



**REIMBURSEMENT AGREEMENT WITH SEA BREEZE 56, LLC
FOR PROJECTS T-3.1B, CAMINO DEL SUR NORTH; T-3.1A, CAMINO DEL SUR
SOUTH (RANCHO PEÑASQUITOS PROJECT T-4B); AND PORTIONS OF PROJECTS
T-5.2, CARMEL MOUNTAIN ROAD SOUTH; P-6 TORREY HIGHLANDS TRAILS;
AND U-3, 16" WATER MAINS IN THE TORREY HIGHLANDS AND RANCHO
PEÑASQUITOS COMMUNITIES**

THIS REIMBURSEMENT AGREEMENT (Agreement) is made and entered into between the City of San Diego, a municipal corporation (City) and Sea Breeze 56, LLC, a Delaware limited liability company, (Developer), (collectively the Parties), for reimbursement for the purchase, design, and construction of Projects T-3.1B, Camino Del Sur North; T-3.1A, Camino Del Sur South (Rancho Peñasquitos Project T-4B); T-5.2, Carmel Mountain Road South; P-6 Torrey Highlands Trails; and U-3, 16" Water Mains in Camino Del Sur and Carmel Mountain Road in the Torrey Highlands Subarea Plan and Rancho Peñasquitos Community Plan areas and in accordance with the Torrey Highlands and Rancho Peñasquitos Public Facilities Financing Plans.

RECITALS

1. Developer owns real property that is the subject of the VTM (defined below) (Property). Developer certifies that it is developing the Property subject to the requirements and conditions of the City Council of the City of San Diego (City Council).
2. On May 22, 2018, by San Diego Resolution R-311778, City Council granted Vesting Tentative Map No. 1266780 (VTM) subject to certain conditions determined to be necessary for Developer's development.
3. On November 27, 2012, by City of San Diego Resolution R-307857, the City Council adopted the Torrey Highlands Public Facilities Financing Plan for Fiscal Year 2013. The City Council adopted the Rancho Peñasquitos Public Facilities Financing Plan for Fiscal Year 2014 on January 2, 2014, by San Diego Resolution No. 308686 (individually, Financing Plan or collectively, Financing Plans). The Financing Plans identify Projects T-3.1B, Camino Del Sur North (Torrey Santa Fe to Carmel Mountain Road); T-3.1A (Rancho Peñasquitos Project T-4B), Camino Del Sur South (Carmel Mountain Road to 1600 feet north of Park Village Road); T-5.2, Carmel Mountain Road South (Existing Terminus to Camino Del Sur); P-6, Torrey Highlands Trail System, and U-3, 16" Water Mains in Camino Del Sur and Carmel Mountain Road in the Torrey Highlands Subarea Plan and Rancho Peñasquitos Community Plan areas and in accordance with the Torrey Highlands and Rancho Peñasquitos Public Facilities Financing Plans, as shown in **Exhibit A**. Specifically, this Agreement relates to those portions of the above described DIF projects as depicted in **Exhibit B** and described in **Exhibit C**, which are individually referred to throughout this Agreement as the "Project" and collectively referred to throughout this Agreement as "Projects."
4. The total estimated cost for projects T-3.1A, T-3.1B, T-5.2, P-6, and U-3 in the Fiscal Year 2013 Torrey Highlands Financing Plan is \$21,768,556, including \$3,051,000 from the Rancho Peñasquitos Facilities Benefit Assessment (FBA) fund as authorized by the Fiscal Year 2014 Rancho Peñasquitos Financing Plan. Amendments to the Torrey Highlands and Rancho Peñasquitos Financing Plans are being considered for approval concurrently with this

Agreement. As approved, a maximum total of thirty-seven million six hundred sixty-six thousand dollars (\$37,660,000) will be budgeted and potentially available for reimbursement of Developer for projects T-3.1A, T-3.1B, T-5.2, P-6, and U-3, including \$7,106,304 from the Rancho Peñasquitos Facilities Benefit Assessment (FBA) fund as authorized by the amended Fiscal Year 2014 Rancho Peñasquitos Financing Plan for Camino Del Sur South (Rancho Peñasquitos project T-4B). This maximum amount, plus the applicable inflationary rate as set forth in the Financing Plans, which may be adjusted upon an update to the Financing Plans, constitutes the total City funds potentially available for the Projects.

5. Developer's Total Estimated Cost (as defined in Section 3.3) for the Projects is \$37,660,000. The Parties acknowledge that any costs incurred by Developer in excess of the maximum funds potentially available shall constitute a Non-Reimbursable Cost.

6. Reimbursement will come from the Torrey Highlands and Rancho Peñasquitos FBA funds, Fund Nos 400094 and 400083 respectively. Developer is also entitled to \$793,200 from Fund No. 400096, West Pac Contrib Torrey High, collected pursuant to the "Agreement To Make Payments Related To The Fair Share Contribution For Street "B" And Related To Surface Improvements For Camino Ruiz Extension Into Rancho Peñasquitos", executed on April 12, 2005.

7. Developer's Estimated Cost (as defined in Section 3.3) for each Project is described on **Exhibit E** plus interest (as discussed in Section 12.1.6).

NOW, THEREFORE, in consideration of the recitals and mutual obligations of the Parties, and for other good and valuable consideration, City and Developer agree as follows:

ARTICLE I. SUBJECT OF THE AGREEMENT

1.1 Design and Construction of Project. Developer agrees to design and construct the Project fully complete and operational and suited to the purpose for which it was designed and in accordance with this Agreement, the plans and specifications, as approved by the City, and the Financing Plan, and within the timeframe established in the Project Schedule attached as **Exhibit D**, and for the Estimated Costs attached as **Exhibit E**.

Developer has processed all approvals required pursuant to Chapter 11, Land Development Procedures of the San Diego Municipal Code for design and construction of the Project.

1.2 Substantial and Final Completion. City's acceptance of a Project shall occur upon Developer's receipt of a letter of Substantial Completion from City (as defined in Section 15.1) for that Project. Completion of a Project shall not occur until Developer receives the following, as applicable: grading permit; public right-of-way permit; building permit; acceptable capitalization form, as-built approval; Notice of Completion; Certificate of occupancy; and Transfer Ownership (as defined in Section 16.1) for that Project.

- 1.3 **Reimbursement.** City agrees to reimburse Developer for the Projects subject to the terms and conditions of this Agreement.

ARTICLE II. PROJECT SCHEDULE

- 2.1 **Project Schedule.** Developer shall perform and complete the work under this Agreement according to the Project Schedule attached as **Exhibit D**, the Project Schedule Obligations and Components attached as **Exhibit F**, the Meeting Requirements in **Exhibit G**; and Preconstruction, Progress, and Special Meeting Agendas in **Exhibit H**.
- 2.1.1 The Project Schedule, in all phases of development, shall consider and adhere to the regulations contained in Chapter 12, Land Development Reviews of the San Diego Municipal Code (SDMC).
- 2.2 **Project Completion.** Developer agrees that all work on the Projects under this Agreement will be complete and ready for operational use according to the Project Schedule, any approved phasing plan(s), and the Project Schedule Obligations and Components.
- 2.3 **Changes in Project Schedule.**
- 2.3.1 Changes in the Project Schedule that increase the Estimated Cost must be approved by City in writing in accordance with Section 3.3.3.
- 2.3.1.1 Changes in the Project Schedule that increase the review and approval process must comply with the requirements as provided for in Chapter 12, Land Development Reviews of the SDMC.
- 2.3.2 Changes in the Project Schedule that do not increase the Estimated Cost may be approved by the engineer designated by the City's Public Works Department (Responsible Department), which shall be responsible for review and approval of the progress of, and changes to, a Project (Resident Engineer); provided, however, that a Project is still completed in accordance with the Financing Plan (including any associated phasing plans) and all conditions of approval including, but not limited to the VTM and the VTM Conditions.
- 2.4 **Notification of Delay.** If Developer anticipates or has reason to believe that performance of work under this Agreement will be delayed, Developer shall immediately notify the representative designated by the City's Public Works Department to manage the Projects on behalf of City (Project Manager). Unless City grants Developer additional time to ascertain supporting data, a written notice of the delay must be delivered to City within thirty (30) calendar days of the initial notification and shall include an explanation of the cause of the delay, a reasonable estimate of the length of the delay, any anticipated increased costs due to the delay, all supporting data, and a written statement that the time adjustment requested is the entire time adjustment Developer needs as a result of the cause of the delay. If Developer anticipates or has reason to believe the delay will increase the Estimated Cost, Developer shall also give notice to City in accordance with Section 3.4.
- 2.5 **Delay.** If delay in the performance of work required under this Agreement is caused by unforeseen events beyond the control of one or both of the Parties, such delay may entitle

Developer to a reasonable extension of time. Any such extension of time must be approved in writing by City and will not be unreasonably withheld. A delay in the performance of work or any activity by City or Developer that affects a deadline to perform imposed on the other party by this Agreement will entitle the other party to the number of days City or Developer failed to complete performance of the work. The following conditions may justify such a delay depending on their actual impact on the Projects: war; changes in law or government regulation; later commonly accepted or adopted higher standards and specifications of construction; labor disputes or strikes; fires; floods; adverse weather or other similar condition of the elements necessitating temporary cessation of Developer's work; concealed conditions encountered in the completion of a Project; inability to reasonably obtain materials, equipment, labor, or additional required services; pandemic; or other specific reasons mutually agreed to in writing by City and Developer. Any delay claimed to be caused by Developer's inability to obtain materials, equipment, labor, or additional required services shall not entitle Developer to an extension of time unless Developer furnishes to City, in accordance with the notification requirements in Section 2.4, documentary proof satisfactory to City of Developer's inability to reasonably obtain materials, equipment, labor, or additional required services. Under circumstances other than the above or otherwise provided for in this Agreement, Developer shall not be entitled to any extension of time, additional costs, or expenses for any delay caused by the acts or omissions of Developer, its consultants, contractors, subcontractors, employees, or other agents (collectively, Developer's agents). A change in the Project Schedule does not automatically entitle Developer to an increase in Reimbursable Costs (as defined in Section 3.2). If City determines that the delay materially affects a Project, City may exercise its rights under Section 2.7 of this Agreement.

2.6 Costs of Delay. City and Developer acknowledge construction delays may increase the cost of the Projects. Unless Developer informs City pursuant to Sections 2.4 and 3.4 of cost increases due to delay and such cost increases are determined by City to be reasonable and are fully recovered through collected fees under the Financing Plan, funding will be insufficient to cover the cost increase. Therefore, Developer agrees to absorb any increase in Estimated Costs and/or interest thereon not accounted for in the Financing Plan (or future updates of the Financing Plan) because Developer failed to timely notify the City in writing as required under Sections 2.4 and 3.4.

2.6.1 Liquidated Damages. Failure to complete work under this Agreement according to Project Schedule will result in damages pursuant to section 6-9 of the White Book.

2.7 City's Right to Terminate for Default.

2.7.1 If Developer fails to adequately perform any obligation required by this Agreement, Developer's failure shall constitute a Default. The City will provide written notice within fifteen (15) calendar days to Developer identifying the nature of the Default. Developer shall provide a written response within fifteen (15) calendar days of written default notice from City detailing all reasonable efforts to ensure that the Default is completely remedied within a reasonable time period to the satisfaction of City, City may immediately terminate this Agreement including all rights of Developer and any person or entity claiming any rights by or through Developer under this Agreement. A delay shall not constitute a Default

if Developer has made good faith and reasonable efforts to adhere to the Project Schedule, has provided notice of delay in accordance with Section 2.4, and such delay was caused by unforeseen events that justify the delay as set forth in Section 2.5.

2.7.1.1 Per section 6-4.1 of the White Book, should the default process occur, the site shall be secured to maximize the public use of the City property.

2.7.2 If City terminates this Agreement due to Developer's Default, City shall notify the surety to assume all of the rights of any and all contracts or subcontracts entered into by Developer or Developer's agents for the construction of the Projects. Developer shall include and require its contractors and subcontractors to include provisions in their contracts and subcontracts, that City is a third-party beneficiary of the same and that City is entitled to and protected by the indemnities and warranties, whether written or express, contained therein.

2.7.3 The rights and remedies of City enumerated in Section 2.7 are cumulative and shall not limit, waive, or deny City's rights under other provisions of this Agreement, or waive or deny any right or remedy at law or in equity available to City against Developer, including any claims for damages against Developer that City may assert as a result of the Default.

2.8 City's Right to Terminate for Bankruptcy or Assignment for the Benefit of Creditors. If Developer files a voluntary petition in bankruptcy, is adjudicated bankrupt, or makes a general assignment for the benefit of creditors, City may at its option and without further notice to or demand upon Developer immediately terminate this Agreement, and terminate all rights of Developer and any person or entity claiming any rights by or through Developer. The rights and remedies of City enumerated in this Section are cumulative and shall not limit, waive, or deny any of City's rights or remedies under other provisions of this Agreement or those available at law or in equity.

ARTICLE III. PROJECT COSTS AND CHANGE ORDERS

3.1 Project Costs. Project Costs are Developer's reasonable costs of construction materials and design necessary for the Project as approved by the City and depicted in **Exhibit E**. Project Costs do not include Developer's Administrative Costs (as defined in Section 3.3.1).

3.2 Reimbursable Costs. Developer may seek reimbursement only for Reimbursable Costs. Reimbursable Costs shall consist only of the Estimated Costs (as defined in Section 3.3) reasonably expended by Developer, approved for reimbursement in the Financing Plan, and verified and approved by City under the terms of this Agreement.

3.2.1 Non-Reimbursable Costs. Non-Reimbursable Costs include: (i) any cost in excess of the Estimated Costs not approved in accordance with Section 3.3.3; (ii) any cost identified in this Agreement as a Non-Reimbursable Cost; (iii) any cost to remedy Defective Work (as defined in Section 21.1); (iv) any cost incurred as a result of Developer's or Developer's agents' negligence, omissions, delay, or Default; (v) any cost of substituted products, work, or services not necessary for completion of a Project, unless requested and approved by City in writing; (vi)

any cost not approved by City in the manner required by this Agreement and/or the Charter of the City of San Diego (San Diego Charter) and rules, regulations, or laws promulgated thereunder; (vii) any cost not supported by proper invoicing or other documentation as reasonable and necessary; and (viii) any cost in excess of Development Impact Fees (DIF)'s actually collected by the City and available for reimbursement to Developer for the design and construction of a Project; and (ix) any costs associated in the re-design of the Project in conformance with current federal, state, and local laws. Additionally, the fair value as reasonably determined by City of any property that is destroyed, lost, stolen, or damaged rendering it undeliverable, unusable, or inoperable for City constitutes a Non-Reimbursable Cost. Refundable deposits, such as utility deposits, also constitute a Non-Reimbursable Cost.

3.3 Estimated Cost(s). Developer's Total Estimated Costs shall consist only of: (i) Project Costs, (ii) Developer's Administrative Costs (as defined in Section 3.3.1), and (iii) the Project Contingency (as defined in Section 3.3.2). The Total Estimated Cost of the Projects is \$37,660,000, plus interest (as set forth in Section 12.1.6). The Estimated Costs of each Project is described on **Exhibit E**.

3.3.1 Developer's Administrative Costs. Developer's Administrative Costs are reasonably incurred Project-related administration and supervision expenditures equal to 6 percent of Developer's Project Costs.

3.3.2 Project Contingency. A Project Contingency of 10 percent of estimated construction costs is included in the Estimated Cost. The Project Contingency shall not be available for: (i) work required due to Developer's or Developer's agents' failure to perform work or services according to the terms of this Agreement or in compliance with the Construction Documents; or (ii) uninsured losses resulting from the negligence of Developer or Developer's agents.

3.3.3 Change Orders and Adjustments to Estimated Cost. Estimated Costs may be increased only through properly processed and approved Change Orders in accordance with **Exhibit I**. The Estimated Cost may only be increased if Developer provides documentation showing that the increase is reasonable in nature and amount, and is due to causes beyond Developer's or Developer's agents control or otherwise not the result of unreasonable conduct by Developer or Developer's agents which may, based on actual impact on a Project, include: war; changes in law or government regulation; later commonly accepted or adopted higher standards and specifications of construction; labor disputes or strikes; fires; floods; adverse weather or other similar condition of the elements necessitating temporary cessation of Developer's work; concealed conditions encountered in the completion of a Project; inability to reasonably obtain materials, equipment, labor, or additional required services; inflation; actual bids received for Project Costs being greater than estimated; or other specific reasons mutually agreed to in writing by City and Developer. Developer shall not be reimbursed, and no Change Order may be approved, for costs or expenses resulting from a design error or omission (unless such a design error or omission is the direct result of a City request for such design or omission), Developer's or Developer's agents' negligence, or costs that exceed the amount available

pursuant to the Financing Plan. Developer shall not have the right to terminate, reform, or abandon this Agreement for City's refusal to approve a Change Order.

3.3.4 ***Not in Excess of Total Estimated Cost.*** At the completion of all Projects subject to this Agreement, it may be determined following City's final accounting of costs that certain projects were completed at a cost below their Estimated Cost, while other projects were completed at a cost in excess of their Estimated Cost. City may reimburse Developer for excess costs upon determining that all of the following are true:

3.3.4.1 The increase in costs are otherwise reimbursable (i.e. not a result of Developer or Developer's agent's negligent actions or omissions or the cost of replacing property destroyed, lost, stolen, or damaged, rendering it undeliverable or unusable for City.

3.3.4.2 Payment of the costs in excess of the Estimated Cost will not cause the reimbursement to Developer to exceed the Total Estimated Cost.

3.4.1 **Notification of Increased Estimated Costs.** If Developer anticipates or has reason to believe that the cost of a Project will exceed the Estimated Cost, Developer shall notify the City in writing within fourteen (14) calendar days of becoming aware of the potential increase. If Developer fails to timely notify City in writing, Developer agrees to absorb any increase in Estimated Costs and any interest thereon not accounted for in the Financing Plan. This written notification shall include an itemized cost estimate and a list of recommended revisions Developer believes will bring the construction cost to an amount within the Estimated Cost. In accordance with Section 3.3.3, City may approve an increase in Estimated Costs and/or delineate a project which may be constructed within Estimated Costs. If City chooses not to pursue the above options, Developer may elect to construct a Project and forgo any reimbursement in excess of the Estimated Cost.

ARTICLE IV. COMPETITIVE BIDDING, EQUAL OPPORTUNITY AND EQUAL BENEFITS

4.1 **Compliance.** Developer shall bid and award contracts to complete the Projects in accordance with the San Diego Charter and rules, regulations, and laws promulgated thereunder, including, but not limited to, the SDMC and City Council resolutions and policies, as well as any expressly applicable public contract laws, rules, and regulations (Required Contracting Procedures). Required Contracting Procedures include all contracting requirements that are applicable to the City, including, but not limited to, competitive bidding, the City's Small and Local Business Enterprise Program (SLBE) for public works contracts, and the City's Equal Benefits Ordinance. Prior to bidding the Projects, Developer shall ensure that the bidding documents are in compliance with all Required Contracting Procedures. Developer understands that it must comply with all required contracting procedures as described in, but not limited to, **Exhibit J**. The Developer may, if needed, request assistance from the City's Public Works Department. Developer's failure to adhere to all Required Contracting Procedures is a material breach of this Agreement, and any contract awarded not in accordance with the Required Contracting Procedures shall be ineligible for reimbursement.

4.1.1 City Approval Not a Waiver of Obligations. Where approval by City, the Mayor, or other representatives of City is required, it is understood to be general approval only and does not relieve Developer of responsibility for complying with all applicable laws, codes, regulations, and standard consulting, design, or construction practices.

4.2 Bidding Documents.

4.2.1 Submission of Construction Documents. Developer shall submit bidding documents to City for approval before soliciting bids for work on the Projects. Within two weeks of receipt, the City will contact the developer to notify Developer of any necessary corrections that need to be made.

4.2.2 Obtain all Permits and Approvals. Developer shall obtain all necessary permits, including, but not limited to, environmental, grading, building, mechanical, electrical, and plumbing. The final approval of the Construction Bidding Documents will be by way of the City's issuance of a letter or an email indicating that the Developer may proceed with competitive bidding.

4.3 Solicitation of Bids. Developer shall solicit sealed bids for construction of the Projects in accordance with all Required Contracting Procedures. With notice of at least five (5) Working Days, Developer shall notify City of the time and place of each bid opening. Developer shall work with City's Public Works Department to ensure that bids are solicited in the manner required in accordance with the Required Contracting Procedures.

4.4 Bid Opening and Award of Contract. Developer shall open bids and award contracts in accordance with all Required Contracting Procedures. Developer shall ensure that bids are opened and that contracts are awarded in accordance with all required Contracting Procedures. The Developer may, if needed, request assistance from the City's assigned Public Works Department representative. Developer shall publicly open sealed bids. The bidding contractors shall be permitted to be present at the bid opening. The Developer will submit to the assigned City representative copies of all bids received immediately after the bid opening; and with a copy of the tabulation of bid results upon its completion by the Developer. The Contract for the construction of the Projects shall be awarded by Developer to the lowest responsive and responsible bidder in accordance with the Required Contracting Procedures.

4.4.1 In the event that the lowest responsive and responsible bid exceeds the Estimated Cost, any reimbursement for such an increase shall be subject to approval by Change Order pursuant to Section 3.3.3 following award of the contract.

4.4.1.1 In the event the City Council does not approve the increased cost, at City's option:

4.4.1.1.1 City may terminate this Agreement. In the event this Agreement is terminated, Developer's obligations pursuant to this Agreement for the construction of the Projects shall be released without further liability. This release shall in no way affect the obligations of Developer with respect to any terms or conditions of the VTMs, Tentative Map(s), Development Agreements, or other approvals and agreements with City.

However, prior to termination of this Agreement, City shall reimburse Developer (at City's option with either DIF credits or cash reimbursement) for the engineering and design costs reasonably incurred and expended by Developer in accordance with this Agreement and within the Estimated Cost in accordance with Section 3.3. Developer shall provide City with copies of all executed contracts; or

4.4.1.1.2 City may work with Developer to rebid and/or redesign the Projects.

4.4.1.1.3 With Developer's consent, Developer may award the bid and assume responsibility for the costs in excess of Estimated Cost.

4.5 Nondiscrimination Requirements.

- 4.5.1 ***Compliance with the City's Equal Opportunity Contracting Program.*** Developer shall comply with City's Equal Opportunity Contracting Program. Developer shall not discriminate against any employee or applicant for employment on any basis prohibited by law. Developer shall provide equal opportunity in all employment practices. Developer shall ensure its consultants, contractors, and their subcontractors comply with the City's Equal Opportunity Contracting Program. Nothing in this Section shall be interpreted to hold the Developer liable for any discriminatory practice of its consultants, contractors or their subcontractors.
- 4.5.2 ***Nondiscrimination Ordinance.*** Developer shall not discriminate on the basis of race, gender, gender expression, gender identity, religion, national origin, ethnicity, sexual orientation, age, or disability in the solicitation, selection, hiring or treatment of consultants, contractors, subcontractors, vendors or suppliers. Developer shall provide equal opportunity for contractors and subcontractors to participate in contracting and subcontracting opportunities. Developer understands and agrees that violation of this clause shall be considered a material breach of the Agreement and may result in Agreement termination, debarment, and other sanctions. This language shall be in contracts between the Developer and any consultants, contractors, subcontractors, vendors and suppliers.
- 4.5.3 ***Compliance Investigations.*** Upon City's request, Developer agrees to provide to City, within sixty (60) calendar days, a truthful and complete list of the names of all consultants, contractors, subcontractors, vendors and suppliers Developer used in the past five years on any of its contracts undertaken within San Diego County, including the total dollar amount paid by Developer for each contract, subcontract or supply contract. The Developer further agrees to fully cooperate in any investigation conducted by City pursuant to City's Nondiscrimination in Contracting Ordinance (SDMC sections 22.3501-22.3517). Developer understands and agrees that violation of this clause shall be considered a material breach of the Agreement and may result in remedies being ordered against Developer up to and including Agreement termination, debarment, and other sanctions for violation of the provisions of the Nondiscrimination in Contracting Ordinance. Developer further understands and agrees that the procedures,

remedies and sanctions provided for in the Nondiscrimination Ordinance apply only to violations of said Nondiscrimination Ordinance.

- 4.6 Equal Benefits.** This Agreement is with a sole source and therefore, Developer is not subject to the City's Equal Benefits Ordinance, Chapter 2, Article 2, Division 43 of the SDMC. However, the Equal Benefits Ordinance is applicable to contracts that Developer enters into with respect to the Projects. Therefore, Developer shall ensure that its contractor(s) and consultant(s) comply with the Equal Benefits Ordinance. Developer shall include in each of its contracts with its contractor(s) and consultant(s) provisions: (i) stating that the contractor(s) and/or consultant(s) must comply with the Equal Benefits Ordinance; (ii) stating that failure to maintain equal benefits is a material breach of those agreements; and (iii) requiring the contractor(s) and/or consultant(s) to certify that they will maintain equal benefits for the duration of the contract. Municipal Code § 22.4304(e)-(f). In addition, Developer's contractor(s) and/or consultant(s) must comply with the requirement that they not discriminate in the provision of benefits between employees with spouses and employees with domestic partners, and that it notify employees of the equal benefits policy at the time of hire and during open enrollment periods during the performance of the contract. SDMC § 22.4304(a)-(b). Developer's contractor(s) and/or consultant(s) must also provide the City with access to documents and records sufficient for the City to verify compliance with the Equal Benefits Ordinance requirements. Municipal Code § 22.4304(c). Additionally, Developer's contractor(s) and/or consultant(s) may not use a separate entity to evade the requirements of the Equal Benefits Ordinance. SDMC § 22.4304(d). Developer shall ensure that its contractor(s) and consultant(s) comply with the Equal Benefits Ordinance by including the following statement in all contracts with its contractors and consultants: "Equal Benefits Ordinance. Unless an exception applies, contractor/consultant shall comply with the Equal Benefits Ordinance (EBO) codified in the SDMC (§22.4304(f)). Failure to maintain equal benefits is a material breach of this contract. By signing this contract, contractor/consultant certifies that contractor/consultant is aware of, and will comply with, this City-mandated clause throughout the duration of the contract."

ARTICLE V. PREVAILING WAGE

- 5.1 Prevailing Wage.** Prevailing wages apply to the Projects. Pursuant to SDMC section 22.3019, construction, alteration, demolition, repair and maintenance work performed on the Projects is subject to State prevailing wage laws, and Developer shall ensure compliance with all applicable prevailing wage laws and requirements. For construction work performed on the Projects that cumulatively exceeds \$25,000 and for alteration, demolition, repair and maintenance work performed on the Projects that cumulatively exceeds \$15,000, Developer shall ensure that its contractors and subcontractors comply with State prevailing wage laws including, but not limited to, the requirements listed below.
- 5.1.1 *Compliance with Prevailing Wage Requirements.*** Pursuant to sections 1720 through 1861 of the California Labor Code, Developer shall ensure that its contractors and subcontractors ensure that all workers who perform work on the Projects are paid not less than the prevailing rate of per diem wages as determined

by the Director of the California Department of Industrial Relations (DIR). This includes work performed during the design and preconstruction phases of construction including, but not limited to, inspection and land surveying work. Developer shall immediately notify City of any known violations of this Article.

