

File No. 171235

Committee Item No. _____

Board Item No. 43

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: _____

Date: _____

Board of Supervisors Meeting

Date: November 28, 2017

Cmte Board

- | | | |
|--------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Motion |
| <input type="checkbox"/> | <input type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER

- | | | |
|--------------------------|-------------------------------------|---|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Public Works Order No. 186735 |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Tentative Map Decision |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Tax Certificates |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | DRAFT Master Declaration of Covenants, Easements & Restrictions |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | DRAFT Public Improvement Agreement |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | DRAFT Easement Agreement |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | DRAFT Restatement & Amendment of Water System Easement |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | DRAFT Offer of Improvements |

Prepared by: Lisa Lew

Date: November 21, 2017

Prepared by: _____

Date: _____

1 [Final Map 8531 - 405 Serrano Drive]

2
3 **Motion approving Final Map No. 8531, a merger and subdivision of portions of**
4 **Assessor's Parcel Block No. 7335 (Parkmerced Planning Block 6) into a seven-lot**
5 **vertical subdivision located at 405 Serrano Drive: Lot No. 1 being 125 residential**
6 **condominium units and Lot No. 3 being 125 residential condominium units; approving**
7 **a Public Improvement Agreement related to this Final Map; and adopting findings**
8 **pursuant to the General Plan, and Planning Code, Section 101.1.**
9

10 MOVED, That the certain map entitled "FINAL MAP 8531", a merger and subdivision of
11 portions of Assessor's Parcel Block No. 7335 (Parkmerced Planning Block 6) into a seven-lot
12 vertical subdivision located at 405 Serrano Drive: Lot No. 1 being 125 residential
13 condominium units, Lot Nos. 2 and 4 being existing rental units, Lot No. 3 being 125
14 residential condominium units, Lot No. 5 being a vertical lot, Lot A being designated as
15 vertical open space, and Lot B being designated as open space, comprising six sheets,
16 approved November 17, 2017, by Department of Public Works Order No. 186735 is hereby
17 approved and said map is adopted as an Official Final Map 8531; and, be it

18 FURTHER MOVED, That the San Francisco Board of Supervisors adopts as its own
19 and incorporates by reference herein as though fully set forth the findings made by the
20 Planning Department, by its letter dated August 3, 2015, that the proposed subdivision is
21 consistent with the objectives and policies of the General Plan, and the eight priority policies
22 of Section 101.1 of the Planning Code; and be it

23 FURTHER MOVED, That the San Francisco Board of Supervisors hereby authorizes
24 the Director of Public Works to enter all necessary recording information on the Final Map and
25

1 authorizes the Clerk of the Board of Supervisors to execute the Clerk's statement as set forth
2 herein; and be it

3 FURTHER MOVED, That Public Works recommends that the San Francisco Board of
4 Supervisors conditionally accept on behalf of the public the offer for dedication of two
5 easements for pedestrian access purposes, as identified in the Owner's Statement of Final
6 Map 8531, subject to subsequent Board of Supervisors' action; and, be it

7 FURTHER MOVED, That Public Works further recommends that the San Francisco
8 Board of Supervisors approve the Pubic Improvements Agreement for Final Map 8531 and
9 Final Map 8532 and hereby authorizes the Director of Public Works and the City Attorney to
10 execute and file the agreement in the Official Records of the City and County of San
11 Francisco; and be it

12 FURTHER MOVED, That approval of this Final Map is also conditioned upon
13 compliance by subdivider with all applicable provisions of the California Subdivision Map Act
14 and the San Francisco Subdivision Code and amendments thereto.
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DESCRIPTION APPROVED:

 FOR

Bruce R. Storrs, PLS

City and County Surveyor

RECOMMENDED:



Mohammed Nuru

Director of Public Works



Office of the City and County Surveyor
1155 Market Street, 3rd Floor
San Francisco, Ca 94103

(415) 554-5827  www.SFPublicWorks.org



Edwin M. Lee, Mayor
Mohammed Nuru, Director

Bruce R. Storrs, City and County Surveyor

Public Works Order No: 186735

CITY AND COUNTY OF SAN FRANCISCO SAN FRANCISCO PUBLIC WORKS

APPROVING FINAL MAP 8531, 405 SERRANO DRIVE, BEING A MERGER AND SUBDIVISION OF PORTIONS OF ASSESSOR'S BLOCK NO. 7335 INTO A 7 LOT VERTICAL SUBDIVISION: LOT NO. 1 BEING 125 RESIDENTIAL CONDOMINIUM UNITS, LOT NOS. 2 AND 4 BEING EXISTING RENTAL UNITS, LOT NO. 3 BEING 125 RESIDENTIAL CONDOMINIUM UNITS, LOT NO. 5 BEING A VERTICAL LOT, LOT A BEING DESIGNATED AS VERTICAL OPEN SPACE, AND LOT B BEING DESIGNATED AS OPEN SPACE, AND ALSO APPROVING THE PUBLIC IMPROVEMENT AGREEMENT RELATED TO THIS MAP.

"FINAL MAP NO. 8531", A 7 LOT VERTICAL SUBDIVISION, LOT 1 TO CONTAIN A MAXIMUM OF 125 RESIDENTIAL CONDOMINIUM UNITS, LOT 3 TO CONTAIN A MAXIMUM OF 125 RESIDENTIAL CONDOMINIUM UNITS, LOT A AND LOT B ARE NON-BUILDABLE LOTS DESIGNATED AS OPEN SPACE, BEING A MERGER AND SUBDIVISION OF A PORTION OF BLOCK 7335 AS DESCRIBED IN THAT CERTAIN GRANT DEED RECORDED 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 3 AND 4 AS DESCRIBED IN THAT CERTAIN QUITCLAIM DEED RECORDED SEPTEMBER 01, 2017, AS DOCUMENT NUMBER 2017-K509961. SAID LANDS ARE SHOWN IN SAID MAPS AT PAGES 15 THROUGH 19, RECORDED AUGUST 21, 1951. FINAL MAP NO. 8531 COMPRISES 6 SHEETS.

The Planning Department, in its letter dated August 3, 2015, determined that the proposed subdivision is consistent with the General Plan and the eight priority policies of Planning Code Section 101.1.

The Director of Public Works, the Advisory Agency, acting in concurrence with other City agencies, has determined that Final Map 8351 complies with all subdivision requirements related thereto. Pursuant to the California Subdivision Map Act and the San Francisco Subdivision Code, the Director recommends that the Board of Supervisors approve the aforementioned Final Map.

The Final Map includes certain offers of dedication. The Department of Public Works recommends that the San Francisco Board of Supervisors conditionally accept on behalf of the public the following: The irrevocable offer of an easement for pedestrian access purposes over a portion of Block 7309-A indicated as "P.A.E." on Final Map 8531, subject to subsequent Board of Supervisors' action.



The Department of Public Works further recommends that the San Francisco Board of Supervisors approve the Public Improvement Agreement for Parkmerced Blocks 1 and 6 (Subphase 1A), dated [insert date], 2017 related to Final Map 8531 and Final Map 8532. There is no separate Public Improvement Agreement that solely relates to Final Map 8532.

Transmitted herewith are the following:

1. One (1) paper copy of the Motion approving said map – one (1) copy in electronic format.
2. One (1) mylar signature sheet and one (1) paper set of the “Final Map 8531”, each comprising six (6) sheets.
3. One (1) copy of the letter dated August 3, 2015, from the City Planning Department finding the subdivision consistent with the General Plan and the Priority Policies set forth in City Planning Code Section 101.1.
4. One (1) copy of the Public Improvement Agreement for Parkmerced Blocks 1 and 6 (“Subphase 1A”).
 - Exhibit A. Improvement Plans and Specifications
 - Exhibit B-1. Faithful Performance Bond, Subphase 1B Required Infrastructure
 - Exhibit B-2. Payment Bond, Subphase 1B Required Infrastructure
 - Exhibit B-3. Monument Bond, Subphase 1B Required Infrastructure
 - Exhibit C. Future-Dedicated Infrastructure: Low-Pressure Water System
 - Exhibit D. Future-Dedicated Infrastructure: Recycled Water System
 - Exhibit E-1. Subdivider Infrastructure: Stormwater Management Improvements
 - Exhibit E-2. Subdivider Infrastructure: Special Street Improvements
 - Exhibit F. Restated and Amended Water Easement Agreement
 - Exhibit G. Draft Form of Master Encroachment Permit

It is recommended that the Board of Supervisors adopt this legislation.

RECOMMENDED:

APPROVED:

11/17/2017

11/17/2017

X Bruce R. Storrs

Storrs, Bruce
City and County Surveyor
Signed by: Storrs, Bruce

X Edgar Lopez

Nuru, Mohammed
Director, DPW
Signed by: Lopez, Edgar



San Francisco Public Works
Making San Francisco a beautiful, livable, vibrant, and sustainable city.

Date: 03/20/2015



Department of City Planning
1650 Mission Street, Suite 400
San Francisco, CA 94103

TENTATIVE MAP DECISION

Edwin M. Lee
Mayor

Mohammed Nuru
Director

Jerry Sanguinetti
Bureau of Street Use & Mapping
Manager

Bruce R. Storrs P.L.S.
City and County Surveyor

Bureau of Street Use & Mapping
1155 Market St., 3rd floor
San Francisco, CA 94103
tel (415) 554-5827
Subdivision.Mapping@sfdpw.org

sfpublicworks.org
facebook.com/sfpublicworks
twitter.com/sfpublicworks

Project ID:	8531		
Project Type:	4 development lots, one airspace lot, two open space lots and realignment of existing public streets.		
Address #	Street Names	Block	Lot
Various	Arballo Drive, Gonzalez Drive and Serrano Drive	7335	001
Tentative Map Referral			

Attention: Scott F. Sanchez



The subject Tentative Map has been reviewed by the Planning Department and does comply with applicable provisions of the Planning Code. The Tentative Subdivision Map (Map) is within the scope of the Final Environmental Impact Report for Parkmerced Mixed-Use Development Program (FEIR) prepared pursuant to the California Environmental Quality Act, which was certified by the San Francisco Planning Commission on February 10, 2011 by Motion No. 18269 and approved on June 9, 2011, by the Board of Supervisors in Ordinance No. 0089-11, Development Agreement - Parkmerced. On balance, the Tentative Map, including proposed street vacations, dedications and CCSF acceptance of the same is consistent with the General Plan and the Priority Policies of Planning Code Section 101.1 based on the attached findings.



The subject Tentative Map has been reviewed by the Planning Department and does comply with applicable provisions of the Planning Code subject to the following conditions:

See Attached



The subject Tentative Map has been reviewed by the Planning Department and does not comply with applicable provisions of the Planning Code. Due to the following reasons:

PLANNING DEPARTMENT

Signed

Digitally signed by Joshua Switzky
DN: cn=Joshua Switzky, o=City of San Francisco, ou=City of San Francisco, email=joshua.switzky@sfdpw.org
Date: 2015.08.03 09:32:11 -0700

Date August 3, 2015

Planner's Name

Joshua Switzky

For Scott F. Sanchez, Zoning Administrator

Enclosures: Application and Tentative Map



SAN FRANCISCO PLANNING DEPARTMENT

Date: August 4, 2015
To: Department of Public Works, Paul Mabry
From: Joshua Switzky, Planning Department
Re: Conditions of Approval
Parkmerced Project Subphases 1A and 1B
Tentative Maps 8530, 8531, and 8532

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The Planning Department approves the Tentative Subdivision Maps for the Parkmerced Project Subphases 1A and 1B as submitted subject to the below conditions. Attached to this are findings of General Plan consistency and CEQA compliance.

Condition #1:

For PID 8530, 8531 and 8532, Private street parcels, as shown on the Tentative Map shall be modified to include abutting sidewalk improvements that are currently shown as part of the development lot(s). The development lots may be adjusted to accomplish this requirement, but no additional public right-of-way or right-of-way proposed to be public right-of-way shall be required to accommodate this modification of the private lots. The Subdivider shall provide written proof to the Director of Public Works, prior to the earlier of either application of any Street Improvement Permit or Final Map Checkprint, that the Planning Department has reviewed and approved any revisions that will appear on a Final Map and that any other affected city agency has also reviewed and approved the proposed changes.

Condition #2:

For PID 8530, The design of Font Blvd adjacent to Block 21 is not sufficiently advanced to approve without reservation. Additional review shall be required after sufficiently detailed engineered design has been presented to meet the concerns of affected city agencies such as but not limited to Planning, SFMTA, and SF Fire Department. Additional dedication of street right-of-way may be required in compliance with this Tentative Map, but in no case shall a Final Map result in less public right-of-way being offered for dedication.



SAN FRANCISCO PLANNING DEPARTMENT

Date: August 4, 2015
To: Department of Public Works, Paul Mabry
From: Joshua Switzky, Planning Department
Re: Determination of General Plan Compliance
Parkmerced Project Subphases 1A and 1B
Tentative Maps 8530, 8531, and 8532

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On June 7, 2011, at a duly noticed public hearing, the San Francisco Board of Supervisors adopted Ordinance No. 89-11, approving a Development Agreement for the Parkmerced Mixed-Use Development Project (the "Project") and authorizing the Planning Director to execute the Development Agreement on behalf of the City (the "Enacting Ordinance"). The Enacting Ordinance took effect on July 9, 2011. The following land use approvals, entitlements, and permits relating to the Project were approved by the Board of Supervisors concurrently with the Development Agreement: the General Plan amendment (Board of Supervisors Ord. No. 92-11), the Planning Code text amendment (Board of Supervisors Ord. No. 90-11), the Zoning Map amendments (Board of Supervisors Ord. No. 91-11), the Coastal Zone Permit (Planning Commission Resolution Motion No. 19272); Board of Supervisors Ord. No. 89-11), and the Parkmerced Plan Documents (collectively, the "Project Approvals").

On June 7, 2011, at the same duly noticed public hearing, incorporating by reference and adopting General Plan consistency findings adopted by the San Francisco Planning Commission on February 10, 2011 (attached hereto), the Board of Supervisors determined that the Project as defined in the Development Agreement and the Project Approvals were, as a whole and taken in their entirety, consistent with the objectives, policies, general land uses and programs specified in the General Plan and the Planning Principles set forth in Section 101.1 of the Planning Code (together, the "General Plan Consistency Findings").

Pursuant to Recital H of the Development Agreement and incorporating the General Plan Consistency Findings by reference, the Planning Department hereby finds that the proposed Tentative Subdivision Maps 8530, 8531, and 8532 are consistent with the Project as defined in the Development Agreement and the Project Approvals, and that each map is, on balance, consistent with the following Objectives and Policies of the General Plan and the Priority Policies of Planning Code Section 101.1, pursuant to the General Plan Consistency Findings.



SAN FRANCISCO PLANNING DEPARTMENT

Date: August 4, 2015
To: Department of Public Works, Paul Mabry
From: Joshua Switzky, Planning Department
Re: Determination of Compliance with CEQA
Parkmerced Project Subphases 1A and 1B
Tentative Maps 8530, 8531, and 8532

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On February 10, 2011, at a duly noticed public hearing, the Planning Commission certified the Final Environmental Impact Report ("Final EIR") for the Parkmerced Mixed-Use Development Project (the "Project"), by Motion No. 18269, finding that the Final EIR reflects the independent judgment and analysis of the City and County of San Francisco, is adequate, accurate and objective, contains no significant revisions to the Draft EIR, and the content of the report and the procedures through which the Final EIR was prepared, publicized and reviewed comply with the provisions of the California Environmental Quality Act (California Public Resources Code Section 21000 et seq., "CEQA"), the State CEQA Guidelines (California Code of Regulations Title 14 Section 15000 et seq.), and Chapter 31 of the San Francisco Administrative Code ("Chapter 31").

At the same hearing during which the Planning Commission certified the Final EIR, the Planning Commission adopted findings, as required by CEQA, regarding the alternatives, mitigation measures, and significant environmental effects analyzed in the Final EIR, a statement of overriding considerations for approval of the Project, and a proposed mitigation monitoring and reporting program (collectively, "CEQA Findings", attached hereto).

On June 7, 2011, at a duly noticed public hearing, the San Francisco Board of Supervisors reviewed and considered the Final EIR and the CEQA Findings. The Board of Supervisors adopted the Planning Commission's CEQA Findings as its own and incorporated them by reference. The Board of Supervisors approved and endorsed the implementation of the mitigation measures for implementation by other City departments and recommended for adoption those mitigation measures that are enforceable by agencies other than City departments.

In addition to the Final Environmental Impact Report, approval of the Project involved amendments to the City's General Plan, Zoning Map, and Planning Code, as well as approval of a Development Agreement (San Francisco Board of Supervisors in

Ordinance No. 0089-11) (the "Development Agreement") (collectively, the "Project Approvals").

The subject Tentative Map has been reviewed by the Planning Department and does comply with applicable provisions of the Planning Code and is consistent with the Project as defined in the Development Agreement and the Project Approvals. The subject Tentative Map implements the anticipated development of the subject property vested by the Project Approvals, including the construction of buildings and streets consistent with the Parkmerced Design Standards and Guidelines, the Parkmerced Transportation Plan, and the Parkmerced Infrastructure Plan. The CEQA Findings attached hereto are hereby incorporated by reference. The Planning Department finds that the proposed actions before the Department are consistent with and within the scope of the Project analyzed in the FEIR and subject to the CEQA Findings.

Pursuant to CEQA Guidelines Section 15162, the Planning Department finds that the proposed actions before the Department are consistent with and within the scope of the Project analyzed in the FEIR and (1) that no substantial changes are proposed in the Project and no substantial changes have occurred with respect to the circumstances under which this Project will be undertaken that would require major revisions to the FEIR due to the involvement of any new significant environmental effects or a substantial increase in the severity of previously identified effects and (2) no new information that was not known and could not have been known shows that the project will have any new significant effects not analyzed in the FEIR or a substantial increase in the severity of any effect analyzed or that new mitigation measures should be included that have not. The Department further finds that an addendum to the FEIR is not required due to any changes in the Project or the Project's circumstances.



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Resolution No. 18271

Planning Code Text Amendment, Zoning Map Amendment, and General Plan Amendment HEARING DATE: FEBRUARY 10, 2011

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Project Name: Parkmerced Mixed-Use Development Program
T Case: Add Section 249.64; Amend Sections 102.5, 201, and 270
Z Case: Rezone the Subject Property
M Case: Amend the General Plan Urban Design Element Map 4
Case Number: 2008.0021EPMTZW
Initiated by: Seth Mallen, Parkmerced Investors, LLC
3711 – 19th Avenue
San Francisco, CA 94132
Staff Contact: Elizabeth Watty, Planner
Elizabeth.Watty@sfgov.org, 415-558-6620
Reviewed By: David Alumbaugh, Acting Director Citywide Planning
David.Alumbaugh@sfgov.org, 415-558-6601
90-Day Deadline: N/A – Sponsor Initiated
Recommendation: Recommend Approval

RECOMMENDING THAT THE BOARD OF SUPERVISORS ADOPT AN ORDINANCE THAT WOULD (1) AMEND THE SAN FRANCISCO PLANNING CODE TEXT TO CREATE PLANNING CODE SECTION 249.64, THE "PARKMERCED SPECIAL USE DISTRICT" (PMSUD), AMEND PLANNING CODE SECTION 270 TO CREATE A NEW BULK DISTRICT ("PM") FOR THE PROPOSED PARKMERCED SPECIAL USE DISTRICT, AMEND PLANNING CODE SECTION 102.5 AND 201 TO INCLUDE THE PARKMERCED ZONING DISTRICTS; (2) AMEND THE PLANNING CODE ZONING MAP SHEETS ZN13, HT13, AND SU13 TO RECLASSIFY PARKMERCED, BEING ALL OF ASSESSOR'S BLOCKS 7303-001, 7303-A-001, 7308-001, 7309-001, 7309-A-001, 7310-001, 7311-001, 7315-001, 7316-001, 7317-001, 7318-001, 7319-001, 7320-003, 7321-001, 7322-001, 7323-001, 7325-001, 7326-001, 7330-001, 7331-004, 7332-004, 7333-001, 7333-003, 7333-A-001, 7333-B-001, 7333-C-001, 7333-D-001, 7333-E-001, 7334-001, 7335-001, 7336-001, 7337-001, 7338-001, 7339-001, 7340-001, 7341-001, 7342-001, 7343-001, 7344-001, 7345-001, 7345-A-001, 7345-B-001, 7345-C-001, 7356-001, 7357-001, 7358-001, 7359-001, 7360-001, 7361-001, 7362-001, 7363-001, 7364-001, 7365-001, 7366-001, 7367-001, 7368-001, 7369-001, AND 7370-001 FROM RM-1 (RESIDENTIAL MIXED, LOW DENSITY), RM-4 (RESIDENTIAL MIXED, HIGH DENSITY), & RH-1(D) (RESIDENTIAL HOUSE, ONE-FAMILY, DETACHED) DISTRICTS, TO PM [PARKMERCED RESIDENTIAL (PM-R), PARKMERCED MIXED USE – SOCIAL HEART (PM-MU1), PARKMERCED MIXED USE – NEIGHBORHOOD COMMONS (PM-MU2), PARKMERCED SCHOOL (PM-S), PARKMERCED COMMUNITY/FITNESS (PM-CF), AND PARKMERCED OPEN SPACE (PM-OS)], AND TO MAKE CONFORMING MAP AMENDMENTS TO FACILITATE THE LONG-RANGE DEVELOPMENT PLANS OUTLINED IN THE PARKMERCED MIXED-USE

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EXHIBIT A

DEVELOPMENT PROGRAM; (3) AMEND THE SAN FRANCISCO GENERAL PLAN URBAN DESIGN ELEMENT MAP 4 TO MAKE CONFORMING MAP AMENEDMENTS; (4) ADOPT A RESOLUTION URGING THE CALIFORNIA COASTAL COMMISSION TO AMEND THE LOCAL COASTAL PROGRAM TO INCORPORATE THE AMENDMENTS HEREIN; AND (5) MAKE AND ADOPT FINDINGS, INCLUDING ENVIRONMENTAL FINDINGS AND FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND THE EIGHT PRIORITY POLICIES OF PLANNING CODE SECTION 101.1.

PREAMBLE

On January 8, 2008, Seth Mallen of Steller Management (hereinafter "Project Sponsor"), submitted an Environmental Evaluation Application with the Planning Department (hereinafter "Department"), Case No. 2008.0021E; and

On May 12, 2010, the Draft Environmental Impact Report (DEIR) for the Project was prepared and published for public review; and

The Draft EIR was available for public comment until July 12, 2010; and

On February 10, 2011, the San Francisco Planning Commission (hereinafter "Commission") reviewed and considered the Final Environmental EIR (FEIR) and found that the contents of said report and the procedures through which the FEIR was prepared, publicized, and reviewed complied with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.) (CEQA), 14 California Code of Regulations Sections 15000 et seq. (the "CEQA Guidelines") and Chapter 31 of the San Francisco Administrative Code ("Chapter 31"); and

On February 10, 2011, the Commission: certified the FEIR by Motion No. 18629, adopted approval findings pursuant to CEQA by Motion No. 18270 (Exhibit A); and adopted the Mitigation, Monitoring, and Reporting Program (MMRP) (Exhibit B to Motion No. 18270). The CEQA approval findings and the MMRP (Exhibits A and B, respectively, to Motion No. 18270) are incorporated herein by this reference thereto as if fully set forth in this Motion; and

On August 12, 2010, the Project Sponsor applied to the Planning Department for a Planning Code Text Amendment, a Zoning Reclassification and a General Plan Amendment (hereinafter Map Amendments) to allow for the creation and implementation of the Parkmerced Special Use District under Case No. 2008.0021MTZ; and

The proposed General Plan Amendments would make conforming amendments to the Urban Design Element's Map 4 to reflect the proposed rezoning; and

The proposed Zoning Reclassification would amend Zoning Map Sheets ZN13, HT13, and SU13 to rezone Parkmerced, being all of Assessor's blocks 7303-001, 7303-A-001, 7308-001, 7309-001, 7309-A-001, 7310-001, 7311-001, 7315-001, 7316-001, 7317-001, 7318-001, 7319-001, 7320-003, 7321-001, 7322-001, 7323-001, 7325-001, 7326-001, 7330-001, 7331-004, 7332-004, 7333-001, 7333-003, 7333-A-001, 7333-B-001, 7333-C-001, 7333-D-001, 7333-E-001, 7334-001, 7335-001, 7336-001, 7337-001, 7338-001, 7339-001, 7340-001, 7341-001, 7342-

Hearing Date: February 10, 2011**Parkmerced Mixed-Use Development Program**

001, 7343-001, 7344-001, 7345-001, 7345-A-001, 7345-B-001, 7345-C-001, 7356-001, 7357-001, 7358-001, 7359-001, 7360-001, 7361-001, 7362-001, 7363-001, 7364-001, 7365-001, 7366-001, 7367-001, 7368-001, 7369-001, and 7370-001 from RM-1 (Residential Mixed, Low Density), RM-4 (Residential Mixed, High Density), & RH-1(D) (Residential House, One-Family, Detached) Districts, to PM [Parkmerced Residential (PM-R), Parkmerced Mixed Use – Social Heart (PM-MU1), Parkmerced Mixed Use – Neighborhood Commons (PM-MU2), Parkmerced School (PM-S), Parkmerced Community/Fitness (PM-CF), and Parkmerced Open Space (PM-OS) (hereinafter “Parkmerced Zoning Districts”)]; and

The proposed Planning Code Text Amendments would create Planning Code Section 249.64, the “Parkmerced Special Use District” (hereinafter “PMSUD”), amend Planning Code Section 270 to create a new Bulk District (PM) for the proposed Parkmerced Special Use District, and amend Planning Code Section 102.5 and 201 to include the Parkmerced Zoning Districts; and

On October 27, 2010 the Project Sponsor filed a Development Agreement Application after months of negotiations with the Mayor’s Office of Workforce and Economic Development; and

The Commission conducted informational hearings on the Parkmerced Project and considered public comment on November 4, November 18, December 9, December 16, 2010, and on January 13, 2011; and

On January 10, 2011, the Project Sponsor filed a Coastal Zone Permit Application, to authorize the rezoning and development of Assessor’s Blocks 7309, 7309-A, 7334, 7333, portions of which are located within the Local Coastal Zone Permit Area; and

On January 13, 2011, the Commission passed Resolution No. 18255, initiating amendments to the Planning Code, Zoning Maps, and General Plan related to the proposed Project; and

On February 10, 2011, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinances; and

Whereas, the Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented by Department staff, and other interested parties; and

All pertinent documents associated with Case No. 2008.0021EPMTZW may be found in the files of the Department, as the custodian of records, at 1650 Mission Street, Fourth Floor, San Francisco, California; and

Whereas, the Commission has reviewed the proposed Ordinances; and

MOVED, that the Commission hereby recommends that the Board of Supervisors approve the proposed Ordinances, following execution of the Development Agreement, and adopt the attached Resolution to that effect, and,

MOVED, that the Commission hereby recommends that the Board of Supervisors request amendment of the Local Coastal Program to the California Coastal Commission to reflect the adoption of these

Ordinances and the findings herein, and further request that such amendment of the Local Coastal Program will become effective immediately upon approval by the California Coastal Commission, without further action required by the City and County of San Francisco.

MOVED, that the Commission hereby recommends that the Board of Supervisors approve both the *Connect Cambon to 19th Avenue* project variant (as described in Appendix B of the Parkmerced Design Standards + Guidelines) and the Project, with a condition placed on the Project Variant that the vehicularized Diaz Avenue, between Cambon and Gonzalez Drives, retain the strong pedestrian connection to the Diaz pedestrian plaza, reinforced in part by the elimination of the on-street parking and the widening of the sidewalks on this block.

FINDINGS

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

The Commission finds the Parkmerced Mixed-Use Development Program to be a beneficial development to the City that could not be accommodated without the actions requested.

1. Parkmerced was constructed in the 1940s and early 1950s based on a model of separation of land uses, extensive reliance on the automobile for all purposes, and an insular circulation system featuring few connections to the wider city context. These patterns of development have proven to be unsustainable and exacerbate local and regional problems of transportation, air quality, and energy consumption and embody characteristics that do not meet the needs of today and the future to support sustainable growth.
2. Assembly Bill 32 set statewide goals for greenhouse gas reductions and Senate Bill 375 further requires local regions and municipalities to coordinate land use and transportation plans to reduce greenhouse gas emissions. In the Bay Area, according to the Bay Area Air Quality Management District, 40% of greenhouse gas emissions come from transportation, primarily private vehicle travel. The average Bay Area household drives 18,000 miles per year. Low residential density and lack of mixed uses that prevent trips from being effectively served by public transit or made by walking or bicycling are the primary reasons for high Vehicle Miles Travelled (VMT) for Bay Area households. Regional growth will occur, and it is the duty of every Bay Area city to direct growth to infill areas that are supported by necessary services and well-served by public transportation and that do not expand the footprint of existing urbanized areas.
3. The proposed infill Project density of 59 units per acre, incorporation of neighborhood-serving retail into a neighborhood center, and retrofitting of the block pattern to reduce block size, is more typical of San Francisco neighborhoods with low VMT. Based on consistent data from similar neighborhoods locally and throughout the country, the VMT of households in such a neighborhood is expected to be less than 10,000 miles per year.
4. Parkmerced is already well situated with regard to public transit infrastructure, as it sits adjacent to MUNI light rail service on 19th Avenue, is served by several MUNI bus lines, and is close to the Daly City BART station. It is currently substantially underbuilt based on existing zoning. It is one

of the best situated areas on the west side of the City to absorb growth in a transit-oriented and sustainable fashion, and its ownership under a single entity provides a rare opportunity to consider a long-term master plan for reconfiguration and improvement to meet the needs of the 21st-century and beyond.

5. The proposed transportation investments as part of the Project, including MUNI rail re-alignment through the Project Site, would further improve service to the area and provide more operational options to the San Francisco Metropolitan Transit Authority (hereinafter, "SFMTA"). The proposal has been well-coordinated with SFMTA, paves the way and provides a down-payment for more long-term "Tier 5" options, and the Development Agreement paves the way for evaluating and incorporating additional Tier 5 options by the City. Without this Project, the City may not be able to achieve the necessary transportation improvements in the 19th Avenue corridor.
6. The existing Parkmerced landscape is resource consumptive in its expansive use of manicured mono-cultural lawns, and the original neighborhood and landscape design directly disrupted and degraded ecological functions, particularly by diverting rainwater flow away from the underground aquifer and Lake Merced. The proposed Parkmerced Mixed-Use Development Program will result in a landscape that is both environmentally and financially sustainable and restores degraded systems. Improvements include creation of a system of bioswales and cisterns to direct stormwater into a restored creek corridor feeding into Lake Merced and/or the underlying groundwater basin. In addition, the proposed Parkmerced Mixed-Use Development Program will result in the generation of 20% of the total estimated annual energy consumed by the Project, through the installation of renewable energy sources (such as photovoltaic cells and wind turbines) and cogeneration facilities.
7. The existing neighborhood, while giving the impression of expansive open space, has little usable public open space. Its publicly-accessible green spaces are primarily comprised of snippets and in-between spaces such as roadway medians, building setbacks and undefined planted areas separating towers. The proposed Project would re-design the open space system to create distinct public open spaces in the form of both a larger connected network of major public open spaces, including a creek corridor, athletic fields, and farm (which the Project Sponsor proposes to develop as organic and which may be managed by a professional farmer), as well as smaller dispersed neighborhood parks activated by adjacent community uses and small-scale retail.
8. The Parkmerced Mixed-Use Development Program would result in increased rental and for-sale housing of various sizes and income levels, and would provide a great diversity of housing types to meet the needs of a broad spectrum of household types. The proposal would provide a broader range of building and unit types than exist today. Whereas 7% of current units have three bedrooms, the proposed Project would include 15% 3-bedroom units. While today over 52% of existing units are in the 13-story towers, upon full build-out, fewer than 35% of all units will be in towers of 11-14 stories.
9. Under the terms of the proposed Development Agreement, the Project would replace, on a one-for-one basis, the 1,538 existing units subject to the City's Residential Rent Stabilization and Arbitration Ordinance (hereinafter, "Rent Stabilization Ordinance") that would be demolished as part of the proposed Project with 1,538 "replacement units" of comparable size in newly constructed buildings. All existing tenants in these to-be-demolished units would be offered a

replacement unit of comparable size at their existing rents, all relocation expenses would be paid for by the Project Sponsor, and, under the terms of the proposed Development Agreement, the replacement unit would be subject to the provisions of the Rent Stabilization Ordinance for the life of the building. Replacement units in the new buildings would be chosen by existing tenants on a seniority basis. To the extent that any of the 1,538 replacement units are not occupied by an existing tenant who has elected to relocate, the replacement unit will be made available to a new tenant and will also be subject to the provisions of the Rent Stabilization Ordinance for the life of the building. The Project Sponsor will pay relocation expenses to existing tenants who choose not to relocate into a replacement unit.

10. The Parkmerced Mixed-Use Development Program would result in an entire neighborhood completely built in conformity with the City's recently-adopted Better Streets Plan, providing an excellent pedestrian environment.
11. The Parkmerced Mixed-Use Development Program would result in numerous public improvements to the intersections adjacent to and surrounding Parkmerced, providing circulation benefits not just for Parkmerced but for the wider community.
12. The Parkmerced Mixed-Use Development Program would create a social heart for the community, and would create a traditional pedestrian-oriented neighborhood commercial district within close walking distance of all Parkmerced residents. The proposed Parkmerced Mixed-Use Development Program would result in 1,500 permanent jobs.
13. The proposed Project includes a comprehensive program for environmental sustainability, seeking to minimize any growth in water or energy use, to accommodate new growth by constructing infrastructure in a manner that will allow connection to future recycled water supplies, and by committing to invest in renewable energy infrastructure and efficiency measures that are above and beyond existing requirements.
14. The Parkmerced Mixed-Use Development Program establishes a detailed design review process for buildings and community improvements.
15. The Planning Code Text Amendments, Zoning Reclassifications, and General Plan Map Amendment are necessary in order to approve the Parkmerced Mixed-Use Development Program.

1. **General Plan Compliance.** The proposed Ordinance is, on balance, consistent with the following Objectives and Policies of the General Plan:

HOUSING ELEMENT (2004 PER WRIT)**Objectives and Policies****OBJECTIVE 1:**

TO PROVIDE NEW HOUSING, ESPECIALLY PERMANENTLY AFFORDABLE HOUSING, IN APPROPRIATE LOCATIONS WHICH MEETS IDENTIFIED HOUSING NEEDS AND TAKES INTO ACCOUNT THE DEMAND FOR AFFORDABLE HOUSING CREATED BY EMPLOYMENT DEMAND.

Policy 1.4

Locate in-fill housing on appropriate sites in established residential neighborhoods.

San Francisco is expected to provide 68,000 new by 2035, in order to meet the Association of Bay Area Governments' (ABAG) projections for San Francisco's projected population growth¹. The Parkmerced Mixed-Use Development Project will help provide approximately 8% of the City's total housing goals, with a total of 5,679 new units at full Project build-out, over the next 20-30 years.

Parkmerced is currently accessible by public transit and located within an established residential neighborhood. One of the shortcomings of the existing residential neighborhood is that it does not have convenient non-vehicular access to neighborhood-serving amenities. As a result of this Project, neighborhood-serving amenities will be built, and there will be improved pedestrian and bicycle access to those amenities.

The Project will create transit infrastructure improvements, in addition to the bicycle and pedestrian improvements. Two new light rail transit stops will be added, and one light rail stop relocated to a more convenient and safer location, within the Parkmerced Site. Since proximity to transit does influence rates of auto ownership and the need for parking, locating 5,679 net new units at Parkmerced supports the City's transit first policy, which discourages car dependency.

OBJECTIVE 2:

RETAIN THE EXISTING SUPPLY OF HOUSING

Policy 2.3

Restrict the conversion of rental housing to other forms of tenure or occupancy.

¹ This number represents a recent update ABAG made to recognize the recession of 2008. Although these updated numbers have not yet been formally adopted and thus are not the "official" ABAG Projections, they are found to be more accurate based on the City and ABAG's analyses, and their use is consistent with ABAG's current regional planning work and development of the Sustainable Communities Strategy.

Existing housing stock is the City's major source of relatively affordable housing. Although it is typically difficult to replace given the cost of new construction, the Parkmerced Mixed-Use Development Program will include replacement housing for all demolished units and will provide such replacement housing to existing tenants at their current rent. Furthermore, the Parkmerced Mixed-Use Development Program will retain the existing quantity of rental units at the Site within the newly constructed buildings, so that at no time will there be less than the existing 3,221 rental units at Parkmerced. This will be memorialized through the execution of the Development Agreement.

OBJECTIVE 3:

ENHANCE THE PHYSICAL CONDITION AND SAFETY OF HOUSING WITHOUT JEOPARDIZING USE OR AFFORDABILITY.

Policy 3.5

Improve the seismic stability of existing housing without reducing the supply of affordable housing.

The Parkmerced Mixed-Use Development Program, at full build-out, will result in increased seismic stability for residents occupying the Site, while not reducing the supply of affordable housing.

The existing garden apartments that will be demolished as part of this Project cannot feasibly be rehabilitated; Parkmerced was originally constructed during the material shortages of World War II and the buildings are reaching the end of their useful life.

OBJECTIVE 4:

SUPPORT AFFORDABLE HOUSING PRODUCTION BY INCREASING SITE AVAILABILITY AND CAPACITY

Policy 4.1

Actively identify and pursue opportunity sites for permanently affordable housing.

Policy 4.2

Include affordable units in larger housing projects.

Policy 4.3

Encourage the construction of affordable units for single households in residential hotels and "efficiency" units.

Policy 4.6

Support a greater range of housing types and building techniques to promote more economical housing construction and potentially achieve greater affordable housing production.

One of the Policies in the General Plan states that "large and privately held land parcels should also be identified and actively promoted for affordable housing". The Parkmerced Site is consistent with this Policy in that the Parkmerced Mixed-Use Development Program will meet the requirements of the City's Inclusionary Affordable Housing Program with respect to net new units, with a minimum of 1/3 of such

requirement satisfied through the construction of Below-Market Rate ("BMR") units on or within 1,000 feet of the Project Site.

In addition to providing new BMR units, the Project will also include a diversity of housing typologies, including studio or "efficiency" units.

**OBJECTIVE 6:
PROTECT THE AFFORDABILITY OF EXISTING HOUSING.**

Policy 6.2

Ensure that housing developed to be affordable is kept affordable.

Policy 6.3

Safeguard tenants from excessive rent increases.

Under the terms of the Development Agreement, existing tenants who occupy rent-controlled units would be allowed to relocate to a replacement unit located in a newly constructed building with the same rent and same rent-control protections as their to-be-demolished unit, to ensure that those tenants who currently occupy rent control units who choose to relocate to new units are guaranteed protections from excessive rent increases and arbitrary eviction. Furthermore, under the proposed Development Agreement, all existing rent-controlled units – the physical units themselves – would be replaced with new rent-controlled, replacement units, for the life of the building. As a result, at no time will there be less than 3,221 units subject to the terms of the Rent Stabilization Ordinance.

**OBJECTIVE 8:
ENSURE EQUAL ACCESS TO HOUSING OPPORTUNITIES.**

Policy 8.1

Encourage sufficient and suitable rental housing opportunities and emphasize permanently affordable rental units wherever possible.

Policy 8.4

Encourage greater economic integration within housing projects and throughout San Francisco.

Policy 8.7

Eliminate discrimination against households with children.

Policy 8.8

Promote the adaptability and maximum accessibility of residential dwellings for disabled and elderly occupants.

Policy 8.9

Encourage the provision of new home ownership opportunities through new construction so that increased owner occupancy does not diminish the supply of rental housing.

