC-2017-K509960-00**, in the Official Records) affirming the City’s fee ownership of the public streets in Parkmerced (the “Parkmerced Public Streets” or the “Easement Area”), as well as Grantee’s title to the Low-Pressure Water System and the Water System Easement within the Parkmerced Public Streets; and,

G. The Easement Area is more particularly described in Exhibit A and shown on Exhibit B attached hereto; and,

H. Grantee is the project sponsor of the Parkmerced Mixed-Use Development Project (the “Project”), which Project involves the construction of thousands of net new residential dwelling units at Parkmerced, as well as the construction of new open space and park areas and commercial buildings. On June 7, 2011, at a duly noticed public hearing, the Board of Supervisors considered the Project’s approvals, which included amendments to the City’s General Plan (approved by Ordinance No. 92-11), Zoning Map (approved by Ordinance No. 91-11), and Planning Code (approved by Ordinance No. 90-11), as well as approval of a Development Agreement, approved on June 7, 2011 by Ordinance No. 89-11 (the “Development Agreement”) (collectively, the “Project Approvals”). Ordinance No. 89-11 is on file with the Clerk of the Board in File No. 110300 and is incorporated herein by reference. The SFPUC Commission on June 14, 2011 adopted a consent to the Development Agreement (SFPUC Commission Resolution No. 11-0091); and,

I. As a component of the Project and in order to serve the additional dwelling units and other improvements constructed by the Project, Grantee will be upgrading, supplementing, and replacing the Low-Pressure Water System within the Easement Area for future dedication to the City, including the installation of new potable water distribution facilities (the “Future City Low Pressure Water System Improvements”) and non-potable “recycled water” (the “Recycled Water System Improvements”), all installed and completed per certain Street Improvement Permits granted by the City. For purposes of clarity, the Future City Low Pressure Water System Improvements shall not include portions of the pipes and other components of the Low-Pressure Water System and, the Future City Low Pressure Water System Improvements may be connected to portions of the low-pressure water system owned by San Francisco State University. This Easement Agreement does not place any requirement on Grantee to upgrade, replace or maintain San Francisco State University’s low-pressure water system; and,

J. Pursuant to the Development Agreement and certain Public Improvement Agreements executed by and between the City and Grantee, Grantee will own and operate the

Low-Pressure Water System and Future City Low-Pressure Water System Improvements, unless and until Grantee completes all Development Phases (as defined in the Development Agreement) of the Project, and Grantee offers the Future City Low-Pressure Water System Improvements to the City for acceptance and dedication, and the City accepts such offer; and,

K. Pursuant to negotiations between the City and Grantee, Grantee agrees to own and operate the Recycled Water System Improvements unless and until Grantee completes Development Phase 1 (as defined in the approved Development Phase Application for Development Phase 1), and offers the Recycled Water System Improvements to the City, and the City accepts such offer; and

L. The Parties now wish to amend and restate the Water System Easement in order to clarify the purpose and extent of the Water System Easement and to provide for the termination of the Water System Easement upon the acceptance and dedication of the Future City Low-Pressure Water System Improvements and the Recycled Water System Improvements (collectively, the "Future Dedicated Infrastructure") by the City.

## **AGREEMENT**

Now therefore, incorporating the foregoing Recitals, the Parties agree as follows:

1. For valuable consideration, receipt of which is hereby acknowledged, Grantor hereby grants to Grantee, and the Parties hereby agree to amend and restate the Water System Easement over, across and under the Easement Area, legally described in Exhibit A and generally shown on Exhibit B, both attached hereto and made a part hereof for utility purposes, as further described below. The Easement Area is located within the project site of the Project, as described in the Development Agreement. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Development Agreement.

2. **Nature of Easement.** The Water System Easement is a nonexclusive easement and includes (i) the right to install, construct, reconstruct, operate, maintain, repair, inspect, remove and replace, from time to time, the Low Pressure Water System, Future City Low Pressure Water System Improvements and Recycled Water System Improvements approved by City prior to acceptance by the City to serve (a) the existing buildings and improvements at Parkmerced and (b) all future buildings and improvements constructed by the Project and (ii) the right of access over, across or under (including via surface entry) the Easement Area for all such purposes. The Water System Easement includes the right of ingress to and egress from the Easement Area across adjacent lands of City over any available roadways or such routes as may be agreed upon, to the extent necessary for the convenience of Grantee in the enjoyment of its rights hereunder. Grantee shall obtain necessary permits from City prior to performing any work within the Easement Area, in accordance with Section 3 (Restrictions on Surface Use) of this Easement Agreement. Grantee's rights under this Easement Agreement may be exercised by Grantee's agents, contractors, subcontractors, suppliers, consultants, employees, or representatives, or by other authorized persons acting for or on behalf of Grantee. The Water System Easement shall terminate upon the satisfaction of certain conditions described in Section 9 (Termination of Easement) below.

3. **Restrictions on Surface Use.** Grantor and Grantee acknowledge and understand that the Easement Area is located on public streets owned by Grantor and accordingly that Grantee's exercise of its rights under this Easement Agreement will require disturbance of the Easement Area, including excavation of and construction of improvements within and around the Easement Area ("Grantee's Work"). Grantee's Work shall be subject to duly issued street closure permits issued by the San Francisco Municipal Transportation Agency and excavation and tree permits issued by San Francisco Public Works. For so long as the Water System Easement remains in effect, Grantor shall keep the Easement Area open and free from structures of any kind that may damage or interfere with the proper use, function, maintenance, repair, or replacement of the Low-Pressure Water System, Future City Low-Pressure Water System Improvements, Recycled Water System Improvements, or Grantee's rights under this Easement Agreement. If the surface is disturbed by Grantee's use of the Water System Easement, Grantee shall restore the surface to meet City's then-current standards, including, but not limited to, roads and utilities.

4. **Maintenance Requirements.** In order for the City to accept the Future City Low-Pressure Water System Improvements and the Recycled Water System Improvements, Grantee must (a) install and maintain the Future City Low-Pressure Water System Improvements to agreed-upon standards unless and until they are offered to and accepted by the City at full project build-out per the Development Agreement; and (b) install and maintain the Recycled Water System Improvements to agreed-upon standards unless and until they are offered to and accepted by the City upon completion of Development Phase 1. Under this Easement Agreement the Grantee shall operate, maintain and inspect the Future Dedicated Infrastructure to the standards shown in the attached Operations and Maintenance Manual (as amended from time-to time, "O&M Manual") (Exhibit C), including but not limited to routine maintenance, repairs, inspections and reporting to the City.

5. **Nonexclusive.** The Easement granted herein is nonexclusive, and Grantor may convey additional easements and rights and install additional subsurface utility lines within the Easement Area provided that such additional easements, rights and lines do not interfere with the Low-Pressure Water System and this Water System Easement, and provided further that any additional subsurface utility lines in the Easement Area shall meet City's standards for separation of utilities.

6. **Abandonment of Easement.** No temporary non-use of the Easement Area or other conduct shall be deemed abandonment of the Water System Easement.

7. **Acceptance of Improvements.** Neither the provisions of this Easement Agreement nor Grantor's grant of the Water System Easement shall be construed as acceptance of any infrastructure improvements by City.

- a. **Low Pressure Water Acceptance.** Consistent with the Development Agreement, the Grantee intends to offer for dedication the Future City Low Pressure Water System Improvements to the City upon completion of all Development Phases (as such term is defined in the Development Agreement). The City shall accept the Future City Low Pressure Water System Improvements, for public ownership, operation and maintenance subject to (i) the Grantee making an irrevocable offer of dedication to

the City of the entire Future City Low Pressure Water System Improvements following completion of all development phases, (ii) the City's Public Works Director determining that the entire Future City Low Pressure Water System Improvements are ready for their intended use and completed substantially in conformity with the applicable plans and specifications, (iii) the Grantee completing both permanent connections between the Future City Low Pressure Water System Improvements and the City's existing water distribution system, (iv) the Grantee ensuring any connections between the Future City Low Pressure Water System Improvements and the private San Francisco State University water distribution system include any necessary appurtenances on the Future City Low Pressure Water System Improvements as required by the SFPUC at the time of construction, (v) the Grantee operating and maintaining all Future City Low Pressure Water System Improvements per Section 4 (Maintenance Requirements) of this Easement Agreement, and providing all records memorializing such operation and maintenance with the offer of dedication to the City.

b. **Recycled Water Acceptance.** The Grantee intends to offer for dedication all of (including, for example, the portion of the system located in Development Subphase 1A or 1B) the Recycled Water System Improvements to the City upon completion of Development Phase 1 (as such term is defined in the Development Agreement). The City shall accept the Recycled Water System Improvements for public ownership, operation and maintenance subject to (i) the Grantee making an irrevocable offer of dedication to the City of all of the Recycled Water System Improvements at completion of Development Phase 1, (ii) the City's Public Works Director determining that the Recycled Water System Improvements are ready for their intended use and completed substantially in conformity with the applicable plans and specifications, (iii) the Grantee completing all required permanent inter-connections between the Recycled Water System Improvements and the City's existing potable water distribution system (including necessary backflow preventer assemblies), and (iv) the Grantee operating and maintaining the Recycled Water System Improvements per Section 4 (Maintenance Requirements) of this Easement Agreement, and providing all records memorializing such operation and maintenance with the offer of dedication to the City. Nothing herein shall prohibit the City from accepting the Recycled Water System (or portions thereof) after the completion of Development Phase 1.

8. **Underground Service Alert ("USA").** Grantee shall apply for and obtain membership with USA North 811 and maintain its membership, at Grantee's sole cost, unless and until the Water System Easement terminates in accordance with Section 9 (Termination of Easement) below. Grantee shall ensure that Grantee and its employees, contractors, agents and/or subcontractors comply with the requirements of Government Code section 4216 et al and shall keep all information relating to activities on or within the Easement Area up to date with USA North 811. Penalties for failure to comply with this Section 8 shall be in accordance with State law.

9. **Termination of Easement.** The Water System Easement shall terminate upon (i) the completion of all Development Phases (as such term is defined in the Development Agreement) of the Project and (ii) the City's formal acceptance of title to the Future City Low-Pressure Water System Improvements per Section 7 (Acceptance of Improvements) above. The

Water System Easement shall terminate automatically with respect to the Recycled Water System Improvements upon City acceptance of the Recycled Water System Improvements.

10. **Grantee's Indemnity.** Grantee, on behalf of itself and its successors and assigns, shall indemnify, defend and hold harmless ("Indemnify") City including, but not limited to, all of its boards, commissions, departments, agencies and other subdivisions, including, without limitation, its Department of Public Works and Public Utilities Commission, and all of its and their agents, and their respective heirs, legal representatives, successors and assigns (individually and collectively, the "Indemnified Parties"), and each of them, from and against any and all liabilities, losses, costs, claims, judgments, settlements, damages, liens, fines, penalties and expenses, including, without limitation, direct and vicarious liability of every kind (collectively, "Claims"), incurred in connection with or arising in whole or in part from: (a) any accident, injury to or death of a person, including, without limitation, employees of Grantee, or loss of or damage to property, howsoever or by whomsoever caused, occurring in or about the Easement Area; (b) any default by Grantee in the observation or performance of any of the terms, covenants or conditions of this Easement Agreement to be observed or performed on Grantee's part; (c) the use or occupancy or manner of use or occupancy of the Easement Area by Grantee, its agents or invitees or any person or entity claiming through or under any of them; (d) the condition of the Easement Area; (e) any construction or other work undertaken by Grantee on the Easement Area whether before or during the term of this Easement Agreement; or (f) any acts, omissions or gross negligence of Grantee, its agents or invitees, in, on or about the Easement Area, all regardless of the active or passive negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on, the Indemnified Parties, except to the extent that such indemnity is void or otherwise unenforceable under applicable law in effect on or validly retroactive to the date of this Water System Easement and further except only such Claims as are caused exclusively by the willful misconduct or gross negligence of the Indemnified Parties. The foregoing indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and City's costs of investigating any Claim. Grantee specifically acknowledges and agrees that it has an immediate and independent obligation to defend the City from any claim which actually or potentially falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Grantee by City and continues at all times thereafter. Grantee's obligations under this Section shall survive the termination of this Easement Agreement.