5.1.1.1 Copies of such prevailing rate of per diem wages are on file at the City and are available for inspection to any interested party on request. Copies of the prevailing rate of per diem wages also may be found at <http://www.dir.ca.gov/OPRL/DPreWageDetermination.htm>. Developer shall ensure that its contractors and subcontractors post a copy of the prevailing rate of per diem wages determination at each job site and make them available to any interested party upon request.

5.1.1.2 The wage rates determined by the DIR refer to expiration dates. If the published wage rate does not refer to a predetermined wage rate to be paid after the expiration date, then the published rate of wage shall be in effect for the life of contract for the Projects. If the published wage rate refers to a predetermined wage rate to become effective upon expiration of the published wage rate and the predetermined wage rate is on file with the DIR, such predetermined wage rate shall become effective on the date following the expiration date and shall apply to the contract in the same manner as if it had been published in said publication. If the predetermined wage rate refers to one or more additional expiration dates with additional predetermined wage rates, which expiration dates occur during the life of the contract, each successive predetermined wage rate shall apply to the contract on the date following the expiration date of the previous wage rate. If the last of such predetermined wage rates expires during the life of the contract, such wage rate shall apply to the balance of the contract.

5.1.2 ***Penalties for Violations.*** Developer shall require its contractor and subcontractors comply with California Labor Code section 1775 in the event a worker is paid less than the prevailing wage rate for the work or craft in which the worker is employed.

5.1.3 ***Payroll Records.*** Developer shall require its contractor and subcontractors comply with California Labor Code section 1776, which generally requires keeping accurate payroll records, verifying and certifying payroll records, and making them available for inspection. Developer shall require its contractor to require its subcontractors to also comply with section 1776. Developer shall require its contractor and subcontractors submit weekly certified payroll records online via the City's web-based Labor Compliance Program. Developer shall require its contractor to ensure that its subcontractors submit certified payroll records to the City.

5.1.3.1 For contracts entered into on or after April 1, 2015, Developer shall ensure that its contractor and subcontractors furnish records specified in

California Labor Code section 1776 directly to the Labor Commissioner in the manner required by California Labor Code section 1771.4.

- 5.1.4 **Apprentices.** Developer shall require its contractors and its subcontractors comply with California Labor Code sections 1777.5, 1777.6 and 1777.7 concerning the employment and wages of apprentices. Developer shall require its contractors to be held responsible for the compliance of their subcontractors with sections 1777.5, 1777.6 and 1777.7.
- 5.1.5 **Working Hours.** Developer shall require its contractors and subcontractors to comply with California Labor Code sections 1810 through 1815, including but not limited to: (i) restricting working hours on public works contracts to eight hours a day and forty hours a week, unless all hours worked in excess of 8 hours per day are compensated at not less than 1½ times the basic rate of pay; and (ii) specifying penalties to be imposed on design professionals and subcontractors of \$25 per worker per day for each day the worker works more than 8 hours per day and 40 hours per week in violation of California Labor Code sections 1810 through 1815.
- 5.1.6 **Required Provisions for Subcontracts.** Developer shall require its contractors to include at a minimum a copy of the following provisions in any contract they enter into with a subcontractor: California Labor Code sections 1771, 1771.1, 1775, 1776, 1777.5, 1810, 1813, 1815, 1860, and 1861.
- 5.1.7 **Labor Code Section 1861 Certification.** In accordance with California Labor Code section 3700, Developer shall require that its contractors secure the payment of compensation of its employees and by signing the contract, the contractors certify as follows: “I am aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for workers’ compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this [agreement or contract].”
- 5.1.8 **Labor Compliance Program.** The City has its own Labor Compliance Program authorized in August 2011 by the DIR. The City will withhold contract payments when payroll records are delinquent or deemed inadequate by the City or other governmental entity, or it has been established after an investigation by the City or other governmental entity that underpayment(s) have occurred. For questions or assistance, please contact the City of San Diego’s Equal Opportunity Contracting Department at 619-236-6000.
- 5.1.9 **Department of Industrial Relations Registration.** The Projects are subject to compliance monitoring and enforcement by the DIR. Developer shall ensure its contractors register with the DIR pursuant to Labor Code section 1725.5. As of March 1, 2015, no contractor or subcontractor may be listed on a bid or proposal for a public works project unless registered with the DIR pursuant to California Labor Code section 1725.5. As of April 1, 2015, a contractor or subcontractor

shall not be qualified to bid on, be listed in a bid proposal, or enter into any contract for public work, unless currently registered and qualified to perform public work pursuant to California Labor Code section 1725.5. Developer shall ensure that its calls for bids and contract documents include the following provisions: “No contractor or subcontractor may be listed on a bid proposal for a public works project (submitted on or after March 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5”; “No contractor or subcontractor may be awarded a contract for public work on a public works project (awarded on or after April 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5”; “This project is subject to compliance monitoring and enforcement by the Department of Industrial Relations”; and “By submitting a bid or proposal, Contractor is certifying that he or she has verified that all subcontractors used on this public work project are registered with the DIR in compliance with California Labor Code sections 1771.1 and 1725.5, and Contractor shall provide proof of registration to the City upon request.”

5.1.9.1 A contractor’s inadvertent error in listing a subcontractor who is not registered pursuant to California Labor Code section 1725.5 in response to a solicitation shall not be grounds for filing a bid protest or grounds for considering the bid non-responsive provided that any of the following apply: (1) the subcontractor is registered prior to bid opening; (2) within twenty-four hours after the bid opening, the subcontractor is registered and has paid the penalty registration fee specified in California Labor Code section 1725.5; or (3) the subcontractor is replaced by another registered subcontractor pursuant to Public Contract Code section 4107.

ARTICLE VI. CONSULTANTS

- 6.1 **Selection of Consultant.** Developer’s hiring of a consultant is subject to City’s approval. Developer’s consultants shall be subject to all State and City laws, including regulations and policies applicable to consultants retained directly by City. Developer shall cause the provisions in **Exhibit K** “Consultant Provisions” to be included in its consultant contract(s) for the Projects. The selection of any consultant is subject to all applicable public contract laws, rules, and regulations, including but not limited to, the San Diego Charter, the SDMC, including Section 142.0640(f)(3), Council Policies, and the City’s Administrative Regulations. Developer shall work with City’s Public Works Department to ensure that City’s consultant selection procedures are met. Developer understands that it must comply with all applicable consultant selection procedures. Failure to adhere to all applicable consultant selection procedures is a material breach of this Agreement, and any contract awarded not in accordance with the City’s consultant selection procedures shall be ineligible for reimbursement.
- 6.2 **Equal Benefits and Nondiscrimination.** The requirements of City’s Equal Benefits Ordinance apply to Developer’s consultant contracts. *See* Section 4.6. The nondiscrimination requirements in Section 4.5 apply to Developer’s consultant contracts.

- 6.3 **Estimated Budget.** Developer shall require its consultant to prepare an estimated budget for the Projects.
- 6.4 **Schematic Drawings.** Developer shall require its consultant to prepare schematic drawings for the Projects for City approval.

ARTICLE VII. DESIGN AND CONSTRUCTION STANDARDS

- 7.1 **Standard of Care.** Developer agrees that the professional services provided under this Agreement shall be performed in accordance with the standards customarily adhered to by experienced and competent professional design, architectural, engineering, landscape architecture, and construction firms using the degree of care and skill ordinarily exercised by reputable professionals practicing in the same field of service in the State of California.
- 7.2 **Compliance with all Laws, Design Standards, and Construction Standards.** In all aspects of the design and construction of the Projects, Developer shall comply with all laws and the most current editions of the Green Book, the White Book, the City's Standard Drawings and Design and Construction Standards, including those listed in **Exhibit L**. It shall be Developer's sole responsibility to comply with the Americans with Disabilities Act and Title 24 of the California Building Standards Code, California Code of Regulations. Developer shall certify compliance with Title 24/ADA to City in the form and content as set forth on **Exhibit M**, "Certification for Title 24/ADA Compliance."
- 7.3 **Imputed Knowledge.** Developer shall be responsible for all amendments or updates to Design and Construction Standards and knowledge of all amendments or updates to Design and Construction Standards, whether local, state, or federal, and such knowledge will be imputed to Developer to the fullest extent allowed by law.
- 7.4 **City Approval.** Developer shall be required to obtain City approval of design, plans, and specifications in the manner required in **Exhibit N**. Unless specifically provided otherwise, whenever this Agreement requires an action or approval by City, that action or approval shall be performed by the duly authorized City representative designated by this Agreement.
- 7.5 **City Approval Not a Waiver of Obligations.** Where approval by City, the Mayor, or other representatives of City is required, it is understood to be general approval only and does not relieve Developer of responsibility for complying with all applicable laws, codes, regulations, and standard consulting, design, or construction practices.

ARTICLE VIII. CONSTRUCTION AND DRUG-FREE WORKPLACE

- 8.1 **Compliance with Project Schedule and Construction Requirements.** Developer shall commence construction of a Project in accordance with the Project Schedule, as described in Article II, and be subject to the obligations in **Exhibit O**, "Construction Obligations." Developer shall diligently pursue such construction to completion. Failure

to maintain the Project Schedule constitutes a Default subject to Section 2.7. The rights and remedies of City enumerated in this Section are cumulative and shall not limit, waive, or deny any of City's rights or remedies under any other provision of this Agreement or those available at law or in equity.

- 8.2 **Drug-Free Workplace.** Developer agrees to comply with City's requirements in Council Policy 100-17, "DRUG-FREE WORKPLACE", adopted by San Diego Resolution R-277952 and fully incorporated into this Agreement by reference. The Developer shall certify to City that it will provide a drug-free workplace by submitting a Developer Certification for a Drug-Free Workplace in the form and content of **Exhibit P**. Developer shall ensure that its contractors comply with the requirements of City's Council Policy 100-17.

ARTICLE IX. PRODUCTS

- 9.1 **Product Submittal and Substitution.** To the extent product specification is not addressed by the most recent edition of the Standard Specifications for Public Works Construction (including the City of San Diego's standard special provisions) (Green Book and White Book) or a Project has aesthetic aspects requiring City review, comment, and approval, prior to the bidding process, Developer shall obtain City approval of products and substitution of products in the manner provided in **Exhibit Q**, "Product Submittal and Substitution."

- 9.1.1 ***Not a Release of Liability.*** City's review of samples in no way relieves Developer of Developer's responsibility for construction of the Projects in full compliance with all Construction Documents.

ARTICLE X. EXTRA WORK

- 10.1 **City Authority to Order Extra Work.** Any City additions or modifications to work or Developer obligations under this Agreement not described within City-approved Construction Documents (Extra Work) may be ordered by City prior to completion pursuant to the terms and conditions listed in **Exhibit R**, "Extra Work Provisions."

ARTICLE XI. CHANGED CONDITIONS

- 11.1 **Changed Conditions.** Changed Conditions shall have the meaning as defined in the Green Book. The Parties acknowledge and agree that even if Changed Conditions are found to be present, a Project shall not exceed the Estimated Cost without express City Council approval of an increase to the Estimated Cost in accordance with Section 3.3.3. Absent such express approval of additional funds, Developer shall provide City with value engineering and the Parties shall return that Project to within the Estimated Cost.

ARTICLE XII. REIMBURSEMENT

- 12.1 **Reimbursement to Developer.**

- 12.1.1 ***Notification of Reimbursable Project.*** Prior to commencement of any work on a Project, Developer shall submit to the City's Development Services Department a

“Notification of Reimbursable Project” form (attached as **Exhibit S**) together with that Project’s construction permit application.

- 12.1.2 **Type of Reimbursement.** Developer shall be entitled to cash reimbursement, or DIF credits, for the Reimbursable Costs expended by Developer and approved by City in accordance with this Agreement and the Financing Plan. Any changes to the timing of reimbursement shall be reflected in future updates to the Financing Plan without further amendment to this Agreement. Developer shall not receive cash reimbursement unless there are sufficient funds to reimburse Developer, in whole or in part, from the DIF. If sufficient funds are unavailable in the DIF, City shall reimburse Developer only if and as funds accrue in the DIF for a Project. Where DIF credits are requested and approved by City, credit reimbursement shall be made in accordance with the schedule in the Financing Plan. Developer acknowledges and agrees that in the event there are no additional DIF funds available for collection by City to fund a Project, Developer shall not be reimbursed by City for any portion of Developer’s outstanding costs or expenditures, and Developer expressly agrees to fully absorb all such outstanding costs or expenditures without any reimbursement from City.
- 12.1.3 **Funds for Reimbursement.** Developer shall only be entitled to reimbursement as set forth in this Agreement and only from DIF funds collected by City in accordance with the Financing Plan, as it may be amended, in the amount set forth in this Agreement and only as allocated for a Project, if and as such funds become available for a Project, after the appropriate deductions and expenditures are made, pursuant to the method of reimbursement described in Section 12.1.7, and in the priority of reimbursement described in Section 12.1.11.
- 12.1.4 **Amount of Reimbursement.** Except as provided for in Section 3.3.4, for each Project, Developer shall be eligible for reimbursement for Reimbursable Costs in accordance with Section 3.2 in an amount not to exceed Estimated Costs plus interest (as set forth in Section 12.1.6) in accordance with Section 3.3.
- 12.1.5 **City’s Administrative Costs.** City’s Administrative Costs shall be paid by the same community DIF fund subject to this Agreement prior to any reimbursement to Developer and shall consist of the costs and expenses incurred by City to: (i) facilitate design, implement, process, and administer the Projects, (ii) review contractor/subcontractor compliance with the City’s Required Contracting Procedures, (iii) approve reimbursable costs for work performed during design/construction through Final Completion of the Projects, and (iv) review project documentation to verify all costs related to the Projects, inclusive of construction bid tabulations, contracts, and review of any cost allocation methods (City’s Administrative Costs). City’s Administrative Costs are not included in the Estimated Costs (as defined in Section 3.3) and not eligible for Developer reimbursement.
- 12.1.6 **Interest.**
 - 12.1.6.1 For reimbursement in the form of cash, interest shall accrue beginning 90 days after the time the submittal of a Reimbursement Request (as defined in Section 12.1.7) is accepted and approved by

the City, or the date the Developer submits an invoice for approved amounts in accordance with Section 12.1.10, whichever occurs later, and shall continue to accrue until the date of cash reimbursement. The interest shall accrue at the interest rate identified in the current Financing Plan at the time of reimbursement payment. The cumulative maximum interest total for all cash Reimbursement Requests under this Agreement shall not exceed \$100,000. Interest shall not accrue under circumstances set forth in Sections 2.6 and 3.4. Interest shall not accrue on the withholding amount set forth in Section 12.1.8.

12.1.6.2 Reimbursement in the form of DIF credits is awarded upon approval of a Reimbursement Request. If Developer has unused credits at the end of the fiscal year, the unused DIF credit balance on the last day of the fiscal year (June 30) shall be multiplied by the interest rate identified in the current Financing Plan on June 30 of each fiscal year. The resulting interest shall be added to the unused DIF credit balance and the resultant sum shall be the amount of unused DIF credits available beginning July 1. The DIF credit balance subject to interest accrual shall not include the total amount of DIF fees deferred under active Fee Deferral Agreements in place on June 30.

12.1.7 ***Method of Reimbursement.*** Developer shall submit to City a written request for reimbursement for all Reimbursable Costs incurred or advanced for a Project for which Developer was not previously reimbursed or granted DIF credit (Reimbursement Request). Project costs submitted for reimbursement must be separated for the individual Projects consistent with Exhibit E of this Agreement and Reimbursement Requests for projects other than those covered by this Agreement must be submitted as separate requests. The Reimbursement Request must also include all relevant documents in accordance with this Section. City shall determine whether additional documentation is needed to support the Reimbursement Request or if the Reimbursement Request is otherwise incomplete and shall notify Developer of such deficiencies within sixty (60) calendar days of Developer's Reimbursement Request submittal. Developer shall provide additional documentation within fourteen (14) calendar days of City's notification and request. However, even if City fails to notify Developer within sixty (60) calendar days regarding Developer's Reimbursement Request, City may continue to request additional documentation to support the Reimbursement Request and shall not be obligated to reimburse Developer until City confirms receipt of all relevant documentation sufficient to support the Reimbursement Request. After all appropriate cost documentation has been received and City approves the Reimbursement Request (Reimbursement Request Approval), City shall reimburse Developer for those Reimbursable Costs within sixty (60) calendar days of the date of Reimbursement Request Approval provided that funds are available in the DIF for a Project, and that a Project is scheduled in the Financing Plan for reimbursement at that time.

12.1.8 **Reimbursement Timing.** Subject to the limitations of Article XII, and at the City's discretion, Developer shall be eligible for reimbursement as follows:

- 12.1.8.1 Up to 30 percent of the Reimbursable Costs estimated for a Project subject to the Developer satisfying all of the following requirements:
- All plans and specifications for the Project have been approved by the City;
 - Any public access (e.g. right-of-way, access easement, etc.) required for a Project has been secured and offered for dedication;
 - All required permits and environmental clearances necessary for a Project have been secured;
 - All performance bonds, payment bonds, and warranty bonds as described in Article XVII have been provided;
 - All City fees and costs have been paid;
 - Evidence satisfactory to the City that Developer has complied with and satisfied Article IV (Competitive Bidding, Equal Opportunity, and Equal Benefits) and Article VI (Consultants) of the Agreement;
 - Copies of valid bids;
 - Documentation of City approval of the bids; and
 - Awarded construction contract.

Such reimbursement shall be based on Reimbursable Costs expended and verified to date per Section 12.1.10.

- 12.1.8.2 Up to 90 percent of the Reimbursable Costs reasonably expended and verified to date pursuant to Section 12.1.10 for a Project subject to City's issuance of a Substantial Completion Letter (as defined in Section 15.1) for that Project.
- 12.1.8.3 Except as provided for in Section 12.1.8.4, the remaining 10 percent of the Reimbursable Costs reasonably expended and verified to date pursuant to Section 12.1.10 shall be paid to Developer upon submission and approval of all documents as required for Final Completion pursuant to Section 16.1 of this Agreement.
- 12.1.8.4 Three Hundred Thousand Dollars (\$300,000) from the final 10 percent of the Reimbursable Costs shall be reserved as security for Developer's obligation to perform environmental monitoring and maintenance required for the Project as contemplated in the Estimated Cost. All reserved amounts shall be released to Developer upon Developer's submission of the final annual

monitoring report and documentation showing that the applicable agencies have concurred or not objected to the conclusion of the report that long term management may begin or, if those documents are not available, such other evidence of satisfactory completion of the monitoring and maintenance acceptable to the City.

Reimbursement Requests shall be submitted at the completion of each of the milestone intervals identified above in Sections 12.1.8.1 through 12.1.8.3.

- 12.1.9 ***Cutoff for Submission of Reimbursement Requests.*** Developer shall submit all Reimbursement Requests within six (6) months after the Final Completion or within six months of the date that environmental monitoring occurred if the submittal is related to such environmental monitoring (Cutoff Date). Any Reimbursement Request submitted after the Cutoff Date shall constitute a Non-Reimbursable Cost and Developer shall not be eligible or entitled to any reimbursement for those costs or expenses.
- 12.1.10 ***Verification of Reimbursement Request.*** A Reimbursement Request shall include one electronic (PDF) file that includes documentation showing completion of the milestone intervals identified in Sections 12.1.8.1 through 12.1.8.4. The Reimbursement Request shall include the City's most current version of a checklist for submittal of Reimbursement claims. Developer shall on a monthly basis, or as otherwise required by the City in writing, provide reasonably organized documentation to support the Reimbursement Request including, but not limited to, proof that all mechanic liens have been released, copies of invoices received and copies of cancelled checks, substitute checks, or image replacement documents showing that payment has been made in connection with the Reimbursement Request in the following manner:
- 12.1.10.1 Developer shall submit one (1) copy of a Reimbursement Request Form (**Exhibit T**), and itemized summary spreadsheet with supporting documentation for work completed in accordance with this Agreement and the Plans and Specifications and/or Extra Work. Reimbursement Requests shall be numbered.
- 12.1.10.2 Prior to the approval of the Reimbursement Request, the RE shall verify whether the materials and work for which reimbursement is being requested have been installed and performed as represented. The RE shall review a Project on-site for quality of material and assurance and adherence to the bid list, contract estimates, and the Plans and Specifications. The RE shall also review as-builts and Best Management Practices (BMPs) and verify that a lien release has been prepared.
- 12.1.10.3 The RE shall initial the reimbursement Request, noting any disallowed costs, maintain a copy, and forward the original to the City Senior Civil Engineer or City designee for review and approval.

- 12.1.10.4 The City Senior Civil Engineer or City designee shall review the Reimbursement Request, as well as supporting cost documentation received from Developer, including soft costs related to a Project, as well as monitor the RE's expenses charged to a Project, and other City Administrative Costs. The City Senior Civil Engineer or City designee shall also serve as the liaison between the RE and the Facilities Financing Project Manager (FF Project Manager).
- 12.1.10.5 After review and approval of the Reimbursement Request, the City Senior Civil Engineer or City designee shall forward to the FF Project Manager for review and approval. Following approval, the FF Project Manager shall return the request to the Senior Civil Engineer or City designee.
- 12.1.10.6 The City Senior Civil Engineer or City designee shall prepare a memorandum, including a summary schedule of budgeted and actual approved costs, to the FF Project Manager recommending the reimbursement amount including all construction invoices and change orders previously approved, and soft costs incurred to date, noting any costs to be disallowed and the reason for the disallowance. A copy of the memorandum shall be forwarded to Developer.
- 12.1.10.7 The FF Project Manager shall verify that reimbursements are scheduled in the Financing Plan and verify DIF cash/credits are available for reimbursement.
- 12.1.10.8 Developer shall then submit an invoice to the City for the reimbursement amount approved by City.
- 12.1.11 **Priority of Reimbursement.** Reimbursement to Developer from the DIF for a Project will be subsequent to reimbursement of City's Administrative Expenses incurred in connection with that Project subject to this Agreement, or Financing Plan, and DIF fund administration, but takes priority over any developer reimbursable project added to the Financing Plan subsequent to the Effective Date (as defined in Section 26.1) of this Agreement, with the following exceptions:
 - 12.1.11.1 Any State or Federally mandated project.
 - 12.1.11.2 Appropriations and planned/scheduled commitments for City administered, managed, and funded Capital Improvement Projects.
 - 12.1.11.3 To the extent Developer failed to properly notify City in writing of any actual or anticipated increases in Estimated Costs as required under Sections 2.6 and 3.4, the reimbursement for the cost increases, if approved by City, will be subsequent in priority to those projects with agreements approved by the City Council prior to the City Council's approval of increased Estimated Costs.
 - 12.1.11.4 The Financing Plan identifies other project(s) for funding in an earlier fiscal year than a Project prior to the Effective Date of this Agreement.

ARTICLE XIII. PUBLIC RELATIONS

- 13.1 Presentations.** Developer and Developer's agents shall be available for all presentations required to be made to City Council, Council Committees, any other related committees, and citizen groups to provide them with information about the Projects as well as presentations to any governing or regulatory body or agency for other approvals as may be required.
- 13.2 City as Primary Contact.** Developer agrees that City is the primary contact with the media regarding the Projects and Developer shall forward all questions regarding the Project status to the Responsible Department's Senior Public Information Officer.
- 13.3 Advertising.** Developer acknowledges that advertising referring to City as a user of a product, material, or service by Developer and/or Developer's agents, material suppliers, vendors or manufacturers is expressly prohibited without City's prior written approval.
- 13.4 Recognition.** Developer shall place a sign(s), placard, or other similar monument on the Project site during construction, which shall acknowledge Developer's and City's joint efforts in designing and constructing the Projects and identifying that the Projects are funded with DIF funds. Developer shall properly recognize City and include the City of San Diego's logo on permanent and temporary signs, invitations, flyers, or other correspondence. Any recognition of City shall be reviewed and approved by the Responsible Department's Senior Public Information Officer. For assistance with proper recognition, or if Developer is contemplating a dedication or ground-breaking ceremony, Developer shall contact the Responsible Department's Senior Public Information Officer.
- 13.5 Dedication Ceremony.** City or Developer shall have the opportunity to conduct and host a public dedication ceremony, ground-breaking, or similar ceremony on the Project site at any reasonable time following Operational Acceptance of a Project, provided Developer receives prior approval from the Public Works Department for the ceremony and provides an opportunity for appearances by the Mayor, Council Members and other appropriate City officials. Developer shall contact the City's Communications Department to arrange a mutually acceptable date and time for any ceremony. Invitation shall not be sent out or a date set until the City's Communications Department has approved the time and date for the ceremony. This ceremony expense is a reimbursable cost up to a maximum of \$2,500 and must be included in the Estimated Costs (as defined in Section 3.3). Eligible costs should include but not be limited to chair and table rentals, shade/tent rentals, public address system with podium, refreshments, collateral materials (i.e., brochures / fact sheets about the project).
- 13.6 Cleanup.** Developer shall be responsible for the cleanup of the Project site and the restoration and repair of any damage to the Project site attributable to any Developer sponsored ceremony.
- 13.7 Community Outreach.** Developer shall provide to the City representative, as designated pursuant to section 2.3.2, updated Project Design Schedules and exhibits or Construction Schedules and exhibits that address public concerns through scheduled Public Outreach Events. If Public Outreach Events are necessary because of Delays, as identified in Section 2.5 of this Agreement, the costs shall be subject to conditions stipulated in Section 3.2.1(viii) of this Agreement.

ARTICLE XIV. INSPECTION

- 14.1 **Inspection Team.** A Project shall be inspected by a team composed of representatives from (i) the City's Resident Engineer, (ii) the Responsible Department, (iii) City's Development Services Department, (iv) Developer's consultant(s), and (v) Developer's construction superintendent (Inspection Team).

ARTICLE XV. SUBSTANTIAL COMPLETION

- 15.1 **Substantial Completion Letter.** When Developer determines that a Project is substantially complete, Developer shall request an operational inspection and a Substantial Completion Letter from the Resident Engineer. The Substantial Completion Letter shall include written approval of the department in charge of inspection of the improvements. The Substantial Completion Letter only authorizes public utilization of a Project in accordance with Sections 6-8 "Completion, Acceptance, and Warranty," and Sections 6-10 "Use of Improvements during Construction" of the Greenbook. The Substantial Completion Letter does not constitute City approval for Final Completion of the punch list or as-built plans.

ARTICLE XVI. FINAL COMPLETION

- 16.1 **Final Completion.** Final Completion shall not occur until each of the following is satisfied. For the avoidance of doubt, the term "Final Completion" does not include the completion of the environmental monitoring that the Project approvals require to be performed after the filing on the Notice of Completion. Approval for the Final Completion for the work required to complete a Project shall occur upon the later of the following:
- 16.1.1 **Documents and Approvals.** Submission and approval of all documents required to be supplied by Developer to City pursuant to this Agreement, including As-Built Drawings, As-Graded Reports, warranties, operating and maintenance manuals and other Project Deliverables identified in **Exhibit U**; City signature and sign off as final approval on all grading or public right-of-way permits; and if applicable, the issuance of a final Certificate of Occupancy for a Project.
 - 16.1.2 **Notice of Completion.** Developer shall execute and file with the County Recorder of San Diego County documentation indicating that a Project and all work depicted on the approved City drawings has achieved Final Completion and identifying the date of Project completion [Notice of Completion]. Developer shall provide the City Engineer with a conformed copy of the recorded Notice of Completion.
 - 16.1.3 **Capitalization.** The Developer shall submit a capitalization form with respect to a Project in a form acceptable to the FF Project Manager. An example is provided as **Exhibit V**.
 - 16.1.4 **Lien and Material Releases.** Developer shall ensure that all contractors and subcontractors provide lien and material releases for a Project and provide copies of such lien and material releases to the City Engineer. Alternatively, with City's approval, which shall not be unreasonably withheld, Developer may ensure that bonds are provided

in a form reasonably acceptable to City in lieu of the lien and material releases.16.1.5 ***Transfer Ownership.*** Upon Final Completion and City acceptance, Developer shall transfer the ownership of a Project and the property underlying the Project, where applicable.