This Objective of the Housing Element states that population diversity and integration is one of the City's most important assets, and in order to retain that diversity, there needs to be a variety of housing

opportunities available. The Parkmerced Mixed-Use Development Program includes a variety of integrated housing opportunities within the Project Site, including both rental and for-sale units, from efficiency studio units to family-sized three-bedroom units, as well as BMR units as required by the City's Affordable Inclusionary Housing Program and the retention of an additional 3,221 units subject to the terms of the Rent Stabilization Ordinance. Some of the units will be located closer to transit and farther from car storage, whereas other units will be located closer to car storage and farther from transit. This provides great diversity in the type of units available, which should result in population diversity at Parkmerced.

Currently, much of the existing housing at Parkmerced is reaching the end of its useful life and is not ADA accessible. The Parkmerced Mixed-Use Development Program will result in 1,538 of the existing rental units being replaced by new, well-constructed, ADA accessible rental-units. In addition, there will be 5,679 net new units added to Parkmerced, all of which will be well-constructed and ADA accessible.

OBJECTIVE 9:

AVOID OR MITIGATE HARDSHIPS IMPOSED BY DISPLACEMENT.

Policy 9.1

Minimize the hardships of displacement by providing essential relocation services.

Policy 9.2

Offer displacement households the right of first refusal to occupy replacement housing units that are comparable in size, location, cost, and rent control protection.

The Parkmerced Mixed-Use Development Program, through the Development Agreement, will mitigate hardships imposed by displacement, by providing substantial notice to tenants in advance of their unit's demolition, and guarantees them a new unit of approximately equal size in a newly constructed building, at the same rent-controlled price and with the same protections afforded to rent-controlled units. The Parkmerced Mixed-Use Development Program further mitigates hardships imposed by displacement by relocating any tenant of a to-be-demolished building to a newly constructed replacement unit at the Project Sponsor's sole cost, and by paying relocation benefits to any tenant in of a to-be-demolished building who elects not to relocate to a replacement unit at Parkmerced.

Policy 11.2

Ensure housing is provided with adequate public improvements, services, and amenities.

Policy 11.3

Encourage appropriate neighborhood-serving commercial activities in residential areas, without causing affordable housing displacement.

Policy 11.4

Avoid or minimize disruption cause by expansion of institutions, large-scale uses and auto-oriented development into residential areas.

Policy 11.10

Include energy efficient features in new residential development and encourage weatherization in existing housing to reduce the overall housing costs and the long-range cost of maintenance.

Parkmerced is currently an auto-oriented development that lacks sufficient pedestrian-oriented, neighborhood-serving commercial activities to satisfy the daily needs of its residents. At the core of the Parkmerced Mixed-Use Development Program are many new neighborhood-serving amenities and usable open spaces, such as a neighborhood-commercial commons, new restaurants, a new preschool/elementary school and daycare facility site, fitness center, new athletic fields, walking and biking paths, a new farm, and community gardens.

As part of the Parkmerced Mixed-Use Development Program, all new dwelling-units will be energy efficient. The Project's energy-efficiency features include maximizing daylight exposure in new construction, installing Tier 1 or better appliances in residential units, and designing residential and non-residential building envelopes to perform a minimum of 15% and 10%, respectively, more efficiently than current Title 24 standard.

URBAN DESIGN ELEMENT

Objectives and Policies

OBJECTIVE 1:

EMPHASIS OF THE CHARACTERISTIC PATTERN WHICH GIVES TO THE CITY AND ITS NEIGHBORHOODS AN IMAGE, A SENSE OF PURPOSE, AND A MEANS OF ORIENTATION.

Policy 1.1

Recognize and protect major views in the city, with particular attention to those of open space and water.

Policy 1.2

Recognize, protect and reinforce the existing street pattern, especially as it is related to topography.

Policy 1.3

Recognize that buildings, when seen together, produce a total effect that characterizes the city and its districts.

Policy 1.4

Protect and promote large-scale landscaping and open space that define districts and topography.

Policy 1.6

Make centers of activity more prominent through design of street features and by other means.

Policy 1.7

Recognize the natural boundaries of districts, and promote connections between districts.

Policy 1.9

Increase the clarity of routes for travelers.

The siting of new structures within the Parkmerced Mixed-Use Development Program has been designed in such a way so to cluster new towers within existing towers' sight-lines from the residential neighborhoods to the east, in order to preserve views of Lake Merced and the Pacific Ocean from the adjacent neighborhoods. While maintaining Juan Bautista Circle and the major radial streets that currently characterize Parkmerced, the street grid of Parkmerced would be redesigned to increase clarity for travelers by creating a more legible hierarchy of street types, and by providing a grid that is easier to navigate due its smaller blocks and more orthogonal orientation. With a prevailing neighborhood fabric of 4-to-6 stories, taller structures of 8-10 stories will be located at key intersections and adjacent to notable locations and spaces to define centers of activity, provide landmarks and clarity for movement, and activate public spaces. Further, denser and taller development is generally concentrated on the east half of the site, closer to 19th Avenue to emphasize connection to public transit and this major transportation corridor, while tapering down in intensity toward the west. The open space system will include major district-scale open spaces, connecting Juan Bautista Circle with the stream corridor to the athletic fields, farm, and Belvedere Garden connecting to Lake Merced; together this system will better define the edge of the neighborhood and create clear connections between adjacent districts, linking major local and regional open spaces with large-scale landscape features and providing clarity for residents and visitors.

OBJECTIVE 3:

MODERATION OF MAJOR NEW DEVELOPMENT TO COMPLEMENT THE CITY PATTERN, THE RESOURCES TO BE CONSERVED, AND THE NEIGHBORHOOD ENVIRONMENT.

Policy 3.1

Promote harmony in the visual relationships and transitions between new and older buildings.

Policy 3.2

Avoid extreme contrasts in color, shape and other characteristics which will cause new buildings to stand out in excess of their public importance.

Policy 3.3

Promote efforts to achieve high quality of design for buildings to be constructed at prominent locations.

Policy 3.4

Promote building forms that will respect and improve the integrity of open spaces and other public areas.

Policy 3.5

Relate the height of buildings to important attributes of the city pattern and to the height and character of existing development.

Policy 3.6

Relate the bulk of buildings to the prevailing scale of development to avoid an overwhelming or dominating appearance in new construction.

Policy 3.7

Recognize the special urban design problems posed in development of large properties.

The Parkmerced Mixed-Use Development Program includes the retention of the 11 existing tower buildings, and the construction of approximately 5,679 net new units. The new units will be constructed in new buildings that will be compatible with the existing structures, and will vary in height and design. The siting of new structures has been designed in such a way so to cluster new towers within existing towers' sight-lines from the residential neighborhoods to the east, in order to preserve views of Lake Merced and the Pacific Ocean from the adjacent neighborhoods. The street grid of Parkmerced would be redesigned to increase clarity for travelers by creating a more legible hierarchy of street types, and by providing a grid that is easier to navigate due its smaller blocks and more orthogonal orientation. With a prevailing neighborhood fabric of 4-to-6 stories, taller structures of 8-10 stories will be located at key intersections and adjacent to notable locations and spaces to define centers of activity, provide landmarks and clarity for movement, and activate public spaces. Further, denser and taller development is generally concentrated on the east half of the site, closer to 19th Avenue to emphasize connection to public transit and this major transportation corridor, while tapering down in intensity toward the west. The open space system will include major district-scale open spaces, to better define the edge of the neighborhood and create clear connections between adjacent districts and to link major local and regional open spaces with large-scale landscape features.

Each new building constructed as part of the Parkmerced Mixed-Use Development Program will be subject to a design review process conducted by the Planning Department and governed by the terms of the proposed Parkmerced Special Use District. The design review process is intended to ensure that all buildings within Parkmerced are designed to complement the aesthetic of the development, exhibit high quality architectural design and comply with the requirements of the Parkmerced Design Standards + Guidelines and the Parkmerced Sustainability Plan.

The Project Site is large - approximately 152 acres (including streets) - and as such, it has been given close consideration with regard to Project's urban design features, the need for neighborhood-serving amenities, and the need for improved transit. The five guiding Plan documents (including the above referenced Design Standards + Guidelines and the Sustainability Plan) together constitute a "master plan" for the Site, creating a framework and set of rules for the Site's future development. Through these guiding documents, the full build-out of this Site will be a better connected community with a fine-grain urban fabric containing small blocks and a variety of building heights and sizes; the Site's physical access to the surrounding established neighborhoods will be improved through the creation of new bicycle, pedestrian, and transit connections at the Site's periphery.

OBJECTIVE 4:

IMPROVEMENT OF THE NEIGHBORHOOD ENVIRONMENT TO INCREASE PERSONAL SAFETY, COMFORT, PRIDE AND OPPORTUNITY.

Policy 4.3

Provide adequate lighting in public areas.

Policy 4.4

Design walkways and parking facilities to minimize danger to pedestrians.

Policy 4.5

Provide adequate maintenance for public areas.

Policy 4.6:

Emphasize the importance of local centers providing commercial and government services.

Policy 4.8:

Provide convenient access to a variety of recreation opportunities.

Policy 4.9:

Maximize the use of recreation areas for recreational purposes.

Policy 4.10:

Encourage or require the provision of recreation space in private development.

Policy 4.12:

Install, promote and maintain landscaping in public and private areas.

Policy 4.13:

Improve pedestrian areas by providing human scale and interest.

The Parkmerced Mixed-Use Development Program includes numerous guidelines that enhance the public realm, livability, and character of the neighborhood. These features include ground-floor walk-up units in all new buildings, required landscaping strips at the front of all properties, uniform plantings and street trees, pedestrian-oriented lighting, 2,945,000sf of new open spaces such as athletic fields, community gardens, and an farm that will give the neighborhood an identity and provide a center for activity. The Development Agreement outlines operational standards and maintenance procedures to be followed by the Project Sponsor (or homeowners' association, as applicable) for all privately-owned public spaces.

Parking garages, which typically lack visual interest, will be underground and located on the western side of the Site, which will increase pedestrian safety by not having automobile ingress and egress crossing sidewalks throughout the neighborhood. Utility wires will also be located underground to enhance the appearance of the streets and neighborhood.

Throughout the Site there will be approximately 230,000 square feet of new neighborhood-serving retail, including a full-service grocery store. There will neighborhood-serving amenities of small and moderate scale, in order to create both a commercial core and to provide services within close proximity of every dwelling-unit. There will also be 80,000sf of office space, 25,000sf dedicated to a preschool/elementary school or daycare facility, and 64,000sf dedicated to a fitness/community center.

RECREATION AND OPEN SPACE ELEMENT**Objectives and Policies**

OBJECTIVE 1:

PROVIDE OPPORTUNITIES FOR RECREATION AND THE ENJOYMENT OF OPEN SPACE IN EVERY SAN FRANCISCO NEIGHBORHOOD.

Policy 4.4:

Acquire and develop new public open space in existing residential neighborhoods, giving priority to areas which are most deficient in open space.

Policy 4.5:

Require private usable outdoor open space in new residential development.

Policy 4.6:

Assure the provision of adequate public open space to serve new residential development.

As part of the Parkmerced Mixed-Use Development Program, there will be a total of 2,964,000sf of open space, including 2.1 acres of open space provided through six Neighborhood Commons, 2.94 acres of open space provided through the creation of new athletic fields, and over one-acre of open space provided through the creation of community gardens. In addition to the publically-accessible usable open space, each residential building will contain usable semi-private or private open space in the following ratios: 36 square feet per unit if private open space (e.g. balconies), and 48 square feet per unit if semi-private open space (e.g. roof decks).

TRANSPORTATION ELEMENT

Objectives and Policies

OBJECTIVE 1:

MEET THE NEEDS OF ALL RESIDENTS AND VISITORS FOR SAFE, CONVENIENT AND INEXPENSIVE TRAVEL WITHIN SAN FRANCISCO AND BETWEEN THE CITY AND OTHER PARTS OF THE REGION WHILE MAINTAINING THE HIGH QUALITY LIVING ENVIRONMENT OF THE BAY AREA.

Policy 1.2

Ensure the safety and comfort of pedestrians throughout the city.

Policy 1.3

Give priority to public transit and other alternatives to the private automobile as the means of meeting San Francisco's transportation needs, particularly those of commuters.

Policy 1.5

Coordinate regional and local transportation systems and provide for interline transit transfers.

Policy 1.6

Ensure choices among modes of travel and accommodate each mode when and where it is most appropriate.

Policy 1.7

Assure expanded mobility for the disadvantaged.

As part of the Parkmerced Mixed-Use Development Program, there will be substantial investment in pedestrian, bicycle, and transit improvements throughout and adjacent to the Site. The Site will be redesigned to be consistent with the City's recently-adopted Better Streets Plan, including the use of smaller blocks and new connections outside of the Site, making it more pedestrian-friendly. There will be an enhanced network of dedicated bikeways, as well as enhanced access to the Site to improve vehicular circulation. The Project will include shuttle service to Daly City BART Station, to encourage the use of public transportation. Lastly, the Project includes re-routing the MUNI M-Oceanview light-rail line through the Site, creating two new transit stops and relocating the existing Parkmerced/SFSU transit within the Site. By re-routing the MUNI M-Oceanview light-rail line and relocating the Parkmerced/SFSU stop, use of transit will be safer and more accessible, by eliminating the need to cross the busy 19th Avenue intersection to board the train. To further encourage the use of public transit, the Project Sponsor will be providing transit pass subsidies, and bike and car share opportunities.

OBJECTIVE 2:

USE THE TRANSPORTATION SYSTEM AS A MEANS FOR GUIDING DEVELOPMENT AND IMPROVING THE ENVIRONMENT.

Policy 2.1

Uses rapid transit and other transportation improvements in the city and region as the catalyst for desirable development, and coordinate new facilities with public and private development.

Policy 2.2

Reduce pollution, noise and energy consumption.

Policy 2.4

Organize the transportation system to reinforce community identity, improve linkages among interrelated activities and provide focus for community activities.

Policy 2.5

Provide incentives for use of transit, carpools, vanpools, walking and bicycling and reduce the need for new or expanded automobile and automobile parking facilities.

The Parkmerced Mixed-Use Development Program will improve public transit connections throughout the City and region by re-routing the MUNI M-Oceanview light-rail line through Parkmerced. Such re-routing will make transit stops more accessible, allow SFMTA to run "short-lines" that do not continue all the way through the low-ridership areas to Balboa Park, and provide opportunities for future connections to Daly City BART. It will also incentivize the use of public transit by providing transit subsidies to all tenants, and providing free shuttles to the Daly City BART station. There will also be improved bus service through the Site and free shuttles to local shopping centers, in addition to making bicycle and pedestrian improvements, which together, improve transit connections and accessibility.

OBJECTIVE 4:

MAINTAIN AND ENHANCE SAN FRANCISCO'S POSITION AS THE HUB OF A REGIONAL, CITY-CENTERED TRANSIT SYSTEM.

Policy 4.2

Increase transit ridership capacity in all congested regional corridors.

Policy 4.5

Provide convenient transit service that connects the regional transit network to major employment centers outside the downtown area.

The Parkmerced Mixed-Use Development Program will increase transit ridership capacity by providing funding to SFMTA to purchase an additional light-rail vehicle, which in turn will help SFMTA maintain headways. Through improved service on the MUNI M-Oceanview light-rail line and the provision of a free shuttle service to BART, residents and visitors will have more convenient access to regional transit networks including BART, regional bus lines and the Golden Gate Transit ferry service.

OBJECTIVE 18:

ESTABLISH A STREET HIERARCHY SYSTEM IN WHICH THE FUNCTION AND DESIGN OF EACH STREET ARE CONSISTENT WITH THE CHARACTER AND USE OF ADJACENT LAND.

Policy 18.2

Design streets for a level of traffic that serves, but will not cause a detrimental impact on adjacent land uses, nor eliminate the efficient and safe movement of transit vehicles and bicycles.

As a result of the Parkmerced Mixed-Use Development Program, the entire site will be redesigned to be consistent with the City's Better Streets Plan.

OBJECTIVE 20:

DEVELOP TRANSIT AS THE PRIMARY MODE OF TRAVEL TO AND FROM DOWNTOWN AND ALL MAJOR ACTIVITY CENTERS WITHIN THE REGION.

Policy 21.2

Where a high level of transit ridership or potential ridership exists along a corridor, existing transit service or technology should be upgraded to attract and accommodate riders.

Policy 21.7

Make convenient transfers between transit lines, systems and modes possible by establishing common or closely located terminals for local and regional transit systems by coordinating fares and schedules and by providing bicycle access and secure bicycle parking.

Policy 21.9

Improve pedestrian and bicycle access to transit facilities.

Policy 21.10

Ensure passenger and operator safety in the design and operation of transit vehicles and station facilities.

The Parkmerced Mixed-Use Development Program will result in the re-routing the MUNI M-Oceanview light-rail line from the middle of the busy 19th Avenue to within the Project Site, making pedestrian and bicycle access to the station safer and more accessible by eliminating the need to cross the busy 19th Avenue intersection to board the train. The Site will continue to be served by several MUNI bus lines, which will also stop in the vicinity of the new station, making transfers relatively easy.

2. The proposed long-range mixed-use development project is generally consistent with the eight General Plan priority policies set forth in Section 101.1 in that:

- A) The existing neighborhood-serving retail uses will be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses will be enhanced:

The proposed Project would enhance the neighborhood-serving retail uses by creating a neighborhood-serving retail core with approximately 230,000 square feet of new retail space, thereby providing the community with services such as a grocery store and banking. The existing Parkmerced development currently has only a very small amount of neighborhood-serving retail, which is located adjacent to the Project Site. In combination with the proposed approximately 69,000 square feet of new office space, the new retail uses would provide opportunities for resident employment and business ownership. Furthermore, the proposed addition of 5,679 net new households would strengthen business at existing establishments in the vicinity of the Project Site and bolster demand for additional retail uses.

- B) The existing housing and neighborhood character will be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods:

The proposed Project would preserve the existing diversity and character of Parkmerced by maintaining the same number of rent controlled units (3,221 rent controlled units) that currently exist at Parkmerced. The Project would accomplish this by conserving 1,683 existing rent controlled apartments, which would remain subject to the Rent Stabilization Ordinance, and replacing all 1,538 existing rent controlled apartments that would be demolished by the Project with a new unit that would be subject to the same protections as contained in the Rent Stabilization Ordinance for the life of the building. In addition, under the proposed Project, residents of buildings proposed for demolition would be given the opportunity to relocate to such replacement units in a new building and would be assessed the same rent as their previous unit. The Project would also enhance the diversity of Parkmerced by constructing a large number of new BMR affordable units. Currently, Parkmerced has no BMR units. Further, the proposed Project would enhance the character of the Parkmerced neighborhood by establishing a social and commercial core, improving pedestrian accessibility, and creating open space and recreational opportunities.

- C) The City's supply of affordable housing will be preserved and enhanced:

The proposed Project will result in the construction of a significant number of BMR housing units in accordance with the Development Agreement to be executed by the Project Sponsor and the City. Such BMR units will significantly increase the City's supply of affordable housing. Moreover, the affordability of the existing rent-controlled units would be maintained for all existing residents, who, under the terms of the proposed Development Agreement, would continue to benefit from the protections of the Rent Stabilization Ordinance, including residents of units proposed for replacement who elect to relocate to a new unit. For such relocated residents, the Project proposes that the new unit be rented at the same rent controlled rate as the resident's existing unit, thereby preserving affordability of the Project for existing residents. Under the terms of the proposed Development Agreement, the replacement unit would be subject to the same rent increase restrictions as contained in the Rent Stabilization Ordinance for the life of the building, regardless of whether an existing tenant elects to relocate to the unit or the unit is occupied by a new tenant.

- D) The commuter traffic will not impede MUNI transit service or overburden our streets or neighborhood parking:

The proposed Project would enhance MUNI transit service by re-routing the MUNI M-Oceanview light-rail line through the Project Site, creating two new stations and relocating the existing Parkmerced/SFSU station. These improvements would alleviate the overcrowding issues at the existing Parkmerced/SFSU station and improve the connection to SFSU by requiring riders to cross Holloway Avenue as opposed to Nineteenth Avenue. The realignment would also reduce the walking distance to transit for residents of Parkmerced, thereby encouraging the use of public transportation. In addition, the proposed roadway re-alignments would ease the burden on City streets in the Parkmerced area by improving traffic flow. Finally, the proposed Project would add approximately 90 on-street and 6,252 off-street parking spaces, ensuring that residents of the proposed Project do not rely on parking in the adjoining neighborhoods.

- E) A diverse economic base will be maintained by protecting our industrial and service sectors from displacement due to commercial office development. And future opportunities for resident employment and ownership in these sectors will be enhanced:

The proposed Project would not displace any industrial or service sector uses because of new commercial office development since the existing buildings slated for demolition do not contain any industrial or service sector uses. The Project Site is currently occupied by residential apartment buildings.

- F) The City will achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake.

The proposed Project would help the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake because the new buildings would be constructed in accordance with all applicable building codes and regulations with regard to seismic safety.

- G) That landmark and historic buildings will be preserved:

The proposed Project would not adversely impact any City landmarks because there are no City-designated landmarks on the Project Site. Although none of the buildings on the Project Site are designated City landmarks, as mitigation for the Proposed Project's impacts to historic resources under the California Environmental Quality Act, the Project Sponsor will prepare documentation of the site based on the National Park Service's Historic American Building Survey/Historic American Engineering Record Historical Report Guidelines and provide a permanent display of interpretative materials concerning the history of the original Parkmerced complex.

- H) Parks and open space and their access to sunlight and vistas will be protected from development:

The proposed Project would provide 68 acres of open space in a network of publically accessible neighborhood parks, athletic fields, public plazas, greenways and a farm. The Project would provide significant additional open space in the form of private or semi-private open space areas such as centralized outdoor courtyards, roof decks, and balconies. These private and semi-private open spaces would be required within the development of each residential building within Parkmerced. The parks and open space would be more accessible and usable than the current open spaces. Parks and open space within, and in the vicinity of, the proposed Project would continue to receive a substantial amount of sunlight during the day when use is at its highest rate. Existing coastal views from parks located to the east and north of the Project Site would be maintained with implementation of the proposed Project.


3. The proposed long-range mixed-use development project is consistent with the requirements set forth in Planning Code Section 302, in that:

- a. The Project is necessary and desirable because it would enhance the lives of existing and future residents, and the City as a whole, by converting a single-use residential complex into a high-quality, mixed-use development that includes neighborhood-serving retail and numerous open space and recreational activities. The Project would also construct a significant amount of new housing units at an in-fill location within an existing urban environment and replace existing housing units that were constructed during the material shortages experienced during World War II and that are reaching the end of their useful life with new residential buildings that would be more energy efficient and meet current ADA requirements. The residential density that would result from the proposed in-fill housing is permitted by, and consistent with, the existing zoning of the Parkmerced site. With only 8,900 total housing units proposed, the Project would be smaller than the 10,302 units principally permitted by the existing zoning or the 11,750 housing units permitted through a Planned Unit Development. Additionally, the proposed Project would enhance alternatives to automobile use by making certain improvement to public transportation and by providing services to residents such as a shuttle to the Daly City BART station and carpool/vanpool services. Because a Special Use District is necessary in order to implement the proposed Project, and for the reasons set forth above, the Commission finds the requested amendments to the Planning Code, Zoning Maps, and General Plan to be required by public necessity, convenience and general welfare.

4. Findings under the California Environmental Quality Act (CEQA):

- a. On February 10, 2011, the Planning Commission, by Motion No. 18629, certified a Final Environmental Impact Report ("FEIR") for the Parkmerced Mixed-Use Development Program in compliance with CEQA, the CEQA Guidelines and Chapter 31, finding that the FEIR was completed in compliance with CEQA and was adequate, accurate and objective and reflected the independent judgment of the Planning Commission; a copy of the motion is on file with the Clerk of the Commission.
- b. Also on February 10, 2011, the Commission reviewed and considered the information contained in the FEIR and by Motion No. 18270 adopted CEQA Findings for the proposed Parkmerced Mixed-Use Development Program Project under CEQA, the CEQA Guidelines and Chapter 31, including the adoption of a mitigation monitoring and reporting program (MMRP) and a statement of overriding considerations, ("CEQA Findings"). The CEQA Findings for the proposed Project are on file with the Clerk of the Commission and are incorporated into this Motion by reference.

I hereby certify that the Planning Commission ADOPTED the foregoing Resolution on February 10, 2011.


Linda D. Avery
Commission Secretary

AYES: Commissioners Antonini, Borden, Fong, and Miguel

NAYS: Commissioners Moore, Olague, and Sugaya

ABSENT:

ADOPTED: February 10, 2011



CERTIFICATE SHOWING TAXES A LIEN, BUT NOT YET DUE

I, David Augustine, Tax Collector of the City and County San Francisco, State of California, do hereby certify, pursuant to the provisions of California Government Code Section 66492 et. seq., that the subdivision designated on the map entitled is subject to the following City & County property taxes and Special Assessments which are a lien on the property but which taxes are not yet due:

Block No. 7335 Lot No. 001

Address: 3711 19Th Ave

Estimated probable assessed value of property within the proposed Subdivision/Parcel

Map: \$124,607,293

Established or estimated tax rate: 1.2000%

Estimated taxes liened but not yet due: \$1,460,772.00

Amount of Assessments not yet due: \$42,183.00

These estimated taxes and special assessments have been paid.

David Augustine, Tax Collector

Dated this 6th day of November. This certificate is valid for the earlier of 60 days from this date or December 31, 2017. If this certificate is no longer valid please contact the Office of Treasurer and Tax Collector to obtain another certificate.



**CERTIFICATE OF REDEMPTIONS OFFICER
SHOWING TAXES AND ASSESSMENTS PAID.**

I, David Augustine, Tax Collector of the City and County San Francisco, State of California, do hereby certify, pursuant to the provisions of California Government Code Section 66492 et. seq., that according to the records of my office, there are no liens against the subdivision designated on the map entitled:

Block No. 7335 Lot No. 001

Address: 3711 19Th Ave

for unpaid City & County property taxes or special assessments collected as taxes, except taxes or assessments not yet payable.

A handwritten signature in dark ink, appearing to read "David Augustine".

David Augustine, Tax Collector

The above certificate pertains to taxes and special assessments collected as taxes for the period prior to this current tax year.

Dated this 6th day of November. This certificate is valid for the earlier of 60 days from this date or December 31, 2017. If this certificate is no longer valid please contact the Office of Treasurer and Tax Collector to obtain another certificate.



CERTIFICATE SHOWING TAXES A LIEN, BUT NOT YET DUE

I, David Augustine, Tax Collector of the City and County San Francisco, State of California, do hereby certify, pursuant to the provisions of California Government Code Section 66492 et. seq., that the subdivision designated on the map entitled is subject to the following City & County property taxes and Special Assessments which are a lien on the property but which taxes are not yet due:

Block No. 7309A **Lot No.** 001

Address: 3711 V

Estimated probable assessed value of property within the proposed Subdivision/Parcel Map: **\$1,896,935**

Established or estimated tax rate: **1.2000%**

Estimated taxes liened but not yet due: **\$22,238.00**

Amount of Assessments not yet due: **\$853.00**

These estimated taxes and special assessments have been paid.

David Augustine, Tax Collector

Dated this 6th day of November. This certificate is valid for the earlier of 60 days from this date or December 31, 2017. If this certificate is no longer valid please contact the Office of Treasurer and Tax Collector to obtain another certificate.



**CERTIFICATE OF REDEMPTIONS OFFICER
SHOWING TAXES AND ASSESSMENTS PAID.**

I, David Augustine, Tax Collector of the City and County San Francisco, State of California, do hereby certify, pursuant to the provisions of California Government Code Section 66492 et. seq., that according to the records of my office, there are no liens against the subdivision designated on the map entitled:

Block No. 7309A Lot No. 001

Address: 3711 V

for unpaid City & County property taxes or special assessments collected as taxes, except taxes or assessments not yet payable.

David Augustine, Tax Collector

The above certificate pertains to taxes and special assessments collected as taxes for the period prior to this current tax year.

Dated this 6th day of November. This certificate is valid for the earlier of 60 days from this date or December 31, 2017. If this certificate is no longer valid please contact the Office of Treasurer and Tax Collector to obtain another certificate.

When Recorded Return To:

J. Abrams Law, P.C.

Attn: Jim Abrams, Esq.

One Maritime Plaza, Suite 1900

San Francisco, CA 94111

**MASTER DECLARATION OF COVENANTS,
EASEMENTS AND RESTRICTIONS
OF PARKMERCED PROJECT**

**MASTER DECLARATION OF COVENANTS,
EASEMENTS AND RESTRICTIONS
OF PARKMERCED PROJECT**

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ATTACHMENTS:

ATTACHMENT A – Project Site Diagram

ATTACHMENT B – Final Maps for Subphases 1A and 1 B (Blocks 1, 6, 20 & 22)

ATTACHMENT C – Relevant Specially Defined Terms from the Parkmerced Development Agreement

Exhibit 1 to ATTACHMENT C – Relevant Exhibits from Parkmerced Development Agreement

ATTACHMENT D – Stormwater Control Plan

ATTACHMENT E – Stormwater Management Improvements

**MASTER DECLARATION OF COVENANTS,
EASEMENTS AND RESTRICTIONS
OF PARKMERCED PROJECT**

THIS MASTER DECLARATION is made on the date hereinafter set forth by Parkmerced Owner LLC, a Delaware limited liability company ("Declarant").

RECITALS

Declarant is the owner of certain property located in the City and County of San Francisco, State of California more particularly depicted on Attachment A hereto, incorporated herein (the "Parkmerced Development Property"). The Parkmerced Development 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 Development Property is improved with an existing multi-family residential development with 3,221 rental apartment units.

On June 7, 2011, the San Francisco Board of Supervisors approved pursuant to the "Development Agreement" (defined herein) a long-term mixed-use development project to comprehensively replan and redesign the Parkmerced Development Property, which project, upon implementation, would construct additional multi-family residential structures and open space areas, demolish existing apartments, provide a neighborhood core with new commercial and retail services, reconfigure the street network and public realm, improve and enhance the open space amenities, modify and extend existing neighborhood transit facilities, and improve utilities within the Parkmerced Development Property (the "Project").

The 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, will be subject to this Master Declaration upon its recordation. Subsequent Development Phases and Subphases will each be made subject to this Master Declaration upon the recording of a Declaration of Annexation applicable to each such Development Phase or Subphase.

Subphases 1A and 1B of the Project consist of twenty-seven (27) Lots (collectively "Lots") in four (4) blocks. The four (4) blocks comprising Subphases 1A and 1B are blocks 1, 6, 20 & 22, as more particularly described on the Final Maps attached hereto as Attachment B and

incorporated herein (Block 21S, which is included on the attached Final Maps, is a remainder and is not part of Subphases 1A and 1B). Each Lot shall have appurtenant to it a membership in the Parkmerced Master Association, a nonprofit mutual benefit corporation to which will be delegated and assigned the powers of owning, maintaining and administering portions of the Project constituting Master Association Property (as defined below) and administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created.

Declarant intends by this Master Declaration to impose upon Subphases 1A and 1B of the Project mutually beneficial restrictions under a general plan of improvement for the benefit of all Owners (as defined below) of Lots.

NOW, THEREFORE, incorporating the above Recitals, Declarant hereby declares that Subphases 1A and 1B described above, and all real property in each subsequent Development Phase upon recordation of a Declaration of Annexation for such Development Phase, shall be held, sold, leased, mortgaged, encumbered, rented, used, occupied, improved and conveyed subject to the following declarations, which are imposed as equitable servitudes pursuant to a general plan of development of the Project for the purpose of enhancing and protecting the value and desirability of the Project and every part of it, and which shall run with the land of the Project and be binding on Declarant and its successors and assigns, and on all parties having or acquiring any right, title or interest in or to the described Project or any part of it, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

ARTICLE I

DEFINITIONS

Section 1.1 “AAA” shall mean the American Arbitration Association.

Section 1.2 “Annexation Property” shall mean Lots located in future Development Phases that are annexed to the portion of the Project already subject to this Master Declaration, which shall be subject to this Master Declaration and subject to the jurisdiction of the Master Association.

Section 1.3 “Arbitrating Entity” shall have the meaning provided in Section 9.1C.

Section 1.4 “Architectural Control Committee” shall mean the committee, which if established pursuant to Section 6.1, shall have the authority to approve or disapprove alterations or improvements upon and to the Property under the terms of Article VI.

Section 1.5 “Assessments” shall mean Regular Assessments and/or Special Assessments which are a portion of the cost of maintaining, repairing, improving, operating and managing the Property, or assessments which are imposed to bring an Owner into compliance with the Master

Association Documents, and which are to be paid by Owners as determined by the Master Association.

Section 1.6 “Blocks” shall mean the four (4) blocks comprising Subphases 1A and 1B, which are blocks 1, 6, 20 & 22, as more particularly described on the Maps and all other such blocks contained in such additional real property that becomes subject to this Master Declaration pursuant to a Declaration of Annexation.

Section 1.7 “City” shall mean the City and County of San Francisco, California.

Section 1.8 “Claims” shall have the meaning provided in Section 10.13.

Section 1.9 “Common Expenses” shall mean and include the actual and estimated expenses of operating the Property and any reasonable reserve for such purposes, as found and determined by the Master Board, and all sums designated common expenses by or pursuant to the Master Association Documents.

Section 1.10 “Community Gardens” shall mean the areas on the Lots designated by the Master Association for use as community gardens.

Section 1.11 “Community Improvements” shall mean any capital improvement or facility, on-going service provision or monetary payment, or any service within the scope of the definition of the term “Community Improvements” in the Development Agreement, the definition of which is provided on Attachment C hereto. Attachment C is incorporated herein.

Section 1.12 “Declarant” shall mean and refer to Parkmerced Owner LLC, a Delaware limited liability company, together with its successors and assigns.

Section 1.13 “Declaration of Annexation” shall mean any declaration by which additional property becomes subject to this Master Declaration as described in Section 2.6.

Section 1.14 “Design Review Approvals” shall have the same meaning ascribed to such term in the Development Agreement, the definition of which is provided on Attachment C hereto.

Section 1.15 “Development Agreement” shall mean that certain Development Agreement By and Between the City and County of San Francisco and Parkmerced Investors Properties LLC Relative to The Parkmerced Development Project recorded on July 7, 2011 with San Francisco Assessor-Recorder Document No. 2011-J209959-00.

Section 1.16 “Development Phase Approvals” shall have the same meaning ascribed to such term in the Development Agreement, the definition of which is provided on Attachment C hereto.

Section 1.17 "Development Phases" shall mean the phases in which the Project will be constructed, each phase being a portion of the Project.

Section 1.18 "Director" shall mean the director of the City's Department of Building Inspection.

Section 1.19 "Fire Marshal" shall mean the City Fire Marshal.

Section 1.20 "First Certificate of Occupancy" shall mean the first certificate of occupancy (such as a temporary certificate of occupancy) issued by the City Department of Building Inspection for a portion of the building that contains residential units or leasable commercial space. A First Certificate of Occupancy shall not mean a certificate of occupancy issued for a portion of the residential or commercial building dedicated to a sales office or other marketing office for residential units or leasable commercial space.

Section 1.21 "First Lenders" shall mean a lender who made a loan in good faith and for value, who holds a lien in first position on any Lot.

Section 1.22 "Implementing Approvals" shall have the same meaning ascribed to such term in the Development Agreement, the definition of which is provided on Attachment C hereto.

Section 1.23 "Indemnified Parties" shall have the meaning provided in Section 10.13.

Section 1.24 "Indemnify" shall have the meaning provided in Section 10.13.

Section 1.25 "Indemnitor" shall have the meaning provided in Section 10.13.

Section 1.26 "JAMS" shall mean Judicial Arbitration and Mediation Service/Endispute.

Section 1.27 "Lots" shall mean the twenty-seven (27) lots located in four (4) blocks, specifically blocks 1, 6, 20 & 22, comprising Subphases 1A and 1B more particularly described on the Maps and all other such lots contained in such additional real property that becomes subject to this Master Declaration pursuant to a Declaration of Annexation.

Section 1.28 "Maps" shall mean those certain subdivision maps entitled "Final Map No. 8530", recorded _____, 2017, in Book _____ of Condominium Maps, at Pages _____ through _____, "Final Map No. 8531", recorded _____, 2017, in Book _____ of Condominium Maps, at Pages _____ through _____, "Final Map 8532", recorded _____, 2017, in Book _____ of Condominium Maps, at Pages _____ through _____, all in the Official Records of the City and County of San Francisco. The Maps are attached hereto as Attachment B.

Section 1.29 "Master Articles" shall mean and refer to the Articles of Incorporation of the Master Association, as amended from time to time.

Section 1.30 "Master Association" shall mean and refer to the Parkmerced Master Association, a nonprofit mutual benefit corporation, the Members of which shall be Owners of Lots in the Project.

Section 1.31 "Master Association Documents" shall mean and include this Master Declaration, as it may be amended from time to time, the attachments, if any, annexed hereto, the Master Articles, the Master Bylaws, and the rules and regulations for the Members, as established from time to time.

Section 1.32 "Master Association Property" shall mean the Open Space Lots conveyed to the Master Association, the Private Streets conveyed to the Master Association, and all other property that is conveyed to the Master Association.

Section 1.33 "Master Board" or "Master Board of Directors" shall mean and refer to the governing body of the Master Association.

Section 1.34 "Master Bylaws" shall mean or refer to the Bylaws of the Master Association as amended from time to time.

Section 1.35 "Master Declaration" shall mean and refer to this enabling Master Declaration.

Section 1.36 "Member" shall mean and refer to a Person entitled to membership in the Master Association, as provided in this Master Declaration.

Section 1.37 "Open Space Lots" shall mean the Lots expressly designated for the purpose of open space as described in Section 2.4.

Section 1.38 "Owner" or "Owners" shall mean or refer to the record holder or holders of title, if more than one, of a Lot in the Project. This shall include any person having a fee simple title to any Lot but shall not include contract sellers and those persons or entities having any interest merely as security for the performance of any obligation. If a Lot is sold under a recorded installment land contract to a purchaser, such purchaser, rather than the fee owner, shall be considered the Owner.

Section 1.39 "Parkmerced Design Standards and Guidelines" shall mean the Parkmerced Design Standards and Guidelines dated as of June 23, 2011, as amended from time to time.

Section 1.40 "Parkmerced Special Use District" shall mean San Francisco Planning Code section 249.64, as amended or redesignated from time to time.

Section 1.41 "Parkmerced Development Property" shall mean certain property located in the City more particularly depicted on Attachment A.

Section 1.42 "Person" shall mean a natural person, a corporation, a partnership, a trust or other legal entity.

Section 1.43 "Plan Documents" shall mean the Parkmerced Vision Plan, the Phasing Plan, the Parkmerced Design Standards and Guidelines, the Transportation Plan, the Sustainability Plan, and the Infrastructure Plan, all dated as of June 23, 2011, and approved by the Board of Supervisors, as each may be revised or updated in accordance with the Development Agreement.

Section 1.44 "Private Streets" shall mean streets, alleyways, and pedestrian paseos that will not be dedicated to the City as described in Section 2.4.

Section 1.45 "Project" shall mean and refer to the long-term mixed-use development project to comprehensively replan and redesign the Parkmerced Development Property, which project, upon implementation, would construct additional multi-family residential structures and open space areas, demolish existing apartments, provide a neighborhood core with new commercial and retail services, reconfigure the street network and public realm, improve and enhance the open space amenities, modify and extend existing neighborhood transit facilities, and improve utilities within the Parkmerced Development Property.

Section 1.46 "Project Improvement" shall mean any Project improvement including but not limited to a building structure, Community Improvement, Stormwater Management Improvement, and/or Utility Facilities as described in Section 8.2.

Section 1.47 "Property" shall mean and include the real property subject to this Master Declaration as described herein and all improvements erected thereon and all property, real, personal or mixed, intended for or used in connection with the Project.

Section 1.48 "Public Improvements" shall have the same meaning ascribed to such term in the Development Agreement, the definition of which is provided on Attachment C hereto.

Section 1.49 "Public Improvement Agreement" shall refer to any Public Improvement Agreement by and between Declarant and the City, including the Public Improvement Agreements applicable to Subphase 1A and Subphase 1B.