11. **Grantee's Environmental Indemnity.** If Grantee breaches any of its obligations contained in this Section, or, if any act or omission of Grantee, its agents or invitees, results in any Release of Hazardous Material in, on, under or about the Easement Area in violation of any applicable Environmental Laws, then, without limiting Grantee's indemnity contained in Section 10 (Grantee's Indemnity), Grantee shall, on behalf of itself and its successors and assigns, Indemnify the Indemnified Parties, and each of them, from and against all Claims (including, without limitation, damages for decrease in value of the Easement Area, the loss or restriction of the use of rentable or usable space or of any amenity of the Easement Area and sums paid in settlement of claims, attorneys' fees, consultants' fees and experts' fees and costs) arising during or after the Term of this Easement Agreement and relating to such Release. The foregoing indemnity includes, without limitation, costs incurred in connection with activities undertaken to Investigate and Remediate Hazardous Material and to restore the Easement Area to its prior condition, fines and

penalties assessed for the violation of any applicable Environmental Laws, and any natural resource damages. Without limiting the foregoing, if Grantee or any of its agents or invitees, causes or permits the Release of any Hazardous Materials in, on, under or about the Easement Area, Grantee shall immediately and at no expense to City take any and all appropriate actions to return the Easement Area affected thereby to the condition existing prior to such Release and otherwise Investigate and Remediate the Release in accordance with all Environmental Laws. Grantee specifically acknowledges and agrees that it has an immediate and independent obligation to defend the City from any claim which actually or potentially falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Grantee by the City and continues at all times thereafter. Grantee shall afford City a full opportunity to participate in any discussions with governmental regulatory agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree, or other compromise or proceeding involving Hazardous Material.

For purposes of this Section 11, the following terms are defined as:

**“Environmental Laws”** means any present or future federal, state, or local Laws or policies relating to Hazardous Material (including its use, handling, transportation, production, disposal, discharge, Release, clean-up, or storage) or to human health and safety, industrial hygiene, or environmental conditions in, on, under, or about the Easement Area, including soil, air, and groundwater conditions.

**“Hazardous Material”** means any material that, because of its quantity, concentration, or physical or chemical characteristics, is deemed by any federal, state, or local governmental authority to pose a present or potential hazard to human health or safety or to the environment. Hazardous Material includes any material or substance defined as a “hazardous substance,” “pollutant,” or “contaminant” pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (“CERCLA,” also commonly known as the “Superfund” law), as amended, (42 U.S.C. Sections 9601 et seq.) or pursuant to Section 25281 of the California Health & Safety Code; any “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 structure of any existing improvements on the Easement Area, any alterations to be constructed on the Easement Area by or on behalf of Grantee, or are naturally occurring substances on, in, or about the Easement Area; and petroleum, including crude oil or any crude-oil fraction, and natural gas or natural gas liquids.

**“Investigation”** when used with reference to Hazardous Material means any activity undertaken to determine the nature and extent of Hazardous Material that may be located in, on, under, or about any portion of the Easement Area or any alterations or that have been, are being, or threaten to be Released into the environment. Investigation shall include preparation of site history reports and sampling and analysis of environmental conditions in, on, under, or about the Easement Area or any improvements.

**“Release”** when used with respect to Hazardous Material means any actual or imminent spilling, leaking, migrating, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into or inside any existing improvements or any

alterations constructed by or on behalf of Grantee, or in, on, under, or about any portion of the Easement Area or any of the Recycled Water System Improvements or Low-Pressure Water System Improvements.

**“Remediation”** when used with reference to Hazardous Material means any activities undertaken to clean up, remove, contain, treat, stabilize, monitor, or otherwise control any Hazardous Material located in, on, under, or about the Easement Area or any of the Recycled Water System Improvements or Low-Pressure Water System Improvements or that have been, are being, or threaten to be Released into the environment. Remediate includes those actions included within the definition of “remedy” or “remedial action” in California Health and Safety Code Section 25322 and “remove” or “removal” in California Health and Safety Code Section 25323.

12. **Survival of Indemnities.** Termination of this Easement Agreement shall not affect the right of either party to enforce any and all indemnities and representations and warranties given or made to the other party under this Water System Easement, nor shall it affect any provision of this Water System Easement that expressly states it shall survive termination hereof.

13. **Grantee’s Insurance.**

a. Grantee, at no cost to the City, shall procure and keep in effect at all times during the term insurance as follows:

i. Commercial general liability insurance with limits not less than Two Million Dollars (\$2,000,000) each occurrence combined single limit for bodily injury and property damage, including contractual liability, independent contractors, broad-form property damage, fire damage legal liability (of not less than Fifty Thousand Dollars (\$50,000)), personal injury, products and completed operations, and explosion, collapse and underground (XCU).

ii. Intentionally Omitted.

iii. Business 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 owned and non-owned and hired vehicles, as applicable, if Grantee uses automobiles in connection with its use of the Easement Area.

iv. Licensed professionals (i.e., architects, engineers, certified public accountants, etc.) shall provide professional liability insurance with limits not less than \$1,000,000 each claim with respect to negligent acts, errors or omissions in connection with professional services to be provided under this Water System Easement or to the Easement Area.

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

c. 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.

d. All liability insurance policies shall be endorsed to provide the following:

i. Name as additional insured the City and County of San Francisco, its officers, agents and employees.

ii. That such policies are primary insurance to any other insurance available to the additional insureds, with respect to any claims arising out of this Water System Easement, and that insurance applies separately to each insured against whom claim is made or suit is brought.

e. Each insurance policy required pursuant to Section 13.1(a) above shall be issued by an insurance company licensed in the State of California and with a general policyholders' rating of "A-" or better and a financial size ranking of "Class VIII" or higher in the most recent edition of Best's Insurance Guide.

f. All insurance policies required to be maintained by Grantee hereunder shall be endorsed to provide thirty (30) days' prior written notice of cancellation for any reason, intended non-renewal, or reduction in coverage to both Grantee and City. Notice to City shall be mailed to: San Francisco Public Utilities Commission, City and County of San Francisco, 525 Golden Gate Avenue, 10th Floor, San Francisco, CA 94102, Attn: Real Estate Director.

g. Grantee shall deliver to City certificates of insurance and additional insured policy endorsements from insurers in a form satisfactory to City, evidencing the coverage required hereunder, on or before the dated date of this Easement Agreement, together with complete copies of the policies promptly upon City's request, and Grantee shall provide City with certificates or policies thereafter at least thirty (30) days before the expiration dates of expiring policies. In the event Grantee shall fail to procure such insurance, or to deliver such policies or certificates, City may procure, at its option, without waiving any rights or remedies which City may have for Grantee's default hereunder, the same for the account of Grantee, and the cost thereof shall be paid to City within five (5) days after delivery to Grantee of bills therefor.

h. Upon City's request, Grantee 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 Grantee for risks comparable to those associated with the Easement Area, then Grantee shall, at City's request, increase the amounts or coverage carried by Grantee to conform to such general commercial practice.

i. Grantee's compliance with the provisions of this Section shall in no way relieve or decrease Grantee's liability under Section 10 (Grantee's Indemnity), or any of Grantee's other obligations under this Water System Easement.

j. Notwithstanding anything to the contrary in this Water System Easement, if any of the required insurance coverage lapses, this Water System Easement shall terminate upon ten (10) days' notice to Grantee at Grantor's option, unless Grantee renews the insurance coverage within the notice period.

k. Grantee or its agents shall ensure that any agent of Grantee's performing work in the Easement Area maintains Worker's Compensation Insurance with Employer's Liability Limits in a commercially reasonable amount.

14. **Amendments.** The City's Director of Real Estate has the authority to amend this Easement Agreement to add new facilities and/or expand or relocate the Easement Area within the City's right-of-way, in consultation with the City's Public Works Director and pursuant to any issued street improvement permit, without the written consent or agreement of Grantee; provided that, no such amendment shall materially impact Grantee's rights, duties and responsibilities as set forth in this Grant Agreement without Grantee's consent, which consent shall not be unreasonably withheld.

15. **Run with the Land.** The provisions of this Easement Agreement shall run with the land, burden the Easement Area, and bind and inure to the benefit of the respective successors and assigns of Grantee and Grantor.

16. **Counterparts.** This Easement Agreement may be signed in counterparts, each of which shall be an original and all of which together shall constitute one instrument.

17. **Authority.** The person executing this Easement Agreement on behalf of Grantee does hereby covenant and warrant that Grantee is a duly formed and existing Delaware limited liability company, that Grantee has full right and authority to enter into this Easement Agreement, and that the person signing on behalf of Grantee is authorized to do so.

18. **Exhibits.** The exhibits attached to and referenced in this Easement Agreement are incorporated into and made a part of this Easement Agreement.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**



In witness whereof this Easement Agreement is executed as of the \_\_\_\_\_ day of \_\_\_\_\_, 2017.

**GRANTOR:**

CITY AND COUNTY OF SAN  
FRANCISCO,  
a municipal corporation

By: \_\_\_\_\_  
John Updike  
Director of Property

**GRANTEE:**

PARKMERCED OWNER LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
Seth Mallen  
Vice President

**APPROVED AS TO FORM:**

DENNIS J. HERRERA, City Attorney,

By: \_\_\_\_\_  
Shari Geller Diamant  
Deputy City Attorney

**NOTARY 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 \_\_\_\_\_)SS  
COUNTY OF \_\_\_\_\_)

On \_\_\_\_\_

before me, \_\_\_\_\_, a Notary Public, personally  
appeared

\_\_\_\_\_  
\_\_\_\_\_  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and 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 of Notary Public

(THIS AREA FOR OFFICIAL NOTARIAL SEAL)

**EXHIBIT A**

All those public streets as shown on the record of survey map prepared by BKF and recorded in the Official Records on August 24, 2015 as Book FF of Survey Maps, At Pages 110-129, in the office of the Recorder of the City and County of San Francisco;

Together with:

All of those parcels described in that certain "Offer of Dedication and Grant Deed" recorded on September 1, 2017 as Document No. 2017-K509962,