- 16.2 No Waiver.** Developer's obligation to perform and complete the Projects in accordance with this Agreement and Construction Documents shall be absolute. Neither recommendation of any progress payment or acceptance of the work, nor any payment by City to Developer under this Agreement, nor any use or occupancy of a Project or any part thereof by City, nor any act of acceptance by City, nor any failure to act, nor any review of a shop drawing or sample submittal will constitute an acceptance of work which is not in accordance with the Construction Documents.
- 16.3 Assignment of Rights.** Upon Final Completion of a Project, Developer shall assign its rights under its contracts with all contractors, subcontractors, design professionals, engineers, and material suppliers associated with that Project to City. Developer shall be required to obtain written approval and acknowledgement, whether in the form of a contract provision or separate document, of such assignment from its contractors, subcontractors, design professionals, engineers, and material suppliers. This assignment of rights shall not relieve Developer of its obligations under this Agreement, and such obligations shall be joint and several.
- 16.4 Ownership of Project Deliverables.** Upon Final Completion or termination, Project Deliverables shall become City's property. Developer and City mutually agree that this Agreement, Construction Documents, and Project Deliverables for a Project shall not be used on any other work without the consent of each Party.

ARTICLE XVII. BONDS AND OTHER ACCEPTABLE SECURITIES

- 17.1 Payment Bond.** Developer shall provide or require its construction contractor to provide City with a payment bond, letter of credit (LOC), cash or other acceptable security for material and labor in favor of City for 100 percent of the proposed construction costs, as determined by competitive bidding (Payment Bond).
- 17.2 Performance Bond.** Developer shall provide or require its construction contractor to provide City with a bond, LOC, cash or other acceptable security guaranteeing the performance in favor of City for 100 percent of the proposed construction costs, as determined by competitive bidding (Performance Bond).
- 17.3 Warranty Bond.** Developer shall provide or require its construction contractor to provide City with a bond, LOC, cash or other acceptable security guaranteeing a Project during the warranty period in favor of City (Warranty Bond). Developer shall provide the Warranty Bond to City upon release of the Performance Bond or commencement of the warranty periods, whichever occurs first.
- 17.4 Term.** The Payment Bond shall remain in full force and effect until Final Completion to ensure that all claims for materials and labor are paid, except as otherwise provided by law or regulation. The Performance Bond shall remain in full force and effect until Acceptance of a Project by City. Upon Acceptance, City shall follow the procedures

outlined in California Government Code section 66499.7 and release the Performance Bond. The Warranty Bond shall remain in full force and effect for the warranty periods provided in this Agreement.

- 17.5 Certificate of Agency.** All bonds signed by an agent must be accompanied by a certified copy of such agent's authority to act.
- 17.6 Licensing and Rating.** The bonds shall be duly executed by a responsible surety company admitted to do business in the State of California, licensed or authorized in the jurisdiction in which a Project is located to issue bonds for the limits required by this Agreement, and have a minimum AM Best rating of "A-" to an amount not to exceed 10 percent of its capital and surplus.
- 17.7 Insolvency or Bankruptcy.** If the surety on any bond furnished by the construction contractor is declared bankrupt or becomes insolvent or its right to do business is terminated in any state where any part of a Project is located, Developer shall within seven (7) calendar days thereafter substitute or require the substitution of another bond or other acceptable security, acceptable to City.

ARTICLE XVIII. INDEMNIFICATION

- 18.1 Indemnification and Hold Harmless Agreement.** Other than in the performance of design professional services which shall be solely as addressed in Sections 18.2 and 18.3 below, to the fullest extent permitted by law, Developer shall defend (with legal counsel reasonably acceptable to the City), indemnify and hold harmless the City and its officers, agents, departments, officials, and employees (Indemnified Parties) from and against all claims, losses, costs, damages, injuries (including, without limitation, injury to or death of an employee of Developer or Developer's agents), expense and liability of every kind, nature and description (including, without limitation, incidental and consequential damages, court costs, attorney's fees, litigation expenses and fees of expert consultants or expert witnesses incurred in connection therewith and costs of investigation) that arise out of, pertain to, or relate to, directly or indirectly, in whole or in part, any services performed under this Agreement by Developer or Developer's agents, any subcontractor, anyone directly or indirectly employed by them, or anyone they control. Developer's duty to defend, indemnify, protect and hold harmless shall not include any claims or liabilities arising from the active negligence, sole negligence or willful misconduct of the Indemnified Parties.
- 18.2 Indemnification for Design Professional Services.** To the fullest extent permitted by law (including, without limitation, California Civil Code section 2782.8), with respect to the performance of design professional services, Developer shall require its design professional to indemnify and hold harmless the City, its officers, and employees, from all claims, demands, or liability that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of Developer's design professional or design professional's officers or employees.
- 18.3 Design Professional Services Defense.** The Parties will work in good faith to procure applicable insurance coverage for the cost of any defense arising from all claims, demands or liability that arise out of, pertain to or relate to the negligence, recklessness,

or willful misconduct of design professional or design professional's officers or employees.

- 18.4 Insurance.** The provisions of this Article are not limited by the requirements of Article XIX related to insurance.
- 18.5 Enforcement Costs.** Developer agrees to pay any and all costs City incurs enforcing the indemnity and defense provisions set forth in this Article.
- 18.6 Indemnification for Liens and Stop Notices.** Developer shall keep the Projects and underlying property free of any mechanic's liens and immediately secure the release of any stop notices. Developer shall defend, indemnify, protect, and hold harmless, City, its agents, officers and employees from and against any and all liability, claims, costs, and damages, including but not limited to, attorney fees, arising from or attributable to a failure to pay claimants. Developer shall be responsible for payment of all persons entitled to assert liens and stop notices.

ARTICLE XIX. INSURANCE

- 19.1 General.** Developer shall not begin work on a Project under this Agreement until it has: (i) obtained, and upon City's request provided to City, insurance certificates reflecting evidence of all insurance required in this Article; (ii) obtained City approval of each company or companies; and (iii) confirmed that all policies contain specific provisions required by City pursuant to this Article.
- 19.2 Type and Amount of Insurance.** The dollar amount and type of insurance required for the Project, including any endorsements or specific clauses, is attached as **Exhibit W** (Required Insurance Provisions).
- 19.3 Written Notice.** Except as provided for under California law, any Required Insurance shall not be canceled, non-renewed or materially changed except after thirty (30) calendar days prior written notice by Developer to City by certified mail, except for non-payment of premium, in which case ten (10) calendar days' notice shall be provided.
- 19.3.1 Where the words "will endeavor" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents, or representatives" are present on a certificate, they shall be deleted.
- 19.4 Rating Requirements.** Except for the State Compensation Insurance Fund, all insurance required by express provision of this Agreement shall be carried only by responsible insurance companies that have been given at least an "A" or "A-" and "VI" rating by AM BEST, that are authorized by the California Insurance Commissioner to do business in the State of California, and that have been approved by City.
- 19.5 Non-Admitted Carriers.** City will accept insurance provided by non-admitted, "surplus lines" carriers only if the carrier is authorized to do business in the State of California and is included on the List of Eligible Surplus Lines Insurers.
- 19.6 Additional Insurance.** Developer may obtain additional insurance not required by this Agreement.

- 19.7 Obligation to Provide Documents.** Prior to performing any work on a Project, Developer shall provide copies of documents including, but not limited to, certificates of insurance and endorsements, and shall furnish renewal documentation prior to expiration of insurance. Each required document shall be signed by the insurer or a person authorized by the insurer to bind coverage on its behalf. City reserves the right to require complete, certified copies of all insurance policies required herein.
- 19.8 Deductibles/Self Insured Retentions.** All deductibles and self-insurance retentions on any policy shall be the responsibility of Developer. Deductibles and self-insurance retentions shall be disclosed to City at the time the evidence of insurance is provided.
- 19.9 Policy Changes.** Developer shall not modify any policy or endorsement thereto which increases City's exposure to loss for the duration of this Agreement.
- 19.10 Reservation of Rights.** City reserves the right, from time to time, to review the Developer's insurance coverage, limits, deductible and self-insured retentions to determine if they are acceptable to City. City will reimburse the Developer for the cost of the additional premium for any coverage-requested by City in excess of that required by this Agreement without overhead, profit, or any other markup.
- 19.11 Not a Limitation of Other Obligations.** Insurance provisions under this Article shall not be construed to limit Developer's obligations under this Agreement, including indemnity.
- 19.12 Material Breach.** Failure to maintain, renew, or provide evidence of renewal of required insurance during the term of this Agreement, and for a period of ten (10) years from the Effective Date of this Agreement, may be treated by City as a material breach of this Agreement.

ARTICLE XX. WARRANTIES

- 20.1 Warranties Required.** Developer shall require the construction contractor and its subcontractors and agents to provide the warranties listed below. This warranty requirement is not intended to exclude, and shall not exclude, other implicit or explicit warranties or guarantees required or implied by law. All such warranties shall be enforceable by and inure to the benefit of City.
- 20.1.1 *Materials and Workmanship.*** All work on a Project shall be guaranteed against defective workmanship and all materials furnished by the construction contractor or its agents shall be guaranteed against defects for a period of one (1) year from the date of that Project's Final Completion. Construction contractor shall replace or repair or require its agents to replace or repair any such Defective Work or materials in a manner satisfactory to City, after notice to do so from City, and within the time specified in the notice.
- 20.1.2 *New Materials and Equipment.*** Construction contractor shall warrant and guarantee, and shall require its agents to warrant and guarantee, that all materials and equipment incorporated into the Projects are new unless otherwise specified.
- 20.1.3 *Design, Construction, and Other Defects.*** Construction contractor shall warrant and guarantee, and shall require its agents to warrant and guarantee, that all work

is in accordance with the Plans and Specifications and is not defective in any way in design, construction, or otherwise.

- 20.2 Form and Content.** Except manufacturer's standard printed warranties, all warranties shall be on Developer's and Developer's agents, material supplier's, installer's or manufacturer's own letterhead, addressed to City. All warranties shall be submitted in the format specified in this Section.
- 20.2.1 **Durable Binder.** Obtain warranties, executed in triplicate by Developer, Developer's agents, installers, and manufacturers. Provide table of contents and assemble in binder with durable plastic cover.
- 20.2.2 **Table of Contents.** All warranties shall be listed and typewritten in the sequence of the table of contents of the Projects manual, with each item identified with the number and title of the specification section in which specified, and the name of product or work item.
- 20.2.3 **Index Tabs.** Each warranty shall be separated with index tab sheets keyed to the table of contents listing.
- 20.2.4 **Detail.** Provide full information, using separate typewritten sheets, as necessary. List Developer's agents, installer, and manufacturer, with name, address and telephone number of responsible principals.
- 20.2.5 **Warranty Start Date.** This date shall be left blank until the date of Final Completion.
- 20.2.6 **Signature and Notarization.** All warranties shall be signed and notarized. Signatures shall be required from Developer's construction contractor and where appropriate, the responsible subcontractor.
- 20.3 Term of Warranties.** Unless otherwise specified or provided by law, all warranties, including those pertaining to plants, trees, shrubs and ground cover, shall extend for a term of one (1) year from the date of Final Completion.
- 20.4 Meetings.** During the one (1) year warranty period described in Section 20.3, Developer shall meet and shall require its design consultant, construction contractor, and key subcontractors to meet, with City representatives, including the Public Works Project Manager and one or more Responsible Department representatives, on a monthly basis, if requested by City. This meeting shall be held to discuss and resolve any problems City discovers in design, construction, or furnishing, fixtures, and equipment of a Project during the one (1) year warranty period.

ARTICLE XXI. DEFECTIVE WORK

- 21.1 Correction, Removal, or Replacement.** All work, material, or equipment that is unsatisfactory, faulty, incomplete, or does not conform to the Construction Documents is defective (Defective Work). If within the designated warranty period, or such additional period as may be required by law or regulation, a Project is discovered to contain Defective Work, Developer shall promptly and in accordance with City's written instructions and within the reasonable time limits stated therein, either correct the

Defective Work, or if it has been rejected by City, remove it from the site and replace it with non-defective and conforming work.

- 21.2 City's Right to Correct.** If circumstances warrant, including an emergency or Developer's failure to adhere to Section 21.1, City may correct, remove, or replace the Defective Work. In such circumstances, Developer shall not recover costs associated with the Defective Work and shall reimburse City for all City's costs, whether direct or indirect, associated with the correction or removal and replacement.
- 21.3 Defects Constitute Non-Reimbursable Costs.** All costs incurred by Developer or Developer's agents to remedy Defective Work are Non-Reimbursable Costs. If City has already reimbursed Developer for Defective Work, City is entitled to an appropriate decrease in Reimbursable Costs, to withhold a setoff against the amount, or to make a claim against Developer's or the construction contractor's bond if Developer has been paid in full.
- 21.4 Extension of Warranty.** When Defective Work, or damage therefrom, has been corrected, removed, or replaced during the warranty period, the one (1) year, or relevant warranty period, shall be extended for an additional one (1) year from the date of the satisfactory completion of the correction, removal, or replacement.
- 21.5 No Limitation on other Remedies.** Exercise of the remedies for Defective Work pursuant to this Article shall not limit the remedies City may pursue under this Agreement, at law, or in equity.
- 21.6 Resolution of Disputes.** If Developer and City are unable to reach agreement on disputed work, City may direct Developer to proceed with the work and compensate Developer for undisputed amounts. Payment of disputed amounts shall be as later determined by mediation or as subsequently adjudicated or established in a court of law. Developer shall maintain and keep all records relating to disputed work in accordance with Article XXIII.
- 21.7 Prior to Final Acceptance and Reimbursement to the Developer.** Where Defective Work has been identified prior to the Final Completion of a Project, Developer shall promptly, and in accordance with City's written instructions and within the reasonable time limits stated therein, either correct the Defective Work, or if it has been rejected by City, remove it from the site and replace it with non-defective and conforming work. Costs incurred to remedy Defective Work are Non-Reimbursable Costs. Where Defective Work is not remedied, City is entitled to an appropriate decrease in Reimbursable Costs, to withhold a setoff against the amount paid, or make a claim against the Developer's or construction contractor's bond.

ARTICLE XXII. MAINTENANCE OF LANDSCAPING & IRRIGATION WORK

- 22.1 Maintenance Period.** If the construction contractor is required to install or maintain landscaping and/or irrigation, Developer shall require the construction contractor to provide a maintenance period to begin on the first day after all landscape and irrigation work on a Project is complete, checked, approved by City, and City has given written approval to begin the maintenance period, and shall continue until ninety (90) calendar days after the date of Final Completion or ninety (90) calendar days after the date the

landscaping and irrigation is accepted, whichever is longer. The maintenance period shall be minimum of 120 calendar days if turf is seeded or until the Bermuda grass specified has established by the Parks and Recreation Department.

- 22.2 Maintenance Area.** Developer shall require the construction contractor to maintain all areas of the Projects, including areas impacted or disturbed by the Projects.
- 22.3 Maintenance Required.** Developer shall require the construction contractor to conduct regular planting maintenance operations immediately after each plant is planted. Plants shall be kept in a healthy growing condition and in a visually pleasing appearance by watering, pruning, mowing, rolling, trimming, edging, fertilizing, restaking, pest and disease controlling, spraying, weeding, aerating, cleaning up and any other necessary operation of maintenance. Landscape areas shall be kept free of weeds, noxious grass and all other undesired vegetative growth and debris. Construction contractor shall replace all plants found to be dead or in an impaired condition within fourteen (14) calendar days from the date the condition is first detected. Maintenance shall also include the following: (i) filling and replanting of any low areas that may cause standing water (ii) adjusting of sprinkler head height and watering pattern, (iii) filling and recompaction of eroded areas, (iv) weekly removal of trash, litter, clippings and foreign debris, (v) inspecting plants at least twice per week, and (vi) protecting all planting areas against traffic or other potential causes of damage.
- 22.4 Landscape and Irrigation Inspection.** At the conclusion of the maintenance period, City shall inspect the landscaping and irrigation to determine the acceptability of the work, including maintenance. This inspection shall be scheduled with two (2) weeks' notice, a minimum of eighty (80) calendar days after the plant maintenance period commencement, or when Developer or Developer's contractor notifies the City they are ready for the final Landscape and Irrigation Inspection, whichever comes last. The City will notify Developer of all deficiencies revealed by the inspection before acceptance.
- 22.5 Extension of Maintenance Period.** Developer shall require the construction contractor to extend completion of the maintenance period when in City's opinion improper maintenance and/or possible poor or unhealthy condition of planted material is evident at the termination of the scheduled maintenance period. Developer shall require the construction contractor to accept responsibility for additional maintenance of the work until all of the work is completed and acceptable. Additional costs for failure to maintain landscaping during the maintenance period are Non-Reimbursable Costs.
- 22.6 Replacement.** Plants found to be dead or not in a vigorous condition, or if root balls have been damaged, within the installation, maintenance and guarantee periods, shall be replaced within fourteen (14) calendar days of notification by City. Developer shall require the construction contractor to include, at construction contractor's expense, a timely written diagnosis of plant health by a certified arborist, should a dispute arise. An arborist's report shall indicate the reason for lack of vigor, potential remedies, if any, and an estimate of the time required to regain vigor and specified size. Plants used for replacement shall be of the same kind and size as specified and shall be furnished, planted and fertilized as originally specified, unless otherwise directed in writing by City. Developer shall require the cost of all repair work to existing improvements damaged

during replacements be borne by the construction contractor. Costs of replacement are Non-Reimbursable Costs.

ARTICLE XXIII. RECORDS AND AUDITS

- 23.1 Retention of Records.** Developer and Developer's agents shall maintain data and records related to a Project and this Agreement for a period of not less than five (5) years following the Effective Date of this Agreement.
- 23.2 Audit of Records.** At any time during normal business hours and as often as City deems necessary, Developer and all contractors or subcontractors shall make available to City for examination at reasonable locations within the City/County of San Diego all of the data and records with respect to all matters covered by this Agreement. Developer and all contractors or subcontractors shall permit City to make audits of all invoices, materials, payrolls, records of personnel, and other data and media relating to all matters covered by this Agreement. If records are not made available within the City/County of San Diego, then Developer shall pay all City's travel-related costs to audit the records associated with this Agreement at the location where the records are maintained. All such costs are Non-Reimbursable Costs.
- 23.2.1 Costs.** Developer and Developer's agents shall allow City to audit and examine books, records, documents, and any and all evidence and accounting procedures and practices that City determines are necessary to discover and verify all costs of whatever nature, which are claimed to have been incurred, anticipated to be incurred, or for which a claim for additional compensation or for Extra Work have been submitted under this Agreement.

ARTICLE XXIV. NOTICES

- 24.1 Writing.** Any demand upon or notice required or permitted to be given by one Party to the other Party shall be in writing.
- 24.2 Effective Date of Notice.** Except as otherwise provided by law, any demand upon or notice required or permitted to be given by one Party to the other Party shall be effective: (i) on personal delivery, (ii) on the second business day after mailing by certified or registered U.S. Mail, Return Receipt Requested, (iii) on the succeeding business day after mailing by Express Mail or after deposit with a private delivery service of general use (e.g., Federal Express) postage or fee prepaid as appropriate, or (iv) upon documented successful transmission of facsimile.
- 24.3 Recipients.** All demands or notices required or permitted to be given to City or Developer shall be delivered to all of the following:
- 24.3.1** Director, Public Works Department
City of San Diego
525 B Street, Suite 750 (M.S. #908A)
San Diego, California 92101
Facsimile: (619) 533-5176
- 24.3.2** Facilities Financing Manager

Planning Department
City of San Diego
9485 Aero Drive (M.S. #413)
San Diego, California 92123

24.3.3 Sea Breeze 56, LLC
5550 Carmel Mountain Road, Suite 204
San Diego CA 92130
Attn: Mr. Gary Levitt

- 24.4 **Change of Address(es)**. Notice of change of address shall be given in the manner set forth in Article XXIV.

ARTICLE XXV. MEDIATION

- 25.1 **Mandatory Mediation**. If dispute arises out of, or relates to a Project or this Agreement, or the breach thereof, and if said dispute cannot be settled through normal contract negotiations, prior to the initiation of any litigation, the Parties agree to attempt to settle the dispute in an amicable manner, using mandatory mediation under the Construction Industry Mediation Rules of the American Arbitration Association (AAA) or any other neutral organization agreed upon before having recourse in a court of law.
- 25.2 **Mandatory Mediation Costs**. The expenses of witnesses for either side shall be paid by the Party producing such witnesses. All other expenses of the mediation, including required traveling and other expenses of the mediator (Mediator), and the cost of any proofs or expert advice produced at the direct request of the Mediator, shall be borne equally by the Parties, unless they agree otherwise.
- 25.3 **Selection of Mediator**. A single Mediator that is acceptable to both Parties shall be used to mediate the dispute. The Mediator will be knowledgeable in construction aspects and may be selected from lists furnished by the AAA or any other agreed upon Mediator. To initiate mediation, the initiating Party shall serve a Request for Mediation on the opposing Party. If the Mediator is selected from a list provided by AAA, the initiating Party shall concurrently file with AAA a "Request for Mediation" along with the appropriate fees, a list of three requested Mediators marked in preference order, and a preference for available dates.
- 25.3.1 If AAA is selected to coordinate the mediation (Administrator), within fourteen calendar days from the receipt of the initiating Party's Request for Mediation, the opposing Party shall file the following: a list of preferred Mediators listed in preference order after striking any Mediators to which they have any factual objection, and a preference for available dates. If the opposing Party strikes all of initiating Party's preferred Mediators, opposing Party shall submit a list of three preferred Mediators listed in preference order to initiating Party and Administrator. Initiating Party shall file a list of preferred Mediators listed in preference order, after striking any Mediator to which they have any factual

objection. This process shall continue until both sides have agreed upon a Mediator.

25.3.2 The Administrator will appoint, or the Parties shall agree upon the highest, mutually preferred Mediator from the individual Parties' lists who is available to serve within the designated time frame.

25.3.3 If the Parties agree not to use AAA, then a Mediator, date and place for the mediation shall be mutually agreed upon.

25.4 Conduct of Mediation Sessions. Mediation hearings will be conducted in an informal manner and discovery will not be allowed. All discussions, statements, or admissions will be confidential to the Party's legal position. The Parties may agree to exchange any information they deem necessary.

25.4.1 Both Parties must have an authorized representative attend the mediation. Each representative must have the authority to recommend entering into a settlement. Either Party may have attorney(s) or expert(s) present. Upon reasonable demand, either Party may request and receive a list of witnesses and notification whether attorney(s) will be present.

25.4.2 Any agreements resulting from mediation shall be documented in writing. All mediation results and documentation, by themselves, shall be "non-binding" and inadmissible for any purpose in any legal proceeding, unless such admission is otherwise agreed upon, in writing, by both Parties. Mediators shall not be subject to any subpoena or liability and their actions shall not be subject to discovery.

ARTICLE XXVI. MISCELLANEOUS PROVISIONS

26.1 Term of Agreement. Following the final passage of the City Council [[INSERT Resolution or Ordinance] No. [INSERT Number] authorizing this Agreement and the subsequent execution of the same by the Parties, this Agreement shall be effective upon the date it is executed by the City Attorney in accordance with San Diego Charter section 40 (Effective Date). Unless otherwise terminated, the Agreement shall be effective until (i) the final reimbursement payment is made; or (ii) one year after the Warranty Bond terminates, whichever is later, but not to exceed fifteen (15) years as approved by City ordinance.

26.2 Definitions.

26.2.1 Construction Documents include, but are not limited to: construction contract, contract addenda, notice inviting bids, instructions to bidders, bid (including documentation accompanying bid and any post-bid documentation submitted prior to notice of award), the bonds, the general conditions, permits from other agencies, the special provisions, the plans, standard plans, standard specifications, reference specifications, and all modifications issued after the execution of the construction contract.

- 26.2.2 Plans and Specifications include, but are not limited to: building, mechanical, and electrical drawings, including instructions for materials, workmanship, style, color, and finishes.
- 26.3 **Headings**. All article headings are for convenience only and shall not affect the interpretation of this Agreement.
- 26.4 **Gender & Number**. Whenever the context requires, the use herein of (i) the neuter gender includes the masculine and the feminine genders, and (ii) the singular number includes the plural number.
- 26.5 **Reference to Paragraphs**. Each reference in this Agreement to a Section refers, unless otherwise stated, to a Section of this Agreement.
- 26.6 **Incorporation of Recitals**. All Recitals herein are true and correct to the Parties' best knowledge and belief and are fully incorporated into this Agreement by reference and are made a part hereof.
- 26.7 **Covenants and Conditions**. All provisions of this Agreement expressed as either covenants or conditions on the part of City or Developer shall be deemed to be both covenants and conditions.
- 26.8 **Integration**. This Agreement and all Exhibits and references incorporated into this Agreement fully express all understandings of the Parties concerning the matters covered in this Agreement. No change, alteration, or modification of the terms or conditions of this Agreement, and no verbal understanding of the Parties, their officers, agents, or employees shall be valid unless made in the form of a written change agreed to in writing by both Parties or a written amendment to this Agreement agreed to by both Parties. All prior negotiations and agreements are merged into this Agreement.
- 26.9 **Severability**. The unenforceability, invalidity, or illegality of any provision of this Agreement shall not render any other provision of this Agreement unenforceable, invalid, or illegal.
- 26.10 **Drafting Ambiguities**. The Parties acknowledge they each have been fully advised by their own counsel with respect to the negotiations, terms, and conditions of this Agreement. This Agreement shall not be construed in favor of or against either Party by reason of the extent to which each Party participated in the drafting of the Agreement.
- 26.11 **Conflicts Between Terms**. If an apparent conflict or inconsistency exists between the main body of this Agreement and the Exhibits, the main body of this Agreement shall control. If a conflict exists between an applicable federal, state, or local law, rule, regulation, order, or code and this Agreement, the law, rule, regulation, order, or code shall control. Varying degrees of stringency among the main body of this Agreement, the exhibits, and laws, rules, regulations, orders, or codes are not deemed conflicts, and the most stringent requirement shall control. Each Party shall notify the other immediately upon the identification of any apparent conflict or inconsistency concerning this Agreement.
- 26.12 **Prompt Performance**. Time is of the essence of each covenant and condition set forth in this Agreement.