Section 1.50 "Regular Assessment" shall mean an Assessment which is a portion of the cost of maintaining, improving, operating and managing the Property which is to be paid by each Owner, as determined by the Master Association.

Section 1.51 "Special Assessment" shall mean a supplemental Assessment to meet expenses which is to be paid by each Owner when the total amount of funds necessary to defray common expenses is determined to be inadequate by the Master Association.

Section 1.52 "Subphase 1A and 1B Improvements" shall have the meaning provided in Section 10.4.

Section 1.53 "Subphase 1A and 1B Services" shall have the meaning provided in Section 10.4.

Section 1.54 "Subphases" shall mean the subphases which may comprise a Development Phase.

Section 1.55 “Stormwater Control Plan” shall mean the Stormwater Control Plan approved by the City Public Utilities Commission and attached hereto as Attachment D. Attachment D is incorporated herein.

Section 1.56 “Stormwater Management Improvements” shall mean the facilities, both those privately-owned and those dedicated to the City, that comprise the infrastructure and landscape system that is intended to manage the stormwater runoff associated with the Project, as described in the Infrastructure Plan. Stormwater Management Improvements include but are not limited to: (i) swales and bioswales (including plants and soils), (ii) bio-gutters and grates (including plants and soils), (iii) tree wells, (iv) ponds, wetlands, and constructed streams, (v) stormwater cisterns, (vi) stormwater culverts, (viii) trench drains and grates, (ix) stormwater piping, (x) stormwater collection system, and (x) other facilities performing a stormwater control function.

Section 1.57 “Subdivider Infrastructure” shall have the same meaning ascribed to such term in the Public Improvement Agreement between Declarant and the City for the applicable Development Phase. For Subphase 1A and 1B, the Subdivider Infrastructure shall consist of those certain Stormwater Management Improvements and special street improvements described on Attachment E hereto and incorporated herein.

Section 1.58 “Utility Facilities” shall mean the sanitary sewer, storm sewer, Stormwater Management Improvements, drainage, water, electric, gas, television reception, telephone equipment, cables and lines, meters, catch basins, storage tanks, wires, ducts, flues, pumps, boilers, and pipes, exhaust flues, and heating and HVAC facilities as described in Section 2.5.

Section 1.59 Number and Gender The singular and plural number and masculine, feminine and neuter gender shall each include the other where the context requires.

Section 1.60 Mandatory and Permissive "Shall", "will", and "agree" as used herein are mandatory and "may" as used herein is permissive.

ARTICLE II

DESCRIPTION OF PROPERTY AND CREATION OF PROPERTY RIGHTS

Section 2.1 Description of Project. The Project is a mixed-use development which in Subphases 1A and 1B shall consist of all of the Lots contained in Blocks 1, 6, 20, and 22 and all of the improvements thereon. Blocks 1, 6, 20, and 22 have been subdivided pursuant to final subdivision maps nos. 8530, 8531, and 8532. Additional real property may be annexed to and become a part of the Project pursuant to Section 2.6 herein.

Section 2.2 Easements; Master Association Property. The Open Space Lots and Private Streets (defined hereinafter) in each Block shall be conveyed to the Master Association, and, once conveyed, shall be “Master Association Property”. The Master Association Property shall include only Open Space Lots and Private Streets in each Block and shall not include any

of the Lots shown on the Map that will be improved with residential or non-residential buildings. The Master Association Property is a subcomponent of the Property.

Each of the Lots shown on the Map shall have appurtenant to it as the dominant tenement a nonexclusive easement over any and all Master Association Property as the dominant tenements for ingress and egress, and for use occupancy and enjoyment, subject to the provisions of this Master Declaration, the Master Bylaws, and any rules and regulations adopted by the Master Association from time to time. Declarant hereby reserves to itself, and its successors and assigns, the right to, and agrees that it will, grant to, the Owners of Lots in subsequent Development Phases, as the dominant tenement, nonexclusive easements for ingress and egress over the Master Association Property in Subphases 1A and 1B of the Project as the servient tenement, and Declarant further agrees that it will reserve to itself and its successors and assigns the right to grant, and agrees that when it annexes any additional Development Phases, it will grant, to the Owners of Lots in Subphases 1A and 1B as the dominant tenements, nonexclusive easements for ingress and egress over the Open Space Lots and Private Streets of the additional Development Phases as the servient tenements upon annexation thereof.

The Master Association shall have the right to grant easements under, in, upon, across, over, above or through any portion of any of the Master Association Property in any Development Phase for purposes, including without limitation, access, utilities, and parking which are beneficial to the development of the Project in accordance with the general plan established by this Master Declaration.

Section 2.3 Easements to Accompany Conveyance of Lot. Easements that benefit or burden any Lot shall be appurtenant to that Lot and shall automatically accompany the conveyance of any Lot, even though the description in the instrument of conveyance may refer only to the fee title to the Lot.

Section 2.4 Conveyance of Open Space Lots and Private Streets to Master Association. The Blocks in Subphases 1A and 1B includes Lots expressly designated for the purpose of open space (the “Open Space Lots”) and streets, alleyways, and pedestrian paseos that will not be dedicated to the City (the “Private Streets”). Prior to the separate conveyance of title to the first Lot in a Block in each Subphase, Declarant shall deed any and all Open Space Lots and Private Streets in such Block to the Master Association to be held for the benefit of the Members of the Master Association. When any Open Space Lot or Private Street is conveyed by Declarant to the Master Association, an easement is automatically reserved over such area for the benefit of the remaining Development Phases not yet annexed, for ingress and egress, use and enjoyment.

Section 2.5 Owners’ Rights and Easements for Utilities. The rights and duties of the Owners of Lots with respect to sanitary sewer, storm sewer, Stormwater Management Improvements, drainage, water, electric, gas, television reception, telephone equipment, cables

and lines, meters, catch basins, storage tanks, wires, ducts, flues, pumps, boilers, and pipes, exhaust flues, and heating and HVAC facilities (collectively, "Utility Facilities") shall be as follows:

- A. Whenever Utility Facilities are installed within the Project, and which may lie in whole or in part upon a Lot or Lots owned by other Owners than the Lot Owner served by such Utility Facilities, the Owners of the Lots being served shall have the right of reasonable access for themselves or for utility companies or the City to repair, replace, and generally maintain said Utility Facilities as and when the same may be necessary due to failure or inability of the Master Board to take timely action to make such repairs or perform such maintenance.
- B. Whenever Utility Facilities are installed within the Project which serve more than one (1) Lot, the Owner of each Lot served by said Utility Facilities shall be entitled to the full use and enjoyment of such portions of said Utility Facilities as service such Owner's Lot.
- C. In the event of a dispute between Owners with respect to the repair or rebuilding of said Utility Facilities, or with respect to the sharing of the cost thereof, then, upon written request of one (1) Owner addressed to the other Owners, the matter shall be submitted first to the Master Board for mediation, and thereafter, if unresolved, to binding arbitration within sixty (60) days pursuant to Section 9.1B. The decision of the arbitrators shall be final and conclusive on the parties, and judgment may be entered thereon in any court having jurisdiction.

Section 2.6 Annexation of Additional Property. Additional property may be annexed to and become subject to this Master Declaration by any of the following means. Upon annexation, the additional property shall become subject to this Master Declaration.

- A. Annexation Pursuant to the Development Agreement. As required by Section 3.5.3 of the Development Agreement, Lots located in future Development Phases must be annexed to the portion of the Project already subject to this Master Declaration, subject to this Master Declaration, and subject to the jurisdiction of the Master Association ("Annexation Property"). Such annexation shall occur no later than the issuance of the First Certificate of Occupancy for the first building constructed in that future Development Phase. A declaration of annexation shall be recorded covering the portion of the Annexation Property to be annexed, and shall require compliance with the requirements of Section 3.5.3 and 3.5.5(a) of the Development Agreement ("Declaration of Annexation"). The Declaration of Annexation may contain such complementary additions and modifications of the covenants and restrictions contained in this Master Declaration, which are not inconsistent with this Master Declaration, as may be necessary to reflect the different character, if any, of the

annexed property. The Declaration of Annexation shall require the payment by Declarant to the Master Association, concurrently with the closing of the escrow for the first sale of a Lot in an annexed Development Phase, of appropriate amounts for reserves for replacement or deferred maintenance necessitated by or arising out of the use and occupancy of Lots under a rental program conducted by Declarant which has been in effect for a period of at least one (1) year as of the date of closing said escrow. This right of annexation can be exercised by any successor or assign of Declarant who acquires any part of the Annexation Property and who expressly assumes the rights and duties of Declarant.

- B. Annexation Pursuant to Approval. Property other than that described in Section 2.6A may be annexed to the portion of the Project already subject to this Master Declaration upon approval in writing of the Master Association pursuant to the vote or written consent of a two-thirds majority of the voting power of its Members excluding the vote of Declarant. A Declaration of Annexation shall be recorded covering the portion of the Annexation Property to be annexed, and shall require compliance with the requirements of Section 3.5.3 and 3.5.5(a) of the Development Agreement.
- C. Effect of Annexation. Assessments collected from Owners in the Project may be expended by the Master Association without regard to the particular Development Phase from which such Assessments came. All Owners shall have ingress and egress to all portions Master Association Property throughout the Project, subject to the provisions of this Master Declaration, the Master Bylaws, and any rules and regulations adopted by the Master Association from time to time.
- D. Failure to Annex. If any Annexation Property is not annexed as provided above and such property requires ingress and egress over Private Streets within the Project and access to and use of common utilities, easements shall exist for reasonable vehicular and pedestrian traffic and reasonable use of any common utilities within the Master Association Property.

Section 2.7 Encroachment Easements. Each Lot as the dominant tenement shall have an easement over adjoining Lots and Master Association Property as the servient tenements for the purpose of accommodating any encroachment due to foundations, exterior wall, windows, roof overhand and fences or walls which are built in accordance with the original design, plans and specifications of Declarant.

Section 2.8 Maintenance And Service Provision Easement. An easement over each Lot as the servient tenement is reserved by Declarant in favor of each other Lot as the dominant tenement, and in favor of the Master Association, for the purpose of allowing the Master

Association's agents to enter the Lot to perform such maintenance and to provide such services, if any, as the Master Association may be required to perform pursuant to this Master Declaration, including but not limited to maintaining the Community Improvements and providing the Community Improvements that represent services, all as required by Article X herein.

Section 2.9 Stormwater Management Improvements and Drainage Easements. An easement over and under each Lot as the servient tenement is reserved in favor of each other Lot as the dominant tenement for the purpose of allowing the Master Association's agents to enter the Lot to maintain that portion of any Stormwater Management Improvements located thereon. No Owner or occupant shall commit any act that would interfere with the operation of any Stormwater Management Improvements, including but not limited to drainage swales, bioretention tree wells, and/or permeable pavement installed on the Owner's Lot. The Master Association shall maintain such systems free of debris and other obstacles at all times. The Master Association shall maintain the Stormwater Management Improvements in the manner required by Article X herein. Reciprocal appurtenant easements between each Lot and the Master Association Property and between adjoining Lots are reserved for the flow of surface water.

Section 2.10 Other Easements. The Master Association Property and each Lot are subject to all easements, dedications, and rights of way granted or reserved in, on, over and under the Project as shown on any Map.

Section 2.11 Rights of Entry and Use. The Lots and Master Association Property shall be subject to the following rights of entry and use:

- A. The right of the Master Association's agents to enter any Lot to cure any violations of this Master Declaration or the Master Bylaws, provided that the Owner has received notice and a hearing, except in the case of emergency, and the Owner has failed to cure the violation or take steps necessary to cure the violation within thirty (30) days after the finding of a violation by the Master Association.
- B. The access rights of the Master Association to maintain, repair or replace improvements in the Master Association Property.
- C. The easements described in this Article II.
- D. The right of the Master Association's agents to enter any Lot to perform maintenance required of the Master Association.
- E. The rights of Declarant during Declarant's construction of the Project.

Section 2.12 Prohibition of Partition. There shall be no subdivision or partition of the Master Association Property, nor shall any Owner seek any partition or subdivision thereof.

Section 2.13 Right to Deannex. Notwithstanding any other provision of this Master Declaration or any Declaration of Annexation, any notice of addition of property or amendments or supplements to this Master Declaration as may be hereinafter filed of record to effect an annexation of property under this Article, Declarant shall have the right at any time after such annexation but before the close of escrow on the sale under the authority of a public report to an Owner other than the Declarant of the first Lot within the Project so annexed to deannex such property or any portion thereof by filing of record a notice of deannexation describing the property to be so deannexed and stating that such deannexation is undertaken in accordance with the terms and conditions of this Section 2.13. Deannexation is effective upon the recordation of such notice and need only be executed by Declarant. Deannexation shall not relieve Declarant from the obligation to continue to pay its equitable share of the cost of maintenance and repair of the Master Association Property to which it was previously obligated, and to continue to be subject to liens as provided herein.

ARTICLE III

MASTER ASSOCIATION, ADMINISTRATION, MEMBERSHIP AND VOTING RIGHTS

Section 3.1 Master Association to Own and Manage Master Association Property. The Master Association shall own and manage the Master Association Property in accordance with the provisions of this Master Declaration.

Section 3.2 Membership. The Owner of a Lot shall automatically upon becoming the Owner of such Lot become a Member of the Master Association, and shall remain a Member thereof until such time as such ownership ceases for any reason. Membership shall be deemed appurtenant to and may not be separated from ownership of a Lot. Membership shall be held in accordance with the Master Articles and Master Bylaws.

Section 3.3 Transferred Membership. Membership in the Master Association shall not be transferred, encumbered, pledged, or alienated in any way, except upon the sale or encumbrance of the Lot to which it is appurtenant, and then only to the purchaser, in the case of a sale, or the mortgagee, in the case of an encumbrance of such Lot. On any transfer of title to an Owner's Lot, including a transfer on the death of an Owner, membership passes automatically with title to the transferee. A mortgagee does not have membership rights until it obtains title to the Lot through foreclosure or deed in lieu of foreclosure. Any attempt to make a prohibited transfer is void. No Member may resign his, her or its membership. On notice of a transfer, the Master Association shall record the transfer on its books.

Section 3.4 Membership and Voting Rights. Membership and voting rights shall be as set forth in the Master Bylaws.

ARTICLE IV

ASSESSMENTS, LIENS AND FORECLOSURES

Section 4.1 Creation of the Lien and Personal Obligation of Assessments. Declarant, for each Lot owned, hereby covenants, and each Owner of any Lot by acceptance of a deed for that Lot, whether or not it shall be so expressed in such deed, covenants and (i) agrees to pay Regular Assessments, Special Assessments and other Assessments as may be properly adopted and levied by the Master Association, and (ii) agrees to allow the Master Association to enforce any Assessment lien established under this Master Declaration by non-judicial proceedings under a power of sale or by any other means authorized by law.

Assessments, together with interest, late charges, collection costs, and reasonable attorney's fees, shall be a charge on the Lot and shall be a continuing Assessment lien upon the Lot against which each such Assessment is made, the Assessment lien to become effective upon recordation of a notice of delinquent Assessment. Each such Assessment, together with interest, late charges, collection costs, and reasonable attorney's fees, shall also be the personal obligation of each person who was the Owner of such Lot at the time when the Assessment fell due. No Owner shall be exempt from liability for his contribution towards the Common Expenses by waiver of the use or enjoyment of any Master Association Property or by the abandonment of the Owner's Lot.

The interest of any Owner in the amounts paid pursuant to any Assessment upon the transfer of ownership shall pass to the new Owner. Upon the termination of these covenants for any reason, any amounts remaining from the collection of such Assessments after paying all amounts properly charged against such Assessments shall be distributed to the then Owners on the same pro rata basis on which the Assessments were collected.

Section 4.2 Purpose of Assessments. The Assessments levied by the Master Association shall be used exclusively to promote the economic interests, recreation, health, safety, and welfare of all the Owners and other residents in the Project and to enable the Master Association to perform its obligations under this Master Declaration and the Development Agreement.

Section 4.3 Regular Assessment and Reserve Fund.

- A. The Master Board shall establish and levy annual Regular Assessments in an amount the Master Board estimates will be sufficient to raise the funds needed to perform the duties of the Master Association during each fiscal year, subject to the limitations contained in Section 4.5 hereof. Such annual Regular Assessments shall include an adequate reserve fund for maintenance, repairs and replacement of those major

components of the Master Association Property and facilities which the Master Association is obligated to maintain and that must be replaced on a periodic basis, and shall be payable in regular installments rather than by Special Assessments.

- B. Unless the Master Association is exempt from Federal or State taxes, all reserves shall be accounted for as contributions to the capital of the Master Association and as trust funds segregated from the regular income of the Master Association or in any other manner authorized by law or regulation of the Internal Revenue Service and the California Franchise Tax Board that will prevent such funds from being taxed as income to the Master Association.
- C. Failure of the Master Board to set Regular Assessments shall not be deemed a waiver of Regular Assessments but, rather, the prior fiscal year's Regular Assessment shall remain in full force and effect.
- D. The Master Board shall not expend funds designated as reserve funds for any purpose other than the repair, restoration, replacement, or maintenance of, or litigation involving the repair, restoration, replacement, or maintenance of, major components of the Master Association Property and facilities which the Master Association is obligated to repair, restore, replace, or maintain, and for which such reserve fund was established. However, the Master Board may authorize the temporary transfer of money from a reserve fund to the Master Association's general operating fund to meet short-term cash-flow requirements or other expenses, provided the Master Board has made a written finding, recorded in the Master Board's minutes, setting forth the reasons that the transfer is needed, and describing when and how the money will be repaid. The transferred funds shall be restored to the reserve fund within one (1) year of the date of the initial transfer, except that the Master Board may, upon making a finding supported by documentation that a temporary delay would be in the best interests of the Project, temporarily delay the restoration. The Master Board shall exercise prudent fiscal management in maintaining the integrity of the reserve account and shall, if necessary, levy a Special Assessment to recover the full amount of the expended funds within the time limits required by this Section. Such Special Assessment is subject to the limitation imposed by Section 4.5 of this Master Declaration. The Master Board may, at its discretion, extend the date on which the payment of the Special Assessment is due. Any extension shall not prevent the Master Board from pursuing any legal remedy to enforce the collection of an unpaid Special Assessment.
- E. When the decision is made to use reserve funds or to temporarily transfer money from the reserve fund to pay for litigation, the Master Association shall notify the Members

of that decision in the next available mailing of any nature to all Members (with the Master Association newsletter, magazine, etc., if there is one) and of the availability of an accounting of those expenses. The Master Association shall make an accounting of expenses related to such litigation on at least a quarterly basis. The accounting shall be made available for inspection by Members at the Master Association's office.

Section 4.4 Special Assessments. If the Master Board determines that the estimated total amount of funds necessary to defray the common expenses of the Master Association for a given fiscal year is, or will become, inadequate to meet expenses for any reason (including, but not limited to, unanticipated delinquencies, costs of construction, unexpected repairs or replacements of capital improvements on the Master Association Property) the Master Board shall determine the approximate amount necessary to defray such expenses, and if the amount is approved by a majority vote of the Master Board, it shall become a Special Assessment. The Master Board may, in its discretion, prorate such Special Assessment over the remaining months of the fiscal year or levy the Special Assessment immediately against each Lot. Unless exempt from Federal or State income taxation, all proceeds from any Special Assessment shall be segregated and deposited into a special account and shall be used solely for the purpose or purposes for which they were levied, or they otherwise shall be handled and used in a manner authorized by law or regulations of the Internal Revenue Service and the California Franchise Tax Board in order to avoid, if possible, their taxation as income to the Master Association.

Section 4.5 Limitation on Master Board's Authority to Increase and Decrease Assessments

- A. Any increases in Regular Assessments shall not be imposed unless the Master Board has complied with applicable provisions of the Master Bylaws with respect to that fiscal year, or has obtained, in accordance with Section 4.6 hereof, the approval of a majority of the Owners at a meeting or election at which a quorum was present.
- B. Notwithstanding subsection (a) above, the Master Board may not, without the approval of a majority of the Owners at a meeting or election at which a quorum was present:
 - i. Increase Regular Assessments more than twenty percent (20%) greater than the Regular Assessments for the Master Association's preceding fiscal year, or
 - ii. Impose Special Assessments which in the aggregate exceed five percent (5%) of the budgeted gross expenses for the current fiscal year.

- C. Assessment increases are not limited in the case of emergency situations, which are any of the following:
 - i. An extraordinary expense required by court order.
 - ii. An extraordinary expense necessary to repair or maintain the Project, or any part of it for which the Master Association is responsible, where a threat to safety of persons is discovered.
 - iii. Repairs to or maintenance of the Project that could not have been reasonably foreseen in preparing the budget. Prior to imposition of the Assessment, the Master Board shall make written findings, distributed to the Members, as to the necessity of the expense and why it could not have been foreseen.
- D. The Master Association may not charge or collect fees or Assessments in connection with a transfer of a Lot in excess of the actual cost to change its records.
- E. The annual Regular Assessment may not be decreased by the Master Board or by the Members by more than ten percent (10%) in any one (1) year without the approval of a majority of the voting power of the Master Association residing in Members other than Declarant.
- F. The Master Association shall provide notice by first-class mail to the Members of any increase of Regular or Special Assessments not less than thirty (30) days nor more than sixty (60) days prior to the increased Assessment becoming due.

Section 4.6 Notice and Quorum for Any Action Authorized Under Section 4.5. Any action authorized under Section 4.5, which requires a vote of the membership, shall be taken at a meeting called for that purpose at which a quorum equal to more than fifty percent (50%) of the total voting power of the Master Association is present. Written notice of said meeting shall be sent to all Members not less than ten (10) nor more than ninety (90) days in advance of the meeting, specifying the place, day and hour of the meeting and, notwithstanding any other provision of law, shall specify those matters the Master Board intends to present for action by the Members; but, except as otherwise provided by law, any proper matter may be presented at such meeting for action. The action may also be taken without a meeting pursuant to the provisions of California Corporations Code Section 7513.

Section 4.7 Levying of Regular and Special Assessments. All Regular and Special Assessments shall be equally assessed to the Owners.

Section 4.8 Assessment Period. The Regular Assessment period shall commence on January 1 of each year and shall terminate on December 31 of each year, or such other dates as may be approved by the Master Board, and Regular Assessments shall be payable in equal

monthly installments, unless the Master Board adopts some other basis for collection. However, the initial Regular Assessment period shall commence on the first day of the calendar month following the date on which the sale of the first Lot to a purchaser is closed and shall terminate on December 31 of the year in which the initial sale is closed. The first Regular Assessment and all Special Assessments shall be adjusted according to the number of months remaining in the fiscal year and shall be payable in equal monthly installments unless the Master Board adopts some other basis for collection. The Master Association shall not change the obligation of any Lot for purposes of levying Assessments unless all Owners affected and all the mortgagees of such Owners have given their prior written consent.

Section 4.9 Notice and Assessment Installment Due Dates; Delinquent Assessment.

- A. A single ten (10) day prior written notice of each annual Regular Assessment and each Special Assessment, specifying the due dates for the payment of installments, shall be given to each Owner of every Lot subject to Assessment; provided, however, in the event of an increase in any Regular or Special Assessment, such notice shall be given not less than thirty (30) nor more than sixty (60) days prior to the increased Assessment becoming due. The due dates for the payment of installments normally shall be the first day of each month, unless some other due date is established by the Master Board. Each installment of Regular Assessments and Special Assessments shall become delinquent if not paid within fifteen (15) days after its due date.
- B. If an Assessment is delinquent, the Master Association may recover the following:
 - i. Reasonable costs incurred in collecting the delinquent Assessment, including reasonable attorneys' fees;
 - ii. A late charge of ten percent (10%) of the delinquent Assessment, or ten dollars (\$10.00), whichever is greater;
 - iii. Interest on all sums imposed in accordance with this Section, including the delinquent Assessment, reasonable fees and costs of collection, and reasonable attorney's fees, at an annual percentage rate of twelve percent (12%) interest, commencing thirty (30) days after the Assessment becomes due.

Section 4.10 Payment of Delinquent Assessments; Dispute Resolution. Prior to recording the lien, the Master Association shall offer to participate with the delinquent Owner in dispute resolution pursuant to California Civil Code Section 5900 et seq., and prior to initiating

foreclosure, the Master Association shall offer to participate with the delinquent Owner in dispute resolution pursuant to California Civil Code Section 5925.

Section 4.11 Effect of Transfer of Lot by Sale or Foreclosure. Sale or transfer of any Lot shall not affect the Assessment lien. However, the sale of any Lot pursuant to a power of sale in a first mortgage shall extinguish the lien of such Assessments as to payments which became due prior to such sale. No sale or transfer shall relieve the Owner of such Lot from liability for any Assessments thereafter becoming due or from the lien thereof.

Where the mortgagee of a first mortgage of record or other purchaser of a Lot obtains title to the Lot as a result of foreclosure of any such first mortgage, such purchaser, including said purchaser's successors and assigns, shall not be liable for the share of the common expenses or Assessment by the Master Association chargeable to such Lot which became due prior to the acquisition of title to such Lot by such purchaser (except for Assessments liens recorded prior to the mortgage). Such unpaid share of common expenses or Assessments shall be deemed to be common expenses collectible from Owners of all of the Lots, including such purchaser or the purchaser's successors and assigns.

If a Lot is transferred, the grantor shall remain liable to the Master Association for all unpaid Assessments against the Lot through and including the date of transfer. The grantor shall be entitled to a statement from the Master Association dated as of the date of transfer, setting forth the amount of unpaid Assessments against the grantor due the Master Association and the Lot so transferred shall not be subject to a lien for unpaid Assessments in excess of the amount set forth in the statement; provided, however, the grantee shall be liable for any such Assessment that becomes due after the date of the transfer.

Section 4.12 Estoppel Certificate. The Master Board, on not less than twenty (20) days prior written request, shall execute, acknowledge and deliver to the party making such request a statement in writing stating whether or not, to the knowledge of the Master Association, a particular Owner is in default as to his Lot under the provisions of this Master Declaration and further stating the dates to which installments of Assessments, Regular or Special, have been paid as to such Lot. Any certificate delivered pursuant to this Section may be relied upon by any prospective purchaser or mortgagee of such Lot, but reliance on such certificate may not extend to any default not involving the payment of Assessments of which the signer had no actual knowledge.

Section 4.13 Right to Enforce. The right to collect and enforce Assessments is vested in the Master Board, acting by and on behalf of the Master Association. The Master Board, or its authorized representative, can enforce the obligations of the Owners to pay Assessments provided for in this Master Declaration by commencement and maintenance of a suit at law or in equity, or the Master Board may foreclose by judicial proceedings or through the exercise of the power of sale, pursuant to Section 4.15, to enforce the lien rights created. Suit to recover a

money judgment for unpaid Assessments, together with all amounts described in Section 4.1, shall be maintainable without foreclosing or waiving the lien rights.

Section 4.14 Creation of Lien. If there is a delinquency in the payment of any Assessment or installment thereof on a Lot, any amounts that are delinquent, together with any late charges, interest and all collection costs that are incurred by the Master Board or its authorized representative in the collection of the amounts, including reasonable attorneys' fees, shall be a lien against such Lot upon the recordation in the Office of the Recorder of the City and County of San Francisco of a notice of delinquent assessment, as provided in California Civil Code Section 5660.

Before the Master Association may place a lien upon a Lot to collect a debt which is delinquent under Section 4.9 hereof, the Master Association shall, at least thirty (30) days prior to recording a lien, notify the Owner in writing by certified mail of:

- A. The general collection and lien enforcement procedures of the Master Association and the method of calculation, a statement that the Member has the right to inspect Master Association records, and the following statement in 14-point boldface type, if printed, or in capital letters, if typed: "IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION".
- B. An itemized statement of the charges owed by the Member, including the delinquent assessments, the fees and reasonable costs of collection, reasonable attorney's fees, any late charges, and interest, if any.
- C. A statement that the Member shall not be liable to pay the charges, interest, and costs of collection if it is determined the Assessment was paid on time to the Master Association.
- D. The right to request a meeting with the Master Board as provided herein.

A Member may provide the Master Association with a written notice of secondary address by facsimile transmission or United States mail, and the Master Association shall send any and all correspondence and legal notices required pursuant to this Section to both the Member's primary and secondary addresses.

Any payments towards such debt shall be first applied to principal owed, and only after the principal owed is paid in full shall such payments be applied to fees and costs of collection expenses, attorney's fees, late charges or interest. When a Member makes a payment, he may request a receipt and the Master Association shall provide it, such receipt to indicate the date of payment and the person receiving it. The Master Association shall provide a mailing address for overnight payment of Assessments.

The notice of delinquent assessment shall state the amount of the Assessment, collection costs, attorneys' fees, late charges, and interest, a legal description of the Lot against which the Assessment and other sums are levied, the name of the record Owner, and the name and address of the trustee authorized by the Master Association to enforce the lien by sale. The notice shall be signed by the President of the Master Association or such other person designated by the Association for that purpose, and mailed in the manner set forth in California Civil Code Section 2924b, to all record Owners of the Lot no later than ten (10) calendar days after recordation.

A Member may request to meet with the Master Board to discuss a payment plan for the debt, as provided in California Civil Code Section 5660.

A Member may dispute the debt noticed by submitting to the Master Board a written explanation of the reasons for such dispute and requesting dispute resolution. The Master Board shall respond in writing to the Member within fifteen (15) days of the postmark date of the explanation and resolution request, if the explanation is mailed within fifteen (15) days of the postmark of the notice of delinquent assessment. In addition, the Master Association may not commence a foreclosure without participating in alternative dispute resolution with a neutral third party, if so requested by the Member. Binding arbitration shall not be available if the Master Association intends to initiate judicial foreclosure.

Monetary penalties levied by the Master Association (1) as a disciplinary measure for failure of an Owner to comply with the Master Association Documents, or (2) as a means of reimbursing the Master Association for costs incurred by the Master Association in the repair of damage to the Master Association Property and facilities for which the Owner was allegedly responsible, or (3) in bringing the Owner and his subdivision interest into compliance with the Master Association Documents, shall not be Assessments which may become a lien against the Lot Owner's subdivision interest enforceable by a sale of the interest in accordance with the provisions of Section 2924, 2924(b) and 2924(c) of the California Civil Code.

The Assessment lien created by this Section shall be prior to all other liens recorded subsequent to the notice of delinquent assessment, except for taxes, bonds, assessments and other levies, which by law would be superior thereto, and except for the lien of any first mortgage made in good faith and for value.

If a lien previously recorded against a Lot was recorded in error, the Master Association shall, within twenty-one (21) calendar days, record a release of lien and provide the Member with a declaration that the notice recording was in error and a copy of the lien release.

If the Master Association fails to comply with the procedures set forth in this Section, it shall recommence the required notice process prior to recording a lien, and any costs associated therewith shall be borne by the Master Association and not by the Member.

Section 4.15 Enforcement of Assessment Lien.

- A. After the expiration of thirty (30) days following recording of the lien created pursuant to Section 4.14 above, the lien may be enforced in any manner permitted by law, including sale by the court, sale by the trustee designated in the notice of delinquent assessment, or sale by a trustee substituted pursuant to California Civil Code Section 2934(a).
- B. Notwithstanding the foregoing, the Master Association may not use judicial or nonjudicial foreclosure to enforce such lien if the amount of the delinquent assessment, excluding accelerated assessments, late charges, fees, attorneys' fees, interest and cost of collection, is less than one thousand eight hundred (\$1,800.00) dollars, or such other amount as prescribed by the California Civil Code Section 5730. For delinquent assessments in excess of one thousand eight hundred (\$1,800.00) dollars or more than twelve (12) months delinquent, the Master Association may use judicial or nonjudicial foreclosure, subject to Civil Code Section 5720.
- C. The Master Board only shall approve initiation of foreclosure proceedings by a majority vote of the Master Board in executive session. Such vote shall take place at least thirty (30) days prior to any public sale. Such vote shall be recorded in the minutes of the next open meeting. The Master Board shall provide written notice of intention to foreclose to the Owner in occupancy, or his legal representative, by personal service. If the Owner does not occupy the Lot, such notice shall be provided by first-class mail, postage prepaid, at the current address shown on the Master Association's books, or in the absence of Owner's written notification to the Master Association, the Lot address may be treated as the Owner's mailing address.
- D. A nonjudicial foreclosure by the Master Association for delinquent Assessments shall be subject to the right of redemption. The redemption period within which the Lot can be redeemed ends ninety (90) days after the foreclosure sale.
- E. Any sale by a trustee shall be conducted in accordance with the provisions of California Civil Code Sections 2924, 2924(b), 2924(c), 2924(f), 2924(g) and 2924(h), applicable to the exercise of powers of sale in mortgages and deeds of trust. Trustees fees may not exceed the amounts prescribed in California Civil Code Sections 2924(c) and 2924(d). If there is a delinquency in the payment of any Assessment or installment thereof on a Lot, as described in Section 4.9 hereof, any amounts that are delinquent, together with any late charges, interest and all costs that are incurred by the Master Board or its authorized representative in the collection of the amounts, including reasonable attorneys' fees, shall be a lien against such Lot upon the

recordation in the Office of the Recorder of the City of a notice of delinquent assessment, as provided in California Civil Code Section 5660.

Section 4.16 Waiver of Exemptions. Each Owner, to the extent permitted by law, waives, to the extent of any liens created pursuant to this Article IV, the benefit of any homestead or exemption laws of the State of California in effect at the time any Assessment or installment of an Assessment becomes delinquent or any lien is imposed.

Section 4.17 Unallocated Taxes. In the event that any taxes are assessed against the Master Association Property, or the personal property of the Master Association, rather than against the Lots, such taxes shall be included in the Assessments made under the provisions of Section 4.1, and, if necessary, a Special Assessment for payment of such taxes may be levied by the Master Association against the Lots.

ARTICLE V

DUTIES AND POWERS OF THE MASTER ASSOCIATION

Section 5.1 Duties. In addition to the duties enumerated in the Master Bylaws, or elsewhere provided in this Master Declaration, and without limiting the generality thereof, the Master Association shall perform the following duties:

- A. Maintenance. The Master Association shall maintain and repair the Master Association Property, all improvements and landscaping thereon, including without limitation, play areas, public sidewalks, trees and shrubs. The Master Association shall maintain all landscaping located on the Lots, with the exception of rooftop landscaping and landscaping located wholly within the interior courtyard of any building or structure not located on Master Association Property. The Master Association shall maintain and repair the Community Improvements, Public Improvements (not accepted by the City for maintenance) and the Stormwater Management Improvements as more particularly described in Article X.

The Master Association shall also maintain all Lots with parking garages, including the parking garages located therein. The Master Association may contract with a third party to manage and service such parking garages as provided for in Section 5.2C.

The Master Association may designate areas on the Lots for use as Community Gardens. Overall maintenance of the Community Gardens shall be the responsibility of the Master Association subject to the Owners' ability to plant and garden.

The responsibility of the Master Association for maintenance, repair and replacement shall not extend to repairs or replacements arising out of or caused by the willful or

negligent act or neglect of an Owner or his guests, tenants or invitees, the cost of which is not covered by insurance. Repairs or replacements resulting from such excluded items shall be the responsibility of each Owner; provided, however, that if an Owner shall fail to make the repairs or replacements which are his responsibility as provided herein, then, upon a vote of a majority of the Master Board, and after not less than thirty (30) day's notice to the Owner, and hearing (except in an emergency situation), the Master Association shall have the right (but not the obligation) to make such repairs or replacements, and the cost thereof shall be added to the Assessments chargeable to such Lot and shall be payable to the Master Association by the Owner of such Lot.

- B. Insurance. The Master Association shall maintain such policy or policies of insurance as required pursuant to Section 8.1.
- C. Discharge of Liens. The Master Association shall discharge by payment, if necessary, any lien against the Master Association Property, and assess the cost thereof to the Member or Members responsible for the existence of such lien; provided that such Member(s) is given notice and the opportunity to be heard before the Master Board before discharge of the lien.
- D. Assessments. The Master Association shall fix, levy, collect and enforce Assessments, as provided in Article IV hereof.
- E. Payment of Expenses. The Master Association shall pay all expenses and obligations incurred by the Master Association in the conduct of its business including, without limitation, all licenses, taxes or governmental charges levied or imposed against the Master Association Property.
- F. Enforcement. The Master Association shall enforce this Master Declaration.
- G. Budget. The Master Association annually shall prepare and distribute to the Members a budget in accordance with the provisions of the Master Bylaws.

Section 5.2 Powers. In addition to the powers enumerated in its Master Bylaws, or elsewhere provided herein, and without limiting the generality thereof, the Master Association shall have the following powers:

- A. Utility Service. The Master Association shall have the authority to obtain, for the benefit of all of the Lots, all water, gas and electric service; refuse collection; janitorial or window cleaning service; and fireplace cleaning and chimney cleaning service.

- B. Easements. The Master Association shall have the authority to grant easements or rights of way, where necessary, for utilities and sewer facilities over the Master Association Property to serve the Master Association Property and the Lots.
- C. Manager. The Master Association shall have the authority to employ a manager or managing agent and to contract with independent contractors to perform all or any part of the day to day management duties and responsibilities of the Master Association, each of whom shall be subject to the direction and control of the Master Board, provided that any contract with a firm or person appointed as manager or managing agent shall not exceed a one (1) year term and shall provide for the right to terminate by either party without cause and without payment of a termination fee on thirty (30) days written notice. Any delegation of authority to a manager or managing agent shall be subject to subsection K hereof.

Notwithstanding the above, no manager or officer may be delegated the power or authority to levy fines, hold hearings or impose discipline, make capital expenditures, file suit, record a claim of lien, or foreclose for failure to pay Assessments.

- D. Adoption of Rules. The Master Association may adopt reasonable rules not inconsistent with this Master Declaration relating to the use of the Master Association Property and all facilities thereon, and the conduct and use thereof and the conduct of Owners and their tenants and guests with respect to the Project and other Owners. All rule making shall be in compliance with the provisions of California Civil Code Sections 4340 through 4370.
- E. Access. For the purpose of performing the maintenance authorized herein, or for any other purpose reasonably related to the performance by the Master Association or the Master Board of their respective responsibilities, the Master Association's agents or employees shall have the right, after reasonable notice to the Owner thereof, to enter upon any Lot or to enter any portion of the Master Association Property at reasonable hours. Except in the case of any emergency, forty-eight (48) hours advance notice shall be given to the Owner or occupant prior to any entry of a Lot.
- F. Assessments, Liens and Fines. The Master Association shall have the power to levy and collect Assessments, in accordance with the provisions of Article IV hereof. The Master Association may impose fines or take disciplinary action against any Owner for failure to pay Assessments or for violation of any provision of the Master Association Documents. Penalties may include but are not limited to: fines, temporary suspension of voting rights or parking rights, or other appropriate discipline, provided that the accused Member is given at least fifteen (15) day's

notice and the opportunity to be heard orally or in writing before the Master Board of the Master Association with respect to the alleged violations at least five (5) days before a decision to impose discipline is made. All notices required under this Section shall be made pursuant to Section 9.11 of this Master Declaration.

- G. Enforcement. The Master Association shall have the authority to enforce this Master Declaration, as provided in Section 9.1 hereof.
- H. Acquisition of Property. The Master Association shall have the power to acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use, or otherwise dispose of, real or personal property in connection with the affairs of the Master Association.
- I. Loans. The Master Association shall have the power to borrow money, and only with the consent (by vote or written consent) of three-fourths (3/4) of the Members, to mortgage, to pledge, to encumber or to hypothecate any or all of its real or personal property as security for monies borrowed or debts incurred.
- J. Contract. The Master Association shall have the power to contract for goods and/or services for the Master Association Property facilities and interests or for the Master Association, subject to any limitations set forth in the Master Association Documents.
- K. Delegation. The Master Association shall have the power to delegate its authority and powers to committees, officers or employees of the Master Association. The Master Association may not, however, delegate the following powers:
- i. To levy fines, hold hearings, or impose discipline;
 - ii. To make capital expenditures;
 - iii. To file suit, to cause a claim of lien to be recorded, or to foreclose for failure to pay Assessments; or
 - iv. To levy Regular Assessments or Special Assessments.
- L. Use of Facilities. The Master Association shall have the power to limit the number of an Owner's tenants or guests who may use any facilities on the Master Association Property, provided that any limitation applies equally to all Owners, except in the case of disciplinary measures taken after notice and hearing, as provided in the Master Bylaws.