Excepting Therefrom,

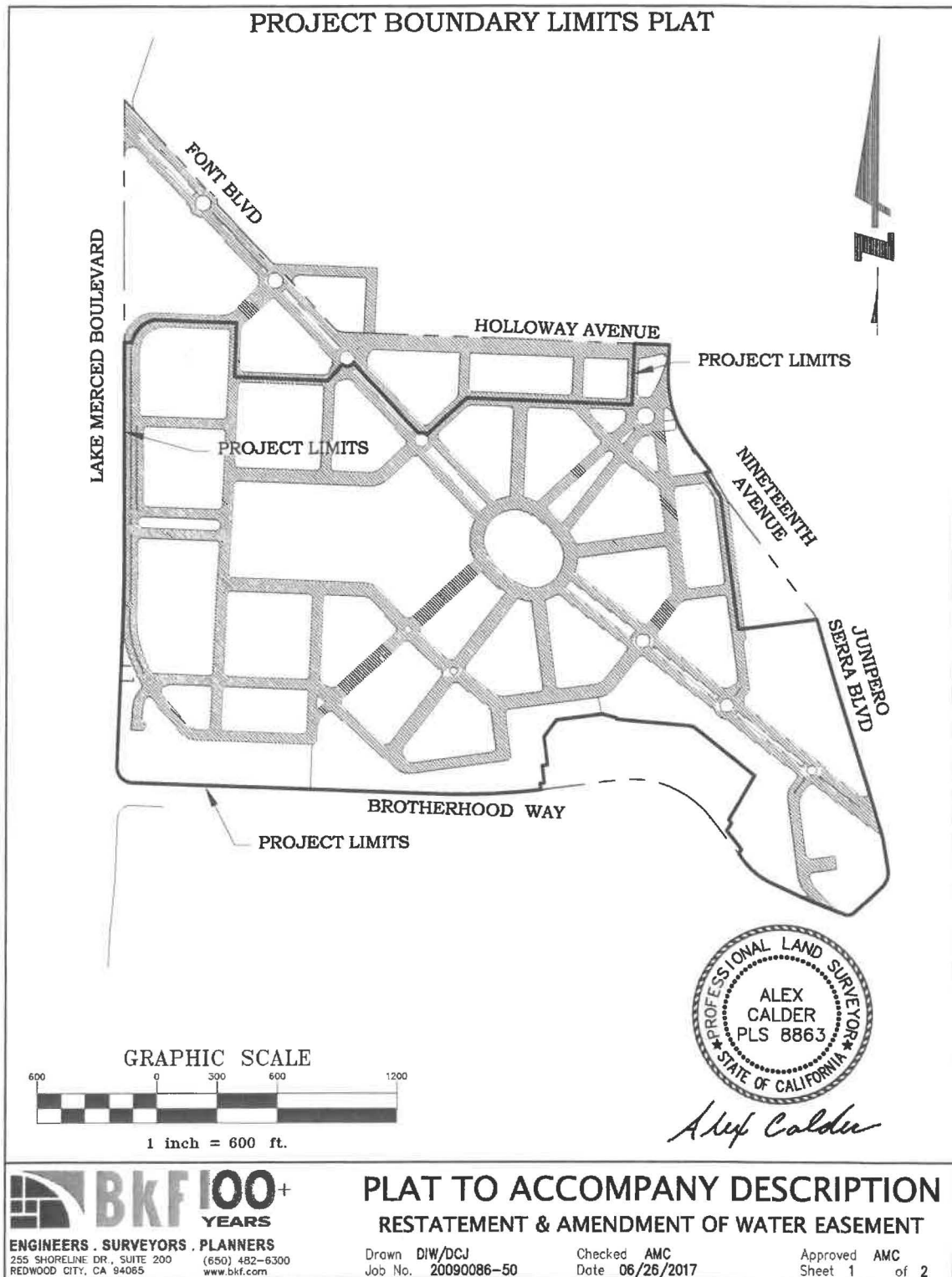
All of those certain portions of public street shown of SUR Map 2015-006 and vacated by San Francisco Board of Supervisors' Ordinance 183-16, and more particularly described in that certain Quitclaim Deed recorded on September 1, 2017 as Document No. 2017-K509961, Reserving to the Grantor existing abutter's rights, including access rights in and to the public streets.

**APPROVED LEGAL DESCRIPTION:**

By:

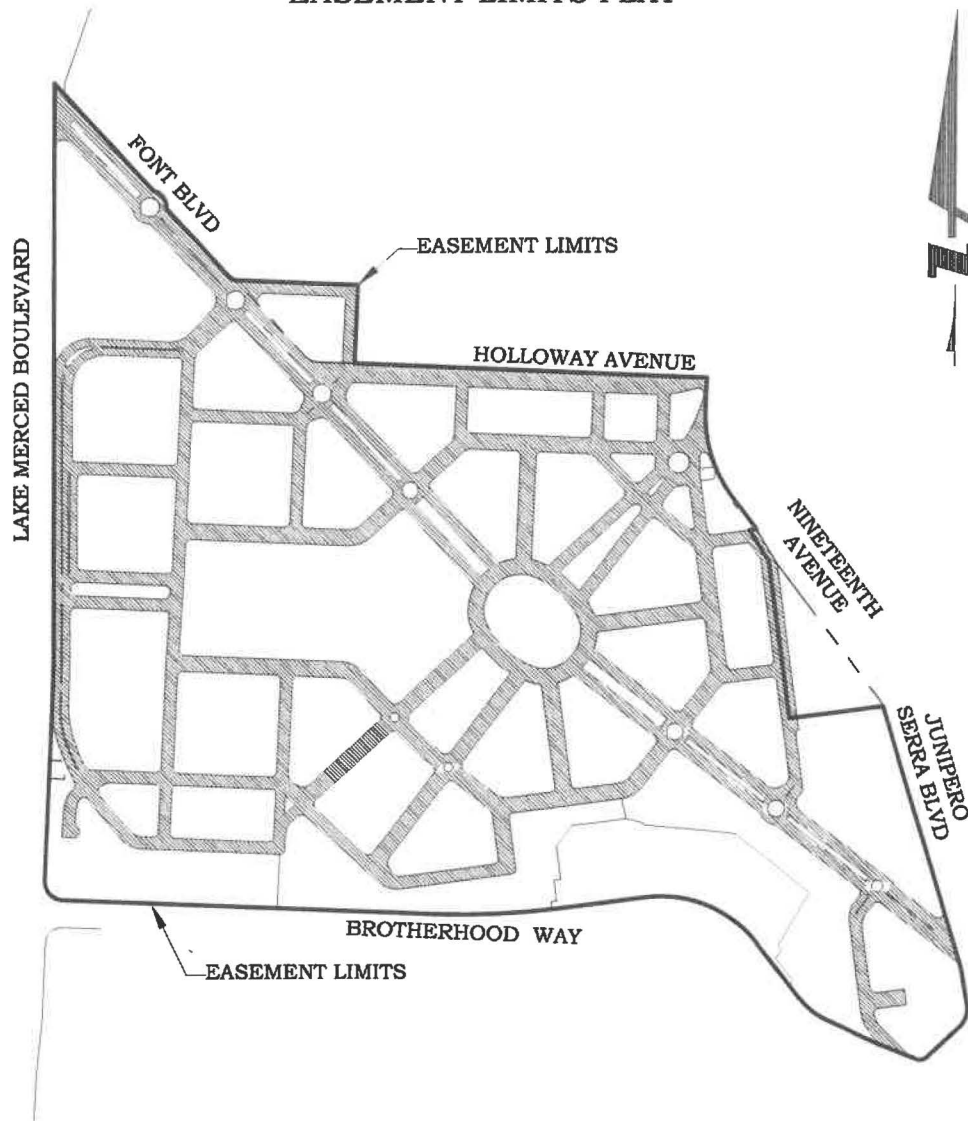
\_\_\_\_\_  
Bruce R. Storrs  
City and County Surveyor

**EXHIBIT B**  
**Depiction of Easement Area**



DRAWING NAME: C:\Users\jung\AppData\Local\Temp\AutoPub\15\_6180\13 - PLAT.dwg  
 PLOT DATE: 06-26-17 PLOTTED BY: jung

# EASEMENT LIMITS PLAT



1 inch = 600 ft.

DRAWING NAME: C:\Users\j\OneDrive\Documents\Public\sh\_6160\13 - PLAT.dwg  
 PLOT DATE: 06-28-17 PLOTTED BY: Jung

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 REDWOOD CITY, CA 94065 www.bkf.com

## PLAT TO ACCOMPANY DESCRIPTION RESTATEMENT & AMENDMENT OF WATER EASEMENT

Drawn DIW/DCJ  
 Job No. 20090086-50

Checked AMC  
 Date 06/26/2017

Approved AMC  
 Sheet 2 of 2

**EXHIBIT C**  
**O&M Manual**

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# ***PARKMERCED***

## **O&M MANUAL TEMPLATE**

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Version <1.0>

November 2017

## VERSION HISTORY

Version #	Implemented By	Revision Date	Approved By	Approval Date	Reason
1.0			PM		SIP Approved
1.0			DPW		SIP Approved
1.0			SFPUC		SIP Approved

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## 1 INTRODUCTION

### 1.1 PURPOSE

#### **Maintenance and Operation of Developer Improvements**

The Parkmerced Development Agreement requires that the Developer (and its successors and assigns) of the Parkmerced Project (the “Project”) operate and maintain certain infrastructure improvements and utility systems constructed or provided by Developer as part of the Project and that are not accepted by the City for maintenance (the “Developer Improvements”).

This O&M Manual provides the standards to which the City requires the Developer to operate and maintain the Developer Improvements. Certain Public Improvement Agreements (“PIAs”) executed for the Project require that the Developer (and, upon assignment, the Master HOA) operate and maintain the Developer Improvements to the standards described herein. The Developer Improvements are defined in the PIAs as the:

- Low-Pressure Water System
- Recycled Water System
- Special Street Improvements

The Development Agreement requires that the Developer create a Master Parkmerced Homeowners Association (the “Master HOA”) and record covenants, conditions, and restrictions (“CC&Rs”) against the project site that require the Master HOA to operate and maintain the Developer Improvements. The CC&Rs require that the Master HOA operate and maintain the Developer Improvements to the standards contained in this O&M Manual.

### 1.2 AUDIENCE

This O&M Manual is intended for the use of the Developer’s (and, upon assignment, Master HOA’s) personnel involved in the ongoing maintenance and upkeep of the Developer Improvements. The “Maintaining Party” as described below is the Developer, or, upon assignment, the Master HOA.

### 1.3 DESCRIPTION OF THE PROJECT

The San Francisco Board of Supervisors approved the Project pursuant to the Development Agreement with an effective date of July 11, 2011. The Project is a long-term mixed-use development project that comprehensively replans and redesigns the Parkmerced Property, constructs additional multi-family residential structures and open space areas, demolishes existing apartments, provides a neighborhood core with new commercial and retail services, reconfigures the street network and public realm, improves and enhances the open space amenities, modifies and extends existing neighborhood transit facilities, and improves utilities within the Parkmerced Property. The Parkmerced Property is an approximately 152-acre site located in the Lake Merced District in the southwest corner of San Francisco and is generally bounded by Vidal Drive, Font Boulevard, Pinto Avenue, and Serrano Drive to the north, 19th Avenue and Junipero Serra Boulevard to the east, Brotherhood Way to the south, and Lake Merced Boulevard to the west.

The Parkmerced Project will be constructed in phases, each phase (a "Development Phase") being a portion of the Project. Each Development Phase may be comprised of sub-phases (each, a "Subphase"). Subphases 1A and 1B of the Project, which form part of Development Phase 1, are subject to this O&M Manual. Future subsequent Development Phases and Subphases will each be made subject to this O&M Manual upon (i) the execution of PIAs for those future Development Phases and Subphases and (ii) the recording of a Declaration of Annexation to the Master HOA for those future Development Phases or Subphases.

#### **1.4 EXISTING WATER METER AND BILLING OPERATIONS**

SFPUC currently provides water to Parkmerced and each building through two "Master Meters", one set at the East side of Junipero Serra Boulevard at Font Boulevard and a second set at the Southeast corner of Font and Lake Merced Boulevards. Any and all water serving the property passes through one of the Master Meters, and, during standard operation, only the service at Junipero Serra Boulevard is active. Behind the Master Meters are a series of "deduct meters" serving irrigation and some domestic water uses. In total, there are 46 deduct meters installed, which are broken down as follows: six on domestic water services serving San Francisco State University, seven irrigation meters serving SFSU and 33 irrigation meters serving Parkmerced. All of the meters installed were provided and installed by SFPUC.

To bill services, each month SFPUC reads all of the meters. The deduct meter readings are billed directly to Parkmerced and SFSU, depending upon the applicable property owner for each service as noted above. The sum of all deduct meter readings are then deducted from the sum of the Master Meter reading and a bill is then issued to Parkmerced to pay. This process has been established since 2003 and further clarified in 2008 in direct collaboration with SFSU, Parkmerced and SFPUC billing department.

Until full completion of the Low Pressure Water System, each additional service installed would follow the same methodology in practice today.

#### **2 MAINTENANCE STANDARDS AND REPORTING**

The Maintaining Party will operate and maintain the Developer Improvements according to the guidelines contained herein. The Maintaining Party will notify the City and/or SFPUC in writing whenever repairs to the system require the replacement of any portion of an existing facility such as a pipeline, valve, including appurtenances such as blow offs and air/vacuum valves, or drain inlet. Normal non-replacement repairs will be documented in an annual written report submitted by October 1 to the City and SFPUC.<sup>1</sup> This report will document the location, date, and nature of any repairs undertaken to the water system in the previous fiscal year.

The Maintaining Party will maintain up-to-date project record documentation for each Development Phase and Subphase as described in Appendix A attached hereto and incorporated herein.

---

<sup>1</sup> Address to CDD Manager, 1990 Newcomb Street, San Francisco, CA 95124

## **2.1 INTENTIONALLY OMITTED**

## **2.2 MAINTENANCE OF LOW PRESSURE WATER SYSTEM**

The Low Pressure Water System constructed is shown on the plans attached to the PIAs. Pursuant to the Development Agreement, each segment of the Low Pressure Water System constructed during each subsequent development phase will be owned and operated by the Maintaining Party until such time as the entire system is completed. Once the final Development Phase of the Project has been completed, the Low Pressure Water System will be dedicated by the Maintaining Party to the City and accepted by the City of San Francisco for ownership and maintenance.