- 26.13 Good Faith Performance.** The Parties shall cooperate with each other in good faith and assist each other in the performance of the provisions of this Agreement.
- 26.14 Further Assurances.** City and Developer each agree to execute and deliver such additional documents as may be required to effectuate the purposes of this Agreement.
- 26.15 Exhibits.** Each of the Exhibits referenced and attached to this Agreement is fully incorporated herein by reference.
- 26.16 Compliance with Controlling Law.** Developer shall require its consultants, contractors, subcontractors, agents, and employees to comply with all laws, statutes, resolutions, ordinances, regulations, and policies of the federal, state, and local governments applicable to this Agreement, including California Labor Code sections 1720 through 1861 relating to the payment of prevailing wages, including, but not limited to, the design, preconstruction, and construction phases of a Project. In addition, Developer shall require its consultants, contractors, subcontractors, agents, and employees comply immediately with all directives issued by City or its authorized representatives under authority of any laws, statutes, resolutions, ordinances, rules, regulations or policies.
- 26.17 Hazardous Materials.** Hazardous Materials constitute any hazardous waste or hazardous substance as defined in any federal, state, or local statute, ordinance, rule, or regulation applicable to Property, including, without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. §§ 9601-9675), the Resource Conservation and Recovery Act (42 U.S.C. §§ 6901-6992k), the Carpenter Presley-Tanner Hazardous Substance Account Act (California Health and Safety Code sections 25300-25395.15), and the Hazardous Waste Control Law (California Health and Safety Code sections 25100-25250.25). Developer agrees to comply with all applicable state, federal and local laws and regulations pertaining to Hazardous Materials.
- 26.18 Jurisdiction, Venue, and Choice of Law.** The venue for any suit or proceeding concerning this Agreement, including the interpretation or application of any of its terms or any related disputes, shall be in the County of San Diego, State of California. This Agreement is entered into and shall be construed and interpreted in accordance with the laws of the State of California.
- 26.19 Municipal Powers.** Nothing contained in this Agreement shall be construed as a limitation upon the powers of the City as a chartered city of the State of California.
- 26.20 Third-Party Relationships.** Nothing in this Agreement shall create a contractual relationship between City and any third-party; however, the Parties understand and agree that City, to the extent permitted by law, is an intended third-party beneficiary of all Developer's contracts, purchase orders and other contracts between Developer and third-party services. Developer shall incorporate this provision into its contracts, supply agreements and purchase orders.
- 26.21 Non-Assignment.** The Developer shall not assign the obligations under this Agreement, whether by express assignment or by sale of the company, nor any monies due or to become due, without City's prior written approval, which shall not be unreasonably withheld. Any assignment in violation of this Section shall constitute a Default and is grounds for immediate termination of this Agreement, at the sole discretion of City. In

no event shall any putative assignment create a contractual relationship between City and any putative assignee.

- 26.22 **Successors in Interest.** This Agreement and all rights and obligations created by this Agreement shall be in force and effect whether or not any Parties to the Agreement have been succeeded by another entity, and all rights and obligations created by this Agreement shall be vested and binding on any Party's successor in interest.
- 26.23 **Independent Contractors.** The Developer, any consultants, contractors, subcontractors, and any other individuals employed by Developer shall be independent contractors and not agents of City. Any provisions of this Agreement that may appear to give City any right to direct Developer concerning the details of performing the work or services under this Agreement, or to exercise any control over such performance, shall mean only that Developer shall follow the direction of City concerning the end results of the performance.
- 26.24 **Approval.** Where the consent or approval of a Party is required or necessary under this Agreement, the consent or approval shall not be unreasonably withheld; however, nothing in this Section shall in any way bind or limit any future action of the City Council pertaining to this Agreement or the Projects.
- 26.25 **No Waiver.** No failure of either City or Developer to insist upon the strict performance by the other of any covenant, term, or condition of this Agreement, nor any failure to exercise any right or remedy consequent upon a breach of any covenant, term, or condition of this Agreement, shall constitute a waiver of any such breach of such covenant, term or condition. No waiver of any breach shall affect or alter this Agreement, and each and every covenant, condition, and term hereof shall continue in full force and effect to any existing or subsequent breach.
- 26.26 **Signing Authority.** The representative for each Party signing on behalf of a corporation, partnership, joint venture or governmental entity hereby declares that authority has been duly obtained to sign on behalf of the corporation, partnership, joint venture, or entity and agrees to hold the other Party or Parties hereto harmless if it is later determined that such authority does not exist.
- 26.27 **Remedies.** Notwithstanding any other remedies available to City at law or in equity, Developer understands that its failure to comply with the insurance requirements or other obligations required by this Agreement, and/or submitting false information in response to these requirements, may result in withholding reimbursement payments until Developer complies and/or may result in suspension from participating in future city contracts as a developer, prime contractor or consultant for a period of not less than one (1) year. For additional or subsequent violations, the period of suspension may be extended for a period of up to three (3) years.

IN WITNESS WHEREOF, this Agreement is executed by the City of San Diego, acting by and through its Mayor, pursuant to [INSERT Ordinance or Resolution] No. _____, authorizing such execution, and by Developer.

This Agreement was approved by the City Attorney this ____ of _____, 20 __, and this date shall constitute the Effective Date of this Agreement.

THE CITY OF SAN DIEGO, a Municipal Corporation

Dated: 10/27/20

By: Elyse W. Lowe

Approved:
MARA W. ELLIOTT, City Attorney

Dated: 10/28/2020

By: [Signature]

SEA BREEZE 56, LLC
a Delaware limited liability company

Dated: 7/13/2020

By: Sea Breeze Properties, LLC, a California limited liability company, its Manager

By: [Signature]
Gary Levitt, its Manager

AA
7/10/2020
Or.Dept: PLN-Public Facilities Planning
Doc.No.: 1907865

104319212/V-3

00- 21236

EXHIBIT A
Financing Plan Project Sheets

CITY OF SAN DIEGO
FACILITIES FINANCING PROGRAM

TITLE: CAMINO DEL SUR – TWO LANES (CARMEL MTN ROAD TO NORTH OF PARK VILLAGE)

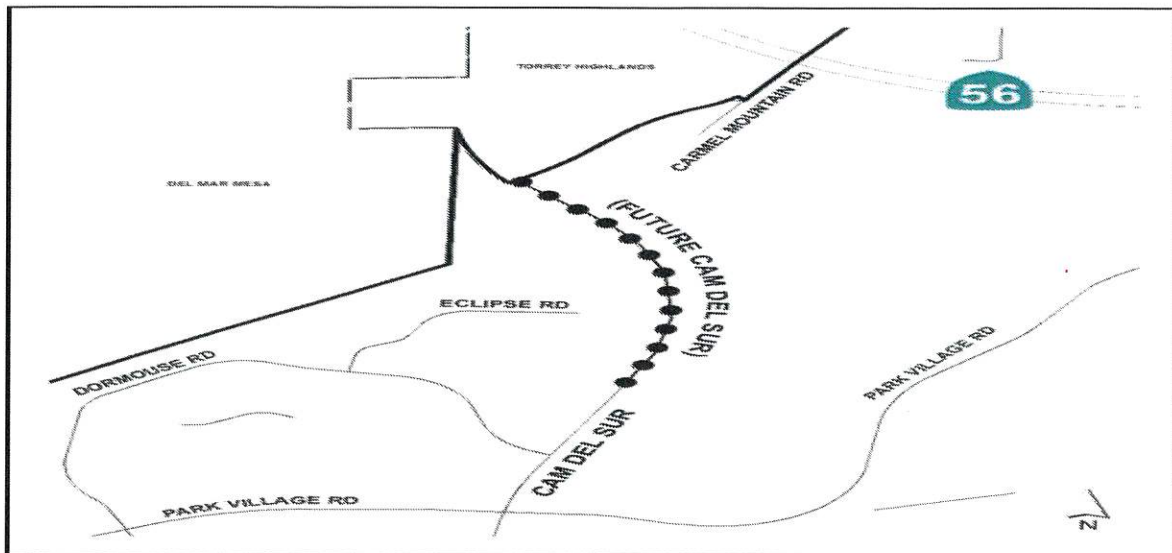
DEPARTMENT: PUBLIC WORKS
CIP or JO #: 52-653.0/S-00872/TBD

PROJECT: T-3.1A
COUNCIL DISTRICT: 5,6
COMMUNITY PLAN: TH, PQ

SOURCE	FUNDING TOTAL	EXPENDED	CONT APPROP	FY 2021	FUTURE YEARS			
FBA-TH	\$9,200,496							
FBA-RP	\$8,311,198	\$1,204,894		\$7,106,304	\$9,200,496			
FBA-BMR								
FBA-PHR								
FBA-DMM								
DEV. ADV								
COUNTY								
STATE								
DEV/SUBD*	\$793,200			\$793,200				
UNIDEN								
TOTAL	\$18,304,894	\$1,204,894		\$7,899,504	\$9,200,496			

SOURCE								
FBA-TH								
FBA-BMR								
FBA-PHR								
FBA-DMM								
FBA-RP								
DEV. ADV								
DEV/SUBD1								
COUNTY								
STATE								
DEV/SUBD2								
UNIDEN								
TOTAL								

* Fund 400096 - see notes section on next page.



CITY OF SAN DIEGO
FACILITIES FINANCING PROGRAM

TITLE: CAMINO DEL SUR – TWO LANES (CARMEL MTN ROAD TO NORTH OF PARK VILLAGE)

DEPARTMENT: PUBLIC WORKS
CIP or JO #: 52-653.0/S-00872/TBD

PROJECT: T-3.1A
COUNCIL DISTRICT: 5,6
COMMUNITY PLAN: TH, PQ

DESCRIPTION:

DESIGN AND CONSTRUCT CAMINO DEL SUR AS A TWO-LANE MODIFIED COLLECTOR FROM CARMEL MOUNTAIN ROAD TO APPROXIMATELY 1600 FEET NORTH OF PARK VILLAGE ROAD. PROJECT INCLUDES A TRAFFIC SIGNAL OR ROUNDABOUT AT THE CAMINO DEL SUR/DORMOUSE INTERSECTION.

JUSTIFICATION:

CAMINO DEL SUR IS ONE OF THE CIRCULATION ELEMENT ROADS IN BOTH THE RANCHO PEÑASQUITOS AND TORREY HIGHLANDS COMMUNITY PLANS, AND IS REQUIRED AS PART OF THE MERGE 56 PROJECT DEVELOPMENT.

NOTES:

PRELIMINARY ENVIRONMENTAL WORK AND DESIGN OF THIS PROJECT WAS DONE IN THE EARLY 2000s. PER THE APPROVAL OF THE MERGE 56 DEVELOPMENT PROJECT AND ASSOCIATED COMMUNITY PLAN AMENDMENT IN MAY 2018, THIS ROAD WAS RECLASSIFIED FROM A FOUR-LANE MAJOR TO A TWO-LANE MODIFIED COLLECTOR TO BE CONSTRUCTED BY THE DEVELOPER OF THE MERGE 56 PROJECT IN TORREY HIGHLANDS.

THIS IS PROJECT T-4B IN THE RANCHO PENASQUITOS FINANCING PLAN.

FUNDING:

THIS PROJECT WILL BE CONSTRUCTED BY THE MERGE 56 DEVELOPER WITH REIMBURSEMENT FROM THE TORREY HIGHLANDS AND RANCHO PENASQUITOS FBA_s PURSUANT TO A FUTURE REIMBURSEMENT AGREEMENT ON AN ALLOCATION BASED ON NUMBER OF AVERAGE DAILY TRIPS CONTRIBUTED TO THE ROAD BY EACH COMMUNITY. THIS RESULTS IN A 52.5%/47.5% SPLIT BETWEEN THE TWO. THE AVAILABILITY OF THE TORREY HIGHLANDS SHARE OF THE FUNDING IS UNKNOWN AND IS THEREFORE IS SHOWN IN THE "FUTURE YEARS" COLUMN IN THE FUNDING TABLE ON PAGE 50.

ADDITIONAL FUNDING OF \$793,200 IS ALSO AVAILABLE FOR THE PROJECT WHICH WAS PREVIOUSLY COLLECTED PURSUANT TO THE "AGREEMENT TO MAKE PAYMENTS RELATED TO THE FAIR SHARE CONTRIBUTIO FOR STREET "B" AND RELATED TO SURFACE IMPROVEMENTS FOR CAMINO RUIZ EXTENSION INTO RANCHO PENASQUITOS", EXECUTED ON APRIL 12, 2005. THESE FUNDS RESIDE IN UND 400096.

SCHEDULE:

PROJECT WILL BE CONSTRUCTED BY THE DEVELOPER OF THE MERGE 56 PROJECT PER THE TERMS OF A FUTURE REIMBURSEMENT AGREEMENT CURRENTLY UNDER NEGOTIATION. CONSTRUCTION IS ANTICIPATED TO BEGIN IN FALL 2020, WITH COMPLETION IN FALL 2022.

CITY OF SAN DIEGO FACILITIES FINANCING PROGRAM

TITLE: CAMINO DEL SUR - TWO LANES (CARMEL MOUNTAIN RD TO NORTH OF PARK VILLAGE)

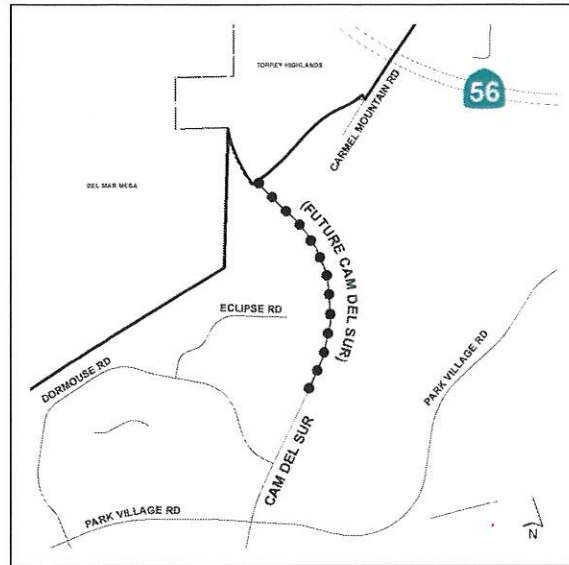
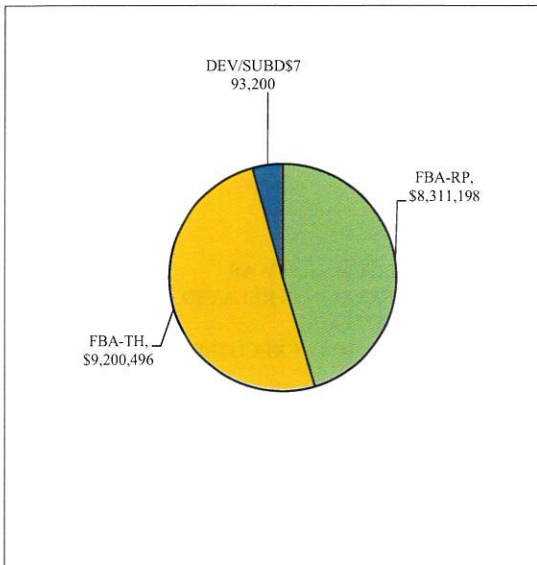
DEPARTMENT: PUBLIC WORKS
CIP or JO #: 52-653.0/S-00872/TBD

PROJECT: T-4B
COUNCIL DISTRICT: 5&6
COMMUNITY PLAN: RP, TH

SOURCE	FUNDING:	EXPENDED	CONT APPROP	FY 2021	FUTURE YEARS			
FBA-RP	\$8,311,198	\$1,204,894		\$7,106,304				
RP COMM								
FBA-TH	\$9,200,496				\$9,200,496			
SPF								
PARKFEE								
STATE								
DEV/SUBD*	\$793,200			\$793,200				
PRIVATE								
MTDB								
UNIDENT								
TOTAL	\$18,304,894	\$1,204,894		\$7,899,504	\$9,200,496			

SOURCE								
FBA-RP								
RP COMM								
FBA-TH								
SPF								
PARKFEE								
STATE								
DEV/SUBD								
PRIVATE								
MTDB								
UNIDENT								
TOTAL								

* Fund 400096 - see notes section on next page.



CITY OF SAN DIEGO
FACILITIES FINANCING PROGRAM

TITLE: CAMINO DEL SUR - TWO LANES (CARMEL MOUNTAIN RD TO NORTH OF PARK VILLAGE

DEPARTMENT: PUBLIC WORKS
CIP or JO #: 52-653.0/S-00872/TBD

PROJECT: T-4B
COUNCIL DISTRICT: 5&6
COMMUNITY PLAN: RP

DESCRIPTION:

DESIGN AND CONSTRUCT CAMINO DEL SUR AS A TWO-LANE MODIFIED COLLECTOR FROM CARMEL MOUNTAIN ROAD TO APPROXIMATELY 1600 FEET NORTH OF PARK VILLAGE ROAD. PROJECT INCLUDES A TRAFFIC SIGNAL OR ROUNDABOUT AT THE CAMINO DEL SUR/DORMOUSE INTERSECTION.

JUSTIFICATION:

CAMINO DEL SUR IS ONE OF THE CIRCULATION ELEMENT ROADS IN BOTH THE RANCHO PEÑASQUITOS AND TORREY HIGHLANDS COMMUNITY PLANS, AND IS REQUIRED AS PART OF THE MERGE 56 PROJECT DEVELOPMENT AND IS CONSISTENT WITH THE CITY'S GENERAL PLAN AND THE RANCHO PEÑASQUITOS COMMUNITY PLANS.

NOTES:

PRELIMINARY ENVIRONMENTAL WORK AND DESIGN OF THIS PROJECT WAS DONE IN THE EARLY 2000s. PER THE APPROVAL OF THE MERGE 56 DEVELOPMENT PROJECT AND ASSOCIATED COMMUNITY PLAN AMENDMENT IN MAY 2018, THIS ROAD WAS RECLASSIFIED FROM A FOUR-LANE MAJOR TO A TWO-LANE MODIFIED COLLECTOR TO BE CONSTRUCTED BY THE DEVELOPER OF THE MERGE 56 PROJECT IN TORREY HIGHLANDS.

THIS IS PROJECT T-3.1A IN THE TORREY HIGHLANDS FINANCING PLAN.

FUNDING:

THIS PROJECT WILL BE CONSTRUCTED BY THE MERGE 56 DEVELOPER WITH REIMBURSEMENT FROM THE TORREY HIGHLANDS AND RANCHO PENASQUITOS FBAs PURSUANT TO A FUTURE REIMBURSEMENT AGREEMENT ON AN ALLOCATION BASED ON NUMBER OF AVERAGE DAILY TRIPS CONTRIBUTED TO THE ROAD BY EACH COMMUNITY. THIS RESULTS IN A 52.5%/47.5% SPLIT BETWEEN THE TWO. THE AVAILABILITY OF THE TORREY HIGHLANDS SHARE OF THE FUNDING IS UNKNOWN AND IS THEREFORE IS SHOWN IN THE "FUTURE YEARS" COLUMN IN THE FUNDING TABLE ON PAGE 38.

ADDITIONAL FUNDING OF \$793,200 IS ALSO AVAILABLE FOR THE PROJECT WHICH WAS PREVIOUSLY COLLECTED PURSUANT TO THE "AGREEMENT TO MAKE PAYMENTS RELATED TO THE FAIR SHARE CONTRIBUTIO FOR STREET "B" AND RELATED TO SURFACE IMPROVEMENTS FOR CAMINO RUIZ EXTENSION INTO RANCHO PENASQUITOS", EXECUTED ON APRIL 12, 2005. THESE FUNDS RESIDE IN FUND 400096.

SCHEDULE:

PROJECT WILL BE CONSTRUCTED BY THE DEVELOPER OF THE MERGE 56 PROJECT PER THE TERMS OF A FUTURE REIMBURSEMENT AGREEMENT CURRENTLY UNDER NEGOTIATION. CONSTRUCTION IS ANTICIPATED TO BEGIN IN FALL 2020, WITH COMPLETION IN FALL 2022.

CITY OF SAN DIEGO FACILITIES FINANCING PROGRAM

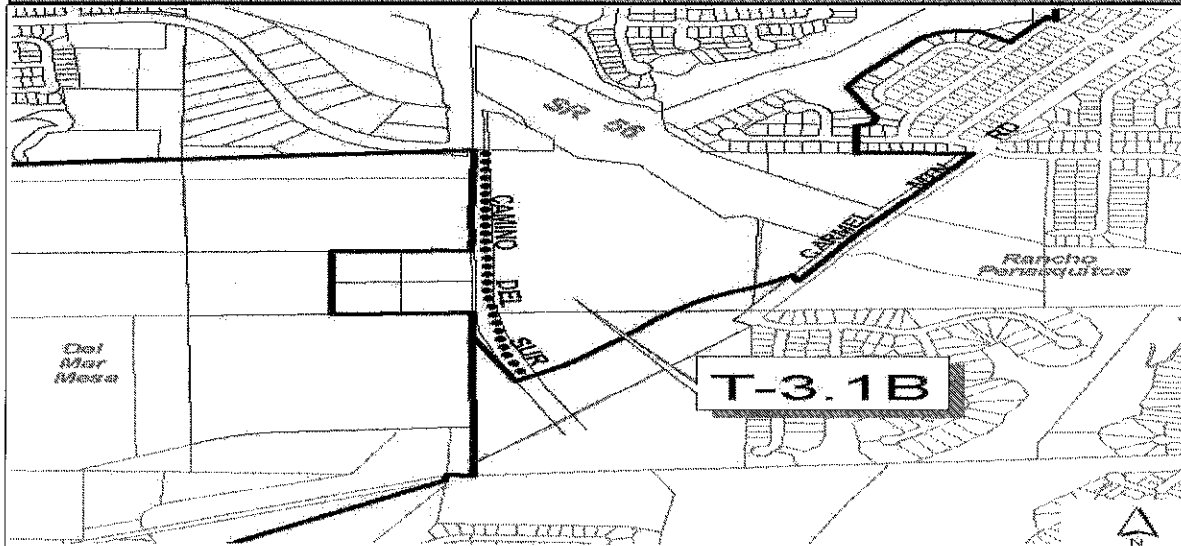
TITLE: CAMINO DEL SUR – TWO LANES (TORREY SANTA FE TO CARMEL MOUNTAIN ROAD)

DEPARTMENT: PUBLIC WORKS
CIP or JO #: TBD

PROJECT: T-3.1B
COUNCIL DISTRICT: 5
COMMUNITY PLAN: TH

SOURCE	FUNDING TOTAL	EXPENDED	CONF. APPROP.	FY 2021	FUTURE YEARS			
FBA-TH	\$11,900,000				\$11,900,000			
FBA-BMR								
FBA-PHR								
FBA-DMM								
FBA-RP								
DEV. ADV								
DEV/SUBD								
COUNTY								
STATE								
OTHER								
UNIDEN								
TOTAL	\$11,900,000				\$11,900,000			

SOURCE								
FBA-TH								
FBA-BMR								
FBA-PHR								
FBA-DMM								
FBA-RP								
DEV. ADV								
DEV/SUBD								
COUNTY								
STATE								
OTHER								
UNIDEN								
TOTAL								



CITY OF SAN DIEGO
FACILITIES FINANCING PROGRAM

TITLE: CAMINO DEL SUR – TWO LANES (TORREY SANTA FE TO CARMEL MOUNTAIN ROAD)

DEPARTMENT: PUBLIC WORKS
CIP or JO #: TBD

PROJECT: T-3.1B
COUNCIL DISTRICT: 5
COMMUNITY PLAN: TH

DESCRIPTION:

DESIGN AND CONSTRUCT CAMINO DEL SUR AS A 4/6 LANE MAJOR/URBAN ROAD FROM SR-56/TORREY SANTA FE TO CARMEL MOUNTAIN ROAD.

JUSTIFICATION:

CAMINO DEL SUR IS ONE OF THE CIRCULATION ELEMENT ROADS IN BOTH THE RANCHO PEÑASQUITOS AND TORREY HIGHLANDS COMMUNITY PLANS, AND IS REQUIRED AS PART OF THE MERGE 56 PROJECT DEVELOPMENT.

FUNDING:

THIS PROJECT WILL BE CONSTRUCTED BY THE MERGE 56 DEVELOPER WITH REIMBURSEMENT FROM THE TORREY HIGHLANDS FBA PER THE TERMS OF A FUTURE REIMBURSEMENT AGREEMENT. THE AVAILABILITY OF THAT FUNDING IS UNKNOWN AND IS THEREFORE SHOWN IN THE "FUTURE YEARS" COLUMN IN THE FUNDING TABLE ON PAGE 52.

NOTES:

PRELIMINARY ENVIRONMENTAL WORK AND DESIGN OF THIS PROJECT WAS DONE IN THE EARLY 2000s. PER THE APPROVAL OF THE MERGE 56 DEVELOPMENT PROJECT AND ASSOCIATED COMMUNITY PLAN AMENDMENT IN MAY 2018, THIS ROAD WAS RECLASSIFIED FROM A FOUR-LANE MAJOR TO A TWO-LANE MODIFIED COLLECTOR TO BE CONSTRUCTED BY THE DEVELOPER OF THE MERGE 56 PROJECT IN TORREY HIGHLANDS.

SCHEDULE:

PROJECT WILL BE CONSTRUCTED BY THE DEVELOPER OF THE MERGE 56 PROJECT PER THE TERMS OF A FUTURE REIMBURSEMENT AGREEMENT CURRENTLY UNDER NEGOTIATION. CONSTRUCTION IS ANTICIPATED TO BEGIN IN FALL 2020, WITH COMPLETION IN FALL 2022.

CITY OF SAN DIEGO FACILITIES FINANCING PROGRAM

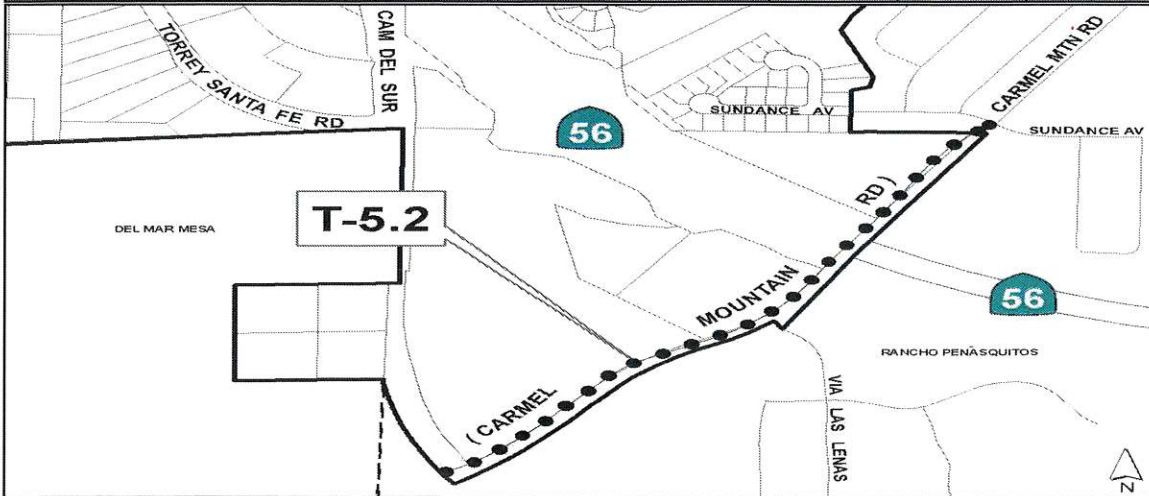
TITLE: CARMEL MOUNTAIN ROAD WIDENING WITHIN SUBAREA BOUNDARIES

DEPARTMENT: PUBLIC WORKS
CIP or JO #: RD-15002/TBD

PROJECT: T-5.2
COUNCIL DISTRICT: 5
COMMUNITY PLAN: TH

SOURCE	FUNDING TOTAL	EXPENDED	CONT APPROP	FY 2021	FUTURE YEARS			
FBA-TH	\$10,444,721	\$1,752,589	\$1,642,132		\$7,050,000			
FBA-BMR								
FBA-PHR								
FBA-DMM								
FBA-RP								
DEV. ADV	\$1,800,000	\$1,800,000						
DEV/SUBD								
COUNTY								
STATE								
OTHER								
UNIDEN								
TOTAL	\$12,244,721	\$3,552,589	\$1,642,132		\$7,050,000			

SOURCE								
FBA-TH								
FBA-BMR								
FBA-PHR								
FBA-DMM								
FBA-RP								
DEV. ADV								
DEV/SUBD								
COUNTY								
STATE								
OTHER								
UNIDEN								
TOTAL								



CITY OF SAN DIEGO
FACILITIES FINANCING PROGRAM

TITLE: CARMEL MOUNTAIN ROAD WIDENING WITHIN SUBAREA BOUNDARIES

DEPARTMENT: PUBLIC WORKS
CIP or JO #: RD-15002/TBD

PROJECT: T-5.2
COUNCIL DISTRICT: 5
COMMUNITY PLAN: TH

DESCRIPTION:

DESIGN AND CONSTRUCT CARMEL MOUNTAIN ROAD AS A FOUR-LANE MAJOR STREET, COMPLETE WITH MEDIAN IMPROVEMENTS FROM CAMINO DEL SUR TO THE EXISTING TERMINUS OF THIS ROADWAY IN RANCHO PENASQUITOS. THIS WIDENING WILL TAKE PLACE IN FOUR PHASES. AN EARLY PHASE WAS CONSTRUCTED BY A SUBDIVIDER. A SECOND PHASE FROM SUNDANCE TO THE SR-56, AND A THIRD PHASE FROM SR-56 TO VIA PANACEA WERE COMPLETED BY A SUBDIVIDER PURSUANT TO EXECUTED REIMBURSEMENT AGREEMENTS. THE FOURTH AND FINAL PHASE FROM VIA PANACEA SOUTH TO CAMINO DEL SUR WILL BE CONSTRUCTED BY THE MERGE 56 DEVELOPER PURSUANT TO A FUTURE REIMBURSEMENT AGREEMENT.