- M. Appointment of Trustee. The Master Association, or the Master Board on behalf of the Master Association, shall have the power to appoint a trustee to enforce Assessment liens as provided in Section 4.15 hereof, and as provided in California Civil Code Sections 5575, 5685 and 5725.
- N. Litigation, Arbitration, Mediation or Administrative Proceedings. The Master Association, or the Master Board on behalf of the Master Association, shall have the authority to institute, defend, settle or intervene on behalf of the Master Association in litigation, arbitration, mediation, or administrative proceedings in matters pertaining to (1) enforcement of the Master Association Documents, (2) damage to the Master Association Property, (3) damage to the separate interests which the Master Association is obligated to maintain or repair, or (4) damage to the separate interests which arises out of, or is integrally related to, damage to the Master Association Property or separate interests that the Master Association is obligated to maintain or repair, subject to compliance with California Civil Code Section 5900 et seq.
- O. Development Agreement. The Master Association shall have the power to assume the obligation of delivering to the City any reports or applications for Development Phase Approvals, Design Review Approvals, or Implementing Approvals (all as defined in the Development Agreement, which definitions are set forth on Attachment C hereto) required under the Development Agreement and any other reports required from time to time regarding development of the Project.
- P. Other Powers. In addition to the powers enumerated in this Master Declaration and in the Master Bylaws, the Master Association may exercise the powers granted to a nonprofit mutual benefit corporation, as such exist from time to time, under the California Corporations Code.

Section 5.3 Commencement of Master Association's Duties Powers and Duties. Until incorporation of the Master Association and the conveyance of title to the first Lot or Lots, all duties and powers of the Master Association as described in this Master Declaration shall be and remain the duties and powers of Declarant. After incorporation and the first conveyance title to a Lot or Lots, the Master Association shall assume all duties and powers, and Declarant shall be relieved of any further liability therefor.

ARTICLE VI

ARCHITECTURAL CONTROL

Section 6.1 Approval of Plans. Declarant or Master Board may establish an Architectural Control Committee ("Architectural Control Committee"). If the Architectural Control Committee is established, no building, fence, wall, pool, spa, obstruction, outside or exterior wiring, balcony, deck, screen, patio, patio cover, tent awning, carport, carport cover, trellis, improvement or structure of any kind shall be commenced, installed, erected, painted or maintained upon the Property, nor shall any alteration or improvement of any kind be made thereto, or to the exterior of any building, until the same has been approved or disapproved in writing by the Architectural Control Committee appointed by the Master Board, pursuant to Section 6.2 hereof, within thirty (30) days of application to the Architectural Control Committee. Such decision shall not be unreasonable, arbitrary or capricious, shall not violate any governing provision of law, and shall be consistent with the requirements of the Development Agreement, the Plan Documents, and the Parkmerced Special Use District. If such written decision disapproves the proposed change or changes, it shall include both an explanation of the reason for disapproval and a description of the reconsideration procedures of the Architectural Control Committee. Reconsideration of any such disapproval shall occur at an open meeting of the Architectural Control Committee, and the Architectural Control Committee's written decision thereon shall be issued within thirty (30) days thereafter.

Notwithstanding the foregoing, an Owner may improve or alter any improvements located within the interior boundaries of the building located on such Owner's Lot in a manner consistent with governing provision of law and in a manner consistent with the requirements of the Development Agreement, the Plan Documents, and the Parkmerced Special Use District. Plans and specifications showing the nature, kind, shape, color, size, materials and location of such improvements, alterations, etc., shall be submitted to the Architectural Control Committee for approval as to quality of workmanship and design and harmony with all improvements located in the Project, and as to location in relation to surrounding structures, topography and finish grade elevation. No fence or wall shall be erected, placed or altered on any Lot nearer to any street than the minimum building set back line. No permission or approval shall be required to repaint in accordance with Declarant's original color scheme previously approved by the Committee, or to rebuild in accordance with plans and specifications previously approved by the Committee.

In the event the Committee fails to approve or disapprove plans and specifications within thirty (30) days after the same have been submitted to it, approval shall not be required and the related covenant shall be deemed to have been satisfied.

The Master Association shall annually provide the Members with a notice of requirements for Master Association approval of physical changes to the Project. Such notice

shall describe the types of changes requiring Master Association approval and the procedures used to review and approve or disapprove a proposed change.

Section 6.2 Architectural Control Committee Members. If established, the Architectural Control Committee shall consist of three (3) members. Declarant may appoint all of the original members of the Architectural Control Committee and all replacements until the first anniversary of the issuance of the original final public report for the Project. The Declarant reserves to itself the power to appoint a majority of the members to the Architectural Control Committee until ninety percent (90%) of all the Lots in the Project have been sold or until the fifth anniversary of the issuance of the final public report for the Project, whichever first occurs. After one (1) year from the date of issuance of the original public report for the Project, the Master Board shall have the power to appoint at least one (1) member to the Architectural Control Committee until ninety percent (90%) of all the Lots in the Project have been sold or until the fifth anniversary date of the issuance of the original final public report for the Project, whichever first occurs. Thereafter, the Master Board shall have the power to appoint all of the members of the Architectural Control Committee. In the event of death or resignation of any Architectural Control Committee member, said member's replacement shall be appointed by whomever (the Master Board or Declarant) appointed that member. A majority of the members of the Architectural Control Committee may appoint a single member to act for it. Neither the members of the Architectural Control Committee nor its designated representative shall be entitled to any compensation for services performed pursuant thereto.

Section 6.3 Landscaping. If the Architectural Control Committee is established, no landscaping shall be undertaken by any Owner until plans and specifications showing the nature, kind, shape, and location of the materials shall have been submitted to and approved in writing by the Committee. This requirement shall not apply to any rooftop landscaping and any landscaping located wholly within the interior courtyard of any building or structure not located on Master Association Property.

Section 6.4 Governmental Approval. Before commencement of any alteration or improvements approved by the Architectural Control Committee, the Owner shall comply with all appropriate governmental laws and regulations (including without limitation the Parkmerced Special Use District), and the requirements of the Development Agreement and Plan Documents. Approval by the Committee does not satisfy the appropriate approvals that may be required by any governmental entity with appropriate jurisdiction.

ARTICLE VII

USE RESTRICTIONS

Section 7.1 Use of Lot. No Lot shall be occupied and used except as permitted in the Development Agreement, Plan Documents, and the Parkmerced Special Use District. No Lot

shall be owned, leased, occupied or rented pursuant to any "time sharing" or fractional interest ownership agreement of any kind.

Section 7.2 Nuisances. No illegal or seriously offensive activity shall be transacted or conducted on any Lot or on any part of the Property, nor shall anything be done thereon which may be a serious annoyance or a nuisance to or which may in any way interfere with the quiet enjoyment of each of the Owners, or which shall in any way increase the rate of insurance for the Project, or cause any insurance policy to be canceled or to cause a refusal to renew the same, or which will impair the structural integrity of any structure in the Project.

Section 7.3 Signs. No commercial sign shall be displayed to the public view on any Lot or any portion of the Property. "For Sale" or "For Rent" signs are permitted provided that any such sign is permitted by the Parkmerced Design Standards and Guidelines and the Parkmerced Special Use District. The Master Board may adopt additional rules and regulations concerning the size and location of "For Sale" or "For Rent" signs. Noncommercial signs or posters that are nine (9) square feet, or less, and flags or banners that are fifteen square feet, or less, made of paper, cardboard, cloth, plastic or fabric may be posted or displayed from the yard, window, door, balcony or outside wall of the Lot improvements, unless prohibited by the Master Board for reasons of public health or safety or if such posting or display would violate any law.

Section 7.4 Pets. Domesticated birds, cats, dogs, aquatic animals kept within an aquarium, or other animals approved by the Master Board may be kept on the Property subject to rules and regulations adopted by the Master Board from time to time; provided that no animal is kept, bred or maintained for any commercial purposes, and is kept under reasonable control at all times.

In no event shall any Owner authorize, bring or keep within the Project any pit bull, Rottweiler, Doberman pinscher, mastiff, presa canaria, or any other breed known as a "fighting breed" or any dog being a mix thereof. No pet may be kept on the Property which is a serious annoyance or is obnoxious to the Owners. No pet shall be allowed in the Master Association Property except as may be permitted by the rules of the Master Association. Declarant or any Owner may cause any unauthorized pet found in the Master Association Property to be removed to a pound or animal shelter under the jurisdiction of the City and County of San Francisco, by calling the appropriate authorities, whereupon the Owner (upon payment of all expenses connected therewith) may repossess the pet. No dog who's barking seriously disturbs other Owners shall be permitted to remain on the Property. Any decision regarding the conduct of a pet shall be made only after notice to the Owner and the opportunity to be heard before the Master Board. Owners shall prevent their pet from soiling any portion of the Master Association Property and shall promptly clean up any fouling by their pet.

Section 7.5 Garbage and Refuse Disposal. All rubbish, trash and garbage shall be regularly removed from the Property and shall not be allowed to accumulate thereon. Trash, garbage and other waste shall not be kept except in sanitary containers. All equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition. All equipment, garbage cans, wood piles or storage piles shall be kept screened and sealed from view of other Lots, public streets and any Master Association Property. No toxic or hazardous materials shall be disposed of within the Project by dumping in the garbage containers or down the drains, or otherwise, other than those required, in limited quantities, for the normal cleaning of a Lot or any structure thereon.

Section 7.6 Radio and Television Antennas; Data Communication. No Owner shall alter or modify a central radio antenna, television antenna system, cable television system, data communication system or satellite dish, if any, as developed by Declarant and as maintained by the Master Association, without the permission of the Master Board. No Owner shall construct and/or use and operate his own external radio, television antenna or satellite dish without the approval of the Master Board, except that the Master Board may not prohibit or restrict the construction and or/use of a satellite dish having a diameter or diagonal measurement of one (1) meter or less which is located within a Lot or a balcony area appurtenant to the improvements located thereon. Notwithstanding the foregoing, the Master Board may impose reasonable restrictions for the installation and use of a video or television antenna, including a satellite dish, that do not significantly increase the cost of the system or significantly decrease its efficiency or performance, as set forth in Civil Code Section 4725. If the Master Board requires approval for the installation of such antenna or satellite dish, the application for approval shall be processed in the same manner as an application for architectural modification and the issuance of a decision on the application shall not be willfully delayed.

Section 7.7 Vehicle Restrictions. No trailer, camper, mobile home, commercial vehicle, truck (other than standard size pickup truck or standard size van), boat, inoperable automobile or similar equipment shall be permitted to remain upon any area of the Property other than on a temporary basis, unless placed or maintained within an enclosed garage. Commercial vehicles shall not include sedans (or standard vans or pickup trucks) which are used both for business and personal use, provided that any signs or markings of a commercial nature on such vehicles shall be unobtrusive and inoffensive, as determined by the Master Board. No noisy or smoky vehicles shall be operated upon the Property. No unlicensed motor vehicles shall be operated upon the Property.

The Master Association may cause the removal of any vehicle wrongfully parked on the Property, including a vehicle owned by an occupant. If the identity of the registered owner of the vehicle is known or readily ascertainable, the President of the Master Association or his or her designee shall, within a reasonable time thereafter, notify the owner of the removal in writing by personal delivery or first-class mail. In addition, notice of the removal shall be given to the local traffic law enforcement agency immediately after the vehicle has been removed. The

notice shall include a description of the vehicle, the license plate number and the address from where the vehicle was removed.

If the identity of the owner is not known or readily ascertainable and the vehicle has not been returned to the owner within one hundred twenty (120) hours after its removal, the Master Association immediately shall send or cause to be sent a written report of the removal by mail to the California Department of Justice in Sacramento, California, and shall file a copy of the notice with the proprietor of the public garage in which the vehicle is stored. The report shall be made on a form furnished by the Department of Justice and shall include a complete description of the vehicle, the date, time and place from which the vehicle was removed, the amount of mileage on the vehicle at the time of removal, the grounds for removal and the name of the garage or place where the vehicle is stored. Notwithstanding the foregoing, the Master Association may cause the removal, without notice, of any vehicle parked (1) in a marked fire lane, (2) within fifteen (15) feet of a fire hydrant, (3) in a parking space designated for handicapped, without proper authority, or (4) in a manner which interferes with any entrance to, or exit from, the Project or any Lot, parking space or garage located thereon.

The Master Association shall not be liable for any damages incurred by the vehicle owner because of the removal in compliance with this Section or for any damage to the vehicle caused by the removal, unless such damage resulted from the intentional or negligent act of the Master Association or any person causing the removal of, or actually removing, the vehicle. If requested by the owner of the vehicle, the Master Association shall state the grounds for the removal of the vehicle.

Section 7.8 Outdoor Parking. Outdoor parking spaces shall be used for parking of permitted vehicles only and not for the permanent parking or storage of boats, trailers or nonmobile vehicles of any description. Garage spaces may not be converted into any use (such as recreational rooms or storage areas) that would prevent its use as a parking area for the number of vehicles for which the area was originally intended. The Master Association may establish rules and regulations regarding the use of unassigned parking areas in the Master Association Property. Use by Owners of such unassigned parking areas shall only be valid if established by the Master Association and such use must be set forth in writing by the Master Association. Any permission given by the Master Association pursuant to the foregoing shall create a license only, said license to be revocable upon five (5) days written notice from the Master Association.

Section 7.9 Clothes Lines. No exterior clothes lines shall be erected or maintained anywhere on the Property, and there shall be no outside laundering or drying of clothes. No draping of towels, carpets or laundry over railings shall be allowed.

Section 7.10 Liability of Owners for Damage to Master Association Property. The Owner of each Lot shall be liable to the Master Association for all damage to the Master

Association Property, or improvements thereon, caused by such Owner or Owner's agent, any occupant, invitee, guest or pet, except for that portion, if any, fully covered by insurance. Liability of an Owner shall be established only after notice to the Owner and hearing before the Master Board.

ARTICLE VIII

INSURANCE; DAMAGE OR DESTRUCTION; CONDEMNATION

Section 8.1 Insurance. The Master Association shall maintain the following policies of insurance:

- A. A policy or policies of fire and casualty insurance (Special Form), for the full replacement value, covering:
 - i. Master Association Property: All improvements thereon, including building(s) and any additions or extensions thereto; all fixtures, machinery and equipment permanently affixed to the building(s) located on the Master Association Property; fences; monuments; lighting fixtures; exterior signs; and personal property owned by the Master Association (but excluding land, foundations, excavations and other items typically excluded from property insurance coverage);
 - ii. Lots: All improvements on all Lots which the Master Association is obligated to maintain; and
 - iii. Landscaping: Lawn, trees, shrubs and plants located in the Master Association Property and all landscaping located on the Lots, with the exception of any rooftop landscaping and any landscaping located wholly within the interior courtyard of any building or structure not located on Master Association Property.

The policy or policies shall be primary and non-contributing with any other insurance policy or policies covering the same loss.

Each policy shall provide that it shall not be canceled without at least thirty (30) days prior written notice to the Master Association and to each of the Owners and their mortgagees of record. The Master Board shall review the limits of such insurance at least every year and shall increase or adjust the same, if necessary, to provide the coverage and protection required by this Master Declaration.

- B. A policy or policies of comprehensive public liability insurance, including, but not limited to, general public liability insurance, including coverage for bodily injury,

emotional distress, wrongful death, and/or property damage. Such insurance shall insure the Master Association, the Declarant, the Master Board, the directors, the officers, and any appointed manager, against any liability to the public or to any Owner incident to the ownership and/or use of the Project or incident to the use of, or resulting from, any accident or intentional act occurring in or about the Master Association Property. The general public liability insurance required by this Section shall each be in an amount of not less than two million dollars (\$2,000,000) per occurrence, or such other minimum amount as may be required by California Civil Code Section 5805. The Master Board shall review the limits and coverage of such insurance at least every year and shall increase or adjust the same, if necessary, to provide the coverage and protection required by this Master Declaration.

- C. Worker's Compensation Insurance to the extent necessary to comply with all applicable laws of the State of California or the regulations of any governmental body or authority having jurisdiction over the Project.
- D. Fidelity insurance, in a commercial blanket fidelity insurance form, obtained at the discretion of the Master Board, naming such persons as may be designated by the Master Board as principals in an amount to be determined by the Master Board in its absolute discretion.
- E. Flood insurance if the Project is located in an area designated by an appropriate governmental agency as a special flood hazard area.
- F. Board, directors and officers errors and omissions insurance, in a commercial blanket errors and omissions insurance form, naming the Master Board, directors and officers as principals, in an amount to be determined by the Master Board in its absolute discretion subject to the requirements of California Civil Code Section 5800, but at least One Million Dollars (\$1,000,000). The Master Association shall promptly notify the Members of any cancellation of such insurance in accordance with the provisions of California Civil Code sections 5810 and 4040.

Nothing in this Section 8.1 shall restrict or prohibit the Master Board from maintaining such additional policies of insurance or endorsements as it, in its absolute discretion, shall deem reasonable and necessary. Any insurance acquired by the Master Board may be taken in the name of the Master Board as trustee, for the use and benefit of the Master Board.

The Master Board periodically (and not less than once each year) shall review the Master Association's insurance policies and make such adjustments to the policies terms and conditions as the Master Board considers to be in the best interests of the Master Association. The review shall include an appraisal by a qualified appraiser of the current replacement costs of all covered

property under the Master Association's fire and casualty policy unless the Master Board is satisfied that the current dollar limit of such policy, coupled with the amount of actual reserves on hand, is equal to or greater than the current replacement costs.

Each Owner appoints the Master Association or any insurance trustee designated by the Master Association to act on behalf of the Owners in connection with all insurance matters arising from any insurance policy maintained by the Master Association, including, without limitation, representing the Owners in any proceeding, negotiation, settlement or agreement.

Any insurance maintained by the Master Association shall contain "waiver of subrogation" as to the Master Association and its officers, directors, and Members (including Declarant) and mortgagees, and, if obtainable, cross liability endorsements or severability of interest endorsements insuring each insured against the liability of each other insured.

The Master Board shall have the power and right to deviate from the insurance requirements contained in this Section 8.1 in any manner that the Master Board, in its discretion, considers to be in the best interests of the Master Association. If the Master Board elects to materially reduce the coverage from the coverage required herein, the Master Board shall make all reasonable efforts to notify the Members of the reduction in coverage and the reasons therefor at least thirty (30) days before the effective date of the reduction.

The Master Association and its directors and officers shall have no liability to any Owner or mortgagee if, after a good faith effort, (1) the Master Association is unable to obtain any insurance required hereunder because the insurance is no longer available; (2) if available, the insurance can be obtained only at a cost that the Master Board, in its sole discretion, determines is unreasonable under the circumstances; or (3) the Members fail to approve any assessment increase needed to fund the insurance premiums.

In the event that all Lots remain under common ownership, Declarant or Declarant's successor in interest shall insure the improvements on all Lots against loss by fire or other casualty and shall maintain a policy or policies of comprehensive public liability insurance, including, but not limited to, general public liability insurance, including coverage for bodily injury, emotional distress, wrongful death, and/or property damage. In the event that any Lot no longer remains under common ownership, the Owner of such Lot shall insure the improvements on that Lot, except for those improvements which the Master Association is required to insure, against loss by fire or other casualty and shall maintain a policy or policies of comprehensive public liability insurance, including, but not limited to, general public liability insurance, including coverage for bodily injury, emotional distress, wrongful death, and/or property damage. Any Owner can insure his personal property against loss and obtain any personal liability insurance that he desires.

Section 8.2 Damage or Destruction. If any Project improvement (including but not limited to a building structure, Community Improvement, Stormwater Management

Improvement, and/or Utility Facilities) (collectively, a "Project Improvement") is damaged or destroyed by fire or other casualty, the Project Improvement shall be repaired or reconstructed by the Master Association substantially in accordance with the original as-built plans and specifications, modified as may be required by applicable building codes and regulations in force at the time of such repair or reconstruction and subject to such alterations or upgrades as may be required to be approved by the Architectural Control Committee (if established), unless either of the following occurs: (1) The cost of repair or reconstruction is more than fifty percent (50%) of the current replacement costs of all Project improvements, available insurance proceeds are not sufficient to pay for at least eighty-five percent (85%) of the cost of such repairs or reconstructions, and three-fourths (3/4ths) of the total voting power of the Master Association residing in Members and their first mortgagees vote against such repair and reconstruction; or (2) available insurance proceeds are not sufficient to substantially repair or reconstruct the improvements within a reasonable time as determined by the Master Board, a Special Assessment levied to supplement the insurance fails to receive the requisite approval (if such approval is required) as provided herein, and the Master Board, without the requirement of approval by the Owners, is unable to supplement the insurance by borrowing on behalf of the Master Association sufficient monies to enable the improvements to be substantially repaired or reconstructed within a reasonable time.

In the case of damage or destruction of Project Improvements located on a Lot, whether by fire, earthquake or other causes, the Owner of that Lot and improvements is responsible for the cost of reconstruction that is not covered by insurance or is within the deductible amount. If an Owner fails to pay the cost of reconstruction, the Master Association may elect to pay for the uninsured portion of the cost and shall have the right to assess the Owner for the cost thereof and to enforce the Assessment as provided in this Master Declaration.

In the case of damage or destruction of Project Improvements located on Master Association Property, whether by fire, earthquake or other causes, the Owner of that Lot and improvements is responsible for the cost of reconstruction that is not covered by insurance or is within the deductible amount.

If the Project Improvement is to be repaired or reconstructed and the cost for the repair or reconstruction is in excess of twenty-five percent (25%) of the current replacement cost of all the Project Improvements, the Master Board shall designate a construction consultant, a general contractor, and an architect for the repair or reconstruction. All insurance proceeds, Master Association monies allocated for the repair or reconstruction, and any borrowing by the Master Association for the repair or reconstruction shall be deposited with a commercial lending institution experienced in the disbursement of construction loan funds (the "depository"), as selected by the Master Board. Funds shall be disbursed in accordance with the normal construction loan practices of the depository that require, as a minimum, that the construction consultant, general contractor and architect certify with ten (10) days prior to any disbursement substantially the following:

- A. That all of the work completed as of the date of such request for disbursement has been done in compliance with the approved plans and specification;
- B. That such disbursement request: (1) represents monies which either have been paid by or on behalf of the construction consultant, the general contractor or the architect and/or are justly due to contractors, subcontractors, material men, engineers or other persons (whose name and address shall be stated), who have rendered or furnished certain services or materials for the work; (2) gives a brief description of such services or materials for the work and the principle subdivisions or categories thereof and the respective amounts paid or due to each of said persons in respect thereof; and (3) states the progress of the work up to the date of said certificate;
- C. That the sum then requested to be disbursed, plus all sums previously disbursed, does not exceed the cost of the work insofar as actually accomplished up to the date of such certificate;
- D. That no part of the cost of the services and materials described in the foregoing subparagraph (a) has been or is being made the basis of the disbursement of any funds in any previous or then pending application; and
- E. That the amount held by the depository, after payment of the amount requested in the pending disbursement request, will be sufficient to pay in full the costs necessary to complete the repair or reconstruction.

If the cost of repair or reconstruction is less than twenty-five percent (25%) of the current replacement cost of all the Project Improvements, the Master Board shall disburse the available funds for the repair and reconstruction under such procedures as the Master Board deems appropriate under the circumstances.

If the Project Improvement is not repaired or reconstructed in accordance with the foregoing, all available insurance proceeds shall be disbursed among all Owners and their respective mortgagees in the same proportion that the Owners are assessed, subject to the rights of the Owners' mortgagees.

If the failure to repair or reconstruct results in a material alteration of the use of the Project from its use immediately preceding the damage or destruction, as determined by the Master Board (a material alteration shall be conclusively presumed if repair or reconstruction costs exceed twenty-five percent (25%) of the current replacement cost of all the Project Improvements), the Project shall be sold in its entirety under such terms and conditions as the Master Board deems appropriate. If any Owner or first mortgagee disputes the Master Board's determination as to a material alteration, the dispute shall be submitted to arbitration, pursuant to

the rules of the American Arbitration Association, and the decision of the arbitrator shall be conclusive and binding on all Owners and their mortgagees.

If the Project is sold, the sales proceeds shall be distributed to all Owners and their respective mortgagees in proportion to the respective fair market values of their Lots, as of the date immediately preceding the date of damage or destruction, as determined by a qualified independent appraiser selected by the Master Board. For the purpose of effecting a sale under this Section, each Owner grants to the Master Association an irrevocable power of attorney to sell the entire Project for the benefit of the Owners, to terminate this Master Declaration and to dissolve the Master Association. In the event the Master Association fails to take the necessary steps to sell the entire Project as required hereunder within sixty (60) days following the date of a determination by the Master Board or arbitrator of a material alteration, or within one hundred twenty (120) days following the date of damage or destruction if the Master Board has failed to make a determination as to a material alteration, any Owner may file an action in a court of appropriate jurisdiction for an order requiring the sale of the Project and distribution of the proceeds in accordance with this Section.

Section 8.3 Condemnation. If all or any part of a Lot (except the Master Association Property) is taken by eminent domain, the award shall be disbursed to the Owner of the Lot, subject to the rights of the Owner's mortgagees. If the taking renders the Lot uninhabitable, the Owner shall be divested of any further interest in the Project, including membership in the Master Association. If all or any part of the Master Association Property is taken by eminent domain, the proceeds of condemnation shall be used to restore or replace the portion of the Master Association Property affected by condemnation, if restoration or replacement is possible, and any remaining funds, after payment of any and all fees and expenses incurred by the Master Association relating to such condemnation, shall be distributed among the Owners in the same proportion as such Owners are assessed, subject to the rights of mortgagees. If necessary, the remaining portion of the Project shall be resurveyed to reflect such taking. The Master Association shall participate in the negotiations, settlements, and agreements with the condemning authority, and shall propose the method of division of the proceeds of condemnation, where Lots are not valued separately by the condemning authority or by the court. The Master Association shall represent the Owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of the Master Association Property, or any part thereof.

ARTICLE IX

GENERAL PROVISIONS

Section 9.1 Enforcement; Mandatory Alternative Dispute Resolution; Mandatory Arbitration; Optional Dispute Resolution; Judicial Reference; Civil Code Section 896 Compliance.

- A. Right to Enforce. The Master Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of the Master Association Documents, or decisions made by the Master Association pursuant to the provisions of the Master Association Documents, and in such action shall be entitled to recover reasonable attorneys' fees as are ordered by the Court. Failure by the Master Association or by any Owner to enforce any covenant or restriction contained herein shall in no event be deemed a waiver of the rights to so do thereafter.
- B. Mandatory Alternative Dispute Resolution. Prior to the filing by either the Master Association or an Owner of a civil action related to the enforcement of the Master Association Documents (i) solely for declaratory relief, or (ii) solely for injunctive relief, or (iii) for declaratory relief or injunctive relief in conjunction with a claim for monetary damages not in excess of five thousand dollars (\$5,000), the parties shall endeavor to submit their dispute to a form of alternative dispute resolution such as mediation or arbitration (collectively, "alternative dispute resolution proceedings"), as required by Sections 5925 through 5965 of the California Civil Code. As provided therein:
- i. The form of alternative dispute resolution chosen may be binding or nonbinding at the option of the parties.
 - ii. Any party to such a dispute may initiate the process by serving on another party to the dispute a Request for Resolution. The Request for Resolution shall include (1) a brief description of the dispute, (2) a request for alternative dispute resolution, and (3) a notice that the party receiving the Request for Resolution is required to respond within thirty (30) days of receipt or it will be deemed rejected. Service of the Request for Resolution shall be as required by Section 5935.
 - iii. Parties receiving a Request for Resolution shall have thirty (30) days following service of the Request for Resolution to accept or reject alternative dispute resolution and, if the Request is not accepted within said thirty (30) day period by a party, it shall be deemed rejected by that party.
 - iv. If alternative dispute resolution is accepted by a party, it shall be completed within ninety (90) days of receipt of the acceptance by the party

initiating the Request for Resolution, unless extended by written stipulation signed by both parties.

- v. The costs of the alternative dispute resolution shall be borne by the parties.

Any such action filed by the Master Association or an Owner shall be subject to the provisions of Sections 5925 through 5965, and failure by any Owner or the Master Association to comply with the prefiling requirements therein may result in the loss by the Master Association or any such Owner of the right to sue to enforce the Master Association Documents.

The Master Association shall annually provide the Owners a summary of the provisions of this procedure, including the statement contained in Civil Code Section 5965. The summary shall be provided either at the time the *pro forma* budget is distributed, or in the manner prescribed in Section 5016 of the California Corporations Code. The summary shall include a description of the Master Association's internal dispute resolution process required under Civil Code Section 5920.

C. Mandatory Arbitration of Claims Against Declarant. Notwithstanding California Code of Civil Procedure Section 1298.7, any controversy or claim between or among Declarant, as the builder in the Project, on the one hand, and either the Master Association or any Owner, on the other hand, relating to the design or construction of the Project, shall be submitted to binding arbitration before the American Arbitration Association ("AAA") or Judicial Arbitration and Mediation Service/Endispute ("JAMS"), as provided in this subsection C. The entity selected by the parties is hereinafter referred to as the "Arbitrating Entity", and if the parties are unable to agree on the Arbitrating Entity, the dispute shall be arbitrated before AAA.

- i. The parties shall comply with the requirements of California Civil Code Division 2, Part 2, Title 7, Chapter 4, (Sections 910 through 938, inclusive), which are hereinafter referred to as the "Non-Adversarial Procedures", prior to initiating arbitration proceedings under this subsection C or reference proceedings under subsection E below.
- ii. The arbitration shall be conducted in accordance with the commercial arbitration rules of AAA or the Streamlined or Comprehensive Rules and Regulations of JAMS, as the case may be, modified, in the case of AAA by a written agreement to vary procedures and in the case of JAMS by party-agreed procedures, as follows:
 - (1) Declarant shall advance the fees necessary to initiate the arbitration, with ongoing costs and fees to be paid as^h agreed by the parties and, if they cannot agree, as determined by the arbitrator; provided, however, that the

costs and fees of the arbitration shall be ultimately borne as determined by the arbitrator.

- (2) There shall be only one arbitrator who shall be selected by mutual agreement of the parties within thirty (30) days of the administrator of the Arbitrating Entity receiving a written request from a party to arbitrate the controversy or claim. The arbitrator shall be a neutral and impartial individual, and the provisions of California Code of Civil Procedure Section 1297.121 shall apply to the selection of the arbitrator. An arbitrator may be challenged on any of the grounds listed in California Code of Civil Procedure Sections 1297.121 or 1297.124. If the parties are unable to agree on an arbitrator, the Arbitrating Entity shall select the arbitrator.
- (3) The venue of the arbitration shall be the county in which the Project is located unless the parties agree to some other location.
- (4) The arbitrator shall apply California substantive law in rendering a final decision. The arbitrator shall have the power to grant all legal and equitable remedies and award compensatory damages, but shall not have the power to award punitive damages.
- (5) Discovery shall be allowed pursuant to California Code of Civil Procedure Section 1283.05, and arbitration of any matter pursuant to this Section shall not be deemed a waiver of the attorney-client or attorney-work product privilege in any way.

iii. The parties agree to be bound by the decision of the arbitrator, which shall be final and non-appealable. Judgment upon the decision rendered by the arbitrator may be entered in any court having proper jurisdiction or application may be made to such court for judicial acceptance of the award and an order of enforcement. If a party refuses to arbitrate, the other party may seek a court order compelling arbitration.

D. Optional Alternative Dispute Resolution. In addition to the requirements of Section 9.1B and Section 9.1C above, the Master Association may perform any act reasonably necessary to resolve any civil claim or action through alternative dispute resolution proceedings, including, without limitation, the following:

- i. Provide advance notice of the Master Association's intent to initiate the prosecution of any civil action.

- ii. After initiating the prosecution or defense of any civil action, meet and confer with every person who is a party.
- iii. Consider diversion of the prosecution or defense of any civil action to alternative dispute resolution proceedings.
- iv. Agree to both participate in alternative dispute resolution proceedings and pay costs therefor incurred by the Master Association.

E. Judicial Reference of Claims Against Declarant. In the event that the mandatory arbitration provision of subsection C hereinabove is unenforceable for whatever reason, then, after compliance by the parties with the Non-Adversarial Procedures, any controversy or claim referenced therein shall be adjudicated by using voluntary judicial reference in accordance with the provisions of Code of Civil Procedure sections 638-645 or any successor statutes. The parties shall use a general referee acceptable to both parties, or, if the parties cannot agree, any party may petition the Superior Court of the City and County of San Francisco for appointment of a general referee by the presiding judge. The parties shall cooperate in good faith to ensure that all necessary and appropriate parties are included in the judicial reference proceeding. Declarant shall not be required to participate in the judicial reference proceeding unless Declarant is satisfied that all necessary and appropriate parties will participate.

The judicial reference shall be a general reference. The general referee shall have the authority to try any or all of the issues in the proceeding whether of fact or of law, and to report a statement of decision thereon. Neither the referee nor any party shall have the right to impanel a jury. Each party retains the same appeal rights of the referee's decision as if the decision were rendered by a trial court judge.

F. Civil Code Section 896 Compliance. For any claim for defective construction filed by the Master Association or any Owner under subsection C above (or subsection E where the provisions of subsection C are unenforceable), where the claim should seek to enforce compliance by the builder, developer or subdivider with the functionality standards of California Civil Code Section 896 (including any successor statute), the Master Association shall only have the authority to enforce such compliance with respect to the Master Association Property. The Master Association or any Owner hereby waives any and all implied warranties with respect to all functions and/or components which are specified in California Civil Code Section 896 (including any successor statute).

Section 9.2 Invalidity of any Provision. Should any provision or portion of any Project Document be declared invalid or in conflict with any law of the jurisdiction in which this Project

is situated, the validity of all the remaining provisions and portions thereof shall remain unaffected and in full force and effect.

Section 9.3 Term. The covenants, conditions and restrictions of this Master Declaration shall run with and bind the Property and shall inure to the benefit of and shall be enforceable by the Master Association or the Owner of any property subject to this Master Declaration, their respective legal representatives, heirs, successors and assigns for a term of thirty (30) years from the date that this Master Declaration is recorded, after which time, these covenants, conditions and restrictions shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by seventy-five percent (75%) of the then Owners, and the approval of First Lenders as required by Section 9.5C herein, has been recorded within the year preceding the year of each successive period of ten (10) years, agreeing to change such covenants and restrictions, in whole or in part, or to terminate them.

Section 9.4 Amendments. Subject to the provisions of Article X, this Master Declaration may be amended only by the affirmative vote of seventy-five percent (75%) of each class of the Members, if the two class voting structure is still in effect. Under the single class voting structure, amendment of this Master Declaration shall require both the affirmative vote of seventy-five percent (75%) of the total voting power of the Members and a bare majority (51%) of the votes of Members other than Declarant, each Lot having one (1) vote. In no event, however, may any clause, provision or Section of this Master Declaration be amended by a percentage of voting power of the Master Association which is lower than the percentage of affirmative votes prescribed for action to be taken under that clause, provision or Section. All such amendments must be recorded and shall become effective upon being recorded in the Recorder's Office of the City.

Section 9.5 Rights of First Lenders

- A. Breach of Covenants. No breach of any of the covenants or restrictions in this Master Declaration, nor the enforcement of any of its lien provisions, shall render invalid any lien of any First Lender on any Lot made in good faith and for value, but all of those covenants and restrictions shall be binding upon and effective against any Owner whose title is derived through foreclosure or trustee's sale, or otherwise.
- B. Amendment. Amendments of a material adverse nature to First Lenders require the approval of at least fifty-one percent (51%) of First Lenders, based on one (1) vote for each first mortgage owners;
- C. Restrictions on Certain Changes. Any action to terminate the legal status of the Project, or to use insurance proceeds for any purpose other than to rebuild, shall require the

approval of at least fifty-one percent (51%) of First Lenders, based on one (1) vote for each first mortgage owners.

- D. Implied Approval. Implied approval may be assumed when a First Lender fails to submit a response to any written proposal for an amendment within sixty (60) days after the First Lender receives proper notice of the proposal, provided the notice was delivered by certified mail or registered mail, with a return receipt requested.
- E. Reserves. The Master Association shall establish and maintain a reserve fund for replacements and a general operating reserve sufficient to satisfy its obligation to maintain the Master Association Property.
- F. Confirmation of First Lender Rights. Any First Lender who comes into possession of a Lot by virtue of foreclosure, or any purchaser at a foreclosure sale, will take the Lot free and clear of any claims for unpaid Assessments and fees, late charges, fines or interest levied in connection with such claims against the Lot which accrue more than six (6) months prior to the time such First Lender or purchaser at a foreclosure sale takes title to the Lot, except fees or costs related to the collection of the unpaid Assessments, claims for a pro rata share of such Assessments, or charges to all Lots including the mortgaged Lot, and except for Assessment liens as to which a notice of delinquent assessments has been recorded prior to the mortgage.
- G. Distribution of Proceeds of Insurance, Condemnation or Termination. No provision of this Master Declaration gives an Owner, or any other party, priority over any rights of First Lenders in the case of distribution to Owners of proceeds of termination or any insurance proceeds or condemnation awards for losses to or taking of Lots and/or Master Association Property.

Section 9.6 Owner's Right and Obligations to Maintain and Repair. Except for those portions of the Project that the Master Association is required to maintain and repair, each Owner shall at his sole cost and expense, maintain and repair his Lot and the improvements thereon, including any rooftop landscaping and any landscaping located wholly within the interior courtyard of any building or structure not located on Master Association Property, but excluding all other landscaping, keeping the same in good condition including structural repairs to his residence.

In the event that an Owner fails to maintain his Lot and the improvements thereon, including landscaping, in a manner which the Master Board deems necessary to preserve the appearance and value of the Project, the Master Board may notify the Owner of the work required and request that it be done within sixty (60) days from the giving of such notice. In the event the Owner fails to carry out such maintenance or repair within such sixty (60) day period,

the Master Board may give notice and hold a hearing and cause such work to be done and may specially assess the cost thereof to such Owner and, if necessary, place a lien on his Lot for the amount thereof.

In the event of an emergency, the Master Association or the Owner of a Lot affected by the emergency condition may enter upon the Lot where the emergency condition exists for purposes of repairing that emergency condition.

Section 9.7 Entry for Repairs. The Master Board or its appointed agents may enter upon any Lot when necessary in connection with any maintenance, repair or construction for which the Master Association is responsible. Such entry shall be made with as little inconvenience to the Owner as is practicable, and any damage caused thereby shall be repaired by the Master Board at the expense of the Master Association. Except in the case of any emergency, forty-eight (48) hour advance notice shall be given to the Owner or occupant prior to any such entry.

Section 9.8 Owners' Compliance. Each Owner, tenant or occupant of a Lot shall comply with the provisions of this Master Declaration, the Master Bylaws, and the decisions and resolutions of the Master Association or its duly authorized representative, as lawfully amended from time to time. Failure to comply with any such provisions, decisions or resolutions shall be grounds for an action to recover sums due for damages or for injunctive relief. All agreements and determinations lawfully made by the Master Association, in accordance with the voting percentages established in this Master Declaration or in the Master Bylaws, shall be deemed to be binding on all Owners, their successors and assigns.

Section 9.9 Limitation of Restrictions on Declarant. Declarant is undertaking the work of constructing a planned development and incidental improvements upon the Property. The completion of that work and the sale, rental, and other disposal of Lots is essential to the establishment and welfare of said Property as a residential community. In order that said work may be completed and said Property be established as a fully occupied residential community as rapidly as possible, nothing in this Master Declaration shall be understood or construed to do the following:

- A. Prevent Declarant, its contractors, or subcontractors, from doing on the Property or any Lot, whatever is reasonably necessary or advisable in connection with the completion of said work; or
- B. Prevent Declarant or its representatives from erecting, constructing and maintaining on the Property (except upon Lots owned by others), such structures as may be reasonable and necessary for developing said Property as a residential community and disposing of the same by sale, lease or otherwise; or

- C. Prevent Declarant from conducting on the Property (except upon Lots owned by others) its business of completing said work and of establishing a plan of residential ownership and of disposing of said Property in Lots by sale, lease or otherwise; or
- D. Prevent Declarant from maintaining such sign or signs on the Property (except upon Lots owned by others) as may be necessary for the sale, lease or disposition thereof; or
- E. Subject Declarant to the architectural control provisions of Article VI for construction of any improvements on the Property.