The Low Pressure Water System shall be operated and maintained by the Maintaining Party to the following standards:

### **Valves**

All mainline valves in the system shall be exercised at least once every year to ensure they are easily located and confirm that they can open and close during an emergency shutdown. The Maintaining Party shall:

- Ensure that the valve boxes are not full of mud or debris, or have become buried.
- Inspect the valve for leaks around the valve stem.
- Ensure that the valve handle, including valve-operating nuts, is intact.
- Ensure that the valve can be fully opened and fully closed.
- Record the inspection date, whether the valve right or left handed, and whether it is normally open or normally closed.
- Record the number and direction of turns to closure.
- Record the condition (rusty, new, leaking, failing) of each valve.
- Create a map identifying the valves and their locations.
- Keep inspection information and map in a secure place. It is important to be able to isolate the system or sections of the system.
- Develop forms to track the valve inspections and repairs and to note any scheduled repairs.
- Replace or repair any valves that leak, fail to perform as intended, or are stuck (will not open or shut).
- Use valves that match SFPUC and are numbered according to the requirements described in Appendix C attached hereto and incorporated herein.
- Record any needed repairs or replacements, and notify the SFPUC in writing of any valve replacements that have occurred.

### **Fire Hydrants**

Fire Hydrant operations including exercising isolation valves, flushing and pressure checks are the responsibility of the Maintaining Party. Fire hydrant maintenance shall be performed annually by SFPUC.

#### **Water system leak detection program.**

Scheduled review of potential leakage shall be undertaken by the Maintaining Party. The Maintaining Party shall:

- Purchase detection equipment and train staff to check for leaks or hire an outside firm to perform leak detection surveys for them. The Maintaining Party may use a combination of internal checks and contracting. Leak detection should be performed every 5 years.
- Provide a written report to the SFPUC of the results of the 5-year leak detection survey.
- In the event of a leak, prepare a Leak Repair Work Order in the form attached hereto as Appendix D.

#### **Water Line Pipe Repairs**

- Repair procedures will be provided by CDD. Document repairs to the water distribution line, service line and meter boxes, especially repair clamps placed on water lines. Clamps are not long-term or permanent repairs, so identifying the date and location of such repairs is very important in planning for future pipeline repairs or replacements.
- Maintain a thorough record of line replacements to help identify areas of the distribution system more prone to failure due to age, pipe material, soil conditions, vibration, or other causes.
- Maintain compaction records, tap directions and as-built drawings
- Notify SFPUC and City of San Francisco in writing of any water line replacement repairs when they occur.

#### **Pipes**

- Low pressure water lines constructed for the Project will be zinc coated Ductile Restrain Iron Pipe.
- Pipes used in water systems must be approved for potable water use. NSF International (NSF), American National Standards Institute (ANSI), American Society for Testing and Materials (ASTM), and Underwriters Laboratories (UL) test and approve pipe for potable water applications.
- Distribution system pipes should be buried at sufficient depth and compacted per SF standards to protect them from vandalism and over-loading and differential settlement.
- Pipelines must be supported per CDD standards when excavating next to or below pipelines.
- Valve boxes should provide access to distribution system valves.
- Consistent with the finding of the geotechnical report, no corrosion protection is currently recommended for the Parkmerced water line system.
- At such time as the MUNI tracks are installed in Font Boulevard the Developer/Maintaining Party shall consult with the SFPUC regarding an appropriate corrosion protection system that would include installation of insulated joints on pipelines.

### **Water System Service Connections**

If any service connections need to be added to the "Public Improvements" (private water system/future public system) after plan approval and before acceptance by the City, the Maintaining Party shall request permission to add service laterals through the standard SFPUC approval process. In order to accommodate this, the Maintaining Party shall:

- Prepare plans identifying the proposed service lateral location and type
- Identify the appropriate meter boxes, valves and materials
- Apply for a water service through the SFPUC.
- Have SFPUC install appropriate meter.
- Provide the SFPUC with Record Drawings after installation is complete.

### **Meters**

- Meters shall be installed by SFPUC per City Standards with backflow preventers installed at each low pressure water service
- Meters shall be checked annually for leaks and other signs of distress

## **2.3 MAINTENANCE OF RECYCLED WATER SYSTEM**

The Recycled Water System shall be operated and maintained by the Maintaining Party through Development Phase 1 to the following standards:

### **Valves**

All mainline valves in the system shall be exercised at least once every year to ensure they are easily located and confirm that they can open and close during an emergency shutdown. The Maintaining Party shall:

- Ensure that the valve boxes are not full of mud or debris, or have become buried.
- Inspect the valve for leaks around the valve stem.
- Ensure that the valve handle, including valve-operating nuts, is intact.
- Ensure that the valve can be fully opened and fully closed.
- Record the inspection date, whether the valve right or left handed, and whether it is normally open or normally closed.<sup>2</sup>
- Record the number and direction of turns to closure.
- Record the condition (rusty, new, leaking, failing) of each valve.
- Create a map identifying the valves and their locations.
- Keep inspection information and map in a secure place. It is important to be able to isolate the system or sections of the system.
- Develop forms to track the valve inspections and repairs and to note any scheduled repairs.
- Replace or repair any valves that leak, fail to perform as intended, or are stuck (will not open or shut).

---

<sup>2</sup> Note: LPW and RW valves are right-handed and AWSS valves are left-handed.

- Use valves that match SFPUC and are numbered according to the requirements described in Appendix C attached hereto and incorporated herein.
- Record any needed repairs or replacements, and notify the SFPUC in writing of any valve replacements that have occurred.

**Recycled Water system leak detection program.**

Scheduled review of potential leakage shall be undertaken by the Maintaining Party. The Maintaining Party shall:

- Purchase detection equipment and train staff to check for leaks or hire an outside firm to perform leak detection surveys for them. The Maintaining Party may use a combination of internal checks and contracting. Leak detection should be performed every 5 years.
- Provide a written report to the SFPUC of the results of the 5-year leak detection survey.
- In the event of a leak, prepare a Leak Repair Work Order in the form attached hereto as Appendix D.

**Recycled Water Line Pipe Repairs**

- Repair procedures will be provided by CDD
- Document repairs to the water distribution line, service line and meter boxes, especially repair clamps placed on water lines. Clamps are not long-term or permanent repairs, so identifying the date and location of such repairs is very important in planning for future pipeline repairs or replacements.
- Maintain a thorough record of line replacements to help identify areas of the distribution system more prone to failure due to age, pipe material, soil conditions, vibration, or other causes.
- Maintain compaction records, tap directions and as-built drawings.
- Notify SFPUC and City of San Francisco in writing of any water line replacement repairs when they occur.

**Pipes**

- The Recycled Water System's water lines constructed for the Project will be zinc coated Ductile Restrain Iron Pipe.
- Distribution system pipes should be buried at sufficient depth and compacted per SF standards to protect them from vandalism and over-loading and differential settlement.
- Pipelines must be supported per CDD standards when excavating next to or below pipelines.
- Valve boxes should provide access to distribution system valves.
- Consistent with the finding of the geotechnical report, no corrosion protection is currently recommended for the Parkmerced water line system.

**Recycled Water System Service Connections**

If any service connections need to be added to the Low-Pressure Water System or Recycle Water System after approval and before acceptance by the City, the Maintaining Party shall

request permission to add service laterals through the standard SFPUC approval process. In order to accommodate this, the Maintaining Party shall:

- Prepare plans identifying the proposed service lateral location and type
- Identify the appropriate meter boxes, valves and materials
- Apply for a water service through the SFPUC.
- Have SFPUC install appropriate meter.
- Provide the SFPUC with Record Drawings after installation is complete.

#### **Meters**

- Meters shall be installed by SFPUC per City Standards without backflow preventers installed at each recycled water service
- Meters shall be checked annually for leaks and other signs of distress

### **2.4 REVIEW OF EMERGENCY RESPONSE PLAN**

Maintaining Party personnel should familiarize themselves with the location of gate valves within the Project so that any problems with the system can be located and isolated quickly. In the event of an emergency, the Maintaining Party will immediately contact the SFPUC at (415) 550-4900. The Developer's contact number is (415) 405-4666. The Maintaining Party will have a plan on file for Emergency Response. In order to keep this Plan up to date, the Maintaining Party shall:

- Review all contacts for accuracy, make sure all equipment is working, and ensure all procedures match the systems conditions, as they presently exist.

### **2.5 MAINTENANCE OF SPECIAL STREET IMPROVEMENTS**

The Special Street Improvements are the permeable pavers installed in the City right of way. The Special Street Improvements will be inspected annually prior to October 15<sup>th</sup> with the form attached as Appendix E submitted at that time. Maintenance shall be performed consistent with the inspection form findings to the standards attached in Appendix E.

The undersigned acknowledge they have reviewed the Parkmerced **O&M Manual Template** and agree with the approach it presents. Changes to this **O&M Manual Template** will be coordinated with and approved by the undersigned or their designated representatives.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Role: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Role: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Role: \_\_\_\_\_

## **APPENDIX A: PROJECT RECORD DOCUMENTS**

### **PART 1 – GENERAL**

#### **1.01 SUMMARY**

- A. THIS SECTION SETS FORTH REQUIREMENTS AND PROCEDURES FOR THE CONTRACTOR TO MAINTAIN UPDATED PROJECT RECORD DOCUMENTS REQUIRED UNDER THE CONTRACT AND TO SUBMIT UPDATED RECORD DOCUMENTS TO THE CITY REPRESENTATIVE.
- B. RELATED DOCUMENTS AND SECTIONS INCLUDE:
  - 1. Section 01 33 00 – Submittal Procedures
  - 2. Section 01 77 00 – Closeout Procedures
  - 3. Standard Drawing No. A-1247, Typical Method of Measuring, Recording and Identifying Mains, Services, Gate Valves and All Appurtenances

#### **1.02 GENERAL REQUIREMENTS**

- A. THE CONTRACTOR IS RESPONSIBLE FOR MAINTAINING UP-TO-DATE PROJECT RECORD DOCUMENTATION. THE CONTRACTOR SHALL MAKE THE UP-TO-DATE RECORD DOCUMENTATION AVAILABLE FOR MONTHLY INSPECTION BY THE CITY REPRESENTATIVE, AND AT ANY OTHER TIME REQUESTED BY THE CITY REPRESENTATIVE.
- B. THE CONTRACTOR IS RESPONSIBLE FOR MAINTAINING TWO SETS OF PROJECT RECORD DOCUMENTS: ONE ON-SITE WORKING SET AND ANOTHER ONE IN A SECURE, OFF-SITE LOCATION, SO THAT IN THE EVENT OF LOSS OF THE PROJECT RECORD DOCUMENTS AT THE JOBSITE, THESE CAN BE ACCURATELY RECONSTRUCTED AND REPLACED.
- C. FOLLOWING COMPLETION OF THE CONTRACT WORK, THE CONTRACTOR IS RESPONSIBLE FOR SUBMITTING PROJECT RECORD DOCUMENTS MEETING THE REQUIREMENTS OF THE SPECIFICATIONS.
- D. THE CONTRACTOR SHALL MAINTAIN AN ORDERED, CLEAN, COMPLETED, INDEXED AND EASILY ACCESSIBLE FILING SYSTEM FOR ALL PROJECT RECORD DOCUMENTS.