JUSTIFICATION:

CARMEL MOUNTAIN ROAD IS ONE OF THE CIRCULATION ELEMENT ROADS IN BOTH THE RANCHO PEÑASQUITOS AND TORREY HIGHLANDS COMMUNITY PLANS, AND IS REQUIRED AS PART OF THE MERGE 56 PROJECT DEVELOPMENT.

NOTES:

THE FIRST THREE PHASES OF THIS PROJECT COVERING SUNDANCE AVE TO VIA PANACEA HAVE BEEN COMPLETED BY DEVELOPERS AT THEIR OWN EXPENSE OR PURSUANT TO EXECUTED REIMBURSEMENT AGREEMENTS. THE FINAL PHASE COVERING THE SEGMENT FROM VIA PANACEA TO THE FUTURE EXTENSION OF CAMINO DEL SUR WILL BE CONSTRUCTED BY THE DEVELOPER OF THE MERGE 56 DEVELOPMENT PROJECT PURSUANT TO A FUTURE REIMBURSEMENT AGREEMENT CURRENTLY BEING NEGOTIATED.

FUNDING:

THE AMOUNTS IN THE "EXPENDED" AND "CONT APPROP" FUNDING COLUMNS IN THE TABLE ON PAGE 72 ARE RELATED TO OTHER SEGMENTS OF THIS PROJECT CONSTRUCTED BY DEVELOPERS PER EXECUTED REIMBURSEMENT AGREEMENTS. THE FUNDING IN THE "FUTURE YEARS" COLUMN REFERS TO THE FUNDING FOR FUTURE REIMBURSEMENT FOR THE SEGMENT TO BE CONSTRUCTED BY THE MERGE 56 DEVELOPER PURSUANT TO A FUTURE REIMBURSEMENT AGREEMENT.

SCHEDULE:

THE FINAL SEGMENT OF THE PROJECT WILL BE CONSTRUCTED BY THE DEVELOPER OF THE MERGE 56 PROJECT PER THE TERMS OF A FUTURE REIMBURSEMENT AGREEMENT CURRENTLY UNDER NEGOTIATION. CONSTRUCTION IS ANTICIPATED TO BEGIN IN FALL 2020, WITH COMPLETION IN FALL 2022.

CITY OF SAN DIEGO FACILITIES FINANCING PROGRAM

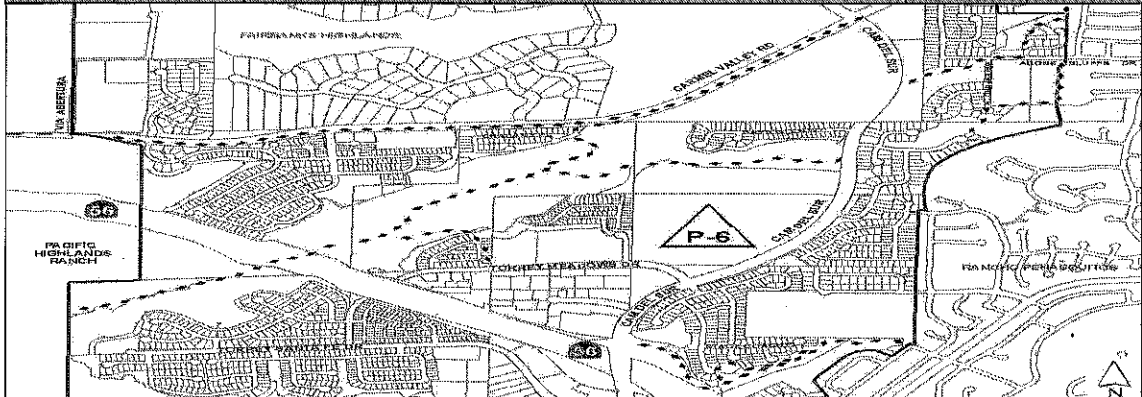
TITLE: TORREY HIGHLANDS TRAIL SYSTEM

DEPARTMENT: PARK AND RECREATION
CIP or JO #: 29-429.0/RD-12002/TBD

PROJECT: P-6
COUNCIL DISTRICT: 5
COMMUNITY PLAN: TH

SOURCE	FUNDING TOTAL	EXPENDED	CONF APPROP	FY 2021	FUTURE YEARS			
FBA-TH	\$1,848,565	\$738,565			\$1,110,000			
FBA-BMR								
FBA-PHR								
FBA-DMM								
FBA-RP								
DEV. ADV								
DEV/SUBD								
COUNTY								
STATE								
OTHER								
UNIDEN								
TOTAL								

SOURCE	FUNDING TOTAL	EXPENDED	CONF APPROP	FY 2021	FUTURE YEARS			
FBA-TH								
FBA-BMR								
FBA-PHR								
FBA-DMM								
FBA-RP								
DEV. ADV								
DEV/SUBD								
COUNTY								
STATE								
OTHER								
UNIDEN								
TOTAL								



CITY OF SAN DIEGO
FACILITIES FINANCING PROGRAM

TITLE: TORREY HIGHLANDS TRAIL SYSTEM

DEPARTMENT: PARK AND RECREATION
CIP or JO #: 29-429.0/RD-12002/TBD

PROJECT: P-6
COUNCIL DISTRICT: 5
COMMUNITY PLAN: TH

DESCRIPTION:

DESIGN AND CONSTRUCT APPROXIMATELY 50,300 LINEAL FEET (9.5 MILES) OF BICYCLE, HIKING AND EQUESTRIAN TRAILS TO BE LOCATED THROUGHOUT THE COMMUNITY IN ACCORDANCE WITH THE TORREY HIGHLANDS SUBAREA PLAN. THE SYSTEM WILL CONSIST OF A NETWORK OF PAVED TRAILS (25,200 LF), IMPROVED UNPAVED TRAILS (13,000 LF) AND UNPAVED TRAILS (12,100 LF), TOGETHER WITH A FOOTBRIDGE IN THE BOTTOM OF MCGONIGLE CANYON.

JUSTIFICATION:

THE SYSTEM OF TRAILS IS A CRITICAL COMPONENT OF THE TORREY HIGHLANDS SUBAREA PLAN.

NOTES:

PER THE PARKS & RECREATION DEPARTMENT 46,900 LF OF THE TRAILS HAVE BEEN CONSTRUCTED, LEAVING 3,400 LF OF UNPAVED TRAILS TO BE COMPLETED. THE DEVELOPER OF THE MERGE 56 DEVELOPMENT PROJECT WILL CONSTRUCT APPROXIMATELY 1,200 LF OF 4' WIDE OF DECOMPOSED GRANITE TRAILS ALONG CAMINO DEL SUR AND CARMEL MOUNTAIN ROAD AND APPROXIMATELY 700 LF OF 6' WIDE DECOMPOSED GRANITE TRAIL CONNECTING CAMINO DEL SUR TO THE DEL MAR MESA AND DARKWOOD CANYON TRAIL SYSTEM AS PART OF A FUTURE REIMBURSEMENT AGREEMENT. REMAINING TRAILS WILL BE CONSTRUCTED BY THE CITY.

FUNDING:

THE COST ESTIMATE FOR THE REMAINING 3,400 LF OF TRAILS IS \$1,110,000. THE 1,900 LF TO BE CONSTRUCTED BY THE MERGE 56 DEVELOPER PURSUANT TO A FUTURE REIMBURSEMENT AGREEMENT IS ESTIMATED AT \$180,000. THE BALANCE OF THE BUDGETED FUNDS WILL BE USED TO COMPLETE ANY REMAINING TRAIL SEGMENTS.

SCHEDULE:

THE MERGE 56 PORTION OF THE TRAILS WILL BE CONSTRUCTED PER THE TERMS OF A FUTURE REIMBURSEMENT AGREEMENT CURRENTLY UNDER NEGOTIATION. CONSTRUCTION IS ANTICIPATED TO BEGIN IN FALL 2020, WITH COMPLETION IN FALL 2022. THE REMAINING TRAILS WILL BE CONSTRUCTED AS FUNDING BECOMES AVAILABLE.

CITY OF SAN DIEGO FACILITIES FINANCING PROGRAM

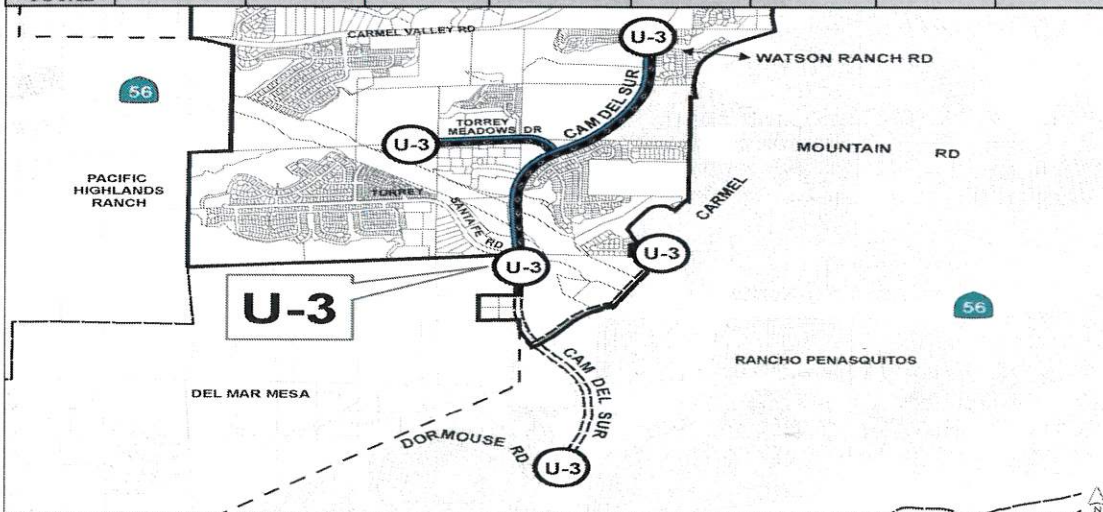
TITLE: NEW 16" WATER MAINS

DEPARTMENT: PUBLIC UTILITIES
CIP or JO #: RD-15003/TBD

PROJECT: U-3
COUNCIL DISTRICT: 5
COMMUNITY PLAN: TH

SOURCE	FUNDING TOTAL	EXPENDED	CONT APPROP	FY 2021	FUTURE YEARS			
FBA-TH	\$2,655,000	\$454,487	\$770,513		\$1,430,000			
FBA-BMR								
FBA-PHR								
FBA-DMM								
FBA-RP								
DEV. ADV								
DEV/SUBD								
COUNTY								
STATE								
OTHER								
UNIDEN								
TOTAL								

SOURCE								
FBA-TH								
FBA-BMR								
FBA-PHR								
FBA-DMM								
FBA-RP								
DEV. ADV								
DEV/SUBD								
COUNTY								
STATE								
OTHER								
UNIDEN								
TOTAL								



CITY OF SAN DIEGO
FACILITIES FINANCING PROGRAM

TITLE: NEW 16" WATER MAINS

DEPARTMENT: PUBLIC UTILITIES
CIP or JO #: RD-15003/TBD

PROJECT: U-3
COUNCIL DISTRICT: 5
COMMUNITY PLAN: TH

DESCRIPTION:

THIS PROJECT PROVIDES FOR THE CONSTRUCTION OF APPROXIMATELY 16,636 LF OF 16-INCH DIAMETER WATER MAINS WITHIN CAMINO DEL SUR (WATSON RANCH ROAD TO DORMOUSE) AND ALONG CARMEL MOUNTAIN ROAD FROM CAMINO DEL SUR TO SUNDANCE AVENUE.

JUSTIFICATION:

THIS PROJECT IS REQUIRED TO PROVIDE PRIMARY DISTRIBUTION FACILITIES TO SERVE THE COMMUNITY.

NOTES:

THIS PROJECT HAS BEEN/WILL BE CONSTRUCTED IN SEVERAL PHASES BY SEVERAL DEVELOPERS PURSUANT TO EXECUTED REIMBURSEMENT AGREEMENTS. WESTERN PACIFIC HOUSING COMPLETED A 16" WATER LINE FROM THE INTERSECTION OF CAMINO DEL SUR/WATSON RANCH ROAD SOUTH TO TORREY SANTA FE DRIVE AND WEST TO TORREY MEADOW DRIVE. KB HOME COASTAL COMPLETED THE 16" WATER LINE WITHIN RHODES CROSSING UNITS 1 & 6, AND RHODES CROSSING-TORREY HIGHLANDS LP COMPLETED THE 16" WATER LINE WITHIN RHODES CROSSING UNIT 7. THE DEVELOPER OF THE MERGE 56 PROJECT WILL CONSTRUCT A 16" WATER LINE EXTENSION IN CAMINO DEL SUR FROM THE SR-56 TO 1,600 FEET NORTH OF PARK VILLAGE ROAD AND IN CARMEL MOUNTAIN ROAD FROM THE SR-56 TO CAMINO DEL SUR, AND 16" RECYCLED WATER LINE EXTENSION IN CAMINO DEL SUR FROM THE SR-56 TO 1,600 FEET NORTH OF PARK VILLAGE ROAD.

FUNDING:

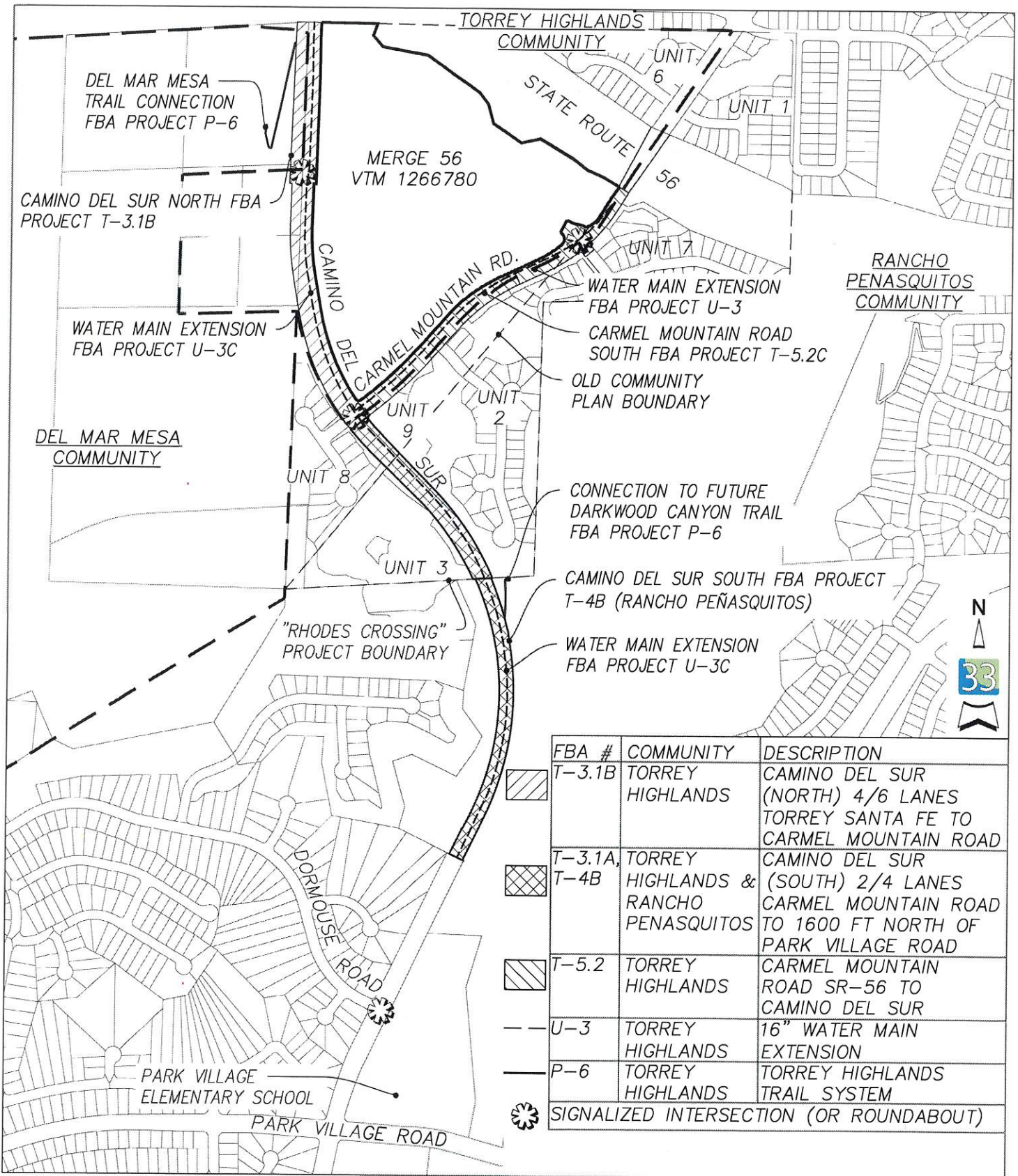
THE AMOUNTS IN THE "EXPENDED" AND "CONT APPROP" FUNDING COLUMNS IN THE TABLE ON PAGE 124 ARE RELATED TO OTHER SEGMENTS OF THIS PROJECT CONSTRUCTED BY DEVELOPERS PER EXECUTED REIMBURSEMENT AGREEMENTS. THE FUNDING IN THE "FUTURE YEARS" COLUMN REFERS TO THE FUNDING FOR FUTURE REIMBURSEMENT FOR THE SEGMENT TO BE CONSTRUCTED BY THE MERGE 56 DEVELOPER PURSUANT TO A FUTURE REIMBURSEMENT AGREEMENT.

SCHEDULE:

THE FINAL SEGMENT OF THIS PROJECT WILL BE CONSTRUCTED BY THE DEVELOPER OF THE MERGE 56 PROJECT PER THE TERMS OF A FUTURE REIMBURSEMENT AGREEMENT CURRENTLY UNDER NEGOTIATION. CONSTRUCTION IS ANTICIPATED TO BEGIN IN FALL 2020, WITH COMPLETION IN FALL 2022.

EXHIBIT B
Depiction of Projects

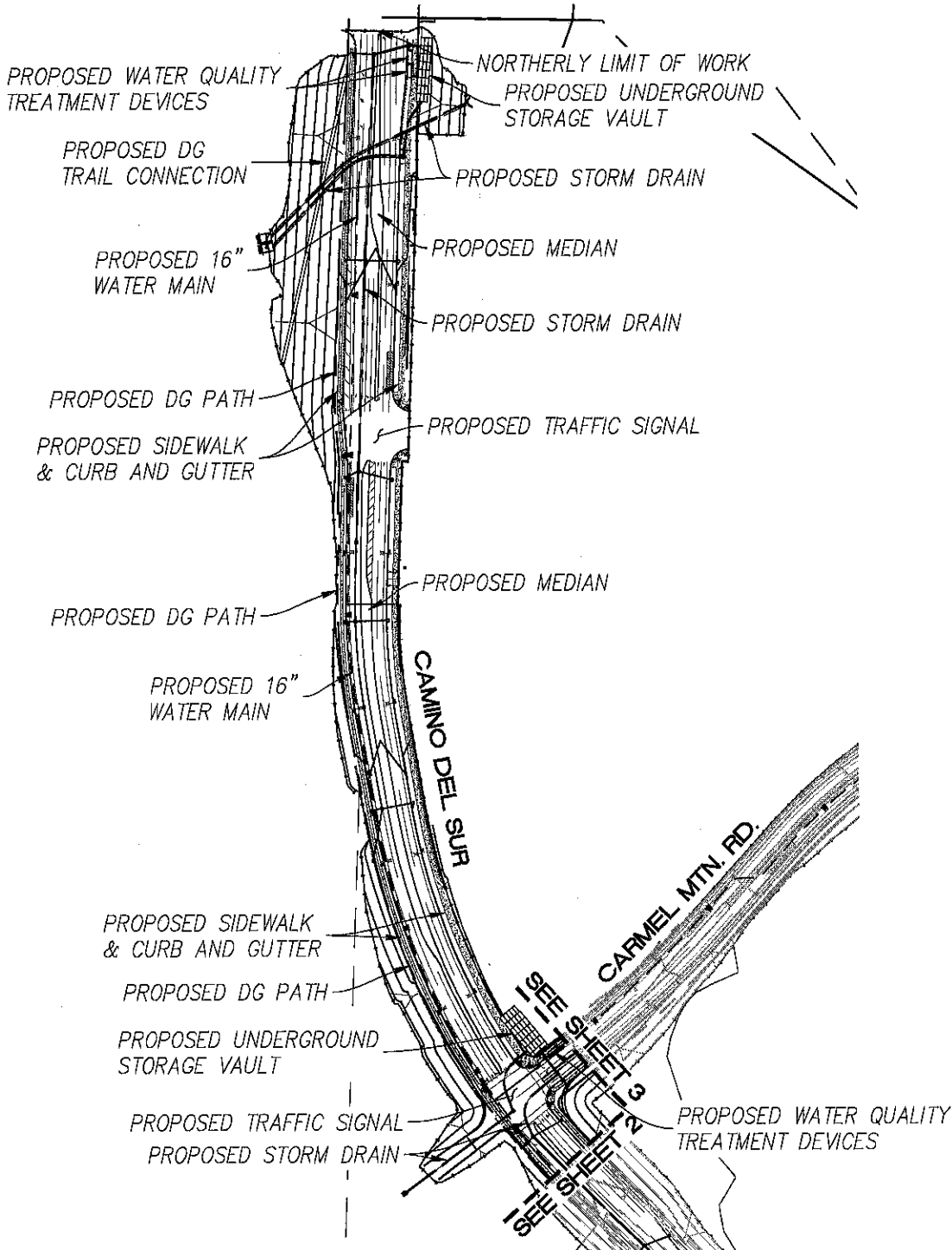
MERGE 56 REIMBURSEMENT AGREEMENT EXHIBIT 'B-1'



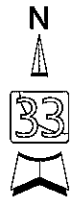
FBA #	COMMUNITY	DESCRIPTION
T-3.1B	TORREY HIGHLANDS	CAMINO DEL SUR (NORTH) 4/6 LANES TORREY SANTA FE TO CARMEL MOUNTAIN ROAD
T-3.1A, T-4B	TORREY HIGHLANDS & RANCHO PENASQUITOS	CAMINO DEL SUR (SOUTH) 2/4 LANES CARMEL MOUNTAIN ROAD TO 1600 FT NORTH OF PARK VILLAGE ROAD
T-5.2	TORREY HIGHLANDS	CARMEL MOUNTAIN ROAD SR-56 TO CAMINO DEL SUR
U-3	TORREY HIGHLANDS	16" WATER MAIN EXTENSION
P-6	TORREY HIGHLANDS	TORREY HIGHLANDS TRAIL SYSTEM
(Star symbol)		SIGNALIZED INTERSECTION (OR ROUNDABOUT)

MERGE 56 CAMINO DEL SUR NORTH

SHEET 2 OF 4



T-3.1B: CAMINO DEL SUR (NORTH) 4/6-LANE MAJOR/URBAN MAJOR FROM SR-56/TORREY SANTA FE TO CARMEL MOUNTAIN ROAD. GRADE AND CONSTRUCT ROAD IMPROVEMENTS INCLUDING STORM DRAIN, WATER QUALITY AND HYDROMODIFICATION MEASURES, EROSION CONTROL, CURB AND GUTTER, SIDEWALKS, PAVEMENT, LANDSCAPE & IRRIGATION, TRAFFIC CONTROLS, SIGNING, STRIPING, AND TRAFFIC SIGNAL.