The foregoing rights of Declarant shall terminate upon sale of Declarant's entire interest in the Project. So long as Declarant, or its successors and assigns, own one (1) or more of the Lots described herein, Declarant, or its successors and assigns shall be subject to the provisions of this Master Declaration.

Section 9.10 Termination of Any Responsibility of Declarant. In the event Declarant shall convey all of its rights, title and interest in and to the Property to any partnership, individual or individuals, corporation or corporations, then and in such event, Declarant shall be relieved of the performance of any further duty or obligation hereunder, and such partnership, individual or individuals, corporation or corporations shall be obligated to perform all such duties and obligations of the Declarant.

Section 9.11 Notices. Any notice permitted or required by this Master Declaration or the Master Bylaws may be delivered either personally or by mail or by email where permitted by law. If delivery is by mail, it shall be by first-class mail and shall be deemed to have been delivered seventy-two (72) hours after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to each person at the current address given by such person to the Secretary of the Master Board.

ARTICLE X

ADDITIONAL COVENANTS

In connection with such subdivision and in order to satisfy the requirements of the Development Agreement and City Building Code, City Fire Code, or other municipal codes in effect as of the date hereof, and obtain the City approval of all final subdivision maps for Subphases 1A and 1B, Declarant desires to impose certain restrictions for the benefit of each and every Lot in the Property and to reserve certain easements as described herein. The City is intended to be a third-party beneficiary of all of the covenants in this Article X of the Master

Declaration, such that the written consent of the affected City agencies shall be required for the modification, revocation, or termination of the restrictions imposed by this Article X.

The covenants, easements and restrictions contained in this Article X shall bind and inure to Subphases 1A and 1B of the Project and any and all portions of the Project in future Development Phases at such time as any such portions of the Project are annexed to the portion of the Project already subject to this Master Declaration as provided above in Article II.

Declarant hereby declares that the reference to and description of “easements” in this Master Declaration shall not be affected by the merger of Lots on the Property, but shall constitute a special restriction as to the affected Property that runs with the land. If Declarant transfers title to any Lot to a third party such that the Lots are no longer under common ownership, the access rights specified in this Master Declaration shall be deemed to constitute a valid and binding easement wherein one such Lot shall be deemed the dominant tenement and the other Lot the servient tenement.

10.1 Ingress/Egress Easement. Declarant shall grant nonexclusive easements for pedestrian and vehicular access, emergency vehicle access, and utility purposes in order to comply with the provisions of the City Building Code, City Fire Code, or other municipal codes applicable as set forth in Article II. Said nonexclusive easements include a restrictive covenant that prohibits any permanent improvements (except those improvements approved by the City) for placement in the private streets or public utility easements that may act in any manner to obstruct those portions of such private streets, public utility easements or private utility access easements on such maps that are determined by the City Fire Department or the City Department of Building Inspection to be necessary for emergency vehicular ingress and egress and emergency exiting purposes or the City Public Utilities Commission to be necessary for clearance and access to maintain such public utilities. The City is a third-party beneficiary to said restrictive covenants entitling the City to enforce its terms and requiring City approval before any amendment can be made to such restrictive covenants.

10.2 Relocation. Subject to the provisions contained in Section 10.8 below, Declarant shall have the right to relocate or reconfigure the easements described in this Article X.

10.3 Maintenance and Repair; Development Agreement Covenants. In addition to the maintenance obligations of Article V, the Master Association shall be responsible for the following obligations of the Development Agreement. The specially defined terms in this Section 10.3 shall be defined in the same manner as they are defined in the Development Agreement and the exhibits referenced in this Section 10.3 shall be the same exhibits, as relevant, attached to the Development Agreement. To the extent there is any conflict between the specially defined terms in Article I of this Master Declaration and the specially defined terms in the Development Agreement, the specially defined terms from the Development Agreement shall control with respect to this Section 10.3 only. For reference purposes, the operative

definitions from the Development Agreement are attached to this Master Declaration as Attachment C.

The Master Association shall provide all necessary and ongoing maintenance and repairs to the Community Improvements and Public Improvements constructed as part of Subphases 1A and 1B of the Project and not accepted by the City for maintenance (the “Subphase 1A and 1B Improvements”), at no costs to the City, and shall collect homeowners’ dues to provide for such maintenance and service in an amount established by a budget approved by the City as required by Development Agreement Section 3.5.3. The Subphase 1A and 1B Improvements are the following Community Improvements identified in the Development Phase Application for Development Phase 1 and other documents, as more particularly described in the Design Review Approval for each:

- Tower Area Open Space adjacent to new and existing towers on proposed Blocks 1, 6, 20 and 22 (Parkmerced Design Standards and Guidelines section 02.26);
- Community Garden Open Space adjacent to new and existing towers on proposed Blocks 1 and 6 (Parkmerced Design Standards and Guidelines section 02.25);
- New private street, sidewalks, and private street landscaping located on Blocks 1, 20 and 22 (Parkmerced Design Standards and Guidelines Chapter 02);
- Neighborhood Common on Block 22 (Parkmerced Design Standards and Guidelines section 02.24);
- Bicycle Library adjacent to Block 20 and within Block 22 (Parkmerced Design Standards and Guidelines section 04.01); and
- Stormwater management and drainage improvements shown on and described in Attachment D and Attachment E hereto.

The Master Association shall provide all Community Improvements required by the Development Phase Approval for Subphases 1A and 1B that represent ongoing services at no costs to the City (the “Subphase 1A and 1B Services”), and shall collect homeowners’ dues to provide for such service in an amount established by a budget approved by the City as required by Development Agreement section 3.5.3. The Subphase 1A and 1B Services are the following Community Improvements identified the Development Phase Application for Development Phase 1, as more particularly described in the Design Review Approval for each:

- BART Shuttle Service Program (Parkmerced Transportation Plan section 4.1.1);
- Parking Management Service Program (Parkmerced Transportation Plan section 4.1.8); and,
- Discounted Transit Pass Program, (Parkmerced Transportation Plan section 4.1.5).

10.4 Future-Dedicated Infrastructure and Subdivider Infrastructure. In addition to the obligations set forth above, the Master Association shall be responsible, in perpetuity, for the

maintenance, repair and replacement of the Future-Dedicated Infrastructure (as defined in the applicable Public Improvement Agreement) (until such time that such infrastructure is dedicated to and accepted by the City) and the Subdivider Infrastructure, in the manner required by the terms of any applicable Public Improvement Agreement and Major Encroachment Agreement, at no cost to the City, with appropriate homeowners' dues to provide for such maintenance in an amount established by a budget approved by the City.

10.5 Development Agreement. Each of the owners of Property shall at all times comply with the conditions and restrictions contained in the Development Agreement to the extent applicable to its Lot. In order to satisfy certain requirements of the City Building Code, Declarant agrees to implement the requirements contained in the Development Agreement to the extent applicable to Subphases 1A and 1B and any such other property as may become annexed pursuant to Article II.

Upon the annexation of the Property located within each subsequent Development Phase of the Project as anticipated in Article II, the Master Association shall provide all necessary and ongoing maintenance and repairs to the Community Improvements, Public Improvements, and Stormwater Management Improvements constructed as part of such Development Phase of the Project and not accepted by the City for maintenance, at no costs to the City, and shall collect homeowners' dues to provide for such maintenance and service in an amount established by a budget approved by the City as required by Development Agreement section 3.5.3.

Upon the annexation of the Property located within each subsequent Development Phase of the Project as anticipated in Article II, the Master Association shall provide all necessary and ongoing maintenance and repairs in the manner required by the Stormwater Control Plan to the Stormwater Management Improvements constructed as part of such Development Phase of the Project and not accepted by the City for maintenance, at no costs to the City, and shall collect homeowners' dues to provide for such maintenance and service in an amount established by a budget approved by the City as required by Development Agreement section 3.5.3.

10.6 Subsequent Building Permits. As part of the submission of any building permit application to the City Department of Building Inspection on or after the effective date of this Master Declaration that affect the subdivision, each Owner shall submit a copy of this Master Declaration along with the building permit application.

10.7 Property Lines and Buildings. Declarant shall create no property lines through existing buildings, nor shall buildings be proposed across existing property lines, unless the Department of Building Inspection reviews and approves appropriate Notice of Restrictions, Covenants, Codes & Restrictions, easements and building permit application(s) with local code equivalency request(s).

10.8 Duration. The restrictions contained in and the easements reserved in this Master Declaration shall be perpetual, unless modified, revoked or terminated pursuant to Section 10.9 below.

10.9 Modification or Revocation. This Master Declaration has been recorded in order to satisfy the requirements of the City Building Code in effect as of the date hereof and to obtain the approval by the City of the subdivision. This Master Declaration may not be modified, revoked or terminated without the written consent of the Owners, and any such modification, revocation or termination shall not be effective unless and until the Director of Public Works, the Director of the Planning Department, the General Manager of the SFPUC, the Director of the Department of Building Inspection or his/her designee and the Fire Marshal, if applicable, consent thereto in writing after receiving written notice thereof from Declarant, and such modification, revocation or termination, executed by the Owners and the City, is recorded in the Official Records of the City.

10.10 Easements Appurtenant. Each of the easements reserved herein shall be appurtenant to, and shall pass with title to, the Lot or Lots benefited thereby. Each and all of the foregoing covenants, conditions and restrictions (i) shall run with the land; (ii) shall be binding upon, and shall inure to the benefit of, Declarant, each Owner and any person having or acquiring any interest in any portion of the Property, and all of their respective successive owners and assigns; and (iii) shall be binding upon, and shall inure to the benefit of, the Property and each Lot thereon, and every portion thereof and interest therein.

10.11 Third Party Beneficiary. The City is intended to be a third-party beneficiary of all covenants of Article X of this Master Declaration, with the right to consent to any modification or revocation hereof and the right and authority, at its sole option, to enforce the provisions hereof (including, but not limited to, remedies for violation for a building permit), provided, however, that the City shall have no liability whatsoever hereunder with respect to the condition of the Property.

10.12 No Public Dedication. Nothing contained herein shall be deemed to be a gift or dedication to the general public or for any public purposes whatsoever, it being the intention that this document be strictly limited to and for the purposes expressed.

10.13 Indemnity. Declarant, and each successor Owner with respect to matters arising during or prior to the period that it remains an Owner, on behalf of itself and its successors and assigns (“Indemnitors”), shall indemnify, defend and hold harmless (“Indemnify”) the City including, but not limited to, all of its boards, commissions, departments, agencies and other subdivisions, including, without limitation, its Department of Building Inspection, and all of the 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, or loss of or damage to property, howsoever or by whomsoever caused, occurring in or about the Property from the use contemplated hereunder; (b) any default by such Indemnitors in the observation or performance of any of the terms, covenants or conditions of Article X of this Master Declaration to be observed or performed on such Indemnitors’ part; (c) the use or occupancy or manner of use or occupancy of the Property by such Indemnitors or any person or entity claiming through or under such Indemnitors; (d) the condition of the Property (e) any construction or other work undertaken by such Indemnitors permitted or contemplated by this Master Declaration; (f) any acts, omissions or negligence of such Indemnitors in, on or about the Property by or on behalf of such Indemnitors; (g) any injuries or damages to real or personal property, goodwill, and persons in, upon or in any way allegedly connected with the use contemplated hereunder from any cause or Claims arising at any time; and (h) any release or discharge, or threatened release or discharge, of any hazardous material caused or allowed by Indemnitors in, under, on or about the Property; 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 Master Declaration 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 the City’s costs of investigating any Claim. Declarant on behalf of the Indemnitors specifically acknowledges and agrees that the Indemnitors have an immediate and independent obligation to defend the City from any claim which actually or potentially falls within this Indemnity even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such Claim is tendered to such Indemnitors by the City and continues at all times thereafter. As used herein, “hazardous material” means any substance, waste or material which, because of its quantity, concentration of 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.

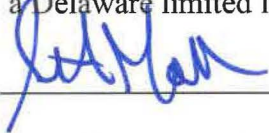
10.14 Authority. The person executing this Master Declaration on behalf of Declarant does hereby covenant and warrant that Declarant is a duly formed and existing California limited liability company, that Declarant has full right and authority to enter into this Master Declaration, and that the person signing on behalf of Declarant is authorized to do so.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has executed this Master Declaration this _____ day of _____, 201____.

Declarant:

PARKMERCED OWNER LLC,
a Delaware limited liability company



By: SETH MAUWEN

Its: VP

APPROVED AS TO ARTICLE X

General Manager of the San Francisco Public Utilities Commission

By: _____

Director of the San Francisco Planning Department

By: _____

Director of San Francisco Public Works

By: _____

[Signatures continue on following page]

Director of the San Francisco Planning Department

By: _____

Director of San Francisco Public Works

By: _____

APPROVED AS TO FORM AS TO ARTICLE X

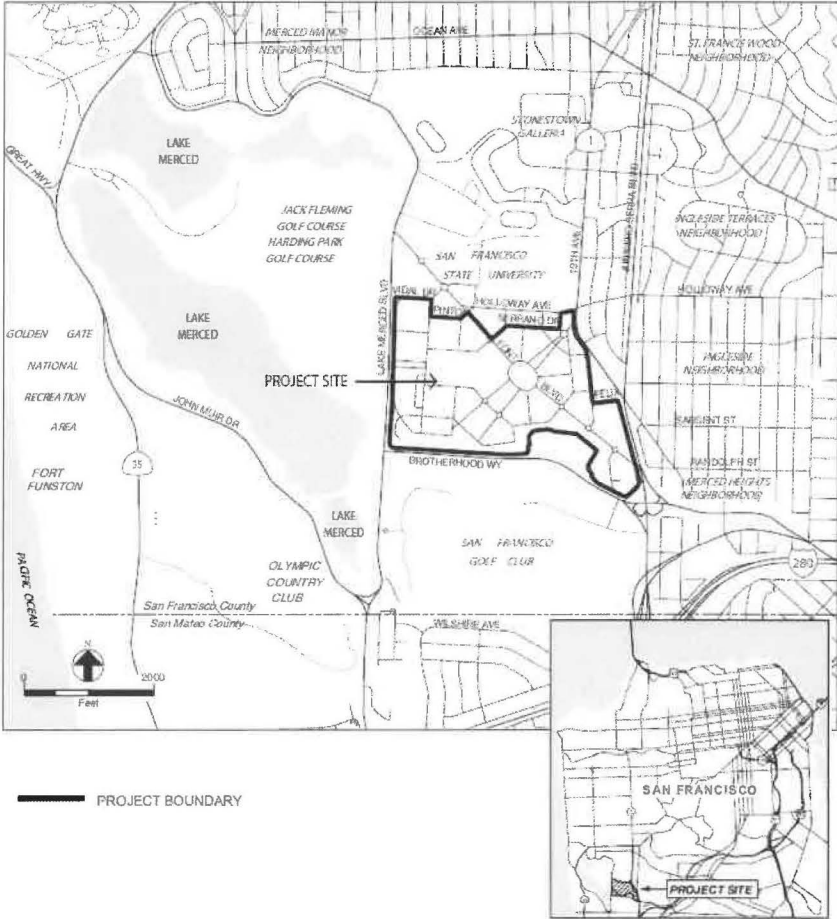
Dennis J. Herrera, City Attorney

By: _____

Deputy City Authority

ATTACHMENT A – Project Site Diagram

Exhibit A
Project Site Diagram



ATTACHMENT B – Final Maps for Subphases 1A and 1 B (Blocks 1, 6, 20 & 22)

ATTACHMENT C – Relevant Specially Defined Terms from the Parkmerced Development Agreement

“Basic Approvals” shall mean the following land use approvals, entitlements, and permits relating to the Project that were approved by the Board concurrently with the Development Agreement: the General Plan amendment (Board of Supervisors Ord. No. 92-11), the Planning Code text amendment (Board of Supervisors Ord. No. 91-11), the Coastal Zone Permit (Planning Commission Motion No. 19272; Board of Supervisors Ord. No. 89-11), and the Parkmerced Plan Documents, all of which are incorporated by reference into the Development Agreement.

“Community Improvements” shall mean any capital improvement or facility, on-going service provision or monetary payment, or any service required by the Basic Approvals and the Development Agreement for the public benefit that is not: (1) a Mitigation Measure for the Project required by CEQA; (2) a public or private improvement or monetary payment required by Existing Standards or Uniform Codes (including, for example, utility connections required by Uniform Codes, the payment of Impact Fees and Exactions, and Planning Code-required open space); (3) Stormwater Management Improvements; or (4) the privately-owned residential and commercial buildings constructed on the Project Site, with the exception of the fitness/community center and the school, which are Community Improvements and may be privately owned. Furthermore, Community Improvements shall not include (1) any units constructed by Developer or fee paid by Developer in compliance with the BMR Requirement, or (2) the Replacement Units, which also provide the City with a negotiated benefit of substantial economic value and are subject to the provisions of Article 4 of the Development Agreement.

“Design Review Approvals” shall mean the approval received from the City ensuring that all new buildings, the public realms associated with each new building and any Community Improvements related to implementation of the Project meet the Parkmerced Design Standards and Guidelines.

“Development Phase Application” shall mean an application, in substantial conformance with the sample attached to the Development Agreement as Exhibit G, submitted to the Planning Department prior to the commencement of each Development Phase.

“Development Phase Approvals” shall mean the written approval from the Planning Director of the Development Phase Application, with such revisions, conditions or requirements as may be permitted in accordance with the terms of the Development Agreement.

“Existing Standards” shall mean the San Francisco General Plan, the Municipal Code (including the City’s Subdivision Code and Administrative Code) and all other applicable City policies, rules and regulations, as each of the foregoing was in effect on the Effective Date of the Development Agreement.

“Impact Fees and Exactions” shall mean the fees, exactions and impositions charged by the City in connection with the Development of the Project under the Existing Standards as of the Effective Date, as more particularly described on Exhibit F attached to the Development Agreement, including but not limited to transportation improvement fees, water capacity charges and wastewater capacity charges, childcare in-lieu fees, affordable housing fees, dedication or reservation requirements, and obligations for on- or off-site improvements. Impact Fees and Exactions shall not include Mitigation Measures, Processing Fees, permit and application fees, taxes or special assessments, and water connection fees. Water connection fees shall be limited to the type of fee assessed by the SFPUC for installing metered service for each building or units within such building.

“Implementing Approvals” shall mean any land use approval, entitlement, or permit (other than the Basic Approvals, a Design Review Approval, or a Development Phase Approval) from the City that are consistent with the Basic Approvals and that are necessary for the implementation of the Project or the Community Improvements, including without limitation, demolition permits, grading permits, site permits, building permits, lot line adjustments, sewer and water connection permits, encroachment permits, street improvement permits, certificates of occupancy, subdivision maps, and re-subdivisions. An Implementing Approval shall also mean any amendment to the foregoing land use approvals, entitlements, or permits, or any amendment to the Basic Approvals that are sought by Developer and approved by the City in accordance with the standards set forth in the Development Agreement, and that do not represent a Material Change to the Basic Approvals.

“Mitigation Measures” shall mean the mitigation measures (as defined by CEQA) applicable to the Project by the FEIR or other environmental review document. Mitigation Measures shall include any mitigation measures that are identified and required as part of an Implementing Approval.

“Parkmerced Design Standards and Guidelines” shall mean the Parkmerced Design Standards and Guidelines dated as of June 23, 2011, as amended from time to time.

“Privately-Owned Community Improvements” shall mean those facilities that are privately-owned and privately-maintained for the public benefit, with varying levels of public accessibility, that are not dedicated to the City. The Privately-Owned Community Improvements are listed on Exhibit C to the Development Agreement. Privately-Owned Community Improvements will include certain streets, paseos, pedestrian paths and bicycle lanes, storm drainage facilities, parks and open spaces, and community or recreation facilities to be built on land owned and retained by Developer. Exhibit D to the Development Agreement sets forth the provisions pertaining to the use, maintenance, and security of the Privately-Owned Community Improvements.

“Public Improvements” shall mean the facilities, both on- and off-site, to be improved, constructed and dedicated to (and, upon Completion in accordance with the Development

Agreement, accepted by) the City by Developer. Public Improvements include streets within the Project Site, sidewalks, bioswales and other Stormwater Management Improvements in the public right-of-way, all public utilities within the streets (such as gas, electricity, water and sewer lines but excluding any non-municipal utilities), bicycle lanes and paths in the public right-of-way, off-site intersection improvements (including but not limited to curbs, medians, signaling, traffic control devices, signage, and striping), and SFMTA Infrastructure. The Public Improvements do not include Privately-Owned Community Improvements, including paseos, pedestrian paths within the Project Site, parks and open spaces, and community or recreation facilities to be built on land owned and retained by Developer.

“SFMTA Infrastructure” shall mean the Public Improvements to be designed and constructed by Developer that the Parties intend the SFMTA to accept, operate, and maintain in accordance with the Development Agreement.

Exhibit 1 to ATTACHMENT C – Relevant Exhibits from Parkmerced Development Agreement

Exhibit C List of Community Improvements

Each of the Community Improvements listed below is described in more detail in the *Parkmerced Design Standards + Guidelines*, the *Parkmerced Transportation Plan* and/or the *Parkmerced Sustainability Plan*.

Publicly-Owned Community Improvements. The following constitute the Community Improvements that are classified as Public Improvements:

- Intersection improvements at each of the following:
 - Higuera Drive and Lake Merced Boulevard
 - Brotherhood Way and Chumasero Drive
 - Chumasero Drive and Junipero Serra Boulevard
 - Lake Merced and Brotherhood Way
 - Junipero Serra and Brotherhood Way Interchange
- New intersection/access point on Lake Merced Boulevard at each of the following:
 - Vidal Drive
 - Acevedo Avenue
 - Gonzalez Drive
- Elements of the MUNI M Oceanview realignment including:
 - Realignment of MUNI M Oceanview into Parkmerced and provision of left turn in Crespi Drive
 - Fourth southbound lane and landscaping on 19th Avenue between Holloway and Junipero Serra
 - Intersection improvements at:
 - 19th and Holloway Avenues
 - 19th Avenue and Junipero Serra Boulevard
 - 19th Avenue and Crespi Drive
- Bicycle Lanes/Paths

- Sidewalks and pedestrian path (Gonzalez) and related furniture, fixtures and equipment
- Street Trees
- Pedestrian Safety Improvements
- Bicycle Improvements (way-finding, bicycle parking)

Privately-Owned Community Improvements – Full Public Access. The following constitute the Community Improvements that are classified as Privately-Owned Community Improvements and further classified as Full Public Access:

- Open Space - Juan Bautista Circle/Pond
- Open Space - Stream Corridor
- Open Space - Sports Fields
- Open Space - Belvedere Gardens
- Open Space - Neighborhood Commons
- Open Space - Community Garden
- Open Space - Tower Area
- Transit Plaza
- Paseos, alley ways and plazas

Privately-Owned Community Improvements – Partial Public Access. The following constitute the Community Improvements that are classified as Privately-Owned Community Improvements and further classified as Partial Public Access:

- Organic Farm
- Open Space - Courtyards
- Recreation Center
- School Facility
- BART and Shopper Shuttles
- Transportation Coordinator (including all activities of the Transportation Coordinator described in the Transportation Plan and not otherwise listed herein)
- Discounted Transit Passes

- Carpool/Vanpool Services
- Carshare Program and Parking
- Bikeshare Program and Parking

Privately-Owned Community Improvements – No Public Access. The following constitute the Community Improvements that are classified as Privately-Owned Community Improvements and further classified as No Public Access:

- Cogeneration Systems
- Solar Panels (on-site or off-site)

Not applicable. The following are Privately-Owned Community Improvements that do not fall within the above described categories:

- Parking Management Program (including unbundled parking and market rate pricing)
- Elements of the Transportation Demand Management Program that are not otherwise listed herein



EXHIBIT D

REGULATIONS REGARDING ACCESS AND MAINTENANCE OF PRIVATELY-OWNED COMMUNITY IMPROVEMENTS

These Regulations Regarding Access and Maintenance of Privately-Owned Community Improvements (“**Regulations**”) shall govern the use, maintenance and operation of those certain Privately-Owned Community Improvements that are designated as Full Public Access (each, a “**Full Public Access Improvement**” and collectively, the “**Full Public Access Improvements**”). The Full Public Access Improvements are the Parks (as defined in Section 5 of this Exhibit), and those sidewalks, bike paths, and pedestrian paths within the Project Site (as defined in the *Parkmerced Design Standards and Guidelines*) not dedicated to the City.

1. Public Use. Developer or successor Master HOA shall offer the Full Public Access Improvements for the use, enjoyment and benefit of the public for open space and recreation purposes only including, without limitation, leisure, social activities, picnics and barbecues, playgrounds, sports, and authorized special events; *provided, however*, that Developer may use the Full Public Access Improvements for temporary construction staging related to adjacent development (during which time the subject Full Public Access Improvement shall not be used by the public) to the extent that such construction is in accordance with this Agreement, the Basic Approvals, and any Implementing Approvals.

2. No Discrimination. Developer shall not discriminate against, or segregate, any person, or group of persons, on account of race, color, religion, creed, national origin, gender, ancestry, sex, sexual orientation, age, disability, medical condition, marital status, or acquired immune deficiency syndrome, acquired or perceived, in the use, occupancy, tenure or enjoyment of the Full Public Access Improvements.

3. Maintenance Standard. The Full Public Access Improvements shall be operated, managed and maintained in a clean and safe condition in accordance with the anticipated and foreseeable use thereof.

4. Temporary Closure. Developer shall have the right, without obtaining the prior consent of the City or any other person or entity, to temporarily close any or all of the Full Public Access Improvements to the public from time to time for one of the following two reasons. In each instance, such temporary closure shall continue for as long as Developer reasonably deems necessary to address the circumstances described below:

- a. Emergency. In the event of an emergency or danger to the public health or safety created from whatever cause (including flood, storm, fire, earthquake, explosion, accident, criminal activity, riot, civil disturbances, civil unrest or unlawful assembly), Developer may temporarily close the Full Public Access Improvements (or affected portions thereof) in any manner deemed necessary or desirable to promote public safety, security and the protection of persons and property; or

- b. Maintenance and Repairs. Developer may temporarily close the Full Public Access Improvements (or affected portions thereof) in order to make any repairs or perform any maintenance as Developer, in its reasonable discretion, deems necessary or desirable to repair, maintain or operate the Full Public Access Repairs.

5. Operation of the Parks. Operation of the Parks (defined below) shall be subject to the additional requirements of this Paragraph. For the purposes of these Regulations, the “Parks” shall mean each of the following Full Public Access Improvements: (i) the Neighborhood Commons, (ii) Juan Bautista Circle, (iii) the Athletic Fields, (iv) Belvedere Gardens, and (v) the open space located in the southwest corner of the Project Site other than the Athletic Fields, Organic Farm and Belvedere Gardens. Each of the Parks is described in more detail in the *Parkmerced Design Standards + Guidelines*.

- a. Hours of Operation. The Parks shall be open and accessible to the public for a minimum of seven (7) days per week during daylight hours, unless reduced hours are approved in writing by the City, otherwise expressly provided for in this Agreement (including, without limitation, Paragraphs 4 and 5(b) of these Regulations), or reasonably imposed by Developer, with the City’s reasonable consent, to address security concerns. No person shall enter, remain, stay or loiter in the Parks when the Parks are closed to the public, except persons authorized in conjunction with a Special Event or other temporary closure, or authorized service and maintenance personnel.
- b. Special Events. Developer shall have the right to close temporarily to the public all or portions a Park for a period of up to seventy-two (72) consecutive hours in connection with the use of the subject Park for a private special event such as a wedding, meeting, reception, seminar, lecture, concert, art display, exhibit, convention, parade, gathering or assembly (each, a “Special Event” and collectively, “Special Events”). Prior to closing any Park for a Special Event, a notice of the closure shall be posted at all major entrances to the subject Park for a period of seventy-two (72) hours prior to the Special Event. Developer may require payment of a permit fee or other charge for use of the Parks for Special Events. Developer shall not schedule more than an average of two (2) Full Closure Special Events per Park per month throughout the year, if such Special Event requires closure of more than forty (40) percent the entire Park. Developer shall not schedule more than an average of five (5) Partial Closure Special Events per Park per month throughout the year, if such Partial Closure Special Event requires the closure of up to forty (40) percent of the area of the Park or less. In no event can any one Park be closed for Special Events for more than five (5) consecutive days or more than ten (10) days total in any given month.
- c. Public Events. The public shall have the right to request the use of the Parks for privately- or publicly-sponsored special events, including

meetings, receptions, seminars, lectures, concerts, art displays, exhibits, demonstrations, marches, conventions, parades, gatherings and assemblies, that do not require the closure of the Parks to the public (collectively, “Public Events”). All Public Events must be approved in advance by Developer. Developer may require payment in the form of a permit fee or other charge for use of the Parks for Public Events, so long as the permit fee and/or use charge do not exceed the reasonable costs for administration, maintenance, security, liability and repairs associated with such event. Developer shall post via on the web a clear explanation of the application process and criteria for review and approval of such Public Events and send copies of such criteria and application forms to the Planning Director and the Director of the San Francisco Department of Recreation and Parks for the purpose of each Department publishing such criteria and application forms if they so choose.

- d. Signs. Developer shall post signs at the major public entrances to the Parks, setting forth the applicable regulations imposed by these Regulations, hours of operation, and a telephone number to call regarding security, management or other inquiries.

6. Permissive Use. Developer may post at each entrance to the Full Public Access Improvements, or at intervals of not more than 200 feet along the boundary, signs reading substantially as follows: “Right to pass by permission, and subject to control, of owner: Section 1008, Civil Code.” Notwithstanding the posting of any such sign, no use by the public nor any person of any portion of the Full Public Access Improvements for any purpose or period of time shall be construed, interpreted or deemed to create any rights or interests to or in the Full Public Access Improvements other than the rights and interests expressly granted in this Agreement. The right of the public or any Person to make any use whatsoever of the Full Public Access Improvements or any portion thereof is not meant to be an implied dedication for the benefit of, or to create any rights or interests in, any third parties. Developer expressly reserves the right to control the manner, extent and duration of any such use.

7. Arrest or Removal of Persons. Developer shall have the right (but not the obligation) to use lawful means to effect the arrest or removal of any person or persons who creates a public nuisance, who otherwise violates the applicable rules and regulations, or who commits any crime including, without limitation, infractions or misdemeanors in or around the Full Public Access Improvements.

8. Project Security During Periods of Non-Access. Developer shall have the right to block entrances to, to install and operate security devices, and to maintain security personnel in and around the Full Public Access Improvements to prevent the entry of persons or vehicles during the time periods when public access to the Full Public Access Improvements or any portion thereof is restricted or not permitted pursuant to this Agreement. Developer’s proposal to install permanent architectural features that serve as security devices such as gates and fences shall be subject to Design Review Approval as detailed in the Development Agreement.

9. Removal of Obstructions. Developer shall have the right to remove and dispose of, in any lawful manner it deems appropriate, any object or thing left or deposited on the Full Public Access Improvements deemed to be an obstruction, interference or restriction of use of the Full Public Access Improvements for the purposes set forth in this Agreement, including, but not limited to, personal belongings or equipment abandoned in the Full Public Access Improvements during hours when public access is not allowed pursuant to this Agreement.

10. Temporary Structures. No trailer, tent, shack, or other outbuilding, or structure of a temporary character, shall be used on any portion of the Full Public Access Improvements at any time, either temporarily or permanently; *provided, however,* that Developer may approve the use of temporary tents, booths and other structures in connection with Public Events or Special Events.

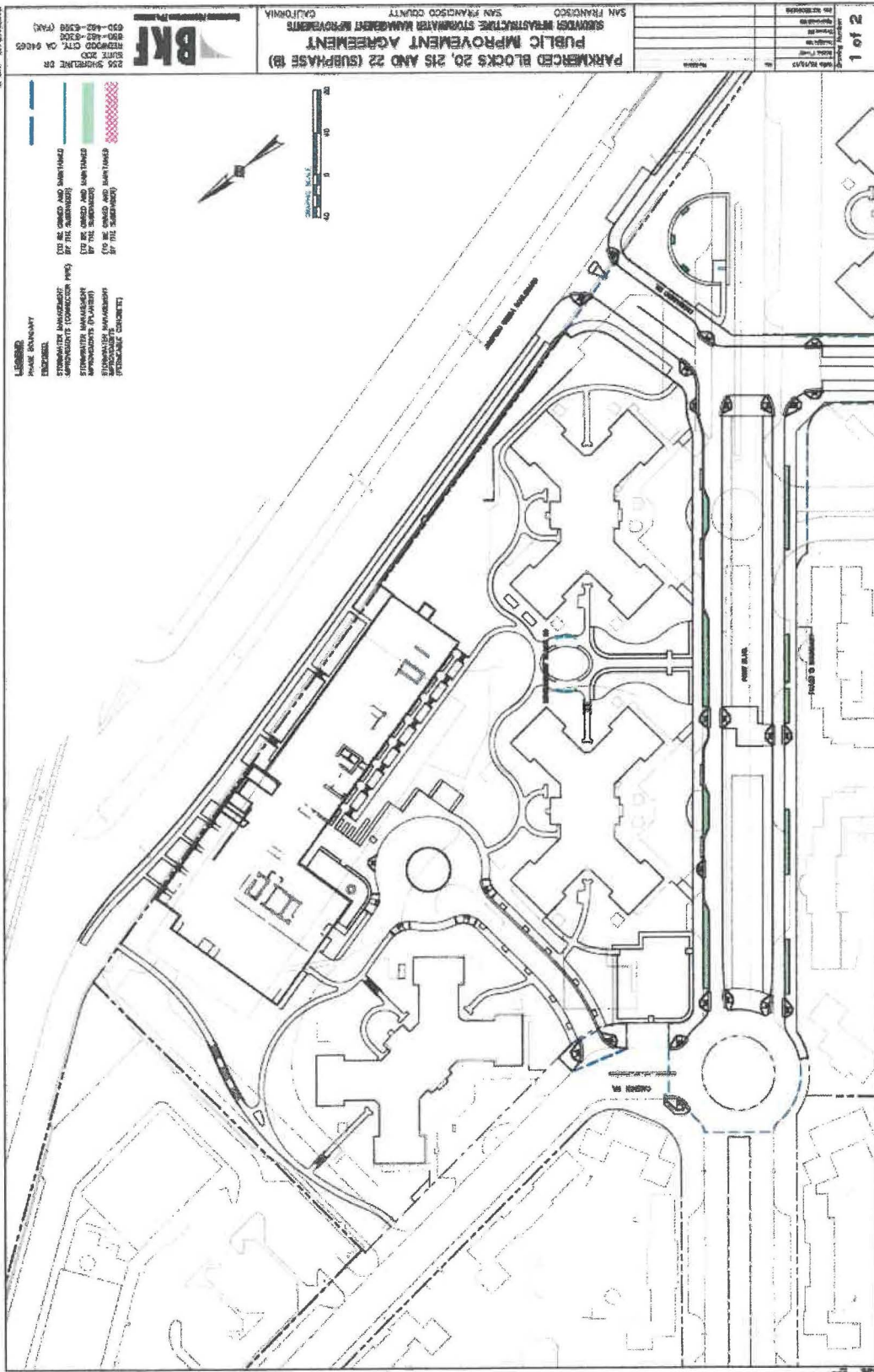
ATTACHMENT D – Stormwater Control Plan

ATTACHMENT E – Stormwater Management Improvements and Special Street Improvements