**E. DEFINITIONS:**

1. **Contract Drawings:** Drawings issued for bid and drawings issued by addenda during the bid period.
2. **Project Record Documents:** Interim Contractor Record Documents, Record Shop Drawings and Final Record Documents, which include, but are not limited to: Drawings, Specifications, Addenda, Change Orders, Requests For Information ("RFIs"), Equipment Data Sheets, clarifications, Field Orders, approved shop drawings, samples and other submittals, clearly marked to record accurately the Work as actually constructed ("record documents"), including changes, adjustments, and other information relative to the Work.
3. **Interim Contractor Record Documents:** Documents which the Contractor updates throughout construction to show all changes or variations between designed and as-constructed facilities.
4. **Record Shop Drawings:** Approved Contractor's proposed installation and equipment details based on field conditions and requirements and considered and/or acknowledged as record documents, provided the Contractor has stamped them "record documents" and submitted them as such.
5. **Final Record Documents:** Final submittal by the Contractor of the Record Documents reflecting all the changes from the Contract Drawings and specifications, shop drawings, etc. made and actually constructed. The Final Record Documents are certified by the Contractor and the City Representative as marked-up construction documents representing facilities as constructed.

**PART 2 – PRODUCTS (NOT USED)**

**PART 3 – EXECUTION**

**3.01 REQUIREMENTS**

- A. THE CONTRACTOR SHALL MAINTAIN AT THE CONTRACTOR'S JOBSITE OFFICE AN ACCURATELY MARKED, UP-TO-DATE SET OF PROJECT RECORD DOCUMENTS TO DOCUMENT WORK ACTUALLY INSTALLED AND CONDITIONS ENCOUNTERED. THE CONTRACTOR SHALL ACCURATELY INDICATE ON THE INTERIM CONTRACTOR RECORD DOCUMENTS ALL SITE CONDITIONS, MEASUREMENTS, DIMENSIONS, LOCATIONS OF UTILITIES, ALL CHANGES MADE BY CLARIFICATIONS, RFIS, CHANGE ORDERS, AND OTHER MODIFICATIONS TO THE CONTRACT DOCUMENTS AND DETAILS AS

SPECIFIED HEREIN AND AS APPROVED BY THE CITY REPRESENTATIVE.

- B. THE CONTRACTOR SHALL HAVE A DESIGNATED PERSON TO BE RESPONSIBLE FOR UPDATING AND MAINTAINING THE INTERIM CONTRACTOR RECORD DOCUMENTS.
- C. THE ON-SITE SET OF INTERIM CONTRACTOR RECORD DOCUMENTS SHALL BE KEPT IN A SAFE PLACE AND PROTECTED FROM DAMAGE BY WEATHER AND MANHANDLING. THE CONTRACTOR SHALL STORE PROJECT RECORD DOCUMENTS APART FROM OTHER DOCUMENTS USED FOR PERFORMING THE WORK AND SHALL KEEP THEM IN A DRY AND LEGIBLE CONDITION IN GOOD ORDER.
- D. THE CONTRACTOR SHALL KEEP INTERIM CONTRACTOR RECORD DOCUMENTS UP TO DATE DURING THE ENTIRE PROGRESS OF THE WORK, AND MAKE THEM AVAILABLE TO THE CITY REPRESENTATIVE AT ANY TIME. UPDATES ARE TO OCCUR NO MORE THAN 5 WORKING DAYS AFTER CHANGES IN THE WORK ARE MADE.

### **3.02 PROCEDURES**

- A. AFTER THE NOTICE TO PROCEED, THE CITY REPRESENTATIVE WILL PROVIDE THE CONTRACTOR TWO DEDICATED SETS OF FULL-SIZE UNMARKED CONTRACT DRAWINGS SPECIFICALLY FOR THE INCORPORATION OF DETAILED RECORD DOCUMENTS CHANGES AND SUBSEQUENT APPROVAL OF THOSE CHANGES BY THE CITY REPRESENTATIVE. THE CONTRACTOR IS TO USE ONE SET FOR MAINTAINING THE UP-TO-DATE INTERIM CONTRACTOR RECORD DOCUMENTS AT THE FIELD OFFICE. ALL INFORMATION IN THE INTERIM CONTRACTOR RECORD DOCUMENTS IS TO BE TRANSFERRED TO THE SECOND, OFF-SITE SET OF DRAWINGS MONTHLY.
- B. ALL LINES AND NOTATIONS ON THE UP-TO-DATE INTERIM CONTRACTOR RECORD DOCUMENTS SHALL BE NEAT, ACCURATE, LEGIBLE, AND CAPABLE OF BEING SCANNED INTO PDF FORMAT (OR OTHER ELECTRONIC MEDIA FILE FORMAT AS SPECIFIED) SUCH THAT COPIES MADE FROM THE SCANNED FILES ARE AS LEGIBLE AS THE ORIGINAL.
- C. THE CONTRACTOR SHALL RECORD ALL CHANGES ON THE INTERIM CONTRACTOR RECORD DOCUMENTS. THE UPDATED INTERIM CONTRACTOR RECORD DOCUMENTS SHALL INCLUDE BUT NOT BE LIMITED TO THE FOLLOWING:

1. Field changes or adjustments in the final location or in the final dimensions or details of the Contract work relative to actual existing site conditions.
  2. Changes resulting from RFIs
  3. Changes made by Change Order work
  4. Changes made by Field Order work
  5. Records of horizontal locations of new water mains, fittings, services, gate valves and all appurtenances by reference to the closest property lines or curb lines (see attached Drawing A-1247). In addition, GPS coordinates shall be accompanied to each gate valve, air valve and blow-off valve location and shall be provided to City Representative as part of the Contract Record Documents.
  6. Records of trench depths at each push-on joint along the new mains and laterals (see attached Drawing A-1247)
  7. Measured horizontal and vertical locations of underground utilities and appurtenances, referenced to visible and accessible features of the Work
  8. Details not included on the original Contract Drawings but incorporated into the work by reference to approved shop drawings, product data, samples, calculations or other submittals
  9. Location of items embedded in concrete such as conduits, cables, junction boxes, piping, reinforcing steel, etc.
  10. Measured depths of foundations in relation to finish main floor datum.
  11. Measured locations of internal utilities and appurtenances, referenced to visible and accessible locations or features of the Work
  12. Location (to within 1-inch) of the centerline of each run of conduits, circuits, piping, ducts, and similar items which are shown schematically on the drawings, but where the final physical arrangement is determined by field conditions
  13. Other applicable technical information.
- D. THE INTERIM CONTRACTOR RECORD DOCUMENTS SHALL BE PREPARED AS FOLLOWS:
1. Make mark-ups using a dark red pencil or pen so that the mark-ups can be clearly seen when photocopied or scanned. Mark-up corresponding details and sections in addition to the mark-ups in plan view.
-

2. Clearly mark changes on drawings adding notes as required. Changes made in narrative or reference to a Change Order or RFI without marking the actual drawing are not acceptable.
  3. Date all entries, calling attention to the entry by a "cloud" drawn around the area or areas affected. If mark-ups are a result of an approved change such as a Change Order or RFI, write the reference to these documents in the clouded area.
  4. For each piece of equipment incorporated into the Work, record the manufacturer, trade name, catalog number, model number, serial number, date of installation, supplier of each product and equipment item.
  5. No paper shall be affixed to the back of the drawings. Do not include papers for explanations or comments since all mark-ups are to be complete and self-explanatory.
  6. Permanent papers affixed to drawings, which modify the drawings, shall be securely stapled to the drawings and shall not obstruct information unless intentional. Tape or glue is acceptable only where stapling is not possible.
  7. Drawings which are revised and issued as a result of a Change Order or RFI shall be inserted into the Interim Contractor Record documents and all marks on the old sheet shall be transferred to the new sheet.
  8. If permanent additions to a drawing cannot fit on the drawing, the original drawing shall be labeled "Sheet 1 of 2," and the additions shall be placed on a new drawing sheet with an identical title block as the original drawing except that the title block shall be labeled "Sheet 2 of 2".
- E. CONTRACTOR SHALL ARRANGE FOR THE CITY REPRESENTATIVE TO EXAMINE THE UP TO DATE MARKED INTERIM CONTRACTOR RECORD DOCUMENTS ON A MONTHLY BASIS AT A TIME MUTUALLY ACCEPTABLE TO THE CONTRACTOR AND THE CITY REPRESENTATIVE.
- F. FAILURE TO MAINTAIN UPDATED INTERIM CONTRACTOR RECORD DOCUMENTS ACCEPTABLE TO THE CITY REPRESENTATIVE WILL RESULT IN RETENTION OF A PORTION OF THE MONTHLY PROGRESS PAYMENT AS SPECIFIED IN THE GENERAL CONDITIONS.

### **3.03 PROJECT COMPLETION**

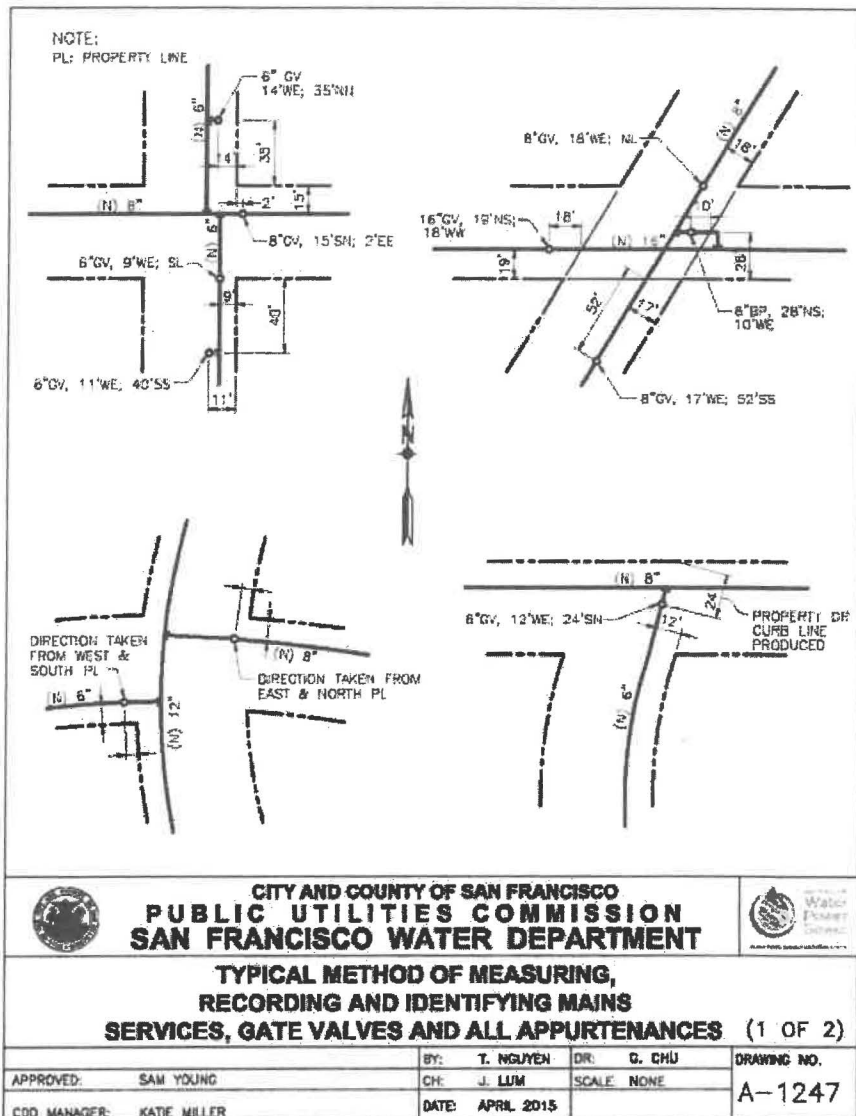
- A. UPDATED INTERIM CONTRACTOR RECORD DOCUMENTS SHOWING ALL REQUIRED INFORMATION UP THROUGH SUBSTANTIAL COMPLETION SHALL BE SUBMITTED TO AND ACCEPTED BY THE
-