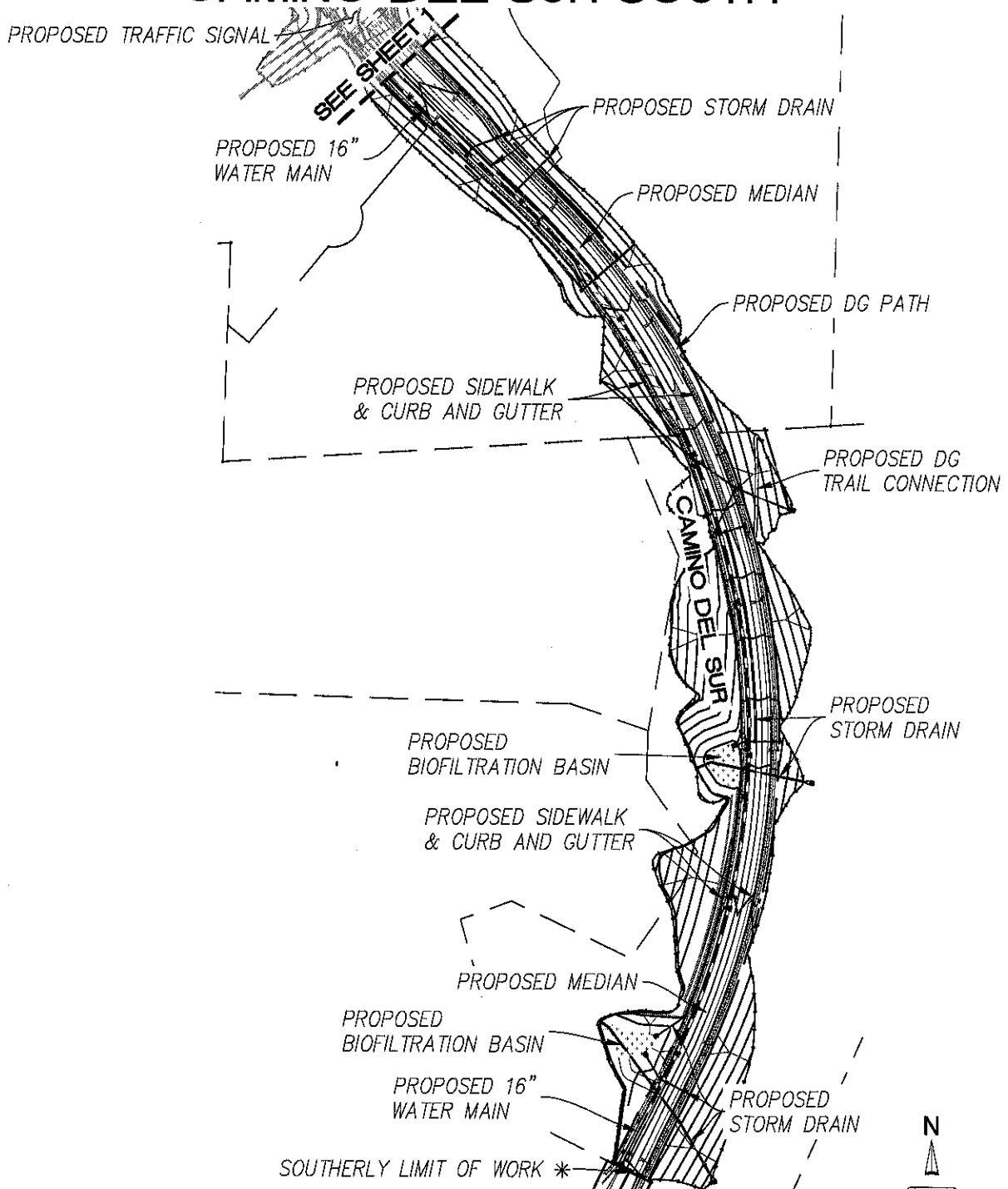


SCALE 1"=300'



MERGE 56 CAMINO DEL SUR SOUTH

SHEET 3 OF 4



T-3.1A, T-4B: CAMINO DEL SUR (SOUTH), 2-LANE MODIFIED COLLECTOR FROM CARMEL MOUNTAIN ROAD TO 1600 FEET NORTH OF PARK VILLAGE ROAD. GRADE AND CONSTRUCT ROAD IMPROVEMENTS INCLUDING STORM DRAIN, WATER QUALITY AND HYDROMODIFICATION MEASURES, EROSION CONTROL, CURB AND GUTTER, SIDEWALKS, PAVEMENT, LANDSCAPE & IRRIGATION, TRAFFIC CONTROLS, SIGNING, STRIPING, ROUNDABOUT AND DORMOUSE ROAD, AND ENVIRONMENTAL MITIGATION.

*PROJECT WILL ALSO PROVIDE TRAFFIC SIGNAL OR ROUNDABOUT AT CAMINO DEL SUR/DORMOUSE ROAD INTERSECTION.

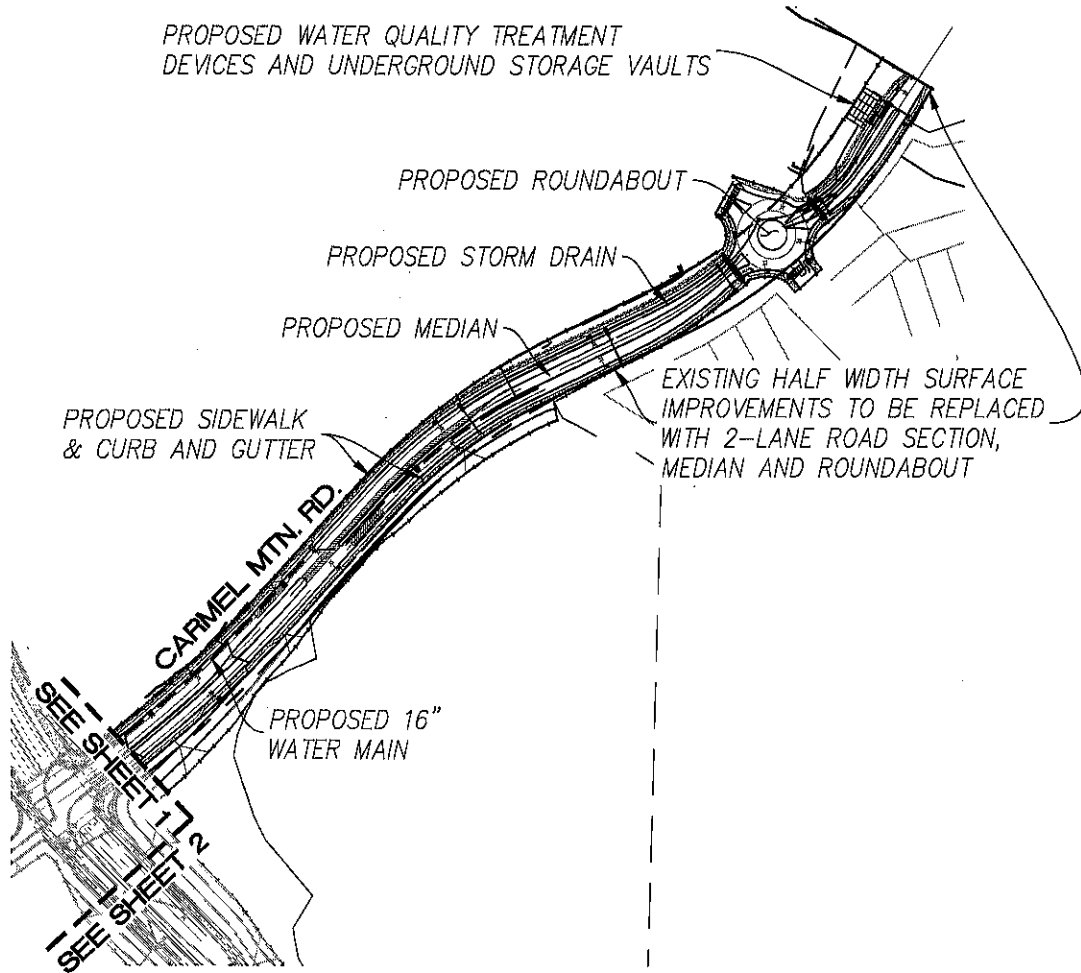


SCALE 1"=300'

latitude 33
PLANNING & ENGINEERING
0000 18000 Street 2nd Floor, San Diego, CA 92121
Tel 619.791.0630

MERGE 56 CARMEL MOUNTAIN ROAD

SHEET 4 OF 4



T-5.2: CARMEL MOUNTAIN ROAD, 2 LANE MODIFIED COLLECTOR FROM SR-56 TO CAMINO DEL SUR. GRADE AND CONSTRUCT ROAD IMPROVEMENTS INCLUDING STORM DRAIN, WATER QUALITY AND HYDROMODIFICATION MEASURES, EROSION CONTROL, CURB AND GUTTER, SIDEWALKS, PAVEMENT, LANDSCAPE & IRRIGATION, TRAFFIC CONTROLS, SIGNING, STRIPING, AND ROUNDABOUT.



SCALE 1"=300'

latitude 33
PLANNING & ENGINEERING
6608 Hobart Street 2nd Floor, San Diego, CA 92121
Tel: 619.751.0233

EXHIBIT C

(All FBA Project Numbers in Torrey Highlands FBA Unless Otherwise Noted)

Description of Projects

- T-3.1B: Camino Del Sur (North) 4/6-lane major/urban major from SR-56/Torrey Santa Fe to Carmel Mountain Road.

Grade and construct road improvements, including but not limited to Demolition, Earthwork, Retaining & Block Walls, Drainage Improvements, Surface Improvements, Survey, water quality and hydromodification measures, erosion control, curb and gutter, sidewalks, pavement, Landscape & Irrigation, traffic controls, signage, striping, street lights and traffic signals and their electrical and telephone, as required by the approved grading and improvement plan sets Nos. 40589; 40590; 40552; and 40553-D, including any costs associated with offsite access, easements and Right of Way for the FBA facilities. These tasks also include but are not limited to Consultant Services, Engineering, Bond Premiums, Insurance, Plan Check & Inspection, Construction Management, Environmental Review/Mitigation, General Conditions, including preliminary design, discretionary entitlement permitting, final design, ministerial permitting & fees, administrative costs, delay financing interest costs, legal defense of CEQA complaint, environmental impacts mitigation, monitoring, reporting per the Certified EIR MMRP referenced on the plan sets, access, easements, and acquisition of required Mitigation sites, compliance per City Mitigation Monitoring and Coordination requirements and compliance with and satisfaction of USACE 404 Permits, United States Fish & Wildlife Service Section 7 Consultation, California Department of Fish Wildlife 1603 Permit, and CA State Regional Water Quality Control Board 401 Certification requirements.

- T-3.1A, T-4B (Rancho Peñasquitos FBA): Camino Del Sur (South), 2-lane modified collector from Carmel Mountain Road to 1600 feet north of Park Village Road.

Grade and construct road improvements, including but not limited to Demolition, Earthwork, Retaining & Block Walls, Drainage Improvements, Surface Improvements, Survey, water quality and hydromodification measures, erosion control, curb and gutter, sidewalks, pavement, Landscape & Irrigation, traffic controls, signage, striping, roundabout at Dormouse, street lights and traffic signals and their electrical and telephone, as required by the approved grading and improvement plan sets Nos. 40589; 40590; 40552; and 40553-D including any costs associated with offsite access, easements and Right of Way for the FBA facilities. These tasks also include but are not limited to Consultant Services, Engineering, Bond Premiums, Insurance, Plan Check & Inspection, Construction Management, Environmental Review/Mitigation, General Conditions, including preliminary design, discretionary entitlement permitting, final design, ministerial permitting & fees, administrative costs, delay financing interest costs, legal defense of CEQA complaint, environmental impacts mitigation, monitoring, reporting per the Certified EIR MMRP referenced on the plan sets, access, easements, and acquisition of required Mitigation sites, compliance per City Mitigation Monitoring and Coordination requirements and compliance with and satisfaction of USACE 404 Permits, United States Fish & Wildlife Service Section 7 Consultation, California Department of Fish Wildlife 1603 Permit, and CA State Regional Water Quality Control Board 401 Certification requirements.

- T-5.2: Carmel Mountain Road, 2 lane modified collector from SR-56 to Camino Del Sur.

Grade and construct road improvements, including but not limited to Demolition, Earthwork, Retaining & Block Walls, Drainage Improvements, Surface Improvements, Survey, water quality and hydromodification measures, erosion control, curb and gutter, sidewalks, pavement, Landscape & Irrigation, traffic controls, signage, striping, roundabout at Street "M" and Via Las Lenas, street lights and traffic signals and their electrical and telephone, as required by the approved grading and improvement plan sets Nos. 40589; 40590; 40552; and 40553-D including any costs associated with offsite access, easements and Right of Way for the FBA facilities . These tasks also include but are not limited to Consultant Services, Engineering, Bond Premiums, Insurance, Plan Check & Inspection, Construction Management, Environmental Review/Mitigation, General Conditions, including preliminary design, discretionary entitlement permitting, final design, ministerial permitting & fees, administrative costs, delay financing interest costs, legal defense of CEQA complaint, environmental impacts mitigation, monitoring, reporting per the Certified EIR MMRP referenced on the plan sets, access, easements, and acquisition of required Mitigation sites, compliance per City Mitigation Monitoring and Coordination requirements and compliance with and satisfaction of USACE 404 Permits, United States Fish & Wildlife Service Section 7 Consultation, California Department of Fish Wildlife 1603 Permit, and CA State Regional Water Quality Control Board 401 Certification requirements.

- U-3: 16" Watermain Extensions in Camino del Sur from SR-56 to 1,600 feet North of Perk Village Road and in Carmel Mountain Road from SR-56 to Camino del Sur.

Construct domestic watermains in Camino Del Sur and Carmel Mountain Road, including but not limited to All Waterline Appurtenances, Survey and Water, as required by the approved improvement plan set No. 40590-D including any costs associated with offsite access, easements and Right of Way for the FBA facilities. These tasks also include but are not limited to Consultant Services, Engineering, Bond Premiums, Insurance, Plan Check & Inspection, Construction Management, Environmental Review/Mitigation, General Conditions, including preliminary design, discretionary entitlement permitting, final design, ministerial permitting & fees, administrative costs, delay financing interest costs, legal defense of CEQA complaint, environmental impacts mitigation, monitoring, reporting per the Certified EIR MMRP referenced on the plan sets, access, easements, and acquisition of required Mitigation sites, compliance per City Mitigation Monitoring and Coordination requirements and compliance with and satisfaction of USACE 404 Permits, United States Fish & Wildlife Service Section 7 Consultation, California Department of Fish Wildlife 1603 Permit, and CA State Regional Water Quality Control Board 401 Certification requirements.

- P-6: 4' wide DG trails along Camino Del Sur and Carmel Mountain Road and 6' wide DG trail connecting the Camino Del Sur trail to the Del Mar Mesa and Darkwood Canyon Trail systems.

Grade and construct a 4' wide DG trail along Camino Del Sur and Carmel Mountain Road, as well as 6' wide DG trail connections to Del Mar Mesa Trail and Darkwood Canyon Trail with drainage measures, erosion control and log fence including but not limited to Surface Improvements as required by the approved grading and improvement plan sets Nos. 40589; 40590; 40552; and 40553-D including any costs associated with offsite access, easements and Right of Way for the FBA facilities. These tasks also include but are not limited to Consultant Services, Engineering, Bond Premiums, Insurance, Plan Check & Inspection, Construction Management, Environmental Review/Mitigation, General Conditions, including preliminary design, discretionary entitlement permitting, final design, ministerial permitting & fees, administrative costs, delay financing interest costs, legal defense of CEQA complaint, environmental impacts mitigation, monitoring, reporting per the Certified EIR MMRP referenced on the plan sets, access, easements, and acquisition of required Mitigation sites, compliance per City Mitigation Monitoring and Coordination requirements and compliance with and satisfaction of USACE 404 Permits, United States Fish & Wildlife Service Section 7 Consultation, California Department of Fish Wildlife 1603 Permit, and CA State Regional Water Quality Control Board 401 Certification requirements.

EXHIBIT D

Typical Project Schedule

<u>Task</u>	<u>Description</u>	<u>Estimated Duration</u>
I	Plans signed, engineers bond estimate approved	1-3 days
II	Pull Permit & Post Bonds (if needed)	2-4 weeks
III	Submit Invitation to Bid, Bid Package, Master Subcontract Agreement, Work Agreement and Proposed Advertisement to the Public Works Department (Allow 2 Weeks for City Approval)	4-5 weeks
IV	Issue Public Advertisement	2-3 weeks
V	Pre-Bid Meeting (approximately 1 week after Public Advertisement)	1-2 week
VI	Public Bid Opening (Approximately 4 weeks after Public Advertisement)	4-5 weeks
VII	Issue Contract	<u>2-3 weeks</u>
	<i>Bid/Award Subtotal</i>	15-22 weeks
VIII	Preconstruction Meetings (Approximately 1 week before construction)	1-3 week
IX	Mobilization and site fencing (Note: Start and progress time frames affected by rainy season and bird nesting restrictions)	3-5 weeks
X	Construction:	
	- Clear & Grub/Grading	20-22 weeks
	- Storm Drain / Erosion Control	5-7 weeks
	- Underground utilities	10-12 weeks
	- Curb, gutter, sidewalk	10-12 weeks
	- Subgrade & Paving	4-7 weeks
	- Landscaping	6-9 weeks
	- Traffic controls & striping	<u>4-7 weeks</u>
	<i>Construction Subtotal</i>	63-80 weeks
XI	Inspection/Acceptance open to traffic	4-6 weeks
	Total	82-126 weeks 18-32 months

*Environmental review/mitigation will occur outside of the above timeframe as required by the applicable plans, permits and approvals.

** The Construction period commences on the later of the City Council approval and full execution of the Agreement or actual start of Construction of the Projects.

Exhibit E-1



TH FBA Project #	Project Description	Rounded Estimate
T-3.1B	4 to 6-lane Camino Del Sur (Torrey Santa Fe to Carmel Mountain Rd.)	\$11,900,000
T-3.1A, T-4B (RP)	2 to 4-lane Camino Del Sur (Carmel Mountain Rd. to north of Dormouse Rd.)	\$17,100,000
T-5.2	2-lane Carmel Mountain Rd. (SR-56 to Camino Del Sur)	\$7,050,000
U-3	16" watermain in Camino Del Sur and Carmel Mountain Road	\$1,430,000
P-6	Public Trails for Camino Del Sur and Carmel Mountain Road	\$180,000
Total		\$37,660,000

**EXHIBIT E-2
ESTIMATED COSTS**

Project Title: Camino Del Sur South - (Torrey Highlands Proj. T-3.1A & Rancho Penasquitos Proj. T-4B)

ITEM DESCRIPTION	Total Cost
1. Construction (Hard) Costs	
Earthwork (including Mobilization/Demobilization/BMPs)	\$ 2,658,737
Drainage Improvements	\$ 1,020,525
Surface Improvements	\$ 1,437,208
Traffic Control	\$ 426,900
Landscaping & Irrigation	\$ 1,150,700
Survey	\$ 300,000
Water	\$ -
Dry Utilities	\$ -
ROW Acquisition	\$ -
Land Acquisition	\$ -
	\$ -
Subtotal No. 1:	\$ 6,994,070
2. Design (Soft) Costs	
Consultant Services	\$ 2,322,274
Engineering (Construction Documents, Specifications, Cost Estimates)	\$ 477,915
Bond Premiums	\$ 167,358
Insurance (Section 19)	\$ -
Plan Check, City Permits/Processing Fees, Inspection Fees (Paid to City) (Section 12.1.5)	\$ 227,320
Construction Management	\$ 239,441
Environmental Review / Mitigation	\$ 4,939,838
General Conditions	\$ 83,929
	\$ -
Subtotal No. 2:	\$ 8,458,075
3. Total Project Costs (Subtotals No. 1 and No.2) (Section 3.1)	\$ 15,452,145
4. Project Contingency (10% of Construction Costs) (Section 3.3.2)	\$ 699,407
5. Developer Administration Costs (6% of Total Project Costs) (Section 3.3.1)	\$ 927,129
6. Interest on Reimbursement Payment (Up to Maximum per Agreement) (Section 14.1.6)	\$ -
TOTAL ESTIMATED COST (Section 3.3)	\$ 17,078,681

Instructions:

Please include applicable Financing Plan project number in *Project Title*.

Section 1 (Construction Costs) can be customized to add or delete line items as needed.

Section 2 (Design Costs) is locked and should not be changed. Please notify Facilities Financing if line items need to be added or deleted.

Sections 3 and below are locked and cannot be changed.

Note:

The final cost of individual line items may be more or less than estimate as long as *Total Project Costs* do not exceed the *Maximum Funds* allowed under this agreement.

**EXHIBIT E-3
ESTIMATED COSTS**

Project Title: Camino Del Sur North (Torrey Highlands Proj. T-3.1B)

ITEM DESCRIPTION	Total Cost
1. Construction (Hard) Costs	
Earthwork (Including Mobilization/Demobilization/BMPs)	\$ 2,106,402
Drainage Improvements	\$ 1,627,340
Surface Improvements	\$ 1,676,721
Traffic Control	\$ 649,986
Landscaping & Irrigation	\$ 911,638
Survey	\$ 230,000
Water	\$ -
Dry Utilities	\$ -
ROW Acquisition	\$ -
Land Acquisition	\$ -
Subtotal No. 1:	\$ 7,202,087
2. Design (Soft) Costs	
Consultant Services	\$ 2,322,274
Engineering (Construction Documents, Specifications, Cost Estimates)	\$ 477,915
Bond Premiums	\$ 132,590
Insurance (Section 19)	\$ -
Plan Check, City Permits/Processing Fees, Inspection Fees (Paid to City) (Section 12.1.5)	\$ 180,096
Construction Management	\$ 119,479
Environmental Review / Mitigation	\$ -
General Conditions	\$ 86,425
Subtotal No. 2:	\$ 3,318,780
3. Total Project Costs (Subtotals No. 1 and No.2) (Section 3.1)	\$ 10,520,866
4. Project Contingency (10% of Construction Costs) (Section 3.3.2)	\$ 720,209
5. Developer Administration Costs (6% of Total Project Costs) (Section 3.3.1)	\$ 631,252
6. Interest on Reimbursement Payment (Up to Maximum per Agreement) (Section 14.1.6)	\$ -
TOTAL ESTIMATED COST (Section 3.3)	\$ 11,872,327

Instructions:

Please include applicable Financing Plan project number in *Project Title*.

Section 1 (Construction Costs) can be customized to add or delete line items as needed.

Section 2 (Design Costs) is locked and should not be changed. Please notify Facilities Financing if line items need to be added or deleted.

Sections 3 and below are locked and cannot be changed.

Note:

The final cost of individual line items may be more or less than estimate as long as *Total Project Costs* do not exceed the *Maximum Funds* allowed under this agreement.

**EXHIBIT E-4
ESTIMATED COSTS**

Project Title: Carmel Mountain Road (Torrey Highlands Proj. T-5.2)

ITEM DESCRIPTION	Total Cost
1. Construction (Hard) Costs	
Earthwork (including Mobilization/Demobilization/BMPs)	\$ 875,385
Drainage Improvements	\$ 1,549,260
Surface Improvements	\$ 881,589
Traffic Control	\$ 96,501
Landscaping & Irrigation	\$ 468,550
Survey	\$ 160,000
Water	\$ -
Dry Utilities	\$ -
ROW Acquisition	\$ -
Land Acquisition	\$ -
	\$ -
	\$ -
	\$ -
Subtotal No. 1:	\$ 4,031,285
2. Design (Soft) Costs	
Consultant Services	\$ 1,642,179
Engineering (Construction Documents, Specifications, Cost Estimates)	\$ 334,541
Bond Premiums	\$ 55,102
Insurance (Section 19)	\$ -
Plan Check, City Permits/Processing Fees, Inspection Fees (Paid to City) (Section 12.1.5)	\$ 74,845
Construction Management	\$ 83,635
Environmental Review / Mitigation	\$ -
General Conditions	\$ 48,376
Subtotal No. 2:	\$ 2,238,678
3. Total Project Costs (Subtotals No. 1 and No.2) (Section 3.1)	\$ 6,269,963
4. Project Contingency (10% of Construction Costs) (Section 3.3.2)	\$ 403,129
5. Developer Administration Costs (6% of Total Project Costs) (Section 3.3.1)	\$ 376,198
6. Interest on Reimbursement Payment (Up to Maximum per Agreement) (Section 14.1.6)	\$ -
TOTAL ESTIMATED COST (Section 3.3)	\$ 7,049,289

Instructions:

Please include applicable Financing Plan project number in *Project Title*.

Section 1 (Construction Costs) can be customized to add or delete line items as needed.

Section 2 (Design Costs) is locked and should not be changed. Please notify Facilities Financing if line items need to be added or deleted.

Sections 3 and below are locked and cannot be changed.

Note:

The final cost of individual line items may be more or less than estimate as long as *Total Project Costs* do not exceed the *Maximum Funds* allowed under this agreement.

**EXHIBIT E-5
ESTIMATED COSTS**

Project Title: Watermain Extension (Torrey Highlands Proj. U-3)

ITEM DESCRIPTION	Total Cost
1. Construction (Hard) Costs	
Earthwork (including Mobilization/Demobilization/BMPs)	\$ -
Drainage Improvements	\$ -
Surface Improvements	\$ -
Traffic Control	\$ -
Landscaping & Irrigation	\$ -
Survey	\$ 75,000
Water	\$ 785,509
Dry Utilities	\$ -
ROW Acquisition	\$ -
Land Acquisition	\$ -
	\$ -
Subtotal No. 1:	\$ 860,509
2. Design (Soft) Costs	
Consultant Services	\$ 315,166
Engineering (Construction Documents, Specifications, Cost Estimates)	\$ 68,274
Bond Prelums	\$ -
Insurance (Section 19)	\$ -
Plan Check, City Permits/Processing Fees, Inspection Fees (Paid to City) (Section 12.1.5)	\$ -
Construction Management	\$ 17,069
Environmental Review / Mitigation	\$ -
General Conditions	\$ 10,326
	\$ -
Subtotal No. 2:	\$ 410,835
3. Total Project Costs (Subtotals No. 1 and No.2) (Section 3.1)	\$ 1,271,344
4. Project Contingency (10% of Construction Costs) (Section 3.3.2)	\$ 86,051
5. Developer Administration Costs (6% of Total Project Costs) (Section 3.3.1)	\$ 76,281
6. Interest on Reimbursement Payment (Up to Maximum per Agreement) (Section 14.1.6)	\$ -
TOTAL ESTIMATED COST (Section 3.3)	\$ 1,433,675

Instructions:

Please include applicable Financing Plan project number in *Project Title*.

Section 1 (Construction Costs) can be customized to add or delete line items as needed.

Section 2 (Design Costs) is locked and should not be changed. Please notify Facilities Financing if line items need to be added or deleted.

Sections 3 and below are locked and cannot be changed.

Note:

The final cost of individual line items may be more or less than estimate as long as *Total Project Costs* do not exceed the *Maximum Funds* allowed under this agreement.

EXHIBIT F

Project Schedule Obligations and Components

1. **Developer's Obligation.** To the extent required by City, Developer shall provide, coordinate, revise, and maintain the Project Schedule for all phases of the Project.
 - A. *Project Initiation.* During Project initiation and design phases, Developer shall submit an updated Project Schedule on a quarterly basis to City for approval.
 - B. *Construction Phase.* During Construction, Developer shall submit an updated Project Schedule monthly to City and shall include:
 - i. Forecast data with the intended plan for the remainder of the contract duration.
 - ii. Actual data with indications of when and how much work and/or services was performed (percent complete).
 - iii. Logic changes or other changes required to maintain the Project Schedule.
2. **Detail and Format.** Unless otherwise directed by City, the Project Schedule shall include all phases of the Project. It shall be in a precedence diagram format, plotted on a time-scaled calendar, detailed to activity level, and shall include:
 - A. *Identification of design and construction activities and their sequence.*
 - i. Work shall be divided into a minimum of 5 activities.
 - ii. Activities shall not exceed 21 calendar days in duration or \$50,000 in value, except long lead procurement and submittal activities or those accepted by City in writing.
 - iii. Each activity shall be assigned a budget value in accordance with Agreement requirements and activity descriptions.
 - a. The sum of all budget values assigned shall equal Estimated Cost.
 - b. Each construction activity shall indicate the estimated labor days and materials quantities required.
 - iv. Incorporate specific activity and time requirements.
 - v. Include 10 weather/delay days, commonly known as "rain days." The late finish date shall be the fully elapsed Contract Time.
 - B. *Float Time.* Show activities on their early dates with corresponding Total Float Time noted beside them.
 - i. Project Schedule shall not include more than 40 calendar days of Float Time absent written City approval.
 - C. *Milestones.* Show milestones with beginning and ending dates.
 - i. Milestones shall include schematic plans, 60% design, 90% design, 100% design; bid opening; Notice to Proceed; start construction; end construction; and Project Completion and Acceptance.
 - D. *Relationships.* Show all appropriate definable relationships with separate explanation of constraints and each start-start, finish-finish, or lag relationship. Relate all activities to each other and to the first appropriate milestone.
 - E. *Procurement.* Show the procurement of major equipment and materials.
 - F. *Submittals.* Include all submittals required and identify the planned submittal dates, adequate review time, and the dates acceptance is required to support design and construction.
3. **Submittal.** The Project Schedule shall be submitted electronically to City.