ATTACHMENT E-1 Stormwater Management Improvements for Subphase 1A

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

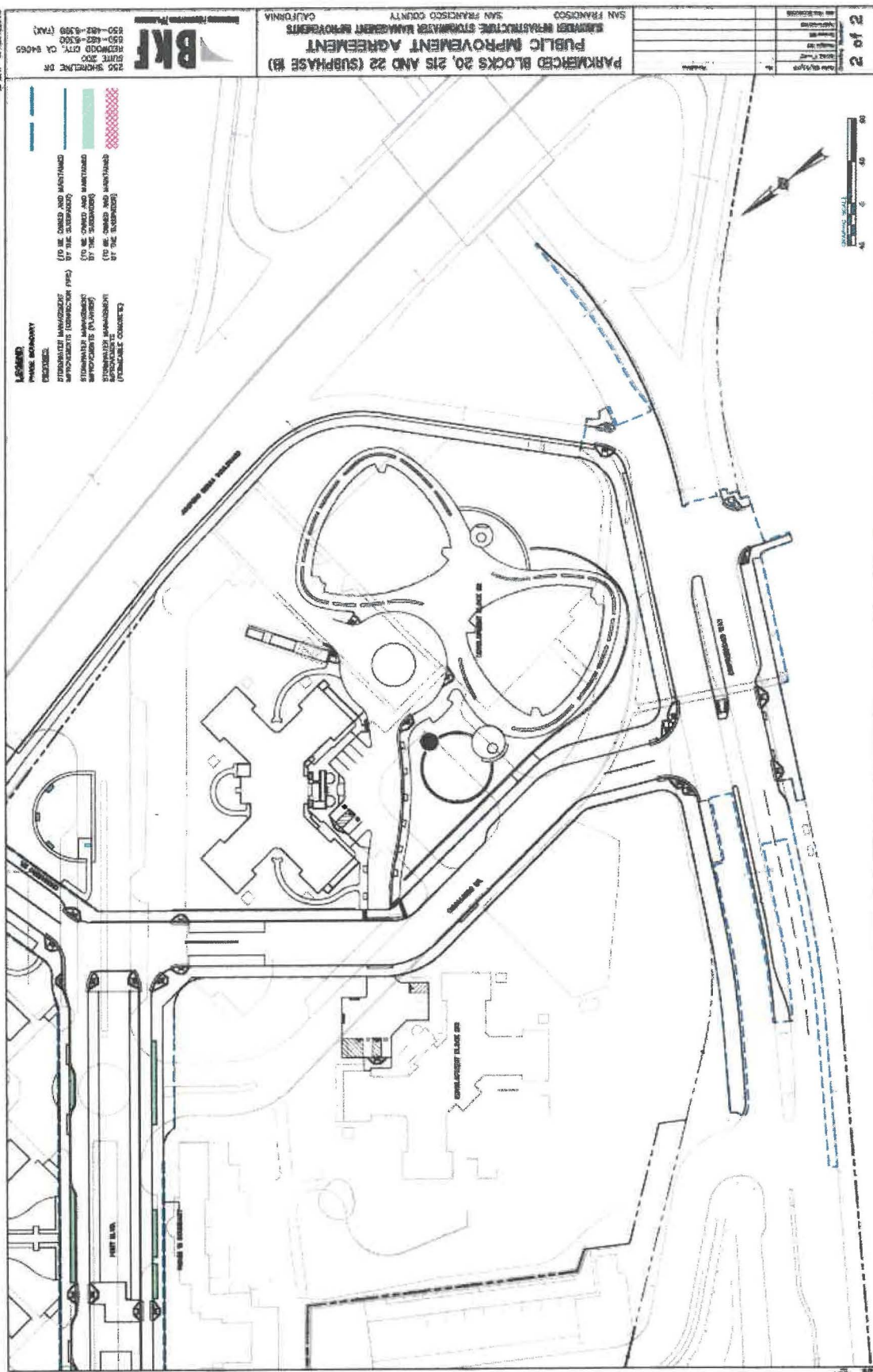
© BKF ENGINEERS



E1-1

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

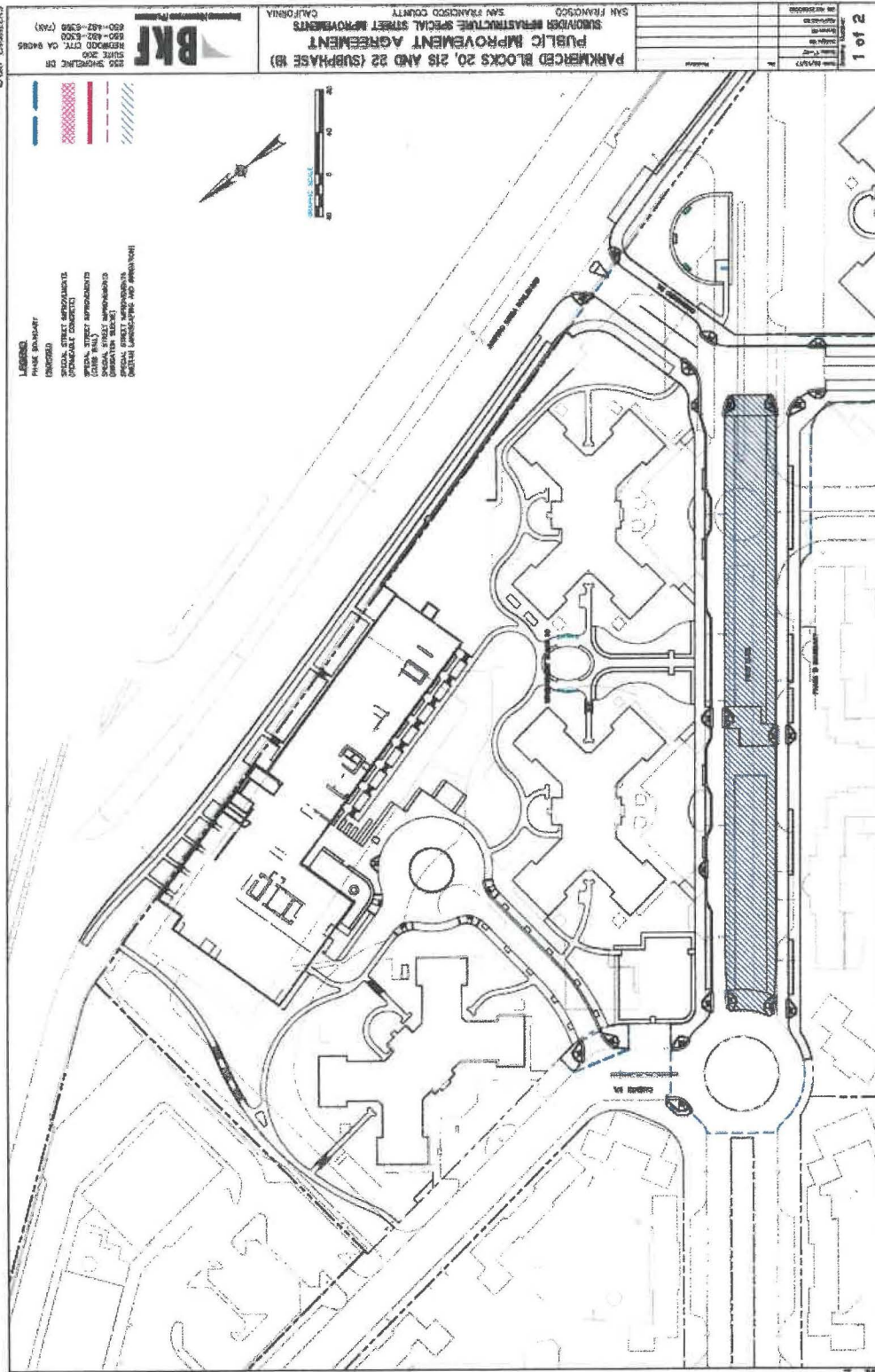
DBF ENGINEERS



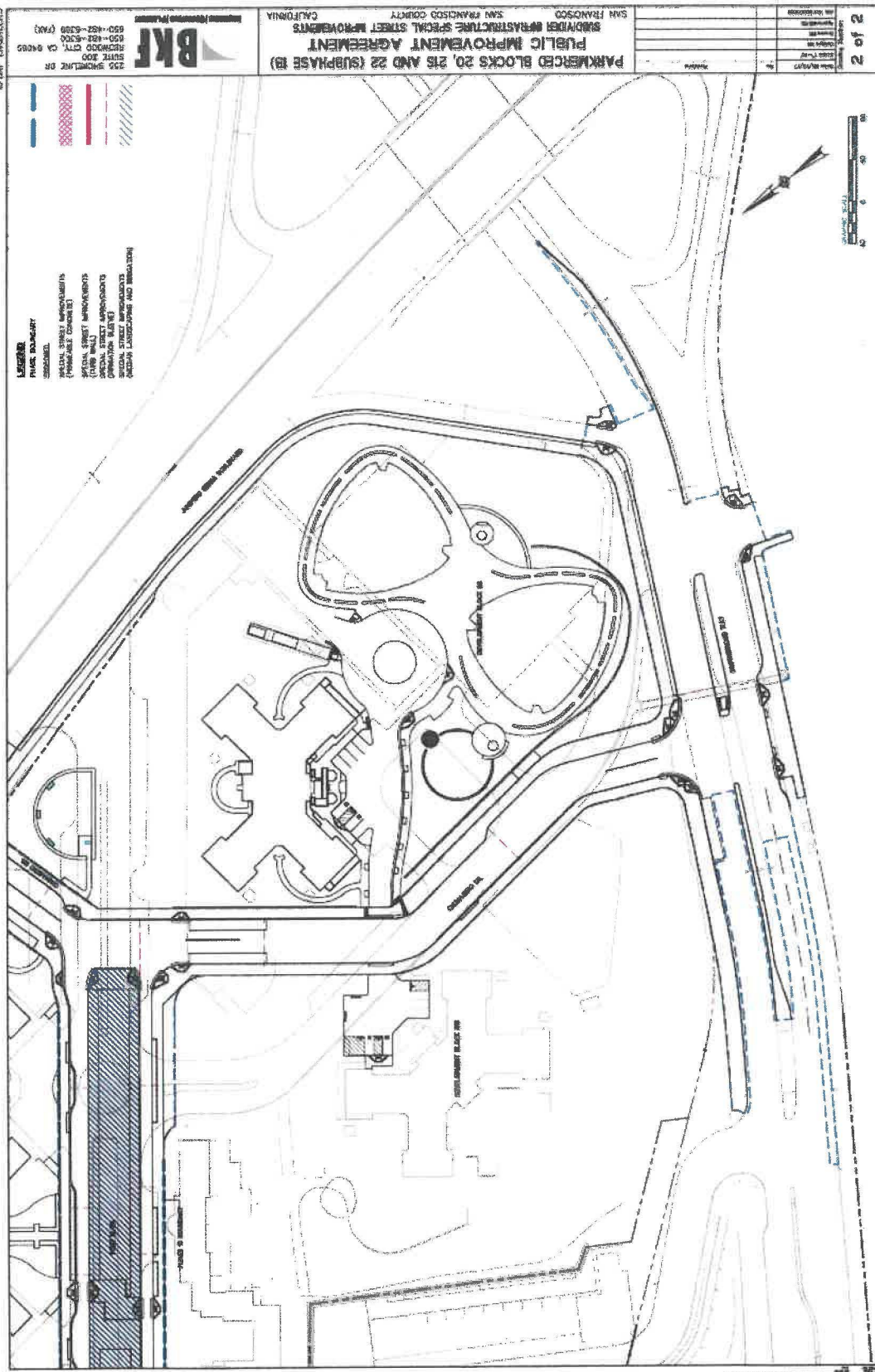
E1-2

ATTACHMENT E-2 Special Street Improvements for Subphase 1A

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

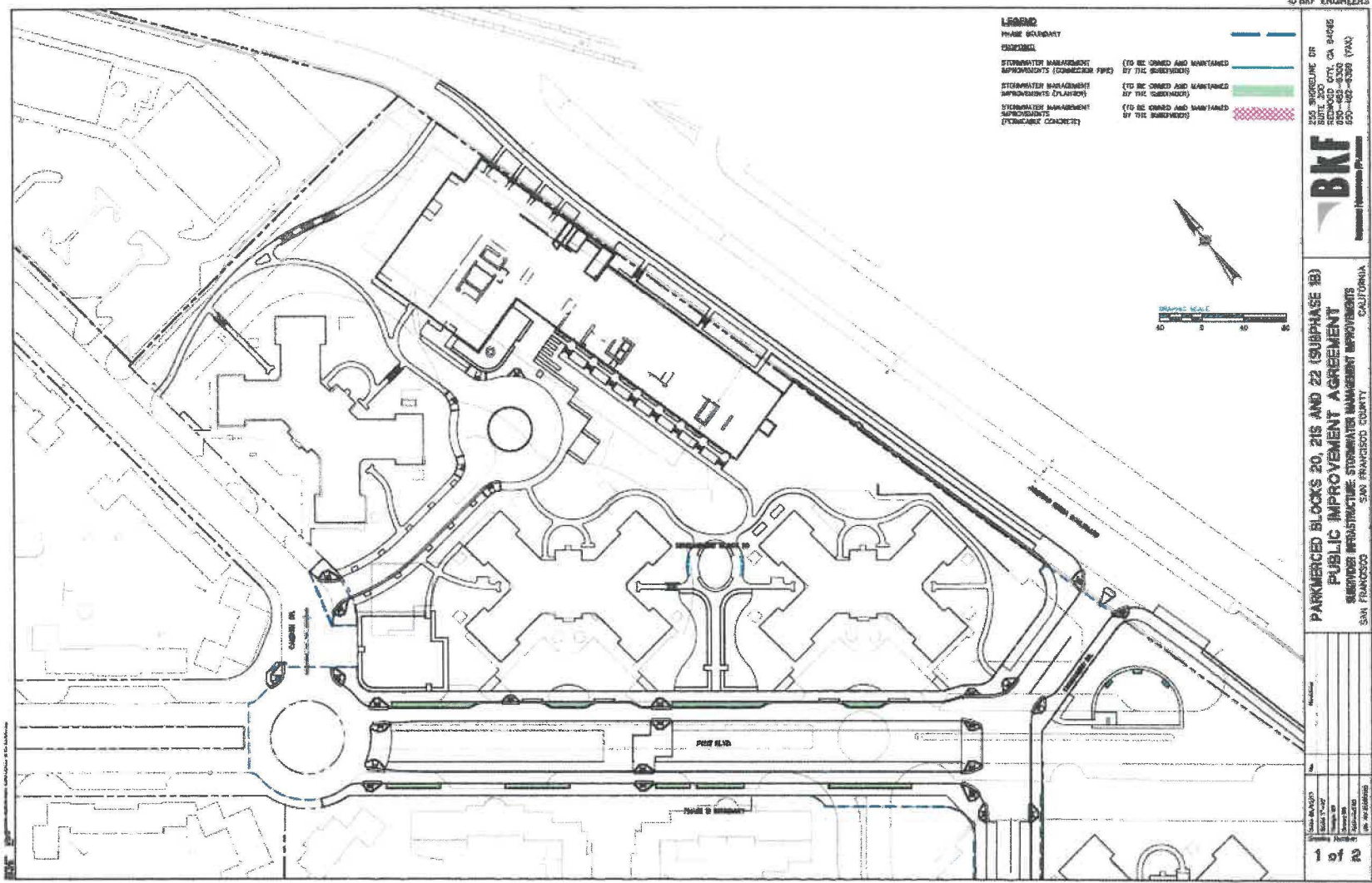


E2-2

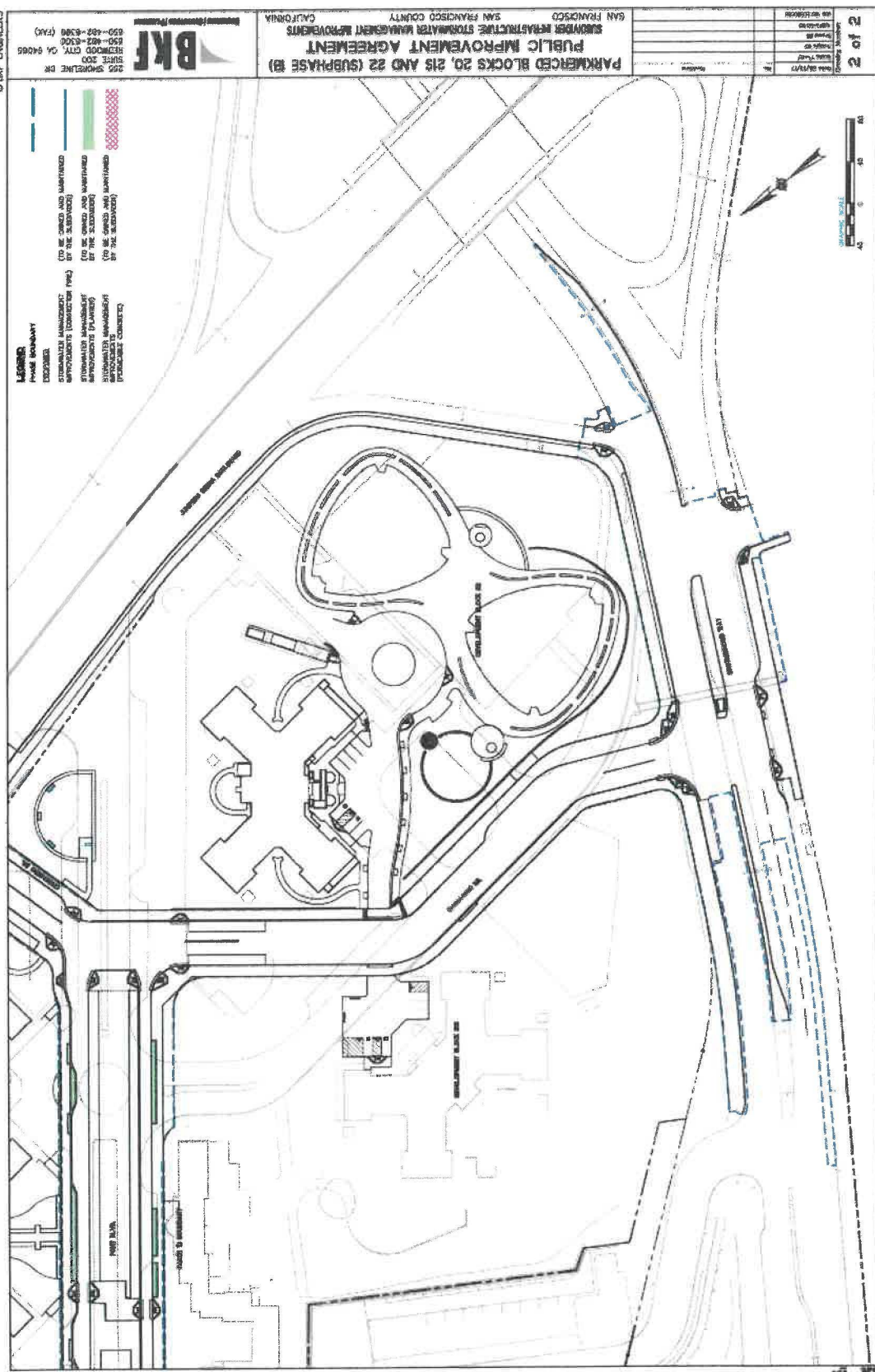


ATTACHMENT E-3 Stormwater Management Improvements for Subphase 1B

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

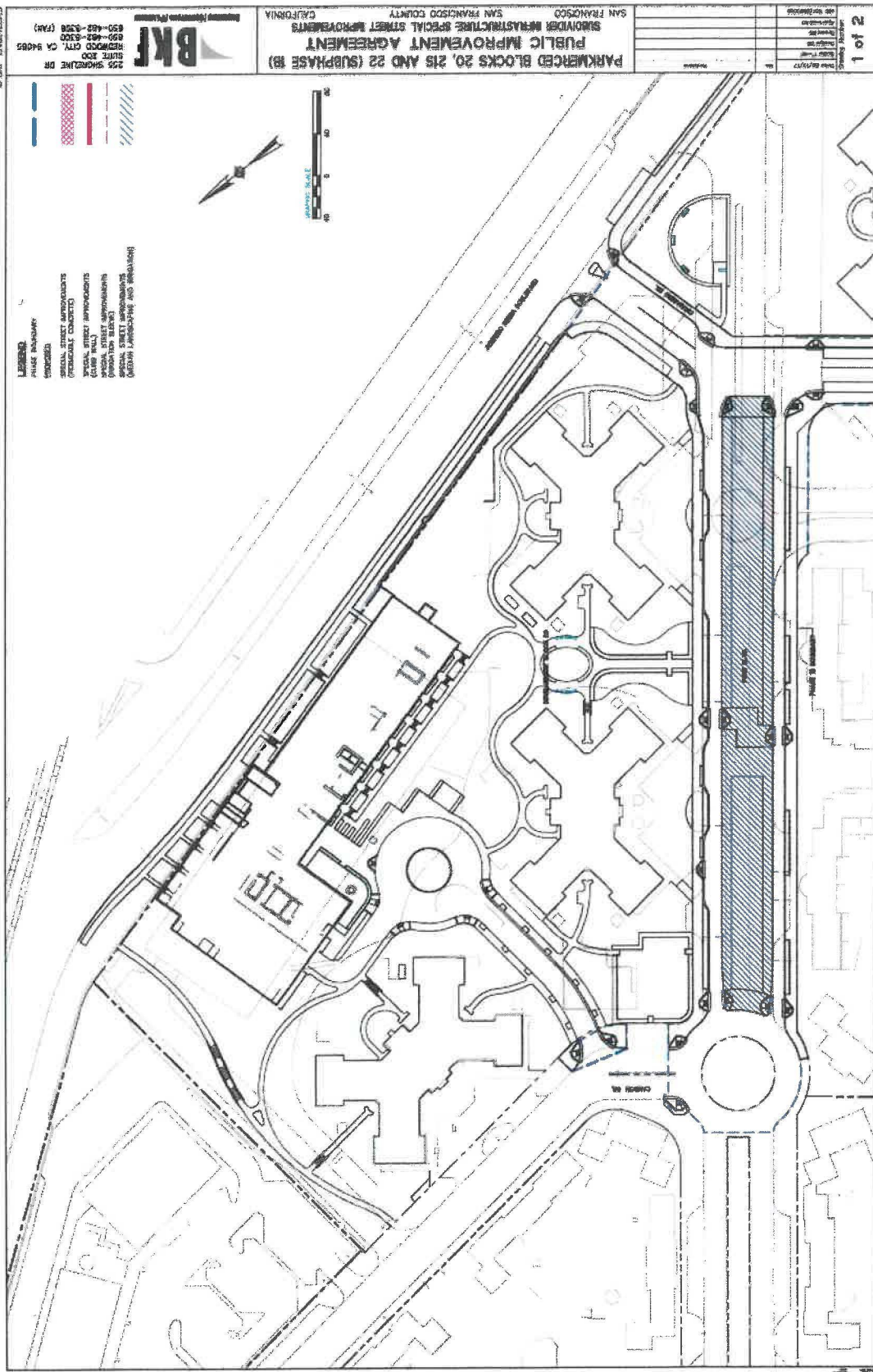


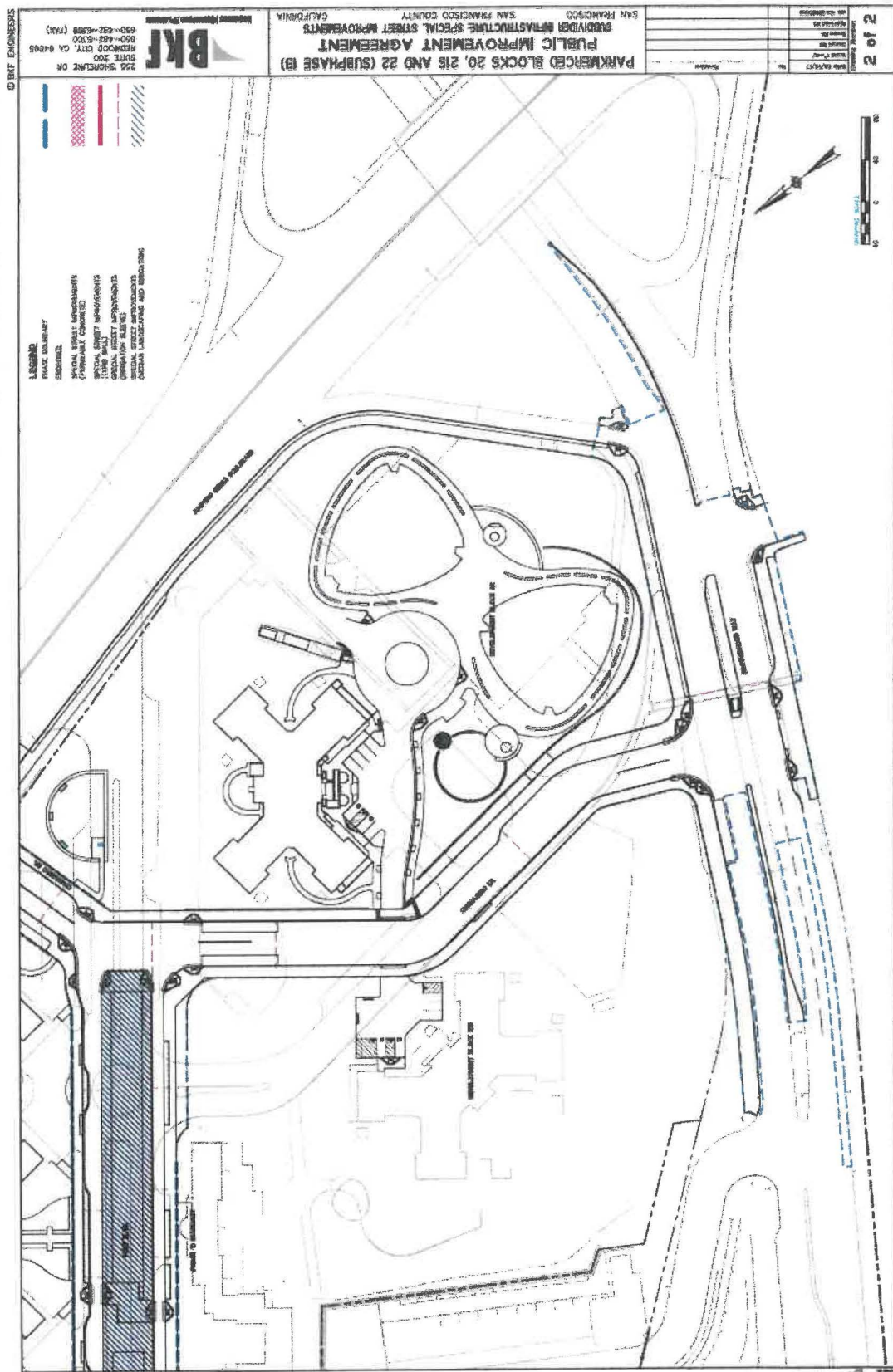
PARKMERGED BLOCKS 20, 21S AND 22 (SUBPHASE 1B) PUBLIC IMPROVEMENT AGREEMENT - EXHIBIT E-1



E3-3

ATTACHMENT E-4 Special Street Improvements for Subphase 1B





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

APN: 7303-001; 7303A-002; 7308-002; 7308-003; 7309A-002; 7333C-001; 7335-002; 7333D-001; 7309A-003; 7333E-001

SPACE ABOVE THIS LINE RESERVED FOR
RECORDER'S USE

PARKMERCED BLOCKS 1 and 6 ("SUBPHASE 1A")

PUBLIC IMPROVEMENT AGREEMENT

Affecting Assessor Parcel Numbers: A re-subdivision of current Assessor Parcel Numbers 7335 and 7308.

Situs: NO SITUS ADDRESS

FINAL MAP NO. 8531: The area situated east of Lake Merced Boulevard, northerly of Gonzalez Drive, southerly of Serrano Drive, San Francisco, California; and

FINAL MAP NO. 8532: The area situated to the easterly of Lake Merced Boulevard, northerly of Acevedo Avenue, southerly of Vidal Drive, westerly of Arballo Drive, San Francisco, California

Owner: Parkmerced Owner LLC

**PARKMERCED BLOCKS 1 and 6 ("SUBPHASE 1A")
PUBLIC IMPROVEMENT AGREEMENT**

This Parkmerced Blocks 1 and 6 (Subphase 1A) 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 1A.

D. Subphase 1A includes the subdivision and development of certain property located principally on Assessor's Blocks 7335 and 7308, situated in the City. A tentative map, entitled "Parkmerced Development Blocks 6 & 1 Tentative Final Map, Assessor's Blocks 7335 and 7308 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:

Final Map 8531 aka Block 6

A 7 LOT VERTICAL SUBDIVISION:

LOT 1 TO CONTAIN A MAXIMUM OF 125 RESIDENTIAL CONDOMINIUM UNITS,
LOT 3 TO CONTAIN A MAXIMUM OF 125 RESIDENTIAL CONDOMINIUM UNITS,
LOT A AND LOT B ARE NON-BUILDABLE LOTS DESIGNATED AS OPEN SPACE,

BEING A MERGER AND SUBDIVISION OF A PORTION OF BLOCK 7335 AS
DESCRIBED IN THAT CERTAIN
GRANT DEED RECORDED 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 3 AND 4 AS DESCRIBED IN THAT CERTAIN
QUITCLAIM

DEED RECORDED 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

Final Map 8532 aka Block 1

A 5 LOT SUBDIVISION:

LOT 2 TO CONTAIN A MAXIMUM OF 100 RESIDENTIAL CONDOMINIUM UNITS,
LOT A IS A NON-BUILDABLE LOT BEING DESIGNATED AS A PRIVATE STREET,

BEING A MERGER AND SUBDIVISION OF A PORTION OF BLOCKS 7303-A AND
7308 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 1 AND 2 AS DESCRIBED IN THAT CERTAIN
QUITCLAIM

DEED RECORDED 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

(together, the "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 1A Required Infrastructure"). The Subphase 1A Required Infrastructure is more particularly described in the Improvement Plans and Specifications prepared for Subdivider by BKF Engineers, entitled Parkmerced Phase 1A 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 1A Required Infrastructure. Copies of the Plans and Specifications are on file with the City Department of Public Works ("Public Works").

I. The Subphase 1A 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 1A 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 1A Required Infrastructure. Subdivider shall, in good and workmanlike manner, furnish all necessary materials and complete the Subphase 1A 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 1A Required Infrastructure includes Dedicated Infrastructure, Future-Dedicated Infrastructure and Subdivider Infrastructure.

(b) Completion. Subdivider shall complete the Subphase 1A 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 1A 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 1A 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 1A 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 1A 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 1A Required Infrastructure as follows (collectively the "Security"):

(i) A performance bond in the amount of Nineteen Million Three Hundred Sixty-Five Thousand Five Hundred Twenty-Three and No/100 Dollars (\$19,365,523.00) (100% of estimated "hard" cost of completion of construction and installation of Subphase 1A 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 Nine Million Six Hundred Eighty-Two Thousand Seven Hundred Sixty-One and No/100 Dollars (\$9,682,761.00) (50% of the of the estimated cost of completion of the Subphase 1A Required Infrastructure as determined by the Director) as guarantee of payment for the labor, materials, equipment and services required for the Subphase 1A 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 1A 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 1A Required Infrastructure in accordance with the Plans and Specifications and for correction of such deficiencies.

3. Construction of Subphase 1A 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 1A 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 1A 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 1A 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 1A 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 1A Required Infrastructure which occurs within one (1) year of (i) the date of such Determination of Completeness for the Subphase 1A 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 1A 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 1A 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 1A 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 1A Required Infrastructure to the satisfaction of the Director and may be reduced in connection and conjunction with completion of each of the respective Subphase 1A 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 1A 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 1A 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 1A 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 1A Required Infrastructure, one (1) year following the date that any such deficiency which the Director identified in the Subphase 1A 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 1A 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 1A 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 1A Required Infrastructure satisfies such requirements, the Director shall issue a

Determination of Completeness, if the determination is that such Subphase 1A 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 1A 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 1A 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 1A 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 1A 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 1A Required Infrastructure. In order to protect the Subphase 1A 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 1A 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 1A 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 1A 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 1A 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 1A 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 1A Required Infrastructure, or any claims of persons employed by Subdivider or its contractors, agents, consultants or representatives to construct such Subphase 1A 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 1A 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 1A 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 1A 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 1A 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 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 1A 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 1A 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 1A 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 1A Required Infrastructure

[Attached]



**LEXON SURETY
GROUP**

*Lexon Insurance Company
Bond Safeguard Insurance Company*

*Thousand Five Hundred Twenty-Three and no/100.

BOND 1153081

PREMIUM: \$201,401.44/2yr

Form: Faithful Performance Bond
Subphase 1A 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 6 and 1 ("Subphase 1A") Public Improvement Agreement dated _____ and identified as Subphase 1A Required Infrastructure, 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; Phase 1A 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 Nineteen Million Three Hundred Sixty-Five* Dollars (\$19,365,523.00-00) 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
12590 LESANON ROAD
MT. 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

LOUISVILLE OFFICE
10602 SHELBYVILLE ROAD, SUITE 100
LOUISVILLE, KY 40223
Ph: 502-253-6500 Fx: 502-253-6570



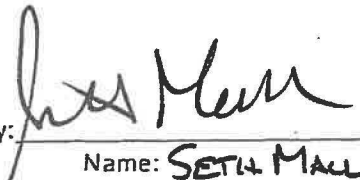
**LEXON SURETY
GROUP**

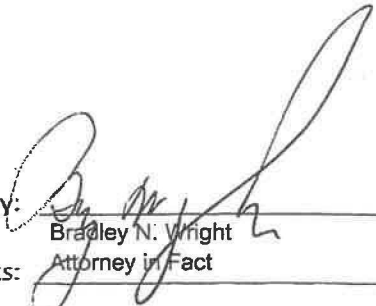
*Lexon Insurance Company
Bond Safeguard Insurance Company*

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

"PRINCIPAL"
Parkmerced Owner LLC

"SURETY"
Lexon Insurance Company

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

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. JULIET, TN 37122
PH: 615-553-9500 FX: 615-553-9502

CHICAGO OFFICE
900 S. FRONTAGE ROAD, SUITE 250
WOODBRIDGE, IL 60517
PH: 630-495-9380 FX: 630-495-9272
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.

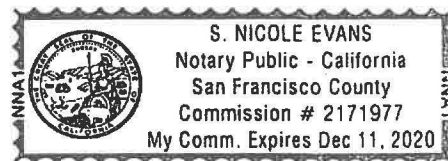
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature



(Seal)



POWER OF ATTORNEY

LX- 317650

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 1st 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 \$20,000,000.00, Twenty Million 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."

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-2

Payment Bond
Subphase 1A Required Infrastructure

[Attached]

*Thousand Seven Hundred Sixty One & 00/100.

Bond No.: 1153081

Premium: Included in
Performance Bond

Form: Labor and Material Bond
Subphase 1A 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 6 and 1 Public Improvement Agreement, dated _____ ("Subphase 1A") 200_, and identified as Subphase 1A 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 Nine Million Six Hundred Eighty Two* Dollars (\$ 9,682,761.00—), 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.



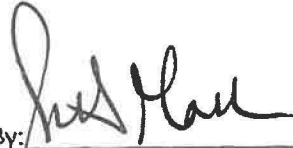
LEXON SURETY
GROUP

Lexon Insurance Company
Bond Safeguard Insurance Company

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

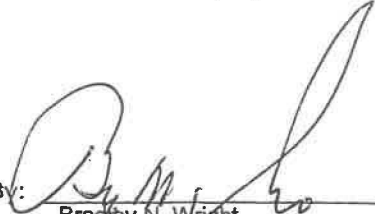
"PRINCIPAL"

Parkmerced Owner LLC

By: 
Name: **SETH 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
22890 LEBANON ROAD
NAT. JURY CT, TN 37122
PH: 615-553-9500 FX: 615-553-9502

CHICAGO OFFICE
900 S. FRONTAGE ROAD, SUITE 250
WOODBRIDGE, IL 60517
PH: 630-495-9380 FX: 630-495-9272
www.LexonSurety.com

LOUISVILLE OFFICE
20002 SHELBYVILLE ROAD, SUITE 103
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.

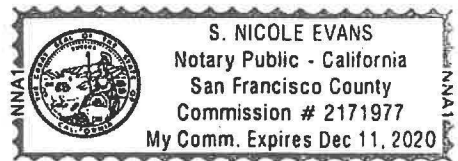
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature



(Seal)



POWER OF ATTORNEY

LX- 317650

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 1st 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 \$20,000,000.00, Twenty Million 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

3830

Exhibit B-3

Monument Bond
Subphase 1A Required Infrastructure

[Attached]



**LEXON SURETY
GROUP**

*Lexon Insurance Company
Bond Safeguard Insurance Company*

BOND 1153082
PREMIUM: \$130.00/2yr

Form: Faithful Performance Bond
Subphase 1A 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. 8531 and Final Map 8532 dated _____, 2017 and identified as Subphase 1A 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
12890 LEBANON ROAD
MT. JULIET, TN 37122
PH: 615-453-9500 FX: 615-553-9502

CHICAGO OFFICE
900 S. FRONTAGE ROAD, SUITE 250
WOODBRIDGE, IL 60517
PH: 630-495-9380 FX: 630-495-9272
www.LexonSurety.com

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



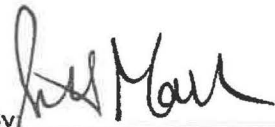
LEXON SURETY
GROUP


*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

"SURETY"
Lexon Insurance Company

By 
Name: SETH MALLEN
Title: VICE PRESIDENT

By 
Bradley N. Wright
Its: 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. JUNE, TN 37122
PH: 615-553-9500 FX: 615-553-9502

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900 S. FRONTAGE ROAD, SUITE 250
WOODRIDGE, IL 60517
PH: 630-495-9380 FX: 630-495-9272
www.LexonSurety.com

LOUISVILLE OFFICE
20002 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.

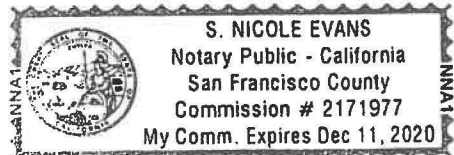
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature



(Seal)



POWER OF ATTORNEY

LX- 279379

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, Carolyn 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 1st 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
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."