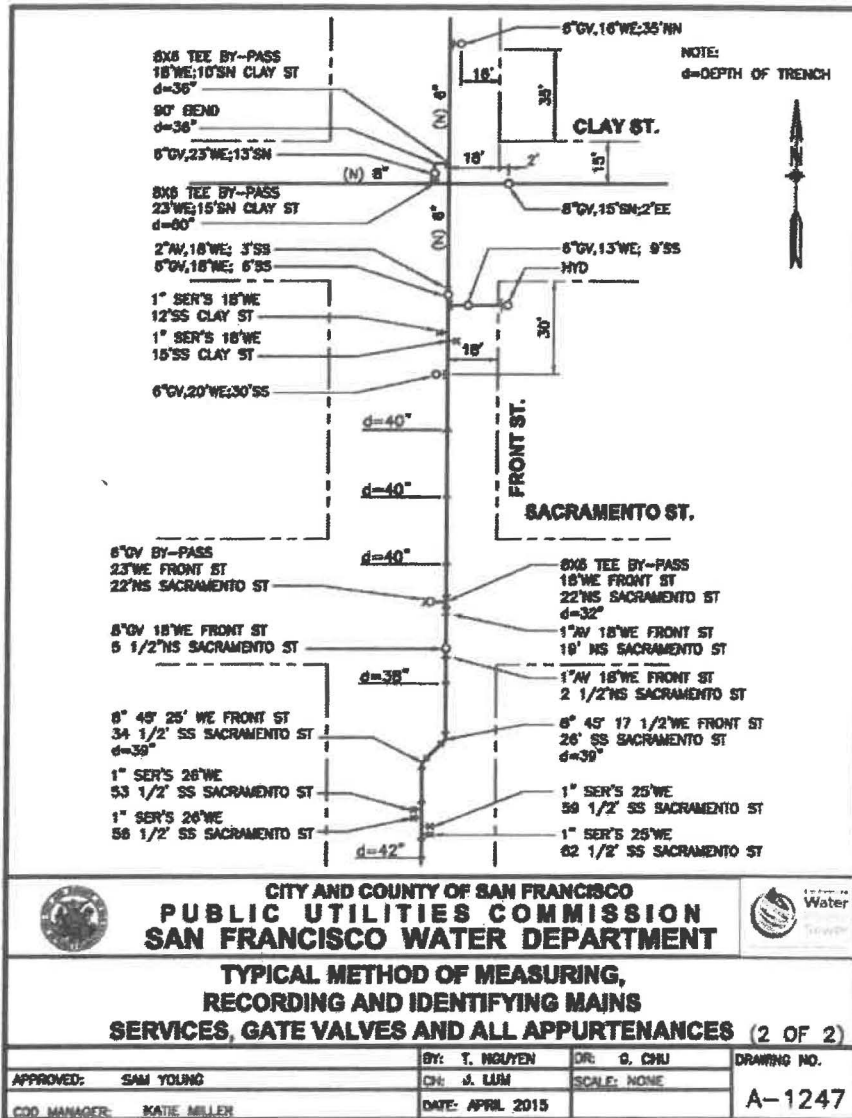
CITY REPRESENTATIVE AS A CONDITION PRECEDENT TO THE CONTRACT BEING DEEMED AS SUBSTANTIALLY COMPLETE.

- B. BEFORE FINAL COMPLETION, THE CONTRACTOR SHALL PREPARE AND SUBMIT "FINAL RECORD DOCUMENTS" TO THE CITY REPRESENTATIVE AS SPECIFIED IN ARTICLE 3.03.D OF THIS SECTION. THE CONTRACTOR SHALL SUBMIT "FINAL RECORD DOCUMENTS" THAT ARE NEAT, CLEAN, AND ACCURATELY REFLECT WORK AS CONSTRUCTED. FOLLOWING REVIEW, IF THE FINAL RECORD DOCUMENTS ARE ACCEPTABLE TO THE CITY REPRESENTATIVE, THE CONTRACTOR SHALL CERTIFY EACH SHEET OF THE FINAL RECORD DOCUMENTS USING THE STAMP PROVIDED BY THE CITY REPRESENTATIVE STATING "CERTIFIED THAT THESE FINAL CONTRACTOR RECORD DOCUMENTS REPRESENT THE FACILITIES AS CONSTRUCTED." THE CONTRACTOR SHALL CERTIFY THE STAMP IN THE APPROPRIATE PLACE AND THEN THE CITY REPRESENTATIVE WILL CERTIFY THE STAMP.
- C. IN THE EVENT THAT THE FINAL RECORD DOCUMENTS DO NOT MEET THE APPROVAL OF THE CITY, OR THE CONDITION OF THE DRAWINGS IS DETERIORATED SO THAT THEY ARE NO LONGER SUITABLE FOR USE AS RECORD DOCUMENTS DOCUMENTATION, THE CONTRACTOR MAY REQUEST REPLACEMENT CONTRACT DRAWINGS UPON WHICH TO POST RECORD DOCUMENTS DOCUMENTATION. SUCH DRAWINGS WILL BE FURNISHED TO THE CONTRACTOR BY THE CITY REPRESENTATIVE. THE CONTRACTOR SHALL REIMBURSE THE CITY FOR THE ACTUAL COST OF PROVIDING SAID REPLACEMENT DRAWINGS.
- D. THE CONTRACTOR SHALL FURNISH:
  - 1. Full size original set of "Final Record Documents" including certification by the Contractor and the City Representative.
  - 2. Electronically scanned files of the certified "Final Record Documents" in color PDF format at 300 dpi minimum resolution with one PDF file per drawing on DVDs.
  - 3. AutoCAD files in one or more DVDs. AutoCAD files will be provided by the City to the Contractor to provide revisions for the as-built conditions. An "AutoCAD File Use Agreement and Release" form shall be completed prior to release. AutoCAD Record Documents shall conform with the following format:
    - a. All changes made during construction shall be identified with a cloud and the letters 'RD' inscribed inside a triangle symbol.
    - b. Complete the revision title in the title block.

- c. The final set of the drawings shall be marked "Final Record Documents" and shall become owner's record of the work.
- 4. A full size set of drawings printed from the AutoCAD files with the stamp "Certified that the Final Contractor Record Documents have been correctly transcribed into AutoCAD" on each sheet. Contractor shall sign the stamp and have his name printed below his signature.
- E. THE CITY WILL REQUIRE 15 WORKING DAYS TO PERFORM CERTIFICATION OF THE FINAL RECORD DOCUMENTS.
- F. FURNISH CERTIFICATES AND DOCUMENTATION OF TEST RESULTS REQUIRED IN TECHNICAL SPECIFICATIONS.

**END OF SECTION**





**APPENDIX B: INTENTIONALLY OMITTED**

## **APPENDIX C: VALVE NUMBERING REQUIREMENTS**

(Attached)

City Distribution Division  
Maintenance Planning  
Policy & Procedure  
Critical Valve Numbering Project

**Purpose**

Number all Critical Valves 12" or larger throughout the City of San Francisco. Will also number smaller valves (i.e. 8") if it is deemed critical.

**Equipment Number:**

All valves are individually identified by CDD Engineering section using the Gatebook page and the unique valve number assigned on that page. The equipment number will use the Gatebook page and assigned valve number in addition to other naming features (below) for a 16 - Character ID.

The equipment number will be displayed as: COL12-XXXXYY-GV (COL (Reservoir Identifications) 12 (Valve Size) - XXX (Gatebook Page Number) YYY (unique valve number assigned by CDD Engineering) - GV (Valve Type). The equipment number will be assigned in the Maximo Location Hierarchy to the Reservoir it is a part of.

The naming process will be slightly different when naming a Divide (DV) - it will have both reservoirs identified. Divides (DV) it will be displayed as follows: SUN12-107409COL - the first reservoir description (SUN) is the primary system and the other reservoir description (COL) is the secondary. It is still a 16 character ID.

The Reservoir Identifications are listed below:

VALVE DESCRIPTIONS	Reservoirs / Tanks
	Balboa Reservoir
COL	College Hill Reservoir
	Francisco Reservoir
FHT	Forest Hill Tank
HUN	Hunters Point Reservoir
	Laguna Honda Reservoir
LOM	Lombard Reservoir
MER	Merced Manor Reservoir
MPT	McClaren Park Tank
POT	Potrero Heights Reservoir
STA	Stanford Heights Reservoir
SUM	Summit Reservoir
SUN	Sunset Reservoir (N&S)
SUT	Sutro Reservoir
	T.L. - Reservoir -- 1/2 Million
	T.L. - Reservoir -- 1 Million
	T.L. - Reservoir -- 2 Million
	T.L. - Reservoir -- 3 Million
UMD	University Mound Reservoir (N&S)

Valve Type:

Valve Types	
GV	Gate Valve
BO	Blew Off
BV	Butterfly Valve
BP	By-Pass
CV	Check Valve
DV	Divide
AV	Air Valve

12/2007

#### **APPENDIX D: LEAK REPAIR WORK ORDER**

(Attached)

# Leak Repair Work Order #

Str #:		Str Name:		GL Acct #:	
Cross Str. 1:		Cross Str. 2:		Rpt Date/Time:	
<b>Water System</b> (select one) <input type="checkbox"/> Potable <input type="checkbox"/> AWSS <input type="checkbox"/> Non-CDD  <b>Leak Type</b> (select one) <input type="checkbox"/> Service Leak <input type="checkbox"/> Main Break <input type="checkbox"/> Appurtenance <input type="checkbox"/> No Leak  <b>Cause</b> (select one) <input type="checkbox"/> Natural <input type="checkbox"/> Contractor FET <input type="checkbox"/> Vandalism <input type="checkbox"/> Other Accident	<b>Site/Pipe Conditions</b> (select all applicable) <input type="checkbox"/> Back-fill Load <input type="checkbox"/> Bedrock foundation <input type="checkbox"/> Heavy Truck Traffic <input type="checkbox"/> Nearby High Voltage <input type="checkbox"/> Internal Corrosion <input type="checkbox"/> External Corrosion <input type="checkbox"/> Deposits <input type="checkbox"/> Deformation <input type="checkbox"/> No Restraints  <b>Paving Rpt:</b>	<b>Diameter</b> (select one) <input type="checkbox"/> 2" <input type="checkbox"/> 4" <input type="checkbox"/> 6" <input type="checkbox"/> 8" <input type="checkbox"/> 12" <input type="checkbox"/> 16" <input type="checkbox"/> 18" <input type="checkbox"/> 24" <input type="checkbox"/> 36"	<b>Material</b> (select one) <input type="checkbox"/> Cast Iron <input type="checkbox"/> Ductile Iron <input type="checkbox"/> Steel <input type="checkbox"/> Galvanized <input type="checkbox"/> PVC <input type="checkbox"/> Other  <b>Pipe Length</b>	<b>Pipe Damage</b> (select one) <input type="checkbox"/> Circumferential <input type="checkbox"/> Longitudinal Split <input type="checkbox"/> Bell/Joint Fracture <input type="checkbox"/> Spiral Crack <input type="checkbox"/> Hole <input type="checkbox"/> Rupture  <b>Repair Type</b> (select one) <input type="checkbox"/> Clamp <input type="checkbox"/> Replace Pipe Section <input type="checkbox"/> Caulk Joint	<b>Location</b>
Plumber Rpt:					

Pipe Book Number:

Printed Name:

v02 - 22-Dec-16

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## Leak Repair Work Order #

2nd Repair			
<b>Diameter</b> (select one) <input type="checkbox"/> 2" <input type="checkbox"/> 4" <input type="checkbox"/> 6" <input type="checkbox"/> 8" <input type="checkbox"/> 12" <input type="checkbox"/> 16" <input type="checkbox"/> 18" <input type="checkbox"/> 24" <input type="checkbox"/> 36"	<b>Material</b> (select one) <input type="checkbox"/> Cast Iron <input type="checkbox"/> Ductile Iron <input type="checkbox"/> Steel <input type="checkbox"/> Galvanized <input type="checkbox"/> PVC <input type="checkbox"/> Other  <b>Pipe Length</b>	<b>Pipe Damage</b> (select one) <input type="checkbox"/> Circumferential <input type="checkbox"/> Longitudinal Split <input type="checkbox"/> Bell/Joint Fracture <input type="checkbox"/> Spiral Crack <input type="checkbox"/> Hole <input type="checkbox"/> Rupture  <b>Repair Type</b> (select one) <input type="checkbox"/> Clamp <input type="checkbox"/> Replace Pipe Section <input type="checkbox"/> Caulk Joint	<b>Appurtenance Repair</b> (select one) <input type="checkbox"/> Hydrant <input type="checkbox"/> Air Valve (AV) <input type="checkbox"/> Air Valve w Gate (AVG) <input type="checkbox"/> Altitude Valve (ALTV) <input type="checkbox"/> Ball Cock (BC) <input type="checkbox"/> Blow-Off (BO) <input type="checkbox"/> Butterfly Valve (BV) <input type="checkbox"/> Bypass (BP) <input type="checkbox"/> Check Valve (CV) <input type="checkbox"/> Divide (DV) <input type="checkbox"/> Float Valve (FV) <input type="checkbox"/> Gate Valve (GV) <input type="checkbox"/> Pressure Regulator (PR) <input type="checkbox"/> Relief Valve (RV) <input type="checkbox"/> Stop Cock (SC) <input type="checkbox"/> Meter (Leak only) <input type="checkbox"/> Other/Unknown
<b>Location</b> (from property line or curb)			