EXHIBIT G

Meeting Requirements

1. **Preconstruction Meeting**. Developer shall conduct a preconstruction meeting with its officers, agents, and employees and City. The purpose of this meeting is to discuss: (1) the Agreement conditions, (2) Scope of Work clarifications, and (3) City policies, inspection requirements, and procedures.
 - A. *Attendance*. Developer shall ensure that its construction contractor and major subcontractors, the Project Superintendent, and the City Inspection Team as set forth in the Agreement, and all other persons necessary as determined by Developer or City attend the preconstruction meeting.
 - B. *Minutes*. Developer shall take corresponding meeting minutes and distribute copies to all attendees.
2. **Progress Meetings**. Developer shall conduct weekly progress meetings at dates and times scheduled at the preconstruction meeting with the following necessary parties: Developer's Construction Superintendent, Developer's Project Manager, Developer's Design Consultant, City representatives including Responsible Department representatives, the Public Works Department Project Manager and the Resident Engineer.
 - A. *As-Builts*. Developer shall bring updated As-Builts and verify that the latest changes have been made.
 - B. *Special Meetings*. Special meetings shall occur at Project phases as outlined in **Exhibit H**.
 - C. *Rescheduling*. Progress and Special Meetings may be rescheduled if rescheduled meeting times are convenient for all necessary parties, and Developer has given no less than seven calendar days prior written notice of the rescheduled meeting.
3. **Agenda**. All meetings shall include at a minimum the agenda identified in **Exhibit H**.
4. If needed, the Developer shall be responsible for providing all documents and the exhibits for Community Outreach defined in Section 13.7 of this Agreement

EXHIBIT H

Preconstruction, Progress, & Special Meeting Agenda

1. Preconstruction. The issues below, but not limited to, should be made part of the Preconstruction Meeting Agenda, provided however that the agenda may deviate depending on the circumstances that exist at that time.
 - 1.1 Permits and utility issues, including telephone, cable, gas, and electric. RE to announce to Developer that franchise companies may be working in the area of the Project and that coordination regarding such a situation may need to be done.
 - 1.2 Establish parking areas for construction employees and possibly patrons/others.
 - 1.3 Developer's payment procedure and forms.
 - 1.4 Format for Request for Proposals (RFPs) using the sample in the back of the contract documents.
 - 1.5 Collection of emergency numbers for off-hour emergencies from the prime (with an alternate contact person).
 - 1.6 Distribution and discussion of the construction schedule.
 - 1.7 Procedure for maintaining the Project record documents.
 - 1.8 Distribution of the Second Opinion Option Form.
 - 1.9 Designation of persons authorized to represent and sign documents for the RE and Developer and the respective communication procedures between parties.
 - 1.10 Safety and first aid procedures including designation of Developer's safety officer.
 - 1.11 Temporary barricades, fencing, signs, and entrance and exit designations, etc.
 - 1.12 Testing laboratory or agency and testing procedures.
 - 1.13 Establish schedule for progress meetings.
 - 1.14 Procedure for changes in work requested by Developer, notice to RE, timing, etc.
 - 1.15 Procedure for changes in work requested by City.
 - 1.16 Public safety.
 - 1.17 Housekeeping procedures and Project site maintenance.
 - 1.18 Protection and restoration of existing improvements.
 - 1.19 Sanitation, temporary lighting, power, water, etc.
 - 1.20 Procedure for encountering hazardous substances.
 - 1.21 Any items requested by attendees of preconstruction meeting/open discussion.
2. Progress Meetings. The issues below, but not limited to, should be made part of the Progress Meeting Agenda, provided however that the agenda may deviate depending on the circumstances that exist at that time.
 - 2.1 Review progress of construction since the previous meeting.
 - 2.2 Discuss field observations, problems, conflicts, opportunities, etc.
 - 2.3 Discuss pre-planning opportunities.
 - 2.4 Identify problems that impede planned progress and develop corrective measures as required to regain the projected schedule; revise the schedule if necessary.

- 2.5 Discuss Developer's plan for progress during the next construction period and the corresponding inspections necessary.
 - 2.6 Discuss submittal status.
 - 2.7 Discuss request for information (RFI) status.
 - 2.8 Progress of schedule.
 - 2.9 Disputed items.
 - 2.10 Non-conformance/non-compliance items.
 - 2.11 New business of importance from any member of the meeting.
 - 2.12 Deferred approvals and their coordination.
 - 2.13 Discuss request for proposals, change orders, and progress payment status.
3. Special Meetings.
- 3.1 Grading. Prior to grading the site, the RE shall call a grading mini-preconstruction meeting. This meeting applies when surveying is being supplied by the City. The superintendent, the Developer's appropriate subcontractors, the RE, the City's survey crew, and any appropriate consultants (if deemed necessary by the RE) shall attend. Unless otherwise noted, the agenda will be to coordinate the staking, reference markers, bearings, various site conditions, etc. as defined in the contract documents and any necessary coordination of scope or scheduling between the respective parties.
 - 3.2 Roofing. Upon completion of the roofing structural diaphragm and prior to installing flashing, and/or any other roofing materials, the RE shall call a roof mini-preconstruction meeting. The superintendent, the Developer's appropriate contractors, the RE, any City representative deemed appropriate by the RE, the roof suppliers manufacturer's representative, and any appropriate consultants (if deemed necessary by the RE) shall attend. The agenda will be to coordinate the flashing, caulking, sealing, and different roofing materials and/or contractors on site with the various field conditions.
 - 3.3 Landscaping. Upon completion of the grading and prior to the installation of any landscaping equipment, supplies, etc., the RE shall call a landscaping mini-preconstruction meeting. The superintendent, the Developer's appropriate contractors, the RE, any City representative deemed appropriate by the RE, and any appropriate consultants (if deemed necessary by the RE) shall attend. The agenda will be to coordinate all landscape materials, plant and irrigation coverage, visual planting procedures, etc. and/or contractors on site with the various field conditions.
 - 3.4 Mini-Preconstruction Meeting. Prior to the installation of any mechanical, electrical, plumbing, and sprinkler system equipment, the Developer shall call a mini-preconstruction meeting. The superintendent, the Developer's appropriate contractors, the RE, any City representative deemed appropriate by the RE, and any appropriate consultants (if deemed necessary by the RE) shall attend. The intent of this meeting is to ensure that the prime contractor is adequately coordinating the space of the facility so as to not impede the visual integrity of the overall product.
 - 3.5 Other. Upon appropriate notice to other parties, the RE may call special meetings at times agreed to by all parties involved.

EXHIBIT I

Procedure for Processing Change Orders

1. **Forms Required.** Prior to construction, all Change Orders shall be requested in writing by the Developer on the appropriate City form and must be approved or rejected by City in writing as provided in Section 3, below, and delivered to Developer. The purpose is for the developer to obtain advance written approval (or rejection) from the City prior to incurring the cost.
2. **Written Approval of Change Orders.** Change Orders that *will not* result in an increase in the Estimated Cost, may be approved by the RE in writing. If a requested Change Order *will* result in an increase in the Estimated Cost, approval of the Change Order shall require City Council approval only if the increase will exceed the Financing Plan estimate.
3. **Process for Approval of Change Orders.** A Change Order must indicate whether the change will result in any change to the Estimated Cost, Project Schedule, or Project quality established during the design and submittal review process.
 - 3.1 **Resident Engineer Review.** The RE shall either approve or reject the Change Order in writing on the appropriate City form within fourteen (14) calendar days of receiving Developer's written notice, provided Developer has submitted complete documentation substantiating the need for such Change Order and the reasonableness of the cost. If City fails to respond to Developer's written notice within the fourteen (14) calendar days, the Change Order request shall automatically be deemed denied.

Documentation substantiating the reasonableness of the cost of the Change Order may include:

- a. Signed daily work tickets. T & M sheets should be signed at the end of each day. This allows the RE to be present during construction and confirm quantities and time as it relates to the change order work and since Change Order Requests (COR's) are eventually billed on subsequent IAR's.
- b. Proposals showing the cost of labor, materials, and equipment, using unit costs that are similar to those of the original construction contract;
- c. An explanation why the Change Order unit costs are dissimilar to those of the original construction contract;
- d. Quotes from multiple vendors; or
- e. Copies of correspondence between the contractor, subcontractors, Resident Engineer, etc. that document a price negotiation.

If the RE acknowledges the work to be extra, a Change Order will be issued adjusting the compensation for such portion of the Work in accordance with the Greenbook "Payment" and "Payment for Extra Work" Sections.

- 3.2 **Consultant Review.** On behalf of the City, the Public Facilities Planning(PFP) Consultant reviews the Developer's written request for a Change Order and supporting documentation, and compares them to the terms of the Agreement and industry standards. The PFP Consultant makes a recommendation for the reimbursable amount of the Change Order and sends the signed form to PFP, including the documentation used to make the recommendation, for PFP's review.
 - 3.3 **Public Facilities Planning Review.** PFP reviews and either approves or requests additional information or documentation prior to approving the Change Order, including the recommendation for the reimbursable amount.
4. **City Council Approval.** As noted in Section 2 above, if the Change Order request *will* result in an increase in the Estimated Cost, City Council approval is required for increases that will exceed the Financing Plan estimate. In such cases, once a Change Order is preliminarily accepted by the appropriate City staff, City staff shall process the Change Order along with any required amendments to the Financing Plan and this Agreement as a 1472 (Request for Council Action). At a hearing on such Request for Council Action, City Council may either approve or reject such Change Orders. Council Approval shall not be subject to the fourteen (14) calendar day response time set forth above in Section 3.1. Furthermore, nothing in this Agreement shall compel the City Council to take any particular action.

Exhibit J

Developer Checklist For Solicitation Preparation And Advertisement Of Reimbursable Construction Bid Packages

Before You Begin Creating the Solicitation

- Contact the City's Planning Department at (619) 533-3670 in order to receive a "WBS" number or an Internal Order (IO) number.
- Ensure that plans have been approved and signed by the City prior to advertising the solicitation.
- Contact the City's Project Implementation (PI) Division of PWD at (619) 533-3778 in order to request the Equal Opportunity Contracting Program (EOCP) ELBE/SLBE subcontracting goal percentages.
- Refer to the Reimbursement Agreement section of the Planning Department's website to ensure the appropriate and complete insurance requirements are provided.

Critical Elements for the Solicitation

- Type of State Contractor License required for the project.
- Addenda acknowledgement section.
- Bid Bond requirement language for Design-Bid-Build solicitations valued at \$250,000 or more.
- Payment and Performance Bond language.
- Clear announcement of Pre-Bid meeting date, time, and location (if applicable).
- Clear announcement of Bid due date, time, and location.
- Clear instructions on Contractor Prequalification requirements and process.
- Clear announcement of Equal Benefits Ordinance policy.
- Clear statement that Prevailing Wages will apply to the project.
- Statement of the Prime Contractor self-performance requirement. Standard is 50%, minimum is 25%.
- Identify the basis of award; such as base bid only, or base bid plus all alternates (when applicable).

➤ Required Forms and Certifications

- ✓ Subcontractor Listing Form
- ✓ Subcontractor Listing Form for Alternates
- ✓ Supplier Listing Form
- ✓ Non-Collusion Affidavit
- ✓ Drug-Free Workplace
- ✓ ADA Compliance
- ✓ Contractor Standards
- ✓ Equal benefits Ordinance
- ✓ Bid Bond
- ✓ Contractor's Certification of Pending Actions

USING THE CITY'S SOLICITATION DOCUMENTS AS A TEMPLATE (provided by the Public Works Contracts Division upon request) IS HIGHLY RECOMMENDED IN ORDER TO MEET THESE REQUIREMENTS FOR REIMBURSEMENT.

Advertisement of the Solicitation

- Ensure that the solicitation for the project is advertised for one day (minimum) in the City's official newspaper (SD Daily Transcript via The Daily Journal Corporation – 1-800-788-7840).
- Ensure that there is the required time between the advertisement of the project and the bid due date. This will allow contractors to solicit and meet the EOCP requirements. Standard is 30 days "on the street", minimum is 21 days.

EXHIBIT K

Consultant Provisions

1. **Third Party Beneficiary.** The City of San Diego is an intended third party beneficiary of this contract. In addition, it is expected that upon completion of design and payment in full to Consultant by Developer, the City will become the owner of the Project design and work products, and City shall be entitled to enforce all of the provisions of this contract as if it were a party hereto. Except as expressly stated herein, there are no other intended third party beneficiaries of this contract.
2. **Competitive Bidding.** Consultant shall ensure that all design plans and specifications prepared, required, or recommended under this Agreement allow for competitive bidding. Consultant shall design such plans or specifications so that procurement of services, labor or materials are not available from only one source, and shall not design plans and specifications around a single or specific product, piece of major equipment or machinery, a specific patented design, or a proprietary process, unless required by principles of sound engineering practice and supported by a written justification that has been approved in writing by the City of San Diego. Consultant shall submit this written justification to the City of San Diego prior to beginning work on such plans or specifications. Whenever Consultant recommends a specific product or equipment for competitive procurement, such recommendation shall include at least two brand names of products that are capable of meeting the functional requirements applicable to the Project.
3. **Professional Services Indemnification.** Other than in the performance of design professional services which shall be solely as addressed in Sections 4 and 5 below, to the fullest extent permitted by law, Consultant shall defend (with legal counsel reasonably acceptable to the City), indemnify and hold harmless the City and its officers, agents, departments, officials, and employees (Indemnified Parties) from and against all claims, losses, costs, damages, injuries (including, without limitation, injury to or death of an employee of Consultant or its subcontractors, agents, subagents and consultants), expense and liability of every kind, nature and description (including, without limitation, incidental and consequential damages, court costs, attorney's fees, litigation expenses and fees of expert consultants or expert witnesses incurred in connection therewith and costs of investigation) that arise out of, pertain to, or relate to, directly or indirectly, in whole or in part, any services performed under this Agreement by Consultant, any subcontractor, anyone directly or indirectly employed by them, or anyone they control. Consultant's duty to defend, indemnify, protect and hold harmless shall not include any claims or liabilities arising from the active negligence, sole negligence or willful misconduct of the Indemnified Parties. As to Consultant's professional obligations, work or services involving this Project, Consultant agrees to indemnify and hold harmless the City of San Diego, and its agents, officers and employees from and against any and all liability, claims, costs, and damages, including but not limited to, attorney's fees, losses or payments for injury to any person or property, caused directly or indirectly from the negligent acts, errors or omissions of Consultant or Consultant's employees, agents or officers. This indemnity obligation shall apply for the entire time that any third party can make a claim against, or sue the City of San Diego for liabilities arising out of Consultant's provision of services under this Agreement.
4. **Indemnification for Design Professional Services.** To the fullest extent permitted by law (including, without limitation, California Civil Code section 2782.8), with respect to the performance of design professional services, Design Professional shall indemnify and hold harmless the City, its officers, and/or employees, from all claims, demands or liability that arise out of, pertain to or relate to the negligence, recklessness, or willful misconduct of Design Professional or Design Professional's officers or employees.
5. **Design Professional Services Defense.** Parties will work in good faith to procure applicable insurance coverage for the cost of any defense arising from all claims, demands or liability that arise out of, pertain to or relate to the negligence, recklessness, or willful misconduct of Design Professional or Design Professional's officers or employees.
6. **Enforcement Costs.** Consultant agrees to pay any and all reasonable costs the City of San Diego may incur to enforce the indemnity and defense provisions set forth in this Agreement.
7. **Professional Liability Insurance.** For all of Consultant's employees who are subject to this Agreement, Consultant shall keep in full force and effect, errors and omissions insurance providing coverage for professional liability with a combined single limit of one million dollars (\$1,000,000) per claim and two million dollars (\$2,000,000) aggregate. Consultant shall ensure both that (1) this policy's retroactive date is on or before

the date of commencement of the work to be performed under this Agreement; and (2) this policy has a reporting period of three (3) years after the date of completion or termination of this Agreement. Consultant agrees that for the time period defined above, there will be no changes or endorsements to the policy that increases the City of San Diego's exposure to loss.

8. **Commercial General Liability (CGL) Insurance.** Consultant shall keep in full force and effect, during any and all work performed in accordance with this Agreement, all applicable CGL insurance to cover personal injury, bodily injury and property damage, providing coverage to a combined single limit of one million dollars (\$1,000,000) per occurrence, subject to an annual aggregate of two million dollars (\$2,000,000) for general liability, completed operations, and personal injury other than bodily injury. Contractual liability shall include coverage of tort liability of another party to pay for bodily injury or property damage to a third person or organization. Contractual liability limitation endorsement is not acceptable.
9. **Insurance Policy Requirements.** Except for professional liability insurance and Workers Compensation, the City of San Diego and its respective elected officials, officers, employees, agents, and representatives shall be named as additional insureds. Additional insured status must be reflected on additional insured endorsement form CG 20 10, or equivalent, which shall be submitted to the City of San Diego. Further, all insurance required by express provision of this agreement shall be carried only by responsible insurance companies that have been given at least an "A" or "A-" and "VII" rating by AM BEST, that are licensed to do business in the State of California, and that have been approved by the City of San Diego. The policies cannot be canceled, non-renewed, or materially changed except after thirty (30) calendar days prior written notice by Consultant or Consultant's insurer to the City of San Diego by certified mail, as reflected on an endorsement that shall be submitted to the City of San Diego, except for non-payment of premium, in which case ten (10) calendar days notice must be provided. Before performing any work in accordance with this Agreement, Consultant shall provide the City of San Diego with all Certificates of Insurance accompanied with all endorsements.
10. **Workers Compensation.** For all of the Consultant's employees who are subject to this Agreement and to the extent required by the State of California, the Consultant shall keep in full force and effect, a Workers Compensation policy. That policy shall provide a minimum of one million dollars (\$1,000,000) of employers liability coverage, and the Consultant shall provide an endorsement that the insurer waives the right of subrogation against the City of San Diego and its respective elected officials, officers, employees, agents and representatives.
11. **Compliance Provision.** Consultant agrees, at its sole cost and expense, to perform all design, contract administration, and other services in accordance with all applicable laws, regulations, and codes, including, but not limited to, the Americans with Disabilities Act of 1990 (ADA) and title 24 of the California Code of Regulations as defined in Section 18910 of the California Health and Safety Code (Title 24). Further, Consultant is responsible as designer and employer to comply with all parts of the ADA and Title 24.
12. **Maintenance of Records.** Consultant shall maintain books, records, logs, documents and other evidence sufficient to record all actions taken with respect to the rendering of services for the Project, throughout the performance of the services and for a period of five (5) years following completion of the services for the Project. Consultant further agrees to allow the City of San Diego to inspect, copy and audit such books, records, documents and other evidence upon reasonable written notice. In addition, Consultant agrees to provide the City of San Diego with complete copies of final Project design and construction plans and Project cost estimate.

EXHIBIT L

Design and Construction Standards

1. **Laws.** Developer shall comply with all local, City, County, State, and Federal laws, codes and regulations, ordinances, and policies, including, but not limited to, the following:
 - A. *Permits.* Development Services Department permits, hazardous material permits, Coastal Commission permits.
 - B. *Building Codes.* State and local Building Codes
 - C. *The Americans with Disabilities Act (ADA) and Title 24 of the California Building Code (Title 24).* It is Developer's sole responsibility to comply with all ADA and Title 24 regulations. See Developer Certification attached as **Exhibit M**.
 - D. *Environmental.* Developer shall complete all environmental measures required by the California Environmental Quality Act (CEQA), the National Environmental Policy Act (NEPA), and the local jurisdiction, including but not limited to, implementation of mitigation measures, and conducting site monitoring.
 - E. *Air, Water, and Discharge.* Developer shall comply with the Clean Air Act of 1970, the Clean Water Act, and San Diego Municipal Code Chapter 4, Article 3, Division 3 (Stormwater Management and Discharge Control).
 - F. *ESBSSA.* Developer shall comply with the Essential Services Building Seismic Safety Act, SB 239 & 132.
 - G. *City Directives.* Developer shall comply immediately with all directives issued by City or its authorized representatives under authority of any laws, statutes, ordinances, rules, or regulations.
2. **Standard Specifications.** Developer shall comply with the most current editions of the following reference specifications when designing and constructing the Project, including:
 - A. *Green Book and White Book.* Standard Specifications for Public Works Construction, including the Regional and City of San Diego Supplement Amendments.
 - B. *DOT.* California Department of Transportation Manual of Traffic Controls for Construction and Maintenance Work Zones.
3. **City Standards.** Developer's professional services shall be provided in conformance with the professional standards of practice established by City. This includes all amendments and revisions of these standards as adopted by City. The professional standards of practice established by City include, but are not limited to, the following:
 - A. *City of San Diego's Drainage Design Manual*
 - B. *City of San Diego's Landscape Technical Manual*
 - C. *City of San Diego's Street Design Manual*
 - D. *City of San Diego's Manual of Preparation of Land Development and Public Improvement Plans*
 - E. *City of San Diego's Technical Guidelines for Geotechnical Reports*
 - F. *City of San Diego Standard Drawings including all Regional Standard Drawings*
 - G. *City of San Diego Data Standards for Improvement Plans*
 - H. *The City of San Diego Consultant's Guide to Park Design and Development.*
 - I. *The City of San Diego Water Department Guidelines and Standards*

[INSERT IF APPLICABLE:]

4. **Energy Conservation Standards.** [INSERT Standards]
5. **Materials Standards.** [INSERT Standards]
6. **Architectural Compatibility.** Developer shall design the Project in a fashion which is architecturally compatible with the Project's surrounding area, subject to the City's discretion.
7. **Equivalent Project.** The Project shall be equivalent to [INSERT Name and Description of Similar Project] in quality and durability of materials and workmanship.

EXHIBIT M

Certification for Title 24/ADA Compliance

Merge 56

I HEREBY WARRANT AND CERTIFY that any and all plans and specifications prepared for Merge 56 shall meet all current California Building Standards Code, California Code of Regulations, Title 24 and Americans with Disabilities Act Accessibility Guidelines requirements, and shall be in compliance with the Americans with Disabilities Act of 1990.

By: Sea Breeze 56, LLC

By: Sea Breeze Properties, LLC, its Manager

A handwritten signature in black ink, appearing to read 'GL', is written over the signature line.

By: Gary Levitt, its Manager

Dated: June 26, 2020

EXHIBIT N

Approval of Design, Plans, and Specifications

UNLESS OTHERWISE DIRECTED BY THE CITY IN WRITING, DEVELOPER SHALL OBTAIN APPROVAL OF DESIGN, PLANS, AND SPECIFICATIONS IN THE MANNER IDENTIFIED BELOW:

1. **City Approval.** Developer shall obtain City approval of the design, in writing, at schematic design, 60% Design, and 90% Design.
 - A. *Condition Precedent.* City approval of the Schematic Design Documents is a condition precedent to authorization to proceed with subsequent work on the Project. City will notify Developer in writing within four weeks after receipt of Design Documents of approval, or of request for modifications. If modifications are requested, Developer shall modify and resubmit Schematics for City approval.
 - B. *Sixty (60) Percent Design.* At 60% design, City will notify Developer in writing within eight weeks after receipt of Design Documents at each required stage of design, of approval, or of request for modifications. If modifications are requested, Developer shall modify and resubmit Design Documents for City approval.
 - C. *Ninety (90) Percent Design.* At 90% design, City will notify Developer in writing within ten weeks after receipt of design documents at each required stage of design, of approval, or of request for modifications. If modifications are requested, Developer shall modify and resubmit Design Documents for City approval.
2. **Submittal of Plans, Specifications, and Budget.** Developer shall deliver to City complete Plans and Specifications, Estimated Costs, and bid documents, consistent with the Schematic Drawings, for the design and construction of the Project, in accordance with **Exhibit D** (Project Schedule).
3. **Citywide Review of 100% Plans and Specifications.** Plans and Specifications shall include City's standard drawings and specifications as described in **Exhibit L**. If requested by City, Developer shall make changes to the Plans and Specifications, but Developer shall not be responsible for implementing such changes if they would increase the Estimated Cost by more than 5%. In such a case, the changes to the Plans and Specifications shall be considered additive or deductive bid alternates to the Project.
4. **Final Approval and Permit Review.** City approval of the Plans and Specifications is a condition precedent to authorization to proceed with subsequent work on the Project.

EXHIBIT O

Construction Obligations

1. **Site Safety, Security, and Compliance.** Developer shall be responsible for site safety, security, and compliance with all related laws and regulations.
 - A. *Persons.* Developer shall be fully responsible for the safety and security of its officers, agents, and employees, City's officers, agents, and employees, and third parties authorized by Developer to access the Project site.
 - B. *Other.* Developer is responsible for the Project, site, materials, equipment, and all other incidentals until the Project has been accepted by the City pursuant to Article I.
 - C. *Environment.* Developer shall be responsible for the environmental consequences of the Project construction and shall comply with all related laws and regulations, including, but not limited to, the Clean Air Act of 1970, the Clean Water Act, Executive Order Number 11738, and the Stormwater Management and Discharge Control Ordinance No. 0-17988, and any and all Best Management Practice guidelines and pollution elimination requirements as may be established by the Enforcement Official. Furthermore, the Developer shall prepare and incorporate into the Construction Documents a Stormwater Pollution Prevention Plan (SWPPP) to be implemented by the Developer during Project construction. Where applicable, the SWPPP shall comply with both the California Regional Water Quality Control Board Statewide General Construction Storm Water permit and National Pollution Discharge Elimination System permit requirements and any municipal regulations adopted pursuant to the permits.
2. **Access to Project Site.**
 - A. *Field Office.* Developer shall provide in the construction budget a City field office (approximately 100 square feet) that allows City access to a desk, chair, two drawer locking file cabinet with key, phone, fax, computer, copy machine and paper during working hours.
 - B. *Site Access.* City officers, agents and employees have the right to enter the Project site at any time; however, City will endeavor to coordinate any entry with Developer.
 - C. *Site Tours.* Site tours may be necessary throughout completion of the Project. Developer shall allow City to conduct site tours from time to time as the City deems necessary. City will give Developer notice of a prospective tour and a mutually agreeable time shall be set. Developer is not obligated to conduct tours or allow access for tours when City fails to give prior notice.
3. **Surveying and Testing.** Developer shall coordinate, perform, and complete all surveying, materials testing, and special testing for the Project at the Project site, as otherwise required by this Agreement, and as required under the State Building Code or any other law or regulation, including:
 - A. *Existing Conditions.* Developer shall obtain all necessary soils investigation and conduct agronomic testing required for design of the Project. The soils consultant shall prepare a statement that will be included in the Bidding Documents as to the nature of soils, ground water conditions, agronomic soil preparation recommendations, and any other information concerning the existing conditions of the site.
 - B. *Utilities.* Developer shall provide all required information for the construction or relocation of public or private utility facilities that must be constructed or relocated as a result of this Project. Developer shall file all of the required documents for the approval of authorities having jurisdiction over the Project and in obtaining the services of all utilities required by the Project.
 - C. *Geotechnical Information.* Developer shall obtain all necessary geotechnical information required for the design and construction of the Project. The Project Engineering Geologist and/or Project Soils Engineer (qualified R.C.E. or R.G.E.) shall prepare a statement, that will be included in the Bidding Documents, to address existing geotechnical conditions of the site that might affect construction.