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: _____

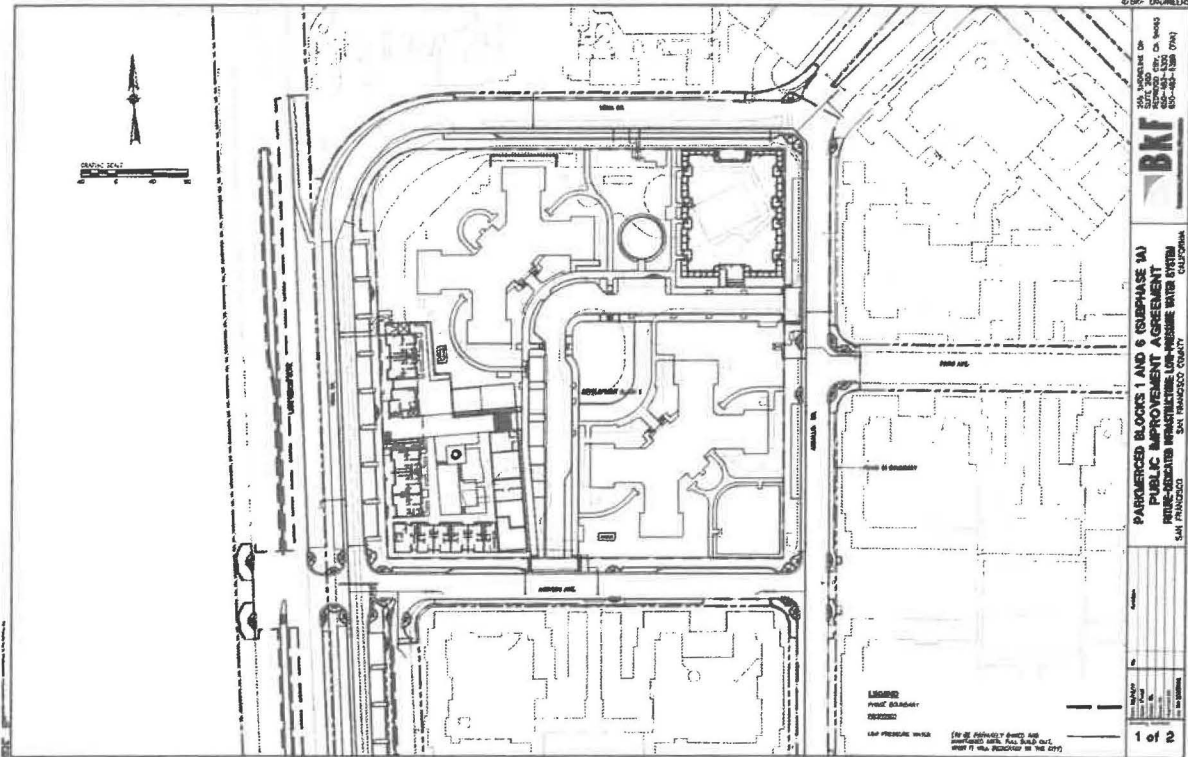
Signer's Name: _____
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

Exhibit C

Future=Dedicated Infrastructure: Low-Pressure Water System

PARKMERCED BLOCKS 1 AND 6 (SUBPHASE 1A) PUBLIC IMPROVEMENT AGREEMENT - EXHIBIT C



© 1997 ENGINEERING



DAVE ENGINEERS


BKF

PANOMERCE BLOCKS 1 AND 6 (SUBPHASE 1A)
PUBLIC IMPROVEMENT AGREEMENT
FUND-DEDICATED INFRASTRUCTURE RECYCLED WATER SYSTEM

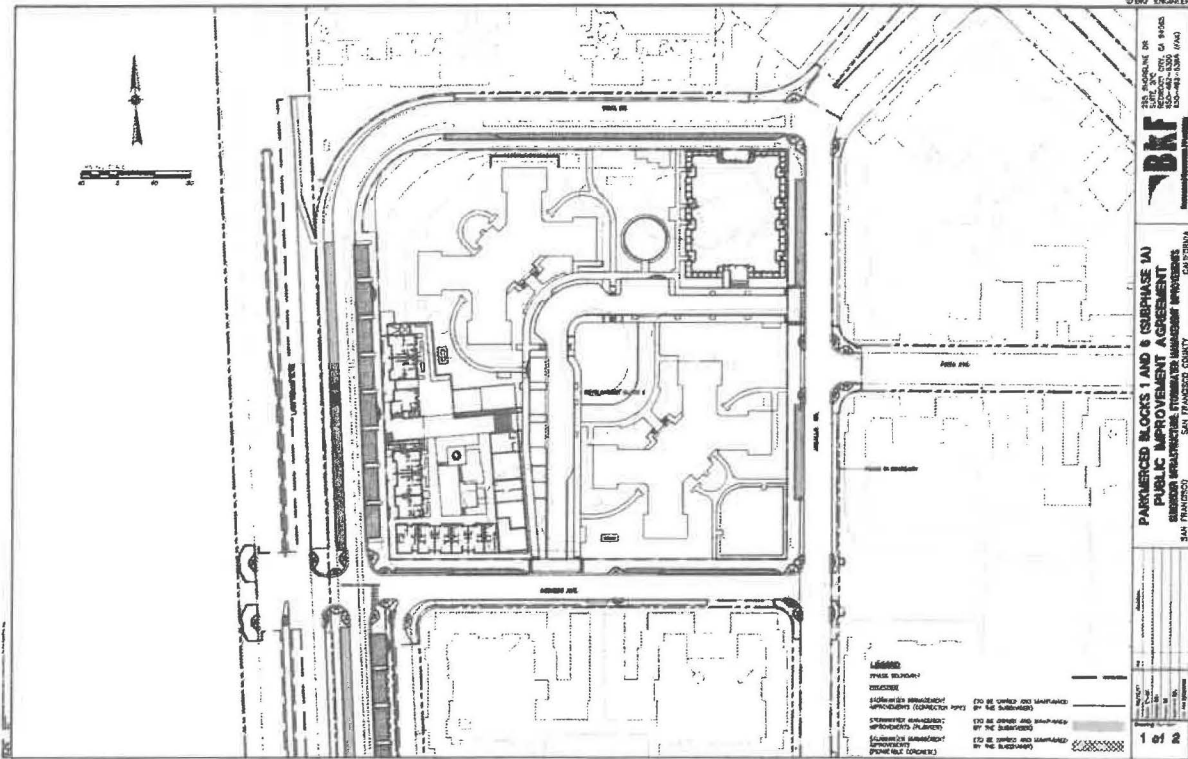
[illegible]

Exhibit E-1

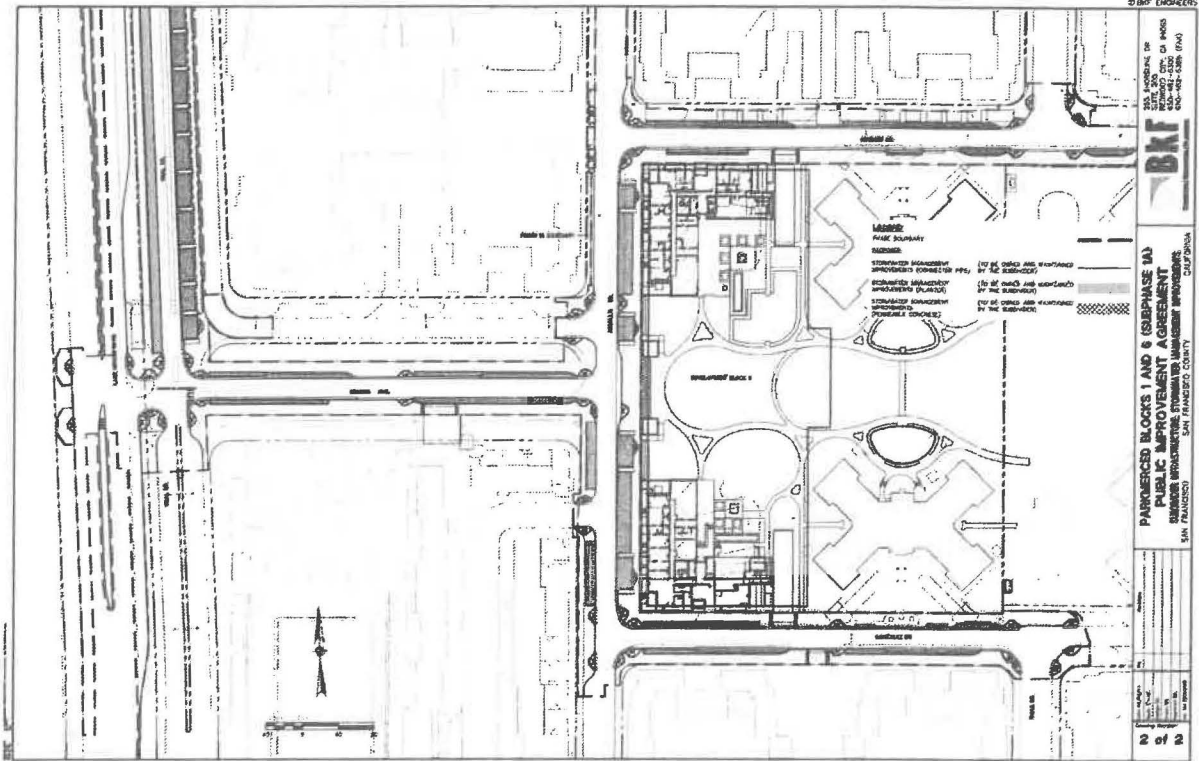
Subdivider Infrastructure: Stormwater Management Improvements

[Attached]

PARKMERCEC BLOCKS 1 AND 6 (SUBPHASE 1A) PUBLIC IMPROVEMENT AGREEMENT - EXHIBIT E-1



PARKMERGED BLOCKS 1 AND 6 (SUBPHASE 1A) PUBLIC IMPROVEMENT AGREEMENT - EXHIBIT E-1





**PARKMERGED BLOCKS 1 AND 6 (SUBPHASE 1A)
PUBLIC IMPROVEMENT AGREEMENT
SUNSHINE INFRASTRUCTURE SPECIAL STREET IMPROVEMENTS
SAN FRANCISCO SAN FRANCISCO COUNTY CALIFORNIA**

2 of 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,

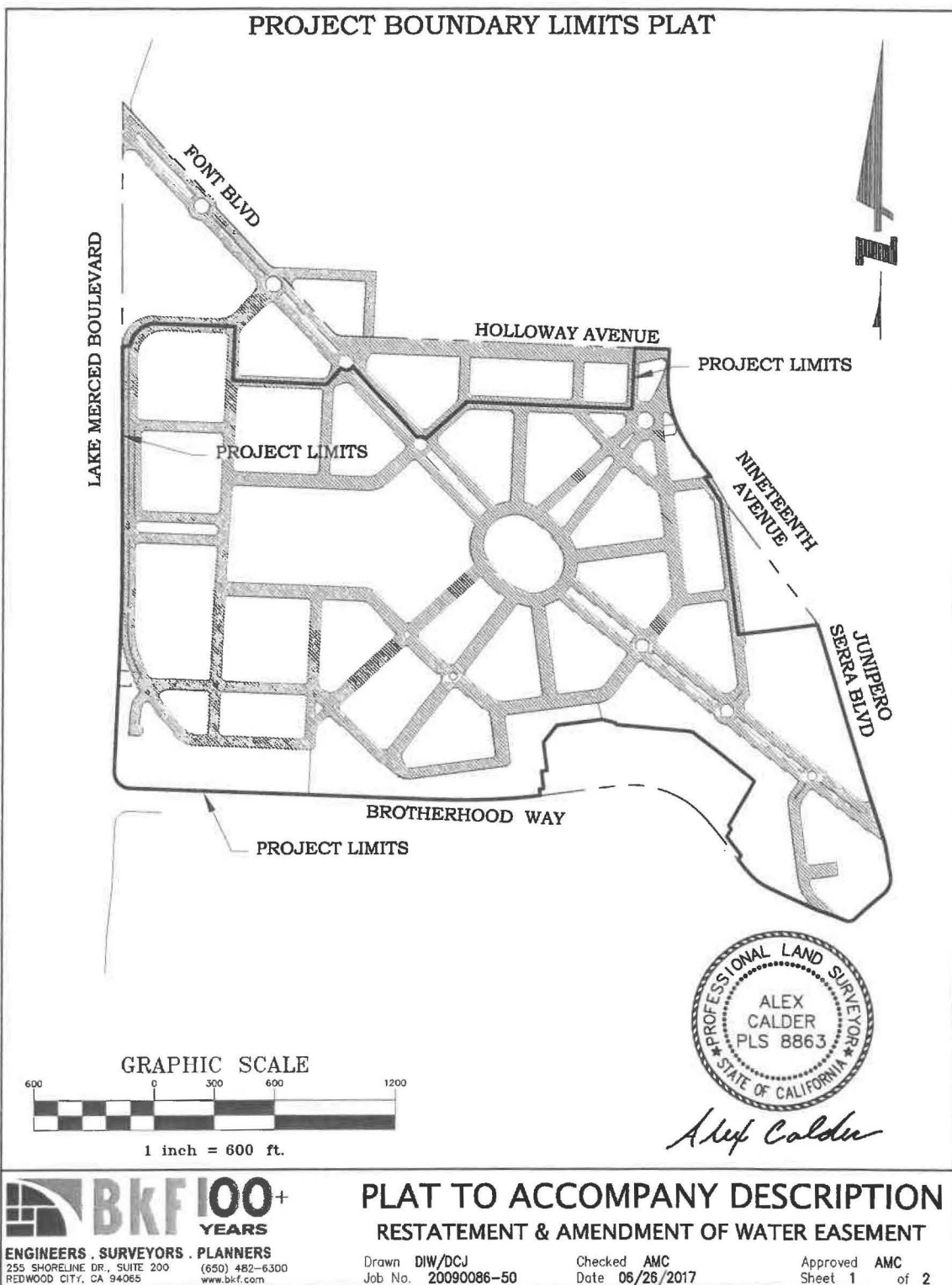
All of those certain portions of public street shown of SUR Map 2015-006 and vacated by San Francisco Board of Supervisors' Ordinance 183-16, and more particularly described in that certain Quitclaim Deed recorded on September 1, 2017 as Document No. 2017-K509961, Reserving to the Grantor existing abutter's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

APPROVED LEGAL DESCRIPTION:

By:

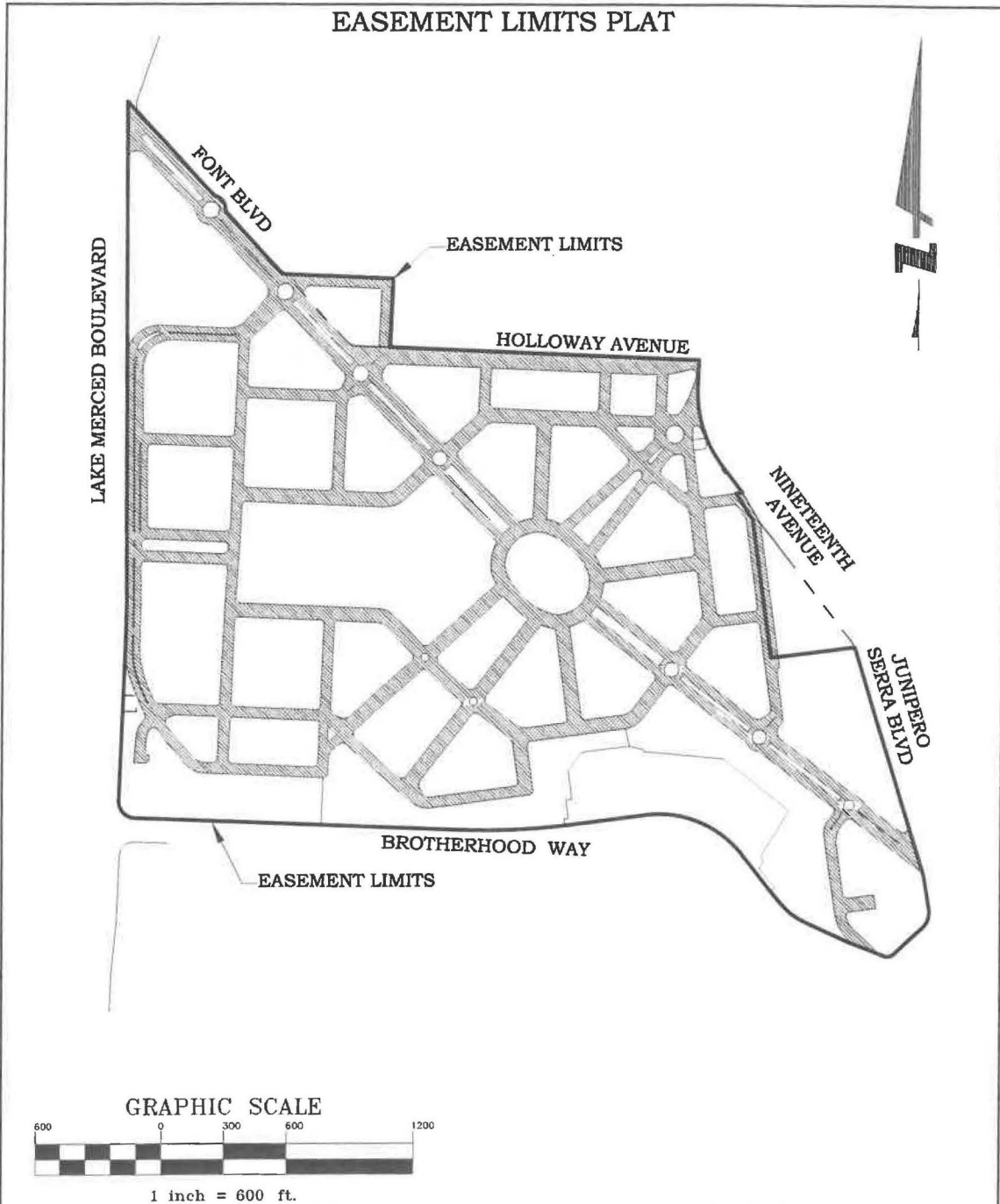
Bruce R. Storrs
City and County Surveyor

EXHIBIT B
Depiction of Easement Area



DRAWING NAME: C:\Users\junc\AppData\Local\Temp\AspPub\1sh_5160\13 - PLAT.dwg
 PLOT DATE: 06-28-17
 PLOTTED BY: junc

EASEMENT LIMITS PLAT



DRAWING NAME: C:\Users\jung\appdata\local\temp\AcPublish_6160\13 - PLAT.dwg
 PLOT DATE: 06-26-17
 PLOTTED BY: Jung

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 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

PARKMERCED

O&M MANUAL TEMPLATE

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.¹ 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.

¹ 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 SFFD.

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.²
- Record the number and direction of turns to closure.
- Record the condition (rusted, 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).

² 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 15th 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 UP-DATED 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

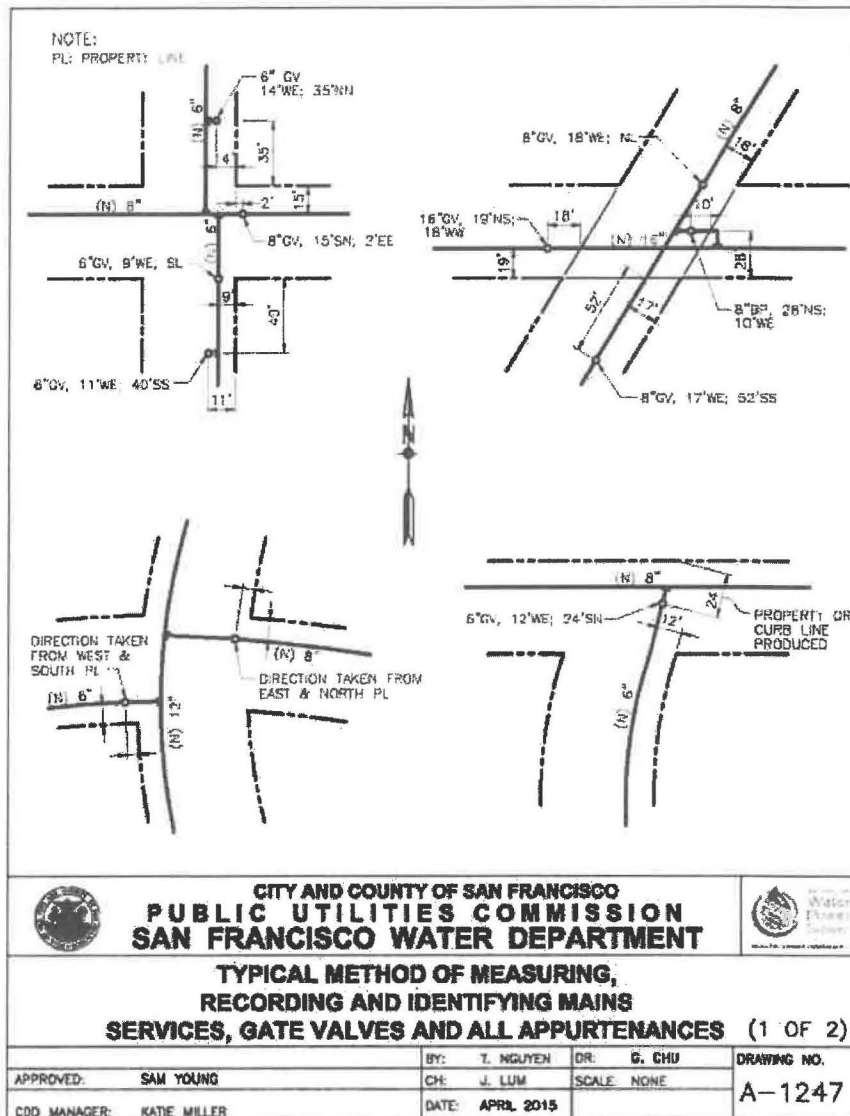
- A. UPDATED INTERIM CONTRACTOR RECORD DOCUMENTS SHOWING ALL REQUIRED INFORMATION UP THROUGH SUBSTANTIAL COMPLETION SHALL BE SUBMITTED TO AND ACCEPTED BY THE
-

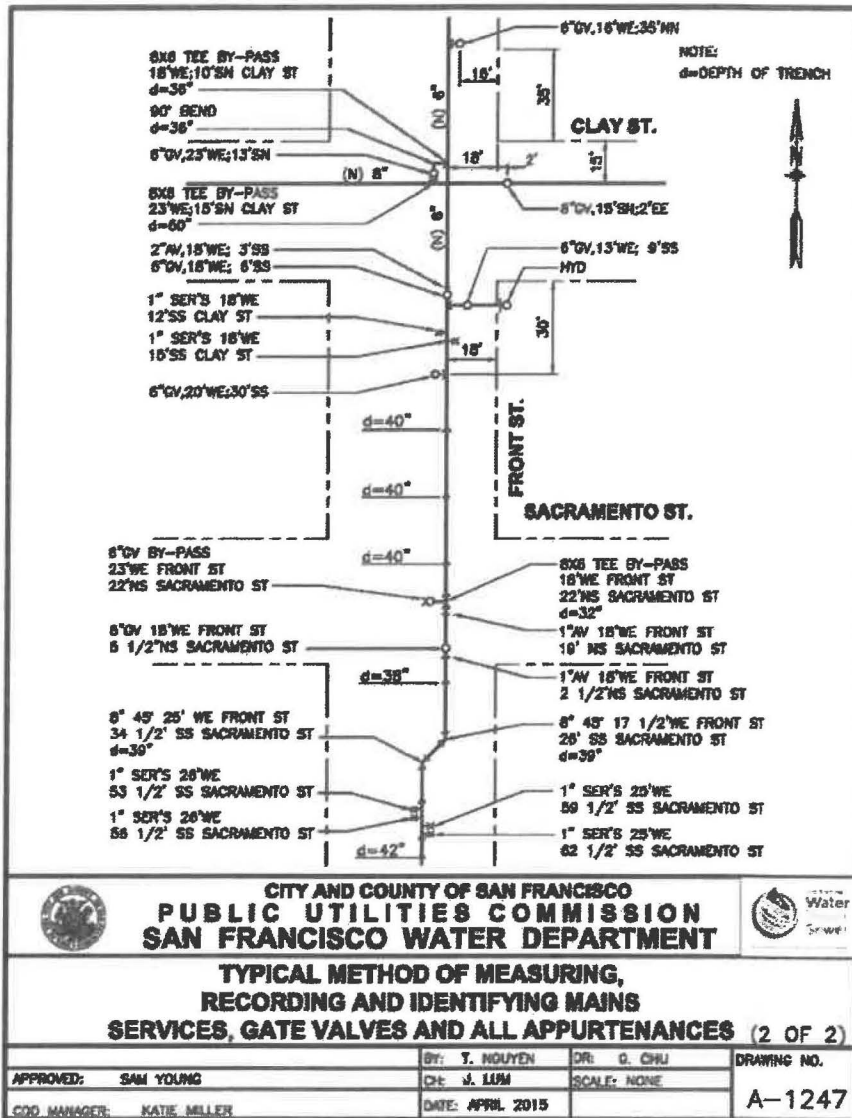
CITY REPRESENTATIVE AS A CONDITION PRECEDENT TO THE CONTRACT BEING DEEMED AS SUBSTANTIALLY COMPLETE.

- 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-XXXYYY-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
	Baiboa 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	Subro 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	Blow 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:	

Water System (select one) <input type="checkbox"/> Potable <input type="checkbox"/> AWSS <input type="checkbox"/> Non-CDD	Site/Pipe Conditions (select all applicable) <input type="checkbox"/> Backfill Loss <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	Diameter (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"/> 30"	Material (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	Pipe Damage (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
Leak Type (select one) <input type="checkbox"/> Service Leak <input type="checkbox"/> Main Break <input type="checkbox"/> Appurtenance <input type="checkbox"/> No Leak	Cause (select one) <input type="checkbox"/> Natural <input type="checkbox"/> Contractor Hit <input type="checkbox"/> Vandalism <input type="checkbox"/> Other Accident	Paving Rpt: <input type="checkbox"/>	Pipe Length <input type="checkbox"/>	Repair Type (select one) <input type="checkbox"/> Clamp <input type="checkbox"/> Replace Pipe Section <input type="checkbox"/> Cast Joint
Location <input type="checkbox"/>				

Plumber Rpt:

Pipe Book Number:

Printed Name:

v02 - 22-Dec-18

Page 1 of 2

Leak Repair Work Order

2nd Repair			
Diameter (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"/> 30"	Material (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	Pipe Damage (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	Appurtenance Repair (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 (DIV) <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
Pipe Length <input type="checkbox"/>	Repair Type (select one) <input type="checkbox"/> Clamp <input type="checkbox"/> Replace Pipe Section <input type="checkbox"/> Cast Joint	Location (from property line or curb) <input type="checkbox"/>	

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 Review
525 Golden Gate Ave., 11th Floor
SAN FRANCISCO, CA 94102
stormwaterreview@sfpuc.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 an 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	Disturbance contributing landscape areas / erosion 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	Destabilized contributing paved areas / spalling and raveling of adjacent standard pavement (if applicable)			
10	Unauthorized modifications			
11	Utility cuts / other surface repairs evident and incorrectly 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 / tree roots and/or weed growth 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 downwards 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.

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: SFG: San Francisco Stormwater Design Guidelines; SCP: Stormwater Control Plan; SMO: San Francisco Stormwater Management Ordinance; BMP: Best Management Practice (Permeable Pavement); S: Green Infrastructure

Item #	Inspection Item Description	Inspection Instructions and Explanation
1	Surface ponding evident / significantly reduced infiltration rate	<p>Area of Concern: 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 section.</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"> Permeable Pavers - Standard Test Method for Surface Infiltration Rate of Permeable Unit Pavement Systems - ASTM C1781/C1781M - 13 Porosity Concrete and Porous Asphalt - Standard Test Method for Infiltration Rate of in Place Porosity Concrete - ASTM C1701/C1701M - 09 <p>Maintenance Solution: 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 drain-down time of the aggregate storage layer, see Item #4 below.</p>
2	Silt and sediment deposited on pavement surface	<p>Area of Concern: Excessive silt and sediment accumulation causes significant problems in permeable pavement installations. Silt and sediments can clog or inhibit the infiltration capacity of the pavement surface. Clogged or inhibited infiltration capacity could lead to surface ponding and flooding.</p> <p>Maintenance Solution: 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>Area of Concern: 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 surface structure grates. Clogged or inhibited infiltration capacity could lead to surface ponding. Clogged surface structure grates can lead to overflowing and ponding.</p> <p>Maintenance Solution: 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 slowdown time of the aggregate storage layer > 48 hrs.	<p>Area of Concern: If properly designed and built, extended storage aggregate slowdown times beyond 48 hours in permeable pavement installations can be related to several problems such as:</p> <ul style="list-style-type: none"> • blockage or clogging of the underdrains, outflow, or overflow structure (if applicable) • clogging of the aggregate storage layer, chinking layer, or bedding layer • clogging of geotextiles (if applicable) <p>Inspecting the underdrain for clogging can be done visually by looking for standing water in the cleanout or by running a garden hose into the cleanout and determining if the water flows freely or backs up and overtops the cleanout pipe. Alternatively, video inspection of the underdrain pipe may be performed to determine the source of the underdrain failure.</p> <p>Inspecting the outflow structure or 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>Maintenance Solution: Clogged underdrains and outflow structures can be cleaned 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>Area of Concern: Oil stains 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>Maintenance Solution: 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 per discharges may be remediated by the use of products such as S-200 Degrade from International Environmental Products, L.L.C. or equivalent.</p>
6	Weed growth in paver joints / expansion joints	<p>Area of Concern: 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>Maintenance Solution: Spot treat weeds with weed remover or a herbicide, 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 have provisions to weed removal and disposal.</p>
7	Cracks and displacement / settlement of permeable pavement / broken pavers	<p>Area of Concern: See Item #11, 12, 13, and 14</p>



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

Annual Self-Certification Checklist Instructions

Item #	Inspection Item Description	Inspection Instructions and Explanation
8	Destabilized contributing landscape areas / erosion of surrounding landscape areas (if applicable)	<p>Area of Concern: 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. Sediment-laden runoff must be physically blocked and directed from draining onto the permeable pavement by curbs, berms, sandbags, straw-wattles, and/or silt fencing.</p> <p>Maintenance Solution: 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>Area of Concern: 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 pavements are 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 aggregates 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>Maintenance Solution: Deterring 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>Area of Concern: 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 (e.g., pavement or aggregate substitutions with inferior components) or can happen over time after the permeable pavement is constructed (e.g., 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>Maintenance Solution: 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>Area of Concern: 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>Maintenance Solution: 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, recouped, 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"> • Permeable Interlocking Concrete Pavers (PICP) – 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 thickness (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. • Pervious Concrete – Every effort must be made to replace the surface in-kind. Small patches can be replaced with standard non-pervious 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 pavement 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 thickness (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. • Porous Asphalt – 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 thickness (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.
12	Permeable pavement surface revealing and spalling / deterioration	<p>Area of Concern: Structurally deficient permeable pavements that are undergoing scaling or ravine degradation can contribute large amounts of fines, silt, and sediment that can cause clogging and a lack of infiltration capacity. These deteriorating pavements must be repaired as soon as possible to minimize further degradation. 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 washed over, further abraded the deteriorating surface.</p> <p>Maintenance Solution: Loose materials must be removed by sweeping or vacuuming.</p>
13	Potholes forming / pavers missing	<p>Area of Concern: See Item #12 above for minor pothole formation.</p> <p>Maintenance Solution: See Item #12 below for major pothole formation and severe structure deterioration.</p> <p>Maintenance Solution: 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>



Annual Self-Certification Checklist Instructions

Item #	Inspection Item Description	Inspection Instructions and Explanation
14	Loss of paver jointing material (if applicable)	<p>Area of Concern: Glepp's PGP rely on jointing material (typically fine aggregate like AASHTO #8, #10, or #16) to provide structural stability and an initial filtering of sediment and float before stormwater reaches and clogs the aggregate bedding layer beneath the pavers. Over time, traffic and disassembly can reduce the amount of jointing material.</p> <p>Maintenance Solution: 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>Area of Concern: 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 "mudout," 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>Maintenance Solution: For inert substances, cleanup can typically be conducted by regular maintenance personnel by simply scraping 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>Area of Concern: Trash, debris, and sediment can create blockages at the overflow structure or catch basins built into permeable pavement systems, inhibiting the flow of water out of the facility or inhibiting 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>Maintenance Solution: 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, sumps, and traps must be cleared of debris by hand, hand tools, or vector truck.</p>

Item #	Inspection Item Description	Inspection Instructions and Explanation
17	Underdrain blockage (if applicable)	<p>Area of Concern: Inspecting the underdrain for clogging can be done visually by looking for standing water in the cleanout or by running a garden hose into the cleanout and determining if the water flows freely or backs up and overtops the cleanout pipe. Alternatively, video inspection of the underdrain pipe may be performed to determine the source of the underdrain failure.</p> <p>Maintenance Solution: Clogged underdrains can be cleared by jeting 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 pipe.</p>
18	Vegetation damage / bare spots and/or weed growth in turf paver or grass paver type systems (if applicable)	<p>Area of Concern: 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. The invasive weed growth will crowd out the beneficial plant species over time, reducing the effectiveness of the turf or grass paver system.</p> <p>Maintenance Solution: 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>Area of Concern: For minor structural damage, refer to items #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>Maintenance Solution: Major repairs can consist of removal and replacement of the entire permeable pavement surface, damaged curbs, pavement edging, overflow or underdrain structures, or structural bracing and supplemental reinforcement of failing structural components.</p>

*Definitions: **Scaling** - Cracking, breaking or chipping of joint/seam edges. Usually occurs within about 2 ft. of joint/seam edge.
Spalling - The progressive disintegration 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 (flakes) 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. Notice of Special Restrictions for Rent Control
5. Form of Master Encroachment Permit
6. Restated and Amended Water Easement Agreement
7. Bonding to complete the improvements for Phase 1A
8. Approved Street Improvement Plans for Phase 1A
9. Irrevocable Offer of Dedication and Grant Deeds
10. SFPUC Interim Easement Agreement
11. Street Vacations
12. Easement Vacations
13. Offers of Improvements
14. Easement Agreement (City Public Pedestrian Access)

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

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

Director of Property
Real Estate Department
City and County of San Francisco
25 Van Ness Avenue, Suite 400
San Francisco, CA 94102

Documentary Transfer Tax is Zero.
Official Business Entitled to Free Recordation
Pursuant to Government Code § 6103

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

APN: 7309A-003

EASEMENT AGREEMENT
(City Public Pedestrian Access - Final Map No. 8531)

This Easement Agreement ("**Agreement**") is made by and between Parkmerced Owner LLC, a Delaware limited liability company ("**Grantor**") and the City and County of San Francisco, a municipal corporation ("**Grantee**" or "**City**"), with reference to the following facts:

A. Grantor is the owner of that certain real property situated in the City and County of San Francisco, State of California, described more particularly on Exhibit A-1 attached hereto and incorporated herein ("**Burdened Property**")

B. Grantee desires nonexclusive, irrevocable easements over the portions of the Burdened Property shown on that certain map entitled "Final Map No. 8531" filed for record on _____, 20__, in Book _____ of Survey Maps at Pages _____ to _____, inclusive, in the Office of the Recorder of the City and County of San Francisco (the "**Final Map**") as "Pedestrian Access Easement" ("**Easement Area**"), as described on Exhibit A-2, for public pedestrian access, ingress and egress ("**Public Pedestrian Access Purposes**").

C. This Agreement, including the easement granted herein, is being executed and delivered by Grantor and Grantee pursuant to such offer of dedication on the Final Map in order to provide public pedestrian access, ingress and egress over the Easement Area as shown on the Final Map.

NOW, THEREFORE, for valuable consideration, the receipt of which each of the parties hereto does hereby acknowledge, the parties hereto do hereby agree as follows:

1. Public Pedestrian Access Easement. Subject to the provisions of this Agreement, Grantor hereby grants to Grantee a nonexclusive, irrevocable easement for pedestrian access, ingress and egress over the Easement Area for Public Pedestrian Access Purposes ("**Public**

Pedestrian Access Easement”). The vertical limits of the Public Pedestrian Access Easement in the Easement Area shall extend from ground level (finished surface) to a height of ten (10) feet above ground level.

2. Limitation on Use. Grantee acknowledges that the Public Pedestrian Access Easement granted herein are nonexclusive. Grantee agrees that the use of the Public Pedestrian Access Easement granted herein shall not impede work (a) required to be performed by a private or public utility company to repair or maintain any functioning, in-place utility facility located on the Easement Area provided that Grantor shall use reasonable efforts to attempt to cause the utility to perform such work, at no additional cost to Grantor, in a manner that will not unreasonably interfere with the Grantee’s use of the Easement Area or (b) by Grantor or successor property owners of the Burdened Property or any portion thereof in its or their development of structures and appurtenances on the Burdened Property that may occupy or encroach upon airspace above the Easement Area. Grantor, for itself and successor owners of the Burdened Property, however, reserves the right, without Grantee’s consent (as may otherwise be required under this Agreement), to utilize the Easement Area for any use consistent with (i) the development of the Burdened Property as part of the Parkmerced Mixed-Use Development Project), (ii) pedestrian activities consistent with public use of the Easement Area, and (iii) private utility purposes that do not adversely affect the Grantee’s rights in the Easement Area, including without limitation, lines, pipes, conduits, manholes, above ground markers and other convenient structures, equipment and fixtures (collectively, the **“Other Facilities”**). Notwithstanding the foregoing, all uses of the Easement Area must be consistent with the Parkmerced Development Agreement.

3. Public Works Notification and Approval Requirements. The Director of City’s Department of Public Works (**“Public Works”**) has the right and obligation to require any person or entity requesting use of the Easement Area from the Grantor or Grantee, as appropriate, for public utility purposes or private utility purposes (**“Requesting Party”**) to seek the approval of Public Works for the proposed location of any additional public or private utilities within the Easement Area that are not shown on those certain Improvement Plans prepared by BKF Engineers, Inc., entitled “Parkmerced Phase 1A Street Improvement Plans,” dated May 1, 2017, as such plans may be amended from time to time with the approval of the Director of Public Works. In connection with any approval provided by DPW under this Section 3, the Director agrees to make reasonable efforts, at no additional cost to Grantee, to attempt to coordinate and consolidate any work to be performed by the Grantee and any Requesting Party with the Grantor to minimize the disruption and interference with the development of the Burdened Property. A request for approval under this Section 3 (**“Utility Placement Approval Request”**) shall be made to the Director of DPW, with a copy to the General Manager of the PUC, in writing, delivered by messenger or certified mail, and shall include the contact information for the utility company and a plat showing the proposed location for placement of the utility lines or other utility facilities in the Easement Area. The Director of DPW shall have ten (10) days from the date of delivery of the Utility Placement Approval Request to approve or disapprove such request. The Utility Placement Approval Request shall be deemed approved if no response is made by the Director of DPW or its designee within the ten (10) day approval period. All Utility Placement Approval Requests made to the Director of DPW or its designee shall display prominently on the envelope enclosing such request and the first page of such request, substantially the following words: **“UTILITY PLACEMENT APPROVAL REQUEST FOR PARKMERCED. IMMEDIATE ATTENTION REQUIRED; FAILURE TO RESPOND COULD RESULT IN THE REQUEST BEING**

DEEMED APPROVED.” Nothing in this Section shall give the Grantee or the Director of DPW the right to grant any easement that it does not otherwise have the right to grant under Section 2 of this Agreement.

4. Term of Easement. The easements and rights granted under Sections 1 to 4, inclusive, of this Agreement shall commence on the date of recordation hereof or thereof and shall be perpetual, unless terminated, in whole or in part, in accordance with applicable law. The Grantee, may, however, terminate these easements at any time as to all or any portion of the Easement Area by written notice to the Grantor.

5. Condition of the Easement Area.

(a) As-Is. Grantor makes no representations or warranties whatsoever, under this Agreement with respect to the current physical condition of the Easement Area and Grantor shall have no responsibility under this Agreement with respect thereto (except as otherwise specifically set forth herein), and the use of the Public Pedestrian Access Easement granted herein shall be with the Easement Area in its “as is” physical condition, except as otherwise specifically provided herein. Grantee hereby waives any and all claims against Grantor arising from, out of or in connection with the suitability of the physical conditions of the Easement Area for the uses permitted under Sections 1 to 4, inclusive, above. However, Grantor shall not take any action that would unreasonably impair the ability of Grantee to use the Public Pedestrian Access Easement herein granted. Nothing herein shall be construed in any way to alter, amend, or otherwise relieve Grantor or Grantee of any of their respective responsibilities with regard to the physical condition of the Easement Area (including without limitation, responsibilities with regard to environmental investigation and remediation) set forth in any document, instrument or agreement by and among the parties.

(b) Maintenance. Grantor agrees to maintain, or cause to be maintained, any surface improvements from time to time constructed on the Easement Area in a safe condition until such time as the maintenance thereof becomes the responsibility of one or more owner’s associations pursuant to the terms of that certain Master Declaration of Covenants, Easements and Restrictions of Parkmerced Project. Except as specifically provided herein, Grantor and Grantee shall not be obligated to make any repairs, replacements or renewals of any kind, nature or description to the Easement Area, including the improvements at any time located on the Easement Area. In the event Grantee, in exercise of its rights granted herein, is required to excavate or otherwise remove all or a portion of the walkway, sidewalk or other improvements located within the Easement Area for maintenance, repair or replacement of utilities serviced by the City that (i) serve solely the real property shown on the Final Map or (ii) directly benefits the real property located within Parkmerced (collectively, (i) and (ii) are referred to herein as “**Project Serving Utilities**”), Grantee agrees to restore, or cause the restoration of, such improvements to their base condition, which shall include, without limitation, concrete, asphalt or other standard private roadway surfaces. In connection with such Project Serving Utilities, Grantee shall not be responsible for restoring any enhanced treatment that has been added to the private roadway in the construction thereof, including without limitation, the use of cobblestone, brick, tile and other similar treatments. Grantor, successor owners, or residential homeowners associations, as appropriate, shall be responsible for the replacement of any such enhanced treatment if removed by Grantee in exercise of its rights under this Agreement. The San Francisco Municipal Railroad,

all utility service providers (including the City with respect to utilities that do not qualify as Project Serving Utilities), and any other person or entity using the Easement Area for public utility purposes, are required to restore the improvements on the Easement Area to their condition prior to the excavation or removal of such improvements (or in better condition). Upon termination of the Public Pedestrian Access Easement, or any portion thereof, Grantee shall surrender use and possession of the Easement Area, or applicable portion thereof, free and clear of any liens or encumbrances relating to or arising in connection with the use of the Easement Area by reason of the Public Pedestrian Access Easement.

6. Indemnification.

(a) Indemnity for Public Easements. Grantee shall indemnify, defend and hold Grantor, its officers, directors, shareholders, employees, agents, successors and assigns (hereinafter collectively called "**Indemnified Parties**") harmless from all liabilities, penalties, costs, damages, expenses, causes of action, claims or judgments (including without limitation reasonable attorney's fees) (collectively, "**Indemnified Claims**"), resulting from (i) injury or the death of any person (including without limitation any Indemnified Party) or physical damage to property, real or personal, of any kind wherever located and by whomever owned (including, without limitation, property owned by an Indemnified Party), which injury, death or physical damage arises out of or is connected with Grantee's (or Grantee's officers, employees, agents, contractors, licensees, or invitees) use or occupancy of any of the Easement Area under the authority of the Public Pedestrian Access Easement, except to the extent that such Indemnified Claims are caused by the negligence or willful wrongful acts or omissions of any Indemnified Party, and (ii) the use, generation, processing, production, packaging, treatment, storage, emission, discharge or disposal of Hazardous Materials (as that term is defined hereinbelow) on or about the Easement Area by Grantee, its agents, employees, contractors, invitees or licensees in connection with the exercise of Grantee's rights under this Agreement. For purposes of this Section, the term "**Hazardous Materials**" shall mean any substance, material or waste that, because of its quantity, concentration, or physical or chemical characteristics, poses a significant present or potential hazard to human health and safety or to the environment, including, but not limited to petroleum, petroleum-based products, natural gas, or any substance, material, or waste that is or shall be listed, regulated or defined by federal, state or local statute, regulation, rule, ordinance or other governmental requirement to be hazardous, acutely hazardous, extremely hazardous, toxic, radioactive, biohazardous, infectious, or otherwise dangerous.

(b) Notice. Grantor agrees to give prompt notice to Grantee with respect to any Indemnified Claims initiated or threatened against Grantor, at the address for notices to Grantee set forth herein, and in no event later than the earlier of (i) ten (10) business days after valid service of process as to any suit or (ii) fifteen (15) business days after receiving written notification of the filing of such suit or the assertion of a claim, which Grantor has reason to believe is likely to give rise to an Indemnified Claim hereunder. If prompt notice is not given to Grantee, then Grantee's liability hereunder shall terminate as to the matter for which such notice is not given, provided that failure to notify Grantee shall not affect the rights of Grantor or the obligations of Grantee hereunder unless Grantee is prejudiced by such failure, and then only to the extent of such prejudice. Grantee shall, at its option but subject to the reasonable consent and approval of Grantor, be entitled to control the defense, compromise or settlement of any such matter through

counsel of Grantee's own choice; provided, however, that in all cases Grantor shall be entitled to participate in such defense, compromise, or settlement at its own expense.

7. Litigation Expenses.

(a) General. If either party hereto brings an action or proceeding (including any cross-complaint, counterclaim, or third-party claim) against the other party by reason of a default, or otherwise arising out of this Agreement, the prevailing party in such action or proceeding shall be entitled to its costs and expenses of suit, including but not limited to reasonable attorneys' fees, which shall be payable whether or not such action is prosecuted to judgment. "**Prevailing Party**" within the meaning of this Section 7 shall include without limitation, a party who dismisses an action for recovery hereunder in exchange for payment of the sums allegedly due, performance of covenants allegedly breached, or consideration substantially equal to the relief sought in the action.