## APPENDIX E: SPECIAL STREET IMPROVEMENTS, MAINTENANCE GUIDELINES

COMPLETE CHECKLIST IN BLUE PEN AND SUBMIT ELECTRONICALLY OR BY MAIL TO THE ADDRESSES BELOW



**San Francisco  
Water Power Sewer**  
Services of the San Francisco Public Utilities Commission

**Annual Self-Certification Checklist**

Urban Watershed Management Program  
ATTN: Stormwater Reporter  
525 Golden Gate Ave, 11<sup>th</sup> Floor  
SAN FRANCISCO, CA 94102  
stormwaterreview@sfpw.org

### PERMEABLE PAVEMENT

Inspection Date: \_\_\_\_\_ Address: \_\_\_\_\_ Block / Lot #: \_\_\_\_\_ Installation Date: \_\_\_\_\_  
Inspected By: Name: \_\_\_\_\_ Phone: \_\_\_\_\_ ☐ Property Owner ☐ Site Manager ☐ Contractor ☐ Other: \_\_\_\_\_

**INSTRUCTIONS:** All inspections, maintenance tasks and repairs are to be completed prior to the beginning of the rainy season (October 15). Mark all status boxes with and S or U, where S = Satisfactory (no maintenance required), and U = Unsatisfactory (maintenance required). See the Permeable Pavement Inspection instructions included in this packet for detailed descriptions of conditions requiring maintenance and further action.

Item #	Inspection Item Description	Status	Indicate Action Required or Action Planned	Indicate Action Taken (Include Date Completed)
1	Surface ponding evident / significantly reduced infiltration rate			
2	Silt and sediment deposited on pavement surface			
3	Trash and large debris accumulation on pavement surface			
4	Excessive drawdown time of the aggregate storage layer > 48 hrs.			
5	Excessive oil staining on pavement surface			
6	Weed growth in paver joints / expansion joints			
7	Cracks and displacement / settlement of permeable pavement / broken pavers			
8	Detritus contributing to clogging of surrounding landscape areas (if applicable)			

Page 1 of 2

Item #	Inspection Item Description	Status	Indicate Action Required or Action Planned	Indicate Action Taken (Include Date Completed)
9	Disturbance contributing paved areas / spalling and raveling of adjacent standard pavement (if applicable)			
10	Unauthorized modifications			
11	Utility cuts / other surface repair studies and materials patched (if applicable)			
12	Permeable pavement surface raveling and spalling / deterioration			
13	Potholes forming / pavers missing			
14	Loss of paver jointing material (if applicable)			
15	Visible surface contaminants / pollution			
16	Catch basin / overflow structure blockage			
17	Underdrain blockage (if applicable)			
18	Vegetation damage / bare spots and/or weeds grown in turf paver or grass paver type systems (if applicable)			
19	Structural damage (planter edges, check dams or outlet structure)			

\*Definitions: **Spalling:** Cracking, breaking or chipping of joint/track edges. Usually occurs within about 2 ft. of joint/track edge.  
**Raveling:** The progressive deterioration of an asphalt layer from the surface downward as a result of the dislodgement of aggregate particles. It usually starts with the loss of fine aggregate (dust) and advances to the loss of larger aggregate sizes.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Page 2 of 2

DO NOT SUBMIT WITH CHECKLIST



# Annual Self-Certification Checklist Instructions

## PERMEABLE PAVEMENT

NOTE: These instructions are intended to be a companion piece to the Annual Self-Certification Checklist. The information contained herein is to be used to help the preparer of the Annual Self-Certification Checklist accurately conduct an inspection and properly complete the form.

References: SDC: San Francisco Stormwater Design Guidelines (SFP: Stormwater Control Plan, SMC: San Francisco Stormwater Management Ordinance, SAMP: Best Management Practice (Permeable Pavement), G: Green infrastructure

Item #	Inspection Item Description	Inspection Instructions and Explanation
1	Surface ponding evident / significantly reduced infiltration rate	<p><b>Area of Concern:</b> Several maintenance related issues can lead to a reduced infiltration rate and surface ponding in permeable pavement installations. Pavement clogging can prevent stormwater from flowing through the pavement surface and reaching the aggregate storage layer beneath. Additionally, if the aggregate storage layer fails to drain down completely within 48 hours, subsequent rainfall may begin to pond on the pavement surface as the volume of water builds up in the pavement sector.</p> <p>To determine if surface ponding is being caused by clogging, a test for the infiltration rate of the permeable pavement surface must be conducted. The following test procedures cover the three most common permeable pavement types:</p> <ul style="list-style-type: none"> <li>Permeable Pavers - Standard Test Method for Surface Infiltration: Rate of Permeable Unit Pavement Systems - ASTM C1701/C1701M - 13</li> <li>Permeable Concrete and Porous Asphalt - Standard Test Method for Infiltration Rate of In Place Permeable Concrete - ASTM C1701/C1701M - 00</li> </ul> <p><b>Maintenance Solution:</b> If it is determined that the surface ponding is a result of pavement clogging, then steps must be taken to clean the pavement surface and restore permeability. Permeable pavements can be cleaned by vacuuming or vacuuming combined with pressure washing. For more information on ponded water and extended draindown time of the aggregate storage layer, see Item #4 below.</p>
2	Silt and sediment deposited on pavement surface	<p><b>Area of Concern:</b> Excessive silt and sediment accumulation causes significant problems in permeable pavement installations. Silt and sediment will clog or inhibit the infiltration capacity of the pavement surface. Clogged or inhibited infiltration capacity could lead to surface ponding and flooding.</p> <p><b>Maintenance Solution:</b> All silt and sediment should be removed from permeable pavement by vacuuming before the start of the rainy season (October 15) and at least twice per year, or as frequently as site conditions dictate, and discarded at an appropriate facility.</p>
3	Trash and large debris accumulation on pavement surface	<p><b>Area of Concern:</b> Excessive trash or debris accumulation causes problems in permeable pavement installations that go beyond poor aesthetics. Trash and debris accumulation can clog or inhibit the infiltration capacity of the pavement surface and clog outflow structure grates. Clogged or inhibited infiltration capacity could lead to surface ponding. Clogged outflow structure grates can lead to overflowing and ponding.</p> <p><b>Maintenance Solution:</b> All trash and debris should be removed from permeable pavement before the start of the rainy season (October 15) or as frequently as site conditions dictate, and discarded at an appropriate facility.</p>

Item #	Inspection Item Description	Inspection Instructions and Explanation
4	Extended drawdown time of the aggregate storage layer > 48 hrs.	<p><b>Area of Concern:</b> If properly designed and built, extended storage aggregate drawdown times beyond 48 hours in permeable pavement installations can be related to several problems such as:</p> <ul style="list-style-type: none"> <li>- blockage or clogging of the underdrain, outflow, or overflow structure (if applicable).</li> <li>- clogging of the aggregate storage layer, choking layer, or bedding layer.</li> <li>- clogging of geotextiles (if applicable).</li> </ul> <p>Inspecting the underdrain for clogging can be done visually by looking for standing water in the drainout or by running a garden hose to the drainout and determining if the water flows freely or backs up and overtops the drainout pipe. Alternately, video inspection of the underdrain pipe may be performed to determine the source of the underdrain failure.</p> <p>Inspecting the subflow structure and sand trap can be done by removing the lid or grate from the structure and visually inspecting for standing water or excessive debris accumulation.</p> <p><b>Maintenance Solution:</b> Clogged underdrains and outflow structures can be cleared by jetting or snaking the underdrain pipe or culvert that connects the structure to the sewer, and by removing accumulated debris and sediment from the bottom of the structure.</p> <p>If aggregate or geotextile clogging is suspected, further investigation must be conducted to verify the problem. The removal of clogged subsurface aggregates and geotextiles requires the removal of the pavement surface and reconstruction of the permeable pavement system.</p>
5	Excessive oil staining on pavement surface	<p><b>Area of Concern:</b> Oil leaks from vehicles can create staining on the pavement surface. This staining can cause the pavement surface to have a reduced infiltration capacity and may even create contamination issues depending on the quantity of oil that created the stain and how far the oil seeped into the pavement.</p> <p><b>Maintenance Solution:</b> Oil stains must be promptly washed from the pavement when the percentage of the stained surface reaches 10% of the square footage of the overall permeable pavement surface or as often as site conditions dictate. Larger stains may require the removal and replacement of the affected pavement surface and possibly some of the subsurface aggregates. See Item #14 below for larger spills and contamination issues.</p> <p>Hydrocarbon oil spot cleanings may be remediated by the use of products such as S-200 Oilgone from International Environmental Products, LLC, or equivalent.</p>
6	Weed growth in paver joints / expansion joints	<p><b>Area of Concern:</b> Noxious and invasive weeds must be removed when they cover more than 10% of the pavement surface. Noxious and invasive weeds are highly damaging to pavements and the natural and built environment. These weeds interfere with the structural stability of the pavement, reduce infiltration, and increase the amount of debris that is deposited on the pavement surface.</p> <p><b>Maintenance Solution:</b> Spot treat weeds for weed removal on a monthly basis, regardless of cover percentage. Weed removal must include the entire root structure and the weeds must be discarded at an appropriate facility to prevent spreading of invasive species. California's Pest Prevention System (PPS) and the California Food and Agricultural Code (FAC) Appendix D set regulations and laws pertaining to weed removal and disposal.</p>
7	Cracks and displacement / settlement of permeable pavement / broken pavers	<p><b>Area of Concern:</b> See Item #6, 11, 12, 13, and 15</p>



**Annual Self-Certification Checklist Instructions**

Item #	Inspection Item Description	Inspection Instructions and Explanation
5	Destabilized contributing landscape areas / erosion of surrounding landscape areas (if applicable)	<p><b>Area of Concern:</b> All surrounding landscaped areas that contribute runoff to the permeable pavement surface must be stabilized with turf, mulch, or groundcover plantings to eliminate erosion and sources of silt and sediment that can be conveyed onto the permeable pavement surface and cause clogging. Badly eroded runoff must be physically blocked and diverted from draining onto the permeable pavement by curbs, berms, sandbags, stone walls, and/or silt fencing.</p> <p><b>Maintenance Solution:</b> Any bare spots adjacent to the permeable pavement where soil is visible must be re-covered with turf, mulch, or groundcover plantings ASAP. The added plantings or mulch must meet the material thickness and type specified in the design. Temporary erosion and sedimentation controls can also be installed to immediately protect the adjacent permeable pavement until the replacement plantings are fully grown in. Alternatively, these surrounding landscaped areas can be graded away from the permeable pavement.</p>
9	Destabilized contributing paved areas / "spalling" and "raveling" of adjacent standard pavement (if applicable)	<p><b>Area of Concern:</b> Adjacent standard pavements that drain onto permeable pavements can be sources of silt, fines, and sediment that can clog permeable pavement surfaces. These standard pavement surfaces must be cleaned regularly to eliminate or minimize the clogging risk that they pose to the adjacent permeable pavement.</p> <p>Standard asphalt pavement is the largest contributor of fines, silt, and sediment, especially during the first two years after installation as the asphalt surface weathers and sheds sand/fine aggregate from its surface.</p> <p>Additionally, structurally deficient adjacent pavements (both concrete and asphalt) that are undergoing spalling or raveling can contribute large amounts of fines silt and sediment to the adjacent permeable paving.</p> <p><b>Maintenance Solution:</b> Deteriorating pavements must be repaired as soon as possible to minimize further degradation. A similar situation will also occur when adjacent pavements undergo grinding / milling and resurfacing / repaving. During these operations, the adjacent permeable pavement must be protected from the resurfacing / repaving operations.</p>
10	Unauthorized modifications	<p><b>Area of Concern:</b> Unauthorized modifications consist of any changes to a permeable pavement installation that deviate from the approved construction documents. These modifications can take place during construction (i.e., pavement or aggregate substitutions with inferior components) or can happen over time after the permeable pavement is constructed (i.e., reducing the footprint of the permeable pavement to accommodate an addition to a nearby structure).</p> <p>The SDG Maintenance Agreement Exhibit B recorded on the deed of the property provides the original approved construction documents that can be referred to and used to determine if modifications have been made.</p> <p><b>Maintenance Solution:</b> All unauthorized modifications must be corrected by returning the BMP to its original configuration, as described in the approved construction documents contained in the SDG Maintenance Agreement Exhibit B.</p>