(b) Appeal. Attorneys' fees under this Section 7 shall 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.

(c) Fee Award for City Attorney's, Grantor's In-House Counsel. For purposes of this Agreement, reasonable fees of attorneys of the Grantee's Office of City Attorney and any in-house counsel of Grantor shall be based on the fees regularly charged by private attorneys with an equivalent number of hours of professional experience in the subject matter area of the law for which Grantee's or Grantor's in-house counsel's services were rendered who practice in the City and County of San Francisco, State of California, in law firms with approximately the same number of attorneys as employed by the Office of City Attorney, or, in the case of Grantor's in-house counsel, as employed by the outside counsel for Grantor.

8. Time. Time is of the essence of this Agreement and each and every part hereof.

9. Amendment. This Agreement may be amended or otherwise modified only in writing signed and acknowledged by Grantor and Grantee, or the successors and assigns of each, subject to the provisions of Section 17 hereof.

10. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

11. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be entitled to be the original and all of which shall constitute one and the same agreement.

12. References; Titles. Wherever in this Agreement the context requires, reference to the singular shall be deemed to include the plural. Titles of sections and paragraphs are for convenience only and neither limit nor amplify the provisions of this Agreement.

13. Notice. Any notice given under this Agreement shall be in writing and given by delivering the notice in person, by commercial courier or by sending it by registered or certified mail, or Express Mail, return receipt requested, with postage prepaid, to the mailing address listed

below or any other address notice of which is given. For the convenience of the parties, copies of notices may also be given by telefacsimile, to the telephone number listed below or such other numbers as may be provided from time to time.

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

with copies to: J. Abrams Law, P.C.
One Maritime Plaza Suite 1900
San Francisco, California 94111
Attention: Jim M. Abrams

Grantee: Director of Public Works
City & County of San Francisco
c/o Infrastructure Task Force Manager
30 Van Ness Avenue, Suite 4200
San Francisco, CA 94102
Facsimile: (415) 581-2569
Telephone No: (415) 581-2568

with copies to: City Attorney, City of San Francisco
Room 234, City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4682
Attention: Michelle Sexton
Facsimile: (415) 554-4757

and to: Director of Property
Real Estate Department
25 Van Ness Avenue, Suite 400
San Francisco, California 94102
Telefacsimile: (415) 552-9216

Any mailing address or telefacsimile number may be changed at any time by giving written notice of such change in the manner provided above at least ten (10) days prior to the effective date of the change. All notices under this Agreement shall be deemed given, received, made or communicated on the date personal receipt actually occurs or, if mailed, on the delivery date or attempted delivery date shown on the return receipt. A person may not give official or binding notice by telefacsimile. The effective time of a notice shall not be affected by the receipt, prior to receipt of the original, or a telefacsimile copy of the notice.

14. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns (except as otherwise specifically provided in Section 19 below), including without limitation all grantees and other successors-in-interest of Grantor in any of the Easement Area.

15. Representations and Warranties. Grantor represents, warrants and covenants to Grantee the following:

(a) Good Standing. Grantor is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware and is duly qualified and in good standing as a foreign limited liability company under the laws of the State of California.

(b) Authority. Grantor has full power and authority to enter into this Agreement and to consummate the transactions contemplated by it. This Agreement has been duly authorized by all necessary action on the part of Grantor and no other action on the part of Grantor is necessary to authorize the execution and delivery of this Agreement.

16. Exclusive Benefit of Parties. The provisions of this Agreement are for the exclusive benefit of Grantor and Grantee and their successors and assigns, subject to the provisions hereof, and not for the benefit of nor give rise to any claim or cause of action by any other person; and this Agreement shall not be deemed to have conferred any rights upon any person except Grantor and Grantee. Except as otherwise provided in this Agreement, nothing herein shall be deemed a dedication of any portion of the Easement Area to or for the benefit of the general public. The easements herein granted are in gross and for the personal benefit solely of Grantee.

17. Severability. If any provision of this Agreement shall to any extent be invalid or unenforceable, the remainder of this Agreement (or the application of such provisions to persons or circumstances other than those in respect of which it is invalid or unenforceable) shall not be affected thereby, and each provision of this Agreement, unless specifically conditioned upon such invalid or unenforceable provision, shall be valid and enforceable to the fullest extent permitted by law.

18. Entire Agreement. This Agreement, together with any attachments hereto or inclusions by reference, constitute the entire agreement between the parties on the subject matter hereof, and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties hereto with respect to the easements which are the subject matter of this Agreement.

19. Compliance With Laws. Grantee, at Grantee's expense, shall comply with all laws, statutes, ordinances, rules and regulations of federal, state and local authorities (including, without limitation, Grantee itself) having jurisdiction over the Easement Area, now in force or hereafter adopted, with respect to the use by Grantee of the Easement Area under the authority of the easements herein granted.

20. Default. Grantee's failure to perform any covenant or obligation of Grantee hereunder and to cure such non-performance within thirty (30) days of written notice by Grantor shall constitute a default hereunder, provided that if more than thirty (30) days are reasonably required for such cure, no event of default shall occur if Grantee commences such cure within such period and diligently prosecutes such cure to completion. Upon such default Grantor shall be entitled to all remedies and means to cure or correct such default, both legal and equitable, allowed by operation of law except termination of the easements herein granted.

21. Burden on Land. The Public Pedestrian Access Easement created by this Agreement shall be a burden on the Burdened Property, which burden shall run with the land and shall be binding on any future owners and encumbrances of the Burdened Property or any part thereof and their successors and assigns.

22. Insurance: Waiver of Subrogation.

(a) Self-Insurance. It is acknowledged by the parties hereto that this Agreement does not require Grantee to carry liability insurance with respect to its use of the easements herein granted solely because it is the policy of Grantee to self-insure as to the matters covered by such insurance. Grantee hereby agrees that if to any extent said policy changes so that Grantee does use liability insurance, it will reasonably negotiate with Grantor to provide liability insurance coverage for the use of said easements to the extent such new policy allows and in such event the terms and provisions of Section 23(b) shall also be applicable.

(b) Waiver. The terms and provisions of this Section 23(b) shall be inoperative unless and until Grantee's policy of self-insurance changes and Grantee is procuring liability insurance covering its use of the easements granted herein. If Grantee does obtain liability insurance, each party, for itself and, to the extent it is legally permissible for it to do so and without affecting the coverage provided by insurance maintained by such party, on behalf of its insurer hereby releases and waives any right to recover against the other party from any liability for (i) damages for injury to or death of persons, (ii) any loss or damage to property, (iii) any loss or damage to buildings or other improvements, or (iv) claims arising by reason of any of the foregoing, to the extent that such damages and/or claims under (i) through (iv) are covered (and only to the extent of such coverage) by insurance actually carried by each party irrespective of any negligence on the part of such party which may have contributed to such loss or damage. The provisions of this paragraph (b) are intended to restrict each party (as permitted by law) to recovery for loss or damage against insurance carriers to the extent of such coverage, and waive fully, and for the benefit of the other party, any rights and/or claims that might give rise to a right subrogation in any such insurance carrier.

23. Tropical Hardwoods and Virgin Redwoods. The City and County of San Francisco urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood or tropical hardwood wood product or virgin redwood or virgin redwood wood product.

24. MacBride Principles - Northern Ireland. The City and County of San Francisco urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1, et seq. The City and County of San Francisco also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Grantor acknowledges that it has read and understands the above statement of the City and County of San Francisco concerning doing business in Northern Ireland.

25. Survival. All representations, warranties, waivers, and indemnities given or made hereunder shall survive termination of this Agreement.

26. Notices Concerning Use. Grantor reserves the right to record, post and publish notices as referred to in Section 813, 1008 and 1009 of the California Civil Code; provided, that such notices shall not affect the rights and obligations of Grantor and Grantee hereunder and, where appropriate, any such notice shall include recognition of the provisions of this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto on _____, _____.

GRANTOR:

PARKMERCED OWNER LLC,
a Delaware limited liability company

By: _____

Seth Mallen
Vice President

GRANTEE:

CITY AND COUNTY OF SAN FRANCISCO
a municipal corporation

By: _____

John Updike
Director of Property

APPROVED AS TO FORM:

Dennis J. Herrera, City Attorney

By: _____

Shari Gelles Diamant, Deputy City Attorney

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)

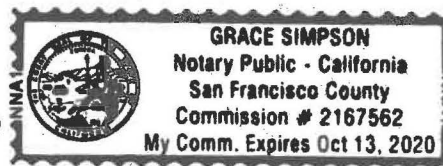
On 11.3.17 before me,
Grace Simpson, Notary Public (insert name and title of the officer)

personally appeared Seth Mallen, 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)



CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by this Easement Agreement dated _____, 20____, from the Grantor to the City and County of San Francisco, a charter city and county, is hereby accepted by order of its Board of Supervisors' Ordinance No. _____, adopted on _____, 20____, and the grantee consents to recordation thereof by its duly authorized officer.

Dated: _____

CITY AND COUNTY OF SAN FRANCISCO
a municipal corporation

By: _____
John Updike
Director of Property



ENGINEERS
SURVEYORS
PLANNERS

November 8, 2017
BKF No. 20090086-54

**LEGAL DESCRIPTION
EXHIBIT A-1
BURDENED PROPERTY**

That certain real property situate in the City and County of San Francisco, State of California, being more particularly described as follows:

Being all of Block 7309A as shown on that certain map entitled "Record of Survey of Parkmerced" filed for record in Book R of Maps, at Pages, 15 to 19, inclusive, in the Office of the Recorder of the City and County of San Francisco.

Excepting Therefrom:

Parcel 7 as described in that certain "Irrevocable Offer of Dedication and Grant Deed" recorded on September 1, 2017 as Document Number 2017-K509962, in the Office of said Recorder.

This description was prepared by me or under my direction in conformance with the Professional Land Surveyors' Act.



Alex M. Calder, PLS 8863




Date

END OF DESCRIPTION

APPROVED LEGAL DESCRIPTION:

By: 
Bruce R. Storrs
City and County Surveyor



ENGINEERS
SURVEYORS
PLANNERS

November 8, 2017
BKF Job No. 20090086-54

EXHIBIT A-2 EASEMENT AREA

That certain real property situate in the City and County of San Francisco, State of California, being further described as portions of Block 7309A as shown on that certain map entitled "Record of Survey of Parkmerced" filed for record in Book R of Maps, at Pages, 15 to 19, inclusive, in the Office of the Recorder of the City and County of San Francisco, and as modified by that certain Parcel 7 described in that certain document entitled "Irrevocable Offer of Dedication and Grant Deed" recorded on September 1, 2017 as Document Number 2017-K509962, in the Office of said Recorder, and being more particularly described as follows:

AREA 1

BEGINNING at the westerly terminus of that course labeled "S87°34'02"E 358.260' " on the northerly line of said Block 7309-A as said course and said block are shown on said map (see Sheet 4 of 20);

Thence southwesterly along the northwesterly line of said Block 7309-A along a tangent curve to the left having a radius of 28.36 feet, through a central angle of 59°55'24", for an arc length of 29.66 feet to the TRUE POINT OF BEGINNING of this description;

Thence continuing along said curve through a central angle of 12°33'31", for an arc length of 6.22 feet;

Thence leaving said curve, South 87°34'02" East, 2.76 feet;

Thence North 00°10'01" West, 5.68 feet to the TRUE POINT OF BEGINNING.

Containing 9 square feet, more or less.

AREA 2

BEGINNING at the easterly terminus of that course labeled "S87°34'02"E 358.260' " on the northerly line of said Block 7309-A as said course and said block are shown on said map (see Sheet 4 of 20);

Thence southeasterly along the northeasterly line of said Block 7309-A along a tangent curve to the right having a radius of 28.36 feet, through a central angle of 20°02'59", for an arc length of 9.92 feet to the TRUE POINT OF BEGINNING of this description;

Thence continuing along said curve through a central angle of 52°25'56", for an arc length of 25.95 feet;

Thence leaving said curve, North 87°34'02" West, 17.32 feet;

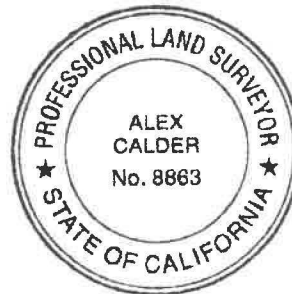
Thence North 02°25'58" East, 18.11 feet to the TRUE POINT OF BEGINNING.

Containing 206 square feet, more or less.

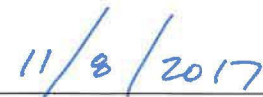
Horizontal Datum & Reference System

The horizontal datum is the North American Datum of 1983: NAD 83 (2011) Epoch 2010.00 referenced by the "CCSF-2013 High Precision Network" (CCSF-HPN). Plane coordinates are based on the "City & County of San Francisco 2013 coordinate system (CCSF-CS13). CCSF-CS13 is a low distortion projection designed for CCSF to provide plane coordinates in a ground system. See ROS 8080, filed April 4, 2014, in Book EE of Survey Maps at pages 147-157 in the Office of the Recorder of the City and County of San Francisco.

This description was prepared by me or under my direction in conformance with the Professional Land Surveyors' Act.





Alex Calder, PLS 8863


Date

END OF DESCRIPTION

APPROVED LEGAL DESCRIPTION:

By: 
Bruce R. Storrs
City and County Surveyor

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

APN: 7303-001; 7303A-002; 7308-003; 7308-002; 7309A-002; 7333C-001; 7326-003; 7326-002; 7362-001; 7364-001; 7365-001; 7366-002; 7370-002; 7330-002; 7330-003; 7331-249; 7333D-001; 7335-002

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

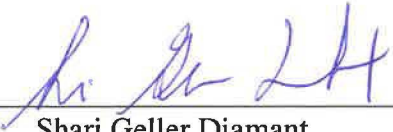
GRANTEE:

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 California)SS
COUNTY OF San Francisco)

On 11.3.17

before me, Grace Simpson, a Notary Public, personally
appeared Seth Mallen

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 "Irrevocable Offer of Dedication and Grant Deed" recorded on September 1, 2017 as Document No. 2017-K509962.

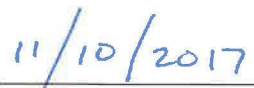
Excepting Therefrom,

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.

This description was prepared by me or under my direction in conformance with the Professional Land Surveyors' Act.

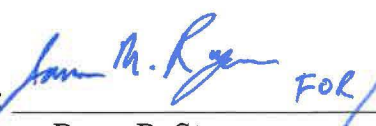

Alex Calder, PLS 8863



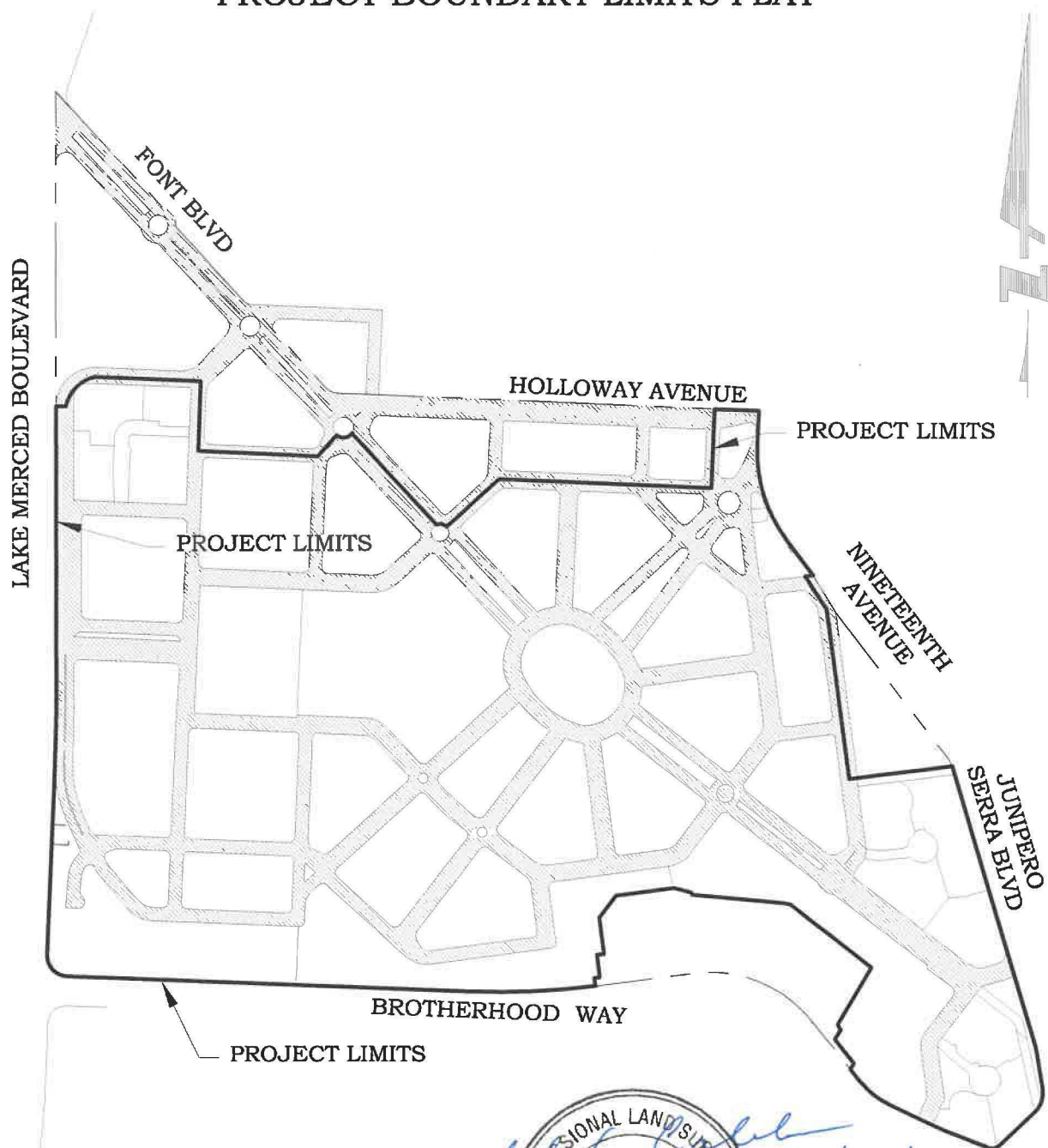

Date

END OF DESCRIPTION

APPROVED LEGAL DESCRIPTION:

By:  FOR
Bruce R. Storrs
City and County Surveyor

PROJECT BOUNDARY LIMITS PLAT



Alex Calder
 PROFESSIONAL LAND SURVEYOR
 ALEX CALDER
 No. 8863
 STATE OF CALIFORNIA
11/10/2017

GRAPHIC SCALE



1 inch = 600 ft.



ENGINEERS . SURVEYORS . PLANNERS
 255 SHORELINE DR., SUITE 200 (650) 482-6300
 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 11/03/2017

Approved AMC
 Sheet 1 of 2

EASEMENT LIMITS PLAT

LAKE MERCED BOULEVARD

FONT BLVD

EASEMENT LIMITS

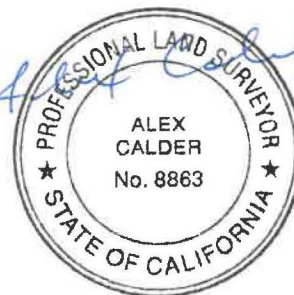
HOLLOWAY AVENUE

NINETEENTH AVENUE

JUNIPERO SERRA BLVD

BROTHERHOOD WAY

EASEMENT LIMITS



GRAPHIC SCALE



1 inch = 600 ft.

BKF 100+
YEARS
ENGINEERS . SURVEYORS . PLANNERS
255 SHORELINE DR., SUITE 200 (650) 482-6300
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 11/03/2017

Approved AMC
Sheet 2 of 2

3928

EXHIBIT C

O&M Manual

PARKMERCED
O&M MANUAL TEMPLATE

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.¹ 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.

¹ 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 SFPD.

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.²
- Record the number and direction of turns to closure.
- Record the condition (rusted, 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).

² 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 SFPPUC 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

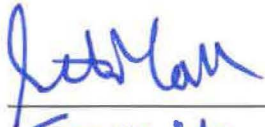
Maintaining Party personnel should familiarize themselves with the location of gate valves within the Project so that any problems with the system can be located and isolated quickly. In the event of an emergency, the Maintaining Party will immediately contact the SFPUC at (415) 550-4900. The Developer's 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 15th 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: SETH MALEN
Title: VICE PRESIDENT
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

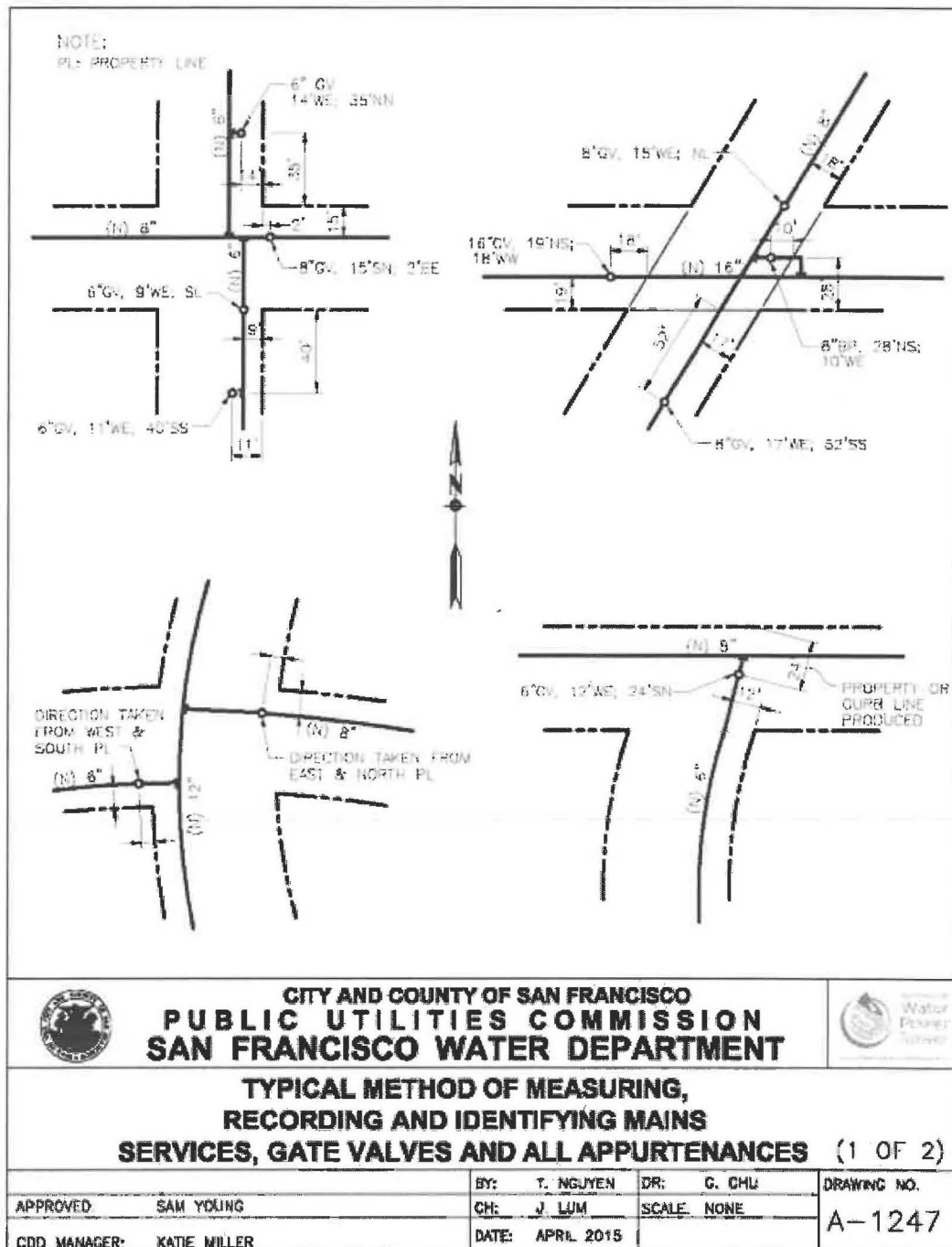
- A. UPDATED INTERIM CONTRACTOR RECORD DOCUMENTS SHOWING ALL REQUIRED INFORMATION UP THROUGH SUBSTANTIAL COMPLETION SHALL BE SUBMITTED TO AND ACCEPTED BY THE
-

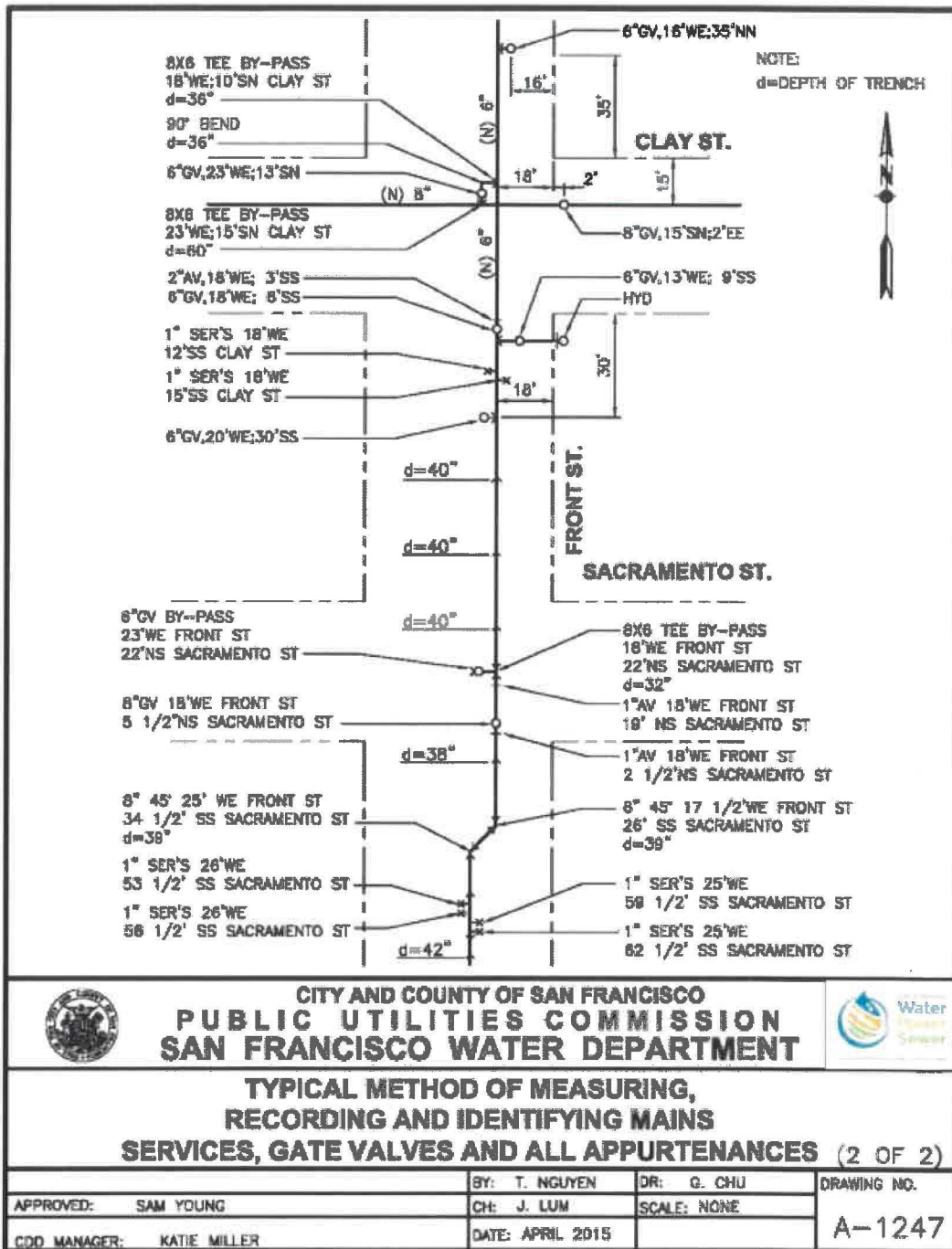
CITY REPRESENTATIVE AS A CONDITION PRECEDENT TO THE CONTRACT BEING DEEMED AS SUBSTANTIALLY COMPLETE.

- 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-XXXXXX-GV (COL (Reservoir Identifications) 12 (Valve Size) - XXX (Gatebook Page Number) XXX (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.I. - Reservoir -- 1/2 Million
	T.I. - Reservoir -- 1 Million
	T.I. - Reservoir -- 2 Million
	T.I. - Reservoir -- 3 Million
UMD	University Mound Reservoir (N&S)

Valve Type:

Valve Types	
GV	Gate Valve
BO	Blow Off
BV	Butterfly Valve
BP	By-Pass
CV	Check Valve
DV	Divide
DTV	
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: _____	
Water System (select one) <input type="checkbox"/> Potable <input type="checkbox"/> AWSS <input type="checkbox"/> Non-CDD Leak Type (select one) <input type="checkbox"/> Service Leak <input type="checkbox"/> Main Break <input type="checkbox"/> Appurtenance <input type="checkbox"/> No Leak Cause (select one) <input type="checkbox"/> Natural <input type="checkbox"/> Contractor Hit <input type="checkbox"/> Vandalism <input type="checkbox"/> Other Accident	Site/Pipe Conditions (select all applicable) <input type="checkbox"/> Back-fill Loss <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 Paving Rpt:	Diameter (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"	Material (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 Pipe Length	Pipe Damage (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 Repair Type (select one) <input type="checkbox"/> Clamp <input type="checkbox"/> Replace Pipe Section <input type="checkbox"/> Caulk Joint	Location

Plumber Rpt: _____

Pipe Book Number:

Printed Name:

v02 ~ 22-Dec-16

Page 1 of 2

Leak Repair Work Order

2nd Repair			
Diameter (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"	Material (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 Pipe Length	Pipe Damage (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 Repair Type (select one) <input type="checkbox"/> Clamp <input type="checkbox"/> Replace Pipe Section <input type="checkbox"/> Caulk Joint	Appurtenance Repair (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 (DIV) <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
Location _____ (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
AT&T Stormwater Review
525 Golden Gate Ave, 11th Floor
SAN FRANCISCO, CA 94102
stormwaterreview@sfwater.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 an 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	Debris/debris contributing landscape areas: erosion 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	Destabilized contributing paved areas / spalling* and raveling* of adjacent standard pavement (if applicable)			
10	Unauthorized modifications			
11	Utility cuts / other surface repairs evident and improperly 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 weed growth 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/crack edges. Usually occurs within about 2 ft. of joint/crack 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 (fines) and advances to the loss of larger aggregate sizes.

Signature: _____ Date: _____

Page 2 of 2



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.

Abbreviations: SDC: San Francisco Stormwater Design Guidelines; SCP: Stormwater Control Plan; SWS: San Francisco Stormwater Management Ordinance; BMP: Best Management Practice (Permeable Pavement); S: San Francisco

Item #	Inspection Item Description	Inspection Instructions and Explanation
1	Surface ponding evident / significantly reduced infiltration rate	<p>Area of Concern: 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 draw 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 section.</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"> • Permeable Pavers - Standard Test Method for Surface Infiltration Rate of Permeable Unit Pavement Systems - ASTM C1781/C1781M - 13 • Porous Concrete and Porous Asphalt - Standard Test Method for Infiltration Rate of In Place Porous Concrete - ASTM C1701/C1701M - 08 <p>Maintenance Solution: 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 drawdown time of the aggregate storage layer, see Item #4 below.</p>
2	Silt and sediment deposited on pavement surface	<p>Area of Concern: 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 filtration capacity could lead to surface ponding and flooding.</p> <p>Maintenance Solution: 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>Area of Concern: 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 filtration capacity could lead to surface ponding. Clogged outflow structure grates can lead to overflowing and ponding.</p> <p>Maintenance Solution: 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>Area of Concern: 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"> • blockage or clogging of the underdrains, outflow, or overflow structure (if applicable) • clogging of the aggregate storage layer, choking layer, or bedding layer • clogging of geotextiles (if applicable) <p>Inspecting the underdrain for clogging can be done visually by looking for standing water in the cleanout or by running a garden hose into the cleanout and determining if the water flows freely or backs up and overtops the cleanout pipe. Alternatively, video inspection of the underdrain pipe may be performed to determine the source of the underdrain failure.</p> <p>Inspecting the outflow structure or 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>Maintenance Solution: Clogged underdrains and outflow structures can be cleared by jelling 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>Area of Concern: 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>Maintenance Solution: Oil stains must be pressure 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 pan drippings 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>Area of Concern: 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>Maintenance Solution: Best practices call 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>Area of Concern: See Item #s 11, 12, 13, and 19</p>

Annual Self-Certification Checklist Instructions

Item #	Inspection Item Description	Inspection Instructions and Explanation
8	Destabilized contributing landscape areas / erosion of surrounding landscape areas (if applicable)	<p>Area of Concern: 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. Sediment-laden runoff must be physically blocked and diverted from draining onto the permeable pavement by curbs, berms, sandbags, straw wattles, and/or silt fencing.</p> <p>Maintenance Solution: 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 "ravelling" of adjacent standard pavement (if applicable)	<p>Area of Concern: 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 aggregates from its surface.</p> <p>Additionally, structurally deficient adjacent pavements (both concrete and asphalt) that are undergoing spalling or ravelling can contribute large amounts of fines silt and sediment to the adjacent permeable paving.</p> <p>Maintenance Solution: 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>Area of Concern: 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 (e.g., 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>Maintenance Solution: 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>Area of Concern: 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>Maintenance Solution: When working on permeable pavement, all surrounding surfaces must be protected from sediments 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"> • Permeable Interlocking Concrete Pavers (PICP) – 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 aggregates 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. • Pervious Concrete – Every effort must be made to replace the surface in-kind. Small patches can be replaced with standard non-pervious 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 pavement 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 aggregates 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. • Porous Asphalt – 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 aggregates 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.
12	Permeable pavement surface raveling and spalling / deterioration	<p>Area of Concern: Structurally deficient permeable pavements that are undergoing spalling or raveling degradation can contribute large amounts of fines, dirt, and sediment that can cause clogging and a lack 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>Maintenance Solution: Loose materials must be removed by sweeping or vacuuming.</p>
13	Potholes forming / pavers missing	<p>Area of Concern: See Item #12 above for minor pothole formation.</p> <p>See Item #13 below for major pothole formation and severe structural deterioration.</p> <p>Maintenance Solution: 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>

Annual Self-Certification Checklist Instructions

Item #	Inspection Item Description	Inspection Instructions and Explanation
14	Loss of paver jointing material (if applicable)	<p>Area of Concern: Capped PCCP rely on jointing material (typically fine aggregate like AASHTO M8, M89, or M9) to provide structural integrity and an initial filtering of sediment and fines before those materials reach and clog the aggregate bedding layer beneath the pavers. Over time, traffic and vacuuming can reduce the amount of jointing material.</p> <p>Maintenance Solution: 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>Area of Concern: 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 "spillover," 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>Maintenance Solution: For inert substances, cleanup can typically be conducted by regular maintenance personnel by simply scraping off, pressure washing, vacuuming, and carting 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>Area of Concern: Trash, debris, and sediment can create blockages at the overflow structure or catch basins built into permeable pavement systems, inhibiting the flow of water out of the facility or inhibiting 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>Maintenance Solution: 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, sumps, 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>Area of Concern: Inspecting the underdrain for clogging can be done visually by looking for standing water in the cleanout or by running a garden hose into the cleanout and determining if the water flows freely or backs up and overtops the cleanout pipe. Alternately, video inspection of the underdrain pipe may be performed to determine the source of the underdrain failure.</p> <p>Maintenance Solution: Clogged underdrains 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 pipe.</p>
18	Vegetation damage / bare spots and/or weed growth in turf paver or grass paver type systems (if applicable)	<p>Area of Concern: 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>Maintenance Solution: 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>Area of Concern: For minor structural damage, refer to Item #s 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>Maintenance Solution: Major repairs can consist of removal and replacement of the entire permeable pavement surface, damaged curbs, pavement edging, overflow or underdrain structures, or structural bracing and supplemental reinforcement of failing structural components.</p>

*Definitions: **Sealing** - Cracking, breaking or chipping of joint/track edges. Usually occurs within about 2 ft. of joint/track edge.

Banding - The progressive disintegration 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.

City and County of San Francisco
Director of Property
25 Van Ness Avenue
Suite 4000
San Francisco, CA 94102

OFFER OF IMPROVEMENTS

PARKMERCED OWNER LLC, a Delaware limited liability company ("Parkmerced"), does hereby irrevocably offer to the City and County of San Francisco, a municipal corporation ("City"), and its successors and assigns, all of the right-of-way improvements and underground public utility facilities constructed or installed by or on behalf of Parkmerced pursuant to the Street Improvement Permit _____, dated _____, 2017 ("Improvements"), issued thereunder, for Parkmerced Phase 1A Street Improvement Plan, and the improvement plans and specifications described therein, but excepting therefrom: (a) 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, and (b) those portions of the facilities which are identified as Future-Dedicated Infrastructure and Subdivider Infrastructure in that certain Parkmerced Blocks 1 and 6 ("Subphase 1A") Public Improvement Agreement dated as of _____ between Parkmerced and the City.

The property where the improvements are located is shown on Exhibit A hereto, constituting City property and Parkmerced Property located in the City.

It is understood and agreed that: (i) the City and its successors or assigns shall incur no liability or obligation whatsoever hereunder with respect to such offer of public improvements, and except as may be provided by separate instrument, shall not assume any responsibility for the offered improvements, unless and until such offer has been accepted by the appropriate action of the Board of Supervisors, and (ii) upon acceptance of this offer of public improvements the City shall own and be responsible for maintenance of the offered public facilities and improvements.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

The provisions hereof shall inure to the benefit of and be binding upon the heirs, successors, assigns and personal representatives of the respective parties hereto.

IN WITNESS WHEREOF, the undersigned has executed this instrument this ____ day of _____, 20__.

PARKMERCED OWNER LLC,
a Delaware limited liability company

By: _____

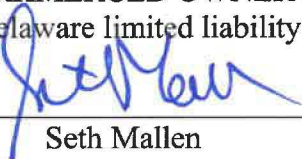

Seth Mallen
Vice President

EXHIBIT A
Property

[Attached]





Edwin M. Lee
Mayor

Mohammed Nuru
Director

Jerry Sanguinetti
Manager

Street Use and Mapping
1155 Market St., 3rd floor
San Francisco, CA 94103
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November 17, 2017

Angela Calvillo, Clerk of the Board
Board of Supervisors
1 Dr. Carlton B. Goodlet Place, Room 244
San Francisco, Ca 94102-4689

Subject: Approval of Final Map 8531 & Public Improvement Agreement
Parkmerced - Planning Blocks 1 and 6

Dear Ms. Calvillo:

Attached please find an original and one (1) copy of the Motion for Board of Supervisors approval which will approve Final Map No. 8531 and the Public Improvement Agreement related to the Final Map pursuant to the California Subdivision Map Act and the San Francisco Subdivision Code.

Please find attached one (1) Mylar of the above referenced Final Map. Also find attached the following accompanying documents (one set):

1. Motion (1 original/1 copy)
2. Department of Public Works Order No. 186735
3. Letter dated August 3, 2015 from City Planning Department verifying conformity with the General Plan and Priority Policies set forth in City Planning Code Section 101.1
4. Tax Certificates
5. Parkmerced Blocks 1 and 6 ("Subphase 1A") Public Improvement Agreement
6. Parkmerced Phase 1A Improvement Plans (1 set)

Please feel free to contact me for any assistance needed.

Sincerely,

A handwritten signature in blue ink that reads "Barbara L. Moy".

Barbara L. Moy
Task Force Manager
Phone: (415) 588-4050
Email: barbara.moy@sfdpw.org