Item #	Inspection Item Description	Inspection Instructions and Explanation
11	Utility cuts / other surface repairs evident and improperly patched (if applicable)	<p><b>Area of Concern:</b> Underground utility repairs or construction can require the cutting and removal of sections of permeable pavements to provide access to subsurface facilities. The removal and replacement process must be correctly completed to ensure that the structural integrity and function of the permeable pavement is not compromised.</p> <p><b>Maintenance Solution:</b> While working on permeable pavement, all surrounding surfaces must be protected from sediment and fines created by the utility work. Saw cutting work must be performed by wet cutting, vacuumed, and the saw cutting residue must be washed off the surface after vacuuming before it is allowed to dry. The following is the required patching standard for the three most common permeable pavement surfaces:</p> <ul style="list-style-type: none"> <li>• <b>Permeable Interlocking Concrete Pavers (PICP)</b> – the PICP surface must be replaced in-kind, preferably with the pavers that were removed from the utility cut area to eliminate a variation in color between the existing in-place pavers and new pavers added to the patch. The patch size must be increased by two times the shortest dimension of the excavation beyond the outside edge of the excavation to ensure a smooth transition from the undisturbed pavers to the patched paver area. All subsurface aggregate that was removed to access the subsurface facility must be replaced in-kind with new materials, matching the existing section thicknesses (excavated aggregate must not be reused due to the possibility of contamination with dirt and fines). The new patch must also be left slightly higher than the surrounding existing surface (1/4" to 3/8") to allow for settlement of the patch.</li> <li>• <b>Permeable Concrete</b> – Every effort must be made to replace the surface in-kind. Small patches can be replaced with standard non-permeable concrete (by permission and approval from the SFPUC) if the patch size is 10% or less than the entire permeable surface that was disturbed. Otherwise, the entire permeable surface must be removed and replaced to the nearest joint and/or the patch size must be increased by two times the shortest dimension of the excavation beyond the outside edge of the excavation to ensure a smooth transition from the undisturbed pavers to the patched paver area. All subsurface aggregate that was removed to access the subsurface facility must be replaced in-kind with new materials, matching the existing section thicknesses (excavated aggregate must not be reused due to the possibility of contamination with dirt and fines). The new patch must also be left slightly higher than the surrounding existing surface (1/4" to 3/8") to allow for settlement of the patch.</li> <li>• <b>Porous Asphalt</b> – Every effort must be made to replace the surface in-kind. Small patches can be replaced with standard non-porous asphalt (by permission and approval from the SFPUC) if the patch size is 10% or less than the entire permeable surface that was disturbed. The patch size must be increased by two times the shortest dimension of the excavation beyond the outside edge of the excavation to ensure a smooth transition from the undisturbed pavers to the patched paver area. All subsurface aggregate that was removed to access the subsurface facility must be replaced in-kind with new materials, matching the existing section thicknesses (excavated aggregate must not be reused due to the possibility of contamination with dirt and fines). The new patch must also be left slightly higher than the surrounding existing surface (1/4" to 3/8") to allow for settlement of the patch.</li> </ul>
12	Permeable pavement surface raveling and spalling / deterioration	<p><b>Area of Concern:</b> Structurally deficient permeable pavements that are undergoing spalling or raveling degradation can contribute large amounts of fines, silt, and sediment that can cause clogging and a loss of infiltration capacity. These deteriorating pavements must be repaired as soon as possible to minimize further degradation.</p> <p>Additionally, large pieces of aggregate that break off from the pavement surface can create further damage to the permeable pavement surface as these loose aggregates are driven or walked over, further abrading the deteriorating surface.</p> <p><b>Maintenance Solution:</b> Loose materials must be removed by sweeping or vacuuming.</p>
13	Potholes forming / pavers missing	<p><b>Area of Concern:</b> See Item #12 above for minor pothole formation</p> <p>See Item #12 above for major pothole formation and severe structure deterioration</p> <p><b>Maintenance Solution:</b> Surface repairs must be handled in the same manner as a utility cut patch, minus the removal and replacement of the sub-base and base aggregate, unless the structural deterioration was determined to be caused by base failure. If a base failure is suspected, consult with a licensed civil and geotechnical engineer for repair options.</p>



**San Francisco  
Water Power Sewer**  
Division of the San Francisco Public Utilities Commission

**Annual Self-Certification Checklist Instructions**

Item #	Inspection Item Description	Inspection Instructions and Explanation
14	Loss of paver jointing material (if applicable)	<p><b>Area of Concern:</b> Grasses PCCP rely on jointing material (typically fine aggregate like AASHTO M 195, or M6) to provide structural stability and an initial filtering of sediment and this bottom course material can wash and clog the aggregate bedding layer beneath the pavers. Over time, traffic and accounting can reduce the amount of jointing material.</p> <p><b>Maintenance Solution:</b> Jointing material must be replenished periodically over the life of the installation as frequently as site conditions dictate or after pressure washing. The replacement jointing material must meet the same specs as the material that was used during installation.</p>
15	Visible surface contaminants / pollution	<p><b>Area of Concern:</b> Visible surface contaminants and pollution can range from inert substances that can cause permeable pavement clogging to hazardous substances that impact plant, environmental, or human health.</p> <p>Examples of inert contaminants are masonry, plaster or concrete "washout" and masonry or roadway saw cutting slurry and residue. Examples of hazardous contaminants are petroleum-based substances, caustic chemicals, pesticides, and herbicides. These pollutants can often be identified by sight or smell when they become deposited on the surface of a permeable pavement.</p> <p>If pollutants are detected, investigations must be conducted to determine the source of the contaminant, mitigate that source, and then take steps to clean up the contamination.</p> <p><b>Maintenance Solution:</b> For inert substances, cleanup can typically be conducted by regular maintenance personnel by simply scrubbing off, pressure washing, vacuuming, and discarding the contaminated material at an appropriate facility. Hazardous substance cleanup will require specially trained and licensed contractors and special disposal conforming to local and national laws and regulations.</p>
16	Catch basin / overflow structure blockage	<p><b>Area of Concern:</b> Trash, debris, and sediment can create blockages at the overflow structure or catch basin built into permeable pavement systems, restricting the flow of water out of the facility or restricting the emergency overflow measures designed into the project. Catch basin and overflow structure blockages can create excessive ponding within and around the area of the permeable pavement installation, potentially leading to hazardous conditions and property damage.</p> <p><b>Maintenance Solution:</b> Blockages must be cleared before the start of the rainy season (October 15), before each forecast storm if site conditions require, and/or as frequently as site conditions dictate. Trash and debris must be removed by hand or with hand tools and disposed of at an appropriate facility. Overflow structures and catch basin grates, ramps, and traps must be cleared of debris by hand, hand tools, or vacuum truck.</p>

Item #	Inspection Item Description	Inspection Instructions and Explanation
17	Underdrain blockage (if applicable)	<p><b>Area of Concern:</b> Inspecting the underdrain for blockage can be done visually by looking for standing water in the channel or by running a garden hose into the channel and determining if the water flows freely or backs up and overtops the channel pipe. Alternatively, video inspection of the underdrain pipe may be performed to determine the source of the underdrain failure.</p> <p><b>Maintenance Solution:</b> Clogged underdrains can be cleared by jacking or breaking the underdrain pipe or culvert that connects the structure to the sewer and by removing accumulated debris and sediment from the bottom of the pipe.</p>
18	Vegetation damage / bare spots and/or weed growth in turf paver or grass paver type systems (if applicable)	<p><b>Area of Concern:</b> Vegetation plays an important role in the function of a turf or grass paver system. In addition to evapotranspiration, plant roots help aerate the soil and minimize soil compaction, replenish organic materials in the soil, and provide a habitat for beneficial bacteria that aids in the biological breakdown and mitigation of pollutants deposited by stormwater into the planting medium.</p> <p>For a turf or grass paver system to function properly, it needs consistent and healthy plant cover. Bare spots created by missing plants give invasive weeds an opportunity to grow. This invasive weed growth will crowd out the beneficial plant species over time, reducing the effectiveness of the turf or grass paver system.</p> <p><b>Maintenance Solution:</b> Dead, diseased, dying, or missing plants must be replaced. If a large amount of plants have died off, consult with a horticultural expert on the cause of the die off and remedy the cause before replanting.</p>
19	Structural damage (curbs, pavement edging, overflow or underdrain structure)	<p><b>Area of Concern:</b> For minor structural damage, refer to Item 11, 12, and 13 above.</p> <p>More significant structural damage, such as damage caused by auto accidents, nearby construction work, or natural disasters must be repaired as soon as possible.</p> <p><b>Maintenance Solution:</b> Major repairs can consist of removal and replacement of the entire permeable pavement surface, damaged curb, perimeter edging, overflow or underdrain structures, or structural bracing and supplemental reinforcement of failing structural components.</p>

\*Definitions: **Spalling** - Cracking, breaking or chipping of joint/curb edge. Usually occurs within about 2 ft. of joint/curb edge.

**Spalling** - The progressive deterioration of an asphalt layer from the surface downward as a result of the dislodgement of aggregate particles. It usually starts with the loss of fine aggregate ( fines) and advances to the loss of larger aggregate sizes.

Exhibit G

Draft Form of Master Encroachment Permit

[Final Master Encroachment Permit subject to Future Approval of the Board of Supervisors,  
Public Works, and the Subdivider]

Exhibit H-1  
Public Improvement Agreement

1. Master Homeowner Association Covenants, Conditions and Restrictions
2. Notice of Special Restrictions for Future Street Dedications
3. Emergency Vehicle Access Easement Agreement
4. MUNI Corridor Letter
5. Notice of Special Restrictions for Rent Control
6. Form Master Encroachment Permit
7. Restated and Amended Water Easement Agreement
8. Bonding to complete the improvements for Phase 1B
9. Approved Street Improvement Plans for Phase 1B
10. Irrevocable Offer of Dedication and Grant Deeds
11. SFPUC Interim Easement Agreement
12. Street Vacations
13. Easement Vacations
14. Offers of Improvements

Exhibit H-2  
Determination of Completeness

1. Subdivider Request Letter for Determination of Completeness ("DOC")
2. Contractor Substantial Completion Letter
3. Civil Engineer Completion Notice
4. Geotechnical Engineer Completion Letter
5. Landscape Architect Completion Notice
6. Subdivider's Representative or Construction Manager Completion Notice
7. City sign-off on Final Punch List
8. Conformance Letter from Third Party Utility Companies
9. City approved As-Built Plans pursuant to the original permitted plans; including any approved Instructional Bulletins
10. Recorded Contractor Notice of Completion
11. Verify Survey Monuments installed
12. Third Party Inspection Test Reports
13. Joint Trench Conduits mandrel test reports
14. Confirmation of Removal of all Non-Compliance Reports ("NCR")
15. Evidence that Spare Parts have been delivered to City
16. Operation and Maintenance Manuals

Exhibit H-3  
Acceptance of Improvements

1. Subdivider Request for Acceptance Letter
2. Utility Bill of Sale showing that a third party has taken ownership of facilities
3. Assignment of Warranties and Guaranties
4. Licenses and Easements needed to operate the public infrastructure that is being accepted  
(as applicable)
5. Mechanic's Lien Guarantee
6. Offer of Improvements not previously provided
7. Grant Deeds not previously provided