4. **Public Right of Way.** All work, including, materials testing, special testing, and surveying to be conducted in the public right-of-way shall be coordinated with the City.
 - A. *Materials Testing.* Developer shall pay for and coordinate with City to have all material tests within the public right-of-way and any asphalt paving completed by City's Material Testing Laboratory.
 - B. *Surveying.* Developer shall pay for and coordinate with City's Survey Section all surveying required within the public right-of-way.
 - C. *Follow all Laws, Rules, and Regulations.* Developer agrees to follow all City standards and regulations while working in the public right-of-way, including but not limited to, utilizing proper traffic control and obtaining necessary permits.
5. **Traffic Control.** Developer shall address all traffic control requirements for the Project including, if necessary, separate traffic control plans, and/or notes.
6. **Inspections.** Developer shall coordinate any and all special inspections required for compliance with all State Building Codes as specified in the Contract Documents.
 - A. *Reports.* Developer shall provide City all special inspection reports within seven (7) calendar days of inspection. Developer shall report all failures of special inspections to City.
 - B. *Remedies.* Remedies for compliance shall be approved by Developer, Developer's consultants, City's Development Services Department, and City representatives.
 - C. *Concealing Work.* Prior to concealing work, Developer shall obtain approval of the work from the following three entities: 1) Engineering & Capital Projects Department; 2) Development Services Department; and 3) Special Inspections - as required by all State Building Codes and as provided in this Agreement. This approval is general approval only and in no way relieves Developer of its sole responsibilities under this Agreement or any and all laws, codes, permits or regulations. Developer shall fulfill all requirements of each of these three entities.
7. **Property Rights.** Developer shall provide all required easement documents, including but not limited to: dedication, acquisitions, set asides, street vacations, abandonments, subordination agreements, and joint use agreements, as required by City of San Diego Real Estate Assets Department requirements. City shall not require Developer to provide any easement documents for land to which Developer does not have title; however, Developer shall not relinquish, sell or transfer title to avoid any obligation under this Section, this Agreement, the Public Facilities Financing Plans or any applicable Development Agreement or other entitlement.
8. **Permits.** The Parties acknowledge the construction work to be performed on the Project by Developer in compliance with this Agreement is subject to the prior issuance of building, land development, and/or public improvement permits paid for and obtained by Developer. In the event that City, or any other governmental agency, unreasonably refuses to issue the permit(s) necessary to authorize the work to be performed or if the permit(s) are unreasonably canceled or suspended, then Developer is relieved from its obligation to construct those improvements covered by the denial of said permit(s), and City shall reimburse Developer in accordance with the terms of the Agreement for the work completed. All plans, specifications and improvements completed to the date of the denial, suspension or cancellation of said permit(s) shall become the property of City upon reimbursement as set forth above.
9. **Maintenance.** Developer shall maintain and be responsible for the Project site until Acceptance of the Project, including ongoing erosion prevention measures. Unless stated otherwise in the Agreement, upon Acceptance of the Project, City shall be responsible for all maintenance of Project site.
10. **Drug-Free Workplace.** Developer agrees to comply with the City's requirements in Council Policy 100-17, "DRUG-FREE WORKPLACE," adopted by San Diego Resolution R-277952 and incorporated into this Agreement by this reference. Developer shall certify to the City that it will provide a drug-free workplace by submitting a Developer Certification for a Drug-Free Workplace form (**Exhibit P**).
 - A. *Developer Notice to Employees.* Developer shall publish a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is

prohibited in the work place, and specifying the actions that will be taken against employees for violations of the prohibition.

- B. *Drug-Free Awareness Program.* Developer shall establish a drug-free awareness program to inform employees about all of the following:
- i. The dangers of drug abuse in the work place.
 - ii. The policy of maintaining a drug free work place.
 - iii. Available drug counseling, rehabilitation, and employee assistance programs.
 - iv. The penalties that may be imposed upon employees for drug abuse violations.
 - v. In addition to Section 10.A above, the Developer shall post the drug-free policy in a prominent place.
- C. *Developer's Agreements.* Developer further certifies that each contract for consultant or contractor services for this Project shall contain language that binds the consultant or contractor to comply with the provisions of Section 10 "Drug-Free Workplace," as required by Sections 2.A(1) through (3) of Council Policy 100-17. Consultants and contractors shall be individually responsible for their own drug-free work place program.

EXHIBIT P

Certification for a Drug-Free Workplace

PROJECT TITLE: Merge 56

I hereby certify that I am familiar with the requirement of San Diego City Council Policy No. 100-17 regarding Drug-Free Workplace, and that Sea Breeze 56, LLC has in place a drug-free workplace program that complies with said policy. I further certify that each subcontract agreement for this Project contains language that indicates the Subconsultants/Subcontractors agreement to abide by the provisions of Sections 2.A(1) through (3) of Council Policy 100-17 as outlined.

By: Sea Breeze 56, LLC

By: Sea Breeze Properties, LLC, its Manager

A handwritten signature in black ink, appearing to read 'GL', is written over a faint, illegible printed name.

By: Gary Levitt, its Manager

Dated: June 26, 2020

EXHIBIT Q

Product Submittal and Substitution

1. **Product Submittal.** Prior to the bidding process, Developer shall submit for City approval a list of products intended for use in the Project. Upon Developer's completion of Plans and Specifications, City will review and approve products specified therein. Developer shall provide City a copy of each submittal for City approval throughout the duration of construction within twenty (20) Calendar Days of Developer's receipt of submittal. Approval is general approval only and in no way relieves Developer of its sole responsibilities under this Agreement or any and all laws, codes, permits, or regulations.
2. **Substitutions.** Developer shall submit all requests for product substitutions to City in writing within thirty (30) Calendar Days after the date of award of the construction contract. After expiration of the thirty (30) calendar days, City will allow substitution only when a product becomes unavailable due to no fault of Developer's contractor. City shall review substitution requests within thirty (30) Calendar Days of submission of such requests. Developer agrees that City requires Consultant's input and as such Developer shall coordinate a seven (7) calendar review by its Consultant.
 - A. *Substantiate Request.* Developer shall include with each substitution request complete data that substantiates that the proposed substitution conforms to requirements of the Contract Documents.
 - B. *Developer Representations.* By submitting a substitution request, Developer is representing to City all of the following: (a) Developer has investigated proposed product and determined that in all respect the proposed product meets or exceeds the specified product; (b) Developer is providing the same warranty for the proposed product as was available for the specified product; (c) Developer shall coordinate installation and make any other necessary modifications that may be required for work to be complete in all respects; and (d) Developer shall waive any claims for additional costs related to the substituted product, unless the specified product is not commercially available.
 - C. *Separate Written Request.* City will not consider either substitutions that are implied in the product data submittal without a separate written request or substitutions that will require substantial revision of construction contract documents.
3. **Samples.**
 - A. *Postage.* Samples shall be sent to Developer's office, postage prepaid.
 - B. *Review.* Developer shall furnish to City for review, prior to purchasing, fabricating, applying or installing, two (2) samples (other than field samples) of each required material with the required finish.
 - i. Where applicable, all samples shall be 8" x 10" in size and shall be limited in thickness to a minimum consistent with sample analysis. In lieu thereof, the actual full-size item shall be submitted.
 - ii. Developer shall assign a submittal number. Developer shall include with each submission a list of all samples sent, a statement as to the usage of each sample and its location in the Project, the name of the manufacturer, trade name, style, model, and any other necessary identifying information.
 - iii. All materials, finishes, and workmanship in the complete building shall be equal in every respect to that of the reviewed sample.
 - iv. City will return one submitted sample upon completion of City review.
 - v. Developer's or Developer's agents' field samples shall be prepared at the site. Affected finish work shall not commence until Developer or Developer's agents have been given a written review of the field samples.

EXHIBIT R

Extra Work Provisions

1. **Extra Work.** City may at any time prior to Project Completion order Extra Work on the Project. The sum of all Extra Work ordered shall not exceed five percent (5%) of the Estimated Cost at the time of Bid Award, without invalidating this Agreement and without notice to any surety.
 - A. *Requests in Writing.* All requests for Extra Work shall be in writing, and shall be treated as and are subject to the same requirements as Change Orders. Developer shall not be responsible for failure to perform Extra Work, which was requested in a manner inconsistent with this Section.
2. **Bonds Required for Extra Work.** Developer's and Developer's agents' bonds, under Article XVII, shall cover any Extra Work provided that the Extra Work is paid for by the Project Budget.
3. **Reimbursement for Extra Work.** Work performed by Developer as Extra Work is reimbursable in the same manner as described in Article XII. The Project Contingency as described in Article III, will be used first to cover the costs of Extra Work.
4. **Markup.** Developer will be paid a reasonable allowance for overhead and profit. The allowance shall be paid in accordance with and per the percentage described in the section of the Greenbook and Whitebook noted as "Markup", and shall be added to the Developer's costs for Extra Work.

EXHIBIT S

Notification of Reimbursable Project

Pursuant to Section 12.1.1 of the Reimbursement Agreement with Sea Breeze 56, LLC for Financing Plan Project No.'s; T-3.1B, Camino Del Sur North; T-3.1A, Camino Del Sur South (Rancho Penasquitos Project T-4B); T-5.2, Carmel Mountain Road South; P-6 Torrey Highlands Trails; and U-3, 16" Water Mains in Camino Del Sur and Carmel Mountain Road in the Torrey Highlands Community, adopted pursuant to City Council Resolution/Ordinance No. 307857 and executed on November 27, 2012, Sea Breeze 56, LLC hereby notifies the City of San Diego that work will begin on Merge 56 in the Torrey Highlands community on or about August 2020.

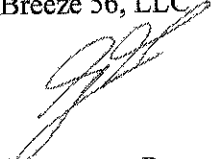
This Notification of Reimbursable Project form shall be submitted with the Project's construction permit application to the City's Development Services Department prior to commencement of any work on construction Project No. 596211, Development Services Deposit Account No. 24007837.

The Developer shall add the following note above the title block on the construction plan cover sheet, and on all sheets where subject to reimbursement:

REIMBURSABLE PROJECT: Torrey Highlands, 400094, Rancho Peñasquitos, 400083

This note is required to be submitted with the application for the Project's construction permit.

Sea Breeze 56, LLC



By: Sea Breeze Properties, LLC, a California limited liability company, its Manager

By: Gary Levitt, its Manager

Dated: June 26, 2020

EXHIBIT T

Reimbursement Request Form

Change Order Request							No. <input style="width: 50px;" type="text"/>
Completed by Developer Prior to Performing the Work							
Reimbursable Project Name				Total Estimated Project Cost			
Developer Project Manager		PFFF Community		Date Requested			
Requested by		PFFF Project Number		Date Approval Requested			
Change Order Scope of Work							
Will this Change Order change the project quality established during design and submittal review? <input type="checkbox"/> Yes <input type="checkbox"/> No Will this Change Order result in an increase in the Estimated Cost shown in the Reimbursement Agreement (see above)? <input type="checkbox"/> Yes <input type="checkbox"/> No Will this Change Order change the project schedule? If yes, by how many days? _____ days <input type="checkbox"/> Yes <input type="checkbox"/> No							
Justification for this Change Order or Extra Work							
Line Item	Qty	Unit	Unit Cost	Previous Cost	Current Cost	Total to Date	
1							
2							
3							
4							
5							
6							
Total Requested for this Change Order including Retention							
<i>I am an authorized signatory or agent of the Developer, and I hereby certify that this information is true, accurate and not part of a previously approved Change Order, and that complete substantiating documentation is attached to this form.</i>							
Date	Developer		Title and Signature				
Completed by Resident Engineer Prior to Performing the Work							
<i>I have reviewed this request and its complete substantiating documentation and have made the following decision:</i>							
<input type="checkbox"/> The CO is <u>approved</u> (proceed with the work). <input type="checkbox"/> The CO is <u>disputed work</u> (proceed with the work). <input type="checkbox"/> The CO is <u>rejected</u> .							
Date	Inspector Name and Signature						
Comments							
Completed by Financial Consultant							
<i>I have reviewed this request with respect to the Developer's Reimbursement Agreement and industry practices and:</i>							
<input type="checkbox"/> The following items are recommended for approval: <input type="checkbox"/> The following items are <u>not</u> recommended for approval:							
Date	Consultant	Consultant Name and Signature					
Previous Recommendation		Current Recommendation		Recommendation to Date			
Comments							
Completed by Public Facilities Planning							
<i>The items recommended for approval are acceptable as a Change Order under the Reimbursement Agreement. Reimbursement is contingent upon acceptance of the work by City.</i>							
Date	Name and Signature						
Comments							

Invoice Approval Request

No.

Completed by Developer:		
Reimbursable Project Name		Total Estimated Project Cost
Developer Project Manager	PFFP Community	Date Requested
Requested by	PFFP Project Number	Date Approval Requested

Invoice Scope of Work

Related Change Orders or CORs (Please list their numbers)

Line Item	Qty	Unit	Unit Cost	Previous Cost	Current Cost	Total to Date
1						
2						
3						
4						
5						
6						
Total Requested for this Invoice including Retention						

I am an authorized signatory or agent of the Developer, and I hereby certify that this information is true, accurate and not part of a previously approved invoice, and that complete substantiating documentation is attached to this form.

Date	Developer	Title and Signature
------	-----------	---------------------

Completed by Resident Engineer:

I have reviewed this invoice and its complete substantiating documentation and have made the following decision:

- The work is within and pertains directly to the limits of the project, and the quantity is consistent with measurements of work installed in the field.
- The work is not within the limits of the project or the quantity is not consistent with measurements of work installed in the field. The invoice approval request is rejected.

Date	Inspector Name and Signature
Comments	

Completed by Financial Consultant:

I have reviewed this request with respect to the Developer's Reimbursement Agreement and industry practices and:

- The following items are recommended for approval: _____
- The following items are not recommended for approval: _____

Name	Consultant	Consultant Name and Signature
Previous Recommendation	Current Recommendation	Recommendation to Date
Comments		

Completed by Public Facilities Planning:

The items recommended for approval are acceptable and considered reimbursable as presented. Reimbursement is contingent upon acceptance of the work by City.

Date	Name and Signature
Comments	

EXHIBIT U

Project Deliverables

- A. *Working Drawings.* Developer shall prepare Working Drawings in accordance with City's most current drawing format as outlined in City of San Diego's Manual of Preparation of Land Development and Public Improvement Plans.
- i. Quality. Developer shall make Working Drawings by one of the following methods: permanent ink, Computer Aided Drafting, a permanent photographic reproduction process, or with pencil made for use on drafting film and permanently fixed with spray coating. Scale and clarity of detail shall be suitable for half-size reduction.
 - ii. Font and Contents. Specifications shall be typewritten with one type face, on bond paper utilizing Greenbook format. Developer will furnish only the technical "Special Provisions" section of the Specifications to supplement or modify the Green Book and White Book standards as needed.
- B. *Surveys.* Developer shall provide all surveying services required for the design of this Project in accordance with all applicable legal regulations, the Technical Guidelines produced by the California Council of Civil Engineers & Land Surveyors under the title "A Guide to Professional Surveying Procedures," and the City of San Diego Engineering and Capitol Projects Department's "Data Standards for Improvement Plans," August 2004.
- C. *Schematic Design Documents.* Developer shall consult with City to ascertain requirements of the Project and to prepare Schematic Design Documents.
- i. Schematic Design Documents shall include, but not be limited to the following:
 - a. Sketches with sufficient detail to illustrate the scale and location of Project components.
 - b. Floor plans with sufficient cross-sections to illustrate the scale and relationship of building components, exterior elevations and exterior colors and textures.
 - c. Analysis of parameters affecting design and construction for each alternate considered.
 - d. Description and recommendation for structural, mechanical and electrical systems, showing alternatives considered.
 - e. Probable construction costs for the base Project and all additive alternates considered.
 - f. Summary of Project requirements and a recommendation.
 - g. Artistic renderings of the Project.
 - ii. Form. Developer's Schematics shall conform to the quality levels and standards in size, equipment, and all facets of its design and deliverables as set forth in City specifications and as may be updated prior to commencement of construction.
- D. *Design Development Documents.* Developer shall prepare from the approved Schematic Design Documents, for approval by City, Design Development Documents to fix and describe the size and character of the entire Project. These documents shall contain, at a minimum, the following:
- i. Site plan, indicating the nature and relational location, via dimensions, of all proposed Project components.
 - ii. Traffic circulation and landscaping should also be indicated at this stage if applicable.
 - iii. Plans, elevations, cross-sections, and notes as required to fix and describe the Project components.
 - iv. Proposed construction schedules.
 - v. Technical 'Special Provisions' section of the Specifications.
 - vi. Outline of Specifications prepared in accordance with the latest recommended format of the Construction Specification Institute.
 - vii. Probable Project construction costs, for each component of the Project being considered in this phase.
 - viii. Color board with material samples.

- E. *Construction Documents.* Developer shall provide, based on the approved Design Development documents, Working Drawings and Contract Specifications (throughout the Agreement and attached exhibits referred to as Construction Documents) setting forth in detail the requirements for construction of the Project, including the necessary bidding information.
- F. *Utility Location Requests.* Along with initial submission of Construction Documents, Developer shall furnish copies of the Service and Meter Location Request and all utility companies' verifications.
- G. *Cost Estimate.* Developer shall provide a construction cost estimate based on the Construction Documents.
- H. *H, G, & E Reports.* Developer shall provide hydrologic, geotechnical, environmental documents, and other related documents or reports as required by City.
- I. *As-Builts.* Developer shall provide As-Builts.
 - i. As-Builts shall show by dimension accurate to within one (1) inch, the centerline of each run of conduits and circuits, piping, ducts, and other similar items as determined by City, both concealed and visible. Developer shall clearly identify the item by accurate note such as "cast iron drain," galvanized water, etc. Developer shall clearly show, by symbol or note, the vertical location of the item ("under slab," "in ceiling," "exposed," etc.), and make all identification sufficiently descriptive that it may be related reliably to the specification. Developer shall thoroughly coordinate all changes on the As-Builts making adequate and proper entries on each page of specifications and each sheet of drawings and other documents where entry is required to properly show the change.
 - ii. Developer shall include all of the following on the As-Builts:
 - a. Depth of foundation in relation to finished first floor.
 - b. Horizontal and vertical locations of underground utilities and appurtenances, with references to permanent surface improvements.
 - c. Locations of internal utilities and appurtenances, with references to visible and accessible features of the structure.
 - d. Field changes of dimensions and details.
 - e. Changes authorized by approved proposal requests, construction change orders, discussion with City that resulted in any change/deviation from City's program, specifications, approved plans, equipment or materials.
 - f. Details not issued with original contract drawings, design/build plans, deferred approvals, etc.
 - g. Upon completion of work, obtain signature of licensed surveyor or civil engineer on the Project record set verifying layout information.
 - h. Show locations of all utilities on-site with size, and type of pipe, if different than specified, and invert elevations of pipe at major grade and alignment changes.
 - i. The title "PROJECT RECORD" in 3/8" letters.
 - iii. Developer shall maintain a set of As-Builts at the Project site for reference. Developer shall ensure that changes to the As-Builts are made within twenty-four hours after obtaining information. Changes shall be made with erasable colored pencil (not ink or indelible pencil), shall clearly describe the change by note (note in ink, colored pencil or rubber stamp) and by graphic line, shall indicate the date of entry, shall circle the area or areas affected and, in the event of overlapping changes, use different colors for each change.
- J. *As-Graded Reports.* Developer shall submit the City approved As-Graded Report summarizing the results of the observations and testing of grading operations.
- K. *Signed Grading and/or Public Right-of-Way Permit.* The Developer shall submit the signed grading and/or public right-of-way permit.
- L. *Operation and Maintenance Manuals.* Developer shall submit all Operation and Maintenance manuals prepared in the following manner:
 - i. In triplicate, bound in 8½ x 11 inch (216 x 279 mm) three-ring size binders with durable plastic covers prior to City's Final Inspection.

- ii. A separate volume for each system, including but not limited to mechanical, electrical, plumbing, roofing, irrigation, and any other system as determined by City, with a table of contents and index tabs in each volume as follows:
 - a. Part 1: Directory, listing names, addresses, and telephone numbers of Developer's agents, suppliers, manufacturers, and installers.
 - b. Part 2: Operation and Maintenance Instructions, arranged by specification division or system. For each specification division or system, provide names, addresses and telephone numbers of Developer's agents, suppliers, manufacturers, and installers. In addition, list the following: 1) appropriate design criteria; 2) list of equipment; 3) parts list; 4) operating instructions; 5) maintenance instructions, equipment; 6) maintenance instructions, finishes; 7) shop drawings and product data; and 8) warranties.
- M. *Capitalization Form*. The Developer shall submit all required capitalization information in a form acceptable to the Facilities Financing Project Manager.
- N. *Certificate of Occupancy/Property Transfers*. The Developer shall submit any required certificates of occupancy and/or property transfers.

EXHIBIT V

Capitalization Form: Capitalization Form to be completed by Developer updated upon final completion of Project (100%) to reflect all verified project costs.

EXHIBIT "V"

Capitalization Cost Breakdown For Developer Built Reimbursable Public Projects-Completed

Capitalization Form to be completed by developer upon final completion of Project (100%) to reflect all verified project costs. <i>Actual Cost incurred should be used to fill out Capitalization Form, even if not fully reimbursed.</i>					
1) Project Title/Location: _____			5) Permit Number: _____		
2) Project (PTS) Number: _____			6) Substantial Completion Letter Date: _____		
3) Internal Order Number: _____			7) As-Built Date: _____		
4) Drawing Number: _____			8) Public Facilities Financing Plan Ref. #: Reimb. Agreement Resolution #: Date Approved: _____		
TABLE A.					
(1) Item	(2) Description	(3) Asset Code	(4) Quantity #	(5) Unit Measurement	(6) Total Cost *
STREETS					
Roadways		ROAD		SF	
Sidewalk		SIDE		SF	
Curb & Gutter		SIDE		LF	
Curb Ramps		SIDE		Each	
Medians		SIDE		SF	
Alleys		ALLY		SF	
Traffic Signals		TRAF		Each	
Street Lights		STRT		Each	
Guardrails		STRT		LF	
BRIDGES					
Vehicular/Wildlife		BRDG	0.00	SF	
Pedestrian		BRDG	0.00	SF	
Other (Specify)					
STORM DRAINS					
Storm Drains		STRM		LF	
Channels & Culverts		CHAN		LF	
Other (Specify)					
PARK INFRASTRUCTURE (list)					
Parkgrounds		PARK		Each/acre	
Picnic Shelter		PARK		Each	
Playground		PARK		Each	
Recreation Center		3000		Each/SF	
Comfort Stations		3000		Each	
Park Lighting		PARK		Each	
Pool		PARK		Each	
Bike Path or Multi-Use Trails		PATH		LF	
Parking Lot		LOTS		SF	
OTHER (list)					
Pedestrian Lighted Crosswalk		TRAF			
Fire Station		various			
Library					
Police Station					
Total Project Cost					\$ _____
I CERTIFY THAT TO THE BEST OF MY KNOWLEDGE, THE INFORMATION PROVIDED ON THIS CAPITALIZATION FORM IS TRUE AND ACCURATE REGARDING THE CITY ACQUIRED INFRASTRUCTURES.			Name/Title _____ Contact No. _____		
PRINT NAME: _____ TITLE: _____			Prepared by: _____		
SIGNATURE: _____ DATE: _____			City Use Only-Forward Original to Facilities Financing for Distribution		
* Project soft cost for administration, engineering, design, etc. should be allocated using the percentage of hard cost for each cost category. <i>Note: Water & Sewer may be part of the PUD Capitalization and need to be double checked by the City Comptroller.</i>			Copy Comptroller's Office - CIP Fixed Asset Accountant Copy Street Division Copy Development Services Department		
1/28/2015					

EXHIBIT W

Required Insurance Provisions

1. **Types of Insurance.** At all times during the term of this Agreement and for so long as the Agreement requires, Developer shall maintain insurance coverage as follows:
 - 1.1 Commercial General Liability. Developer shall provide at its expense a policy or policies of Commercial General Liability (CGL) Insurance written on an ISO Occurrence form CG 00 01 07 98 or an equivalent form providing coverage at least as broad and which shall cover liability arising from premises and operations, XCU (explosions, underground, and collapse) independent contractors, products/completed operations, personal injury and advertising injury, bodily injury, property damage, and liability assumed under an insured's contract (including the tort liability of another assumed in a business contract). There shall be no endorsement or modification of the CGL Insurance limiting the scope of coverage for either "insured vs. insured" claims or contractual liability. Developer shall maintain the same or equivalent CGL Insurance as described herein for at least ten (10) years following substantial completion of the work. All costs of defense shall be outside the policy limits. The Policy shall provide for coverage in amounts not less than the following: (i) General Annual Aggregate Limit (other than Products/Completed Operations) of two million dollars (\$2,000,000); (ii) Products/Completed Operations Aggregate Limit of two million dollars (\$2,000,000); (iii) Personal Injury Limit one million dollars (\$1,000,000); and (iv) Each Occurrence one million dollars (\$1,000,000).
 - 1.2 Commercial Automobile Liability. For all of Developer's automobiles used in conjunction with the Project including owned, hired and non-owned automobiles, Developer shall keep in full force and effect, a policy or policies of Commercial Automobile Liability Insurance written on an ISO form CA 00 01 12 90 or a later version of this form or equivalent form providing coverage at least as broad in the amount of one million dollars (\$1,000,000) combined single limit per occurrence, covering bodily injury and property damage for owned, non-owned and hired automobiles ("Any Auto"). All costs of defense shall be outside the policy.
 - 1.3 Architects and Engineers Professional Liability. For all of Developer's employees who are subject to this Agreement, Developer shall keep in full force and effect, or Developer shall require that its architect/engineer(s) of record keep in full force and effect errors and omissions insurance providing coverage for professional liability with a combined single limit of one million dollars (\$1,000,000) per claim and two million dollars (\$2,000,000) annual aggregate. Developer shall ensure both that (i) this policy retroactive date is on or before the date of commencement of the Project; and (ii) this policy has a reporting period of three (3) years after the date of completion or termination of this Contract. Developer agrees that for the time period defined above, there will be no changes or endorsements to the policy that increases the City's exposure to loss.
 - 1.4 Worker's Compensation. For all of Developer's employees who are subject to this Contract and to the extent required by the State of California, Developer shall keep in full force and effect, a Workers' Compensation Insurance and Employers' Liability Insurance to protect Developer against all claims under applicable state workers' compensation laws. The City, its elected officials, and employees will not be responsible for any claims in law or equity occasioned by the failure of the Developer to comply with the requirements of this section. That policy shall provide at least the Statutory minimums of one million dollars (\$1,000,00) for Bodily Injury by Accident for each accident, one million dollars (\$1,000,000) for Bodily Injury by Disease each employee, and a one million dollars (\$1,000,000) for Bodily Injury by Disease policy limit. Developer shall provide an endorsement that the insurer waives the right of subrogation against the City and its respective elected officials, officers, employees, agents and representatives.
 - 1.4.1 Prior to the execution of the Agreement by the City, the Developer shall file the following signed certification:

“I am aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for worker’s compensation or to undertake self-insurance, in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of the Contract.”

- 1.5 **Builder’s Risk.** To the extent commercially available, Developer shall provide a policy of “all risk” Builders Risk Insurance. Developer shall also add its construction contractor, and the construction contractor’s subcontractors to the policy as additional named insureds or loss payees, to the extent such insurance is commercially available. The insurance may provide for a deductible which shall not exceed fifty thousand dollars (\$50,000). It shall be Developer’s responsibility to bear the expense of this deductible. The Builders Risk coverage shall expire at the time such insured property is occupied by City, or a Notice of Completion is filed, whichever occurs first.
2. **Endorsements Required.** Each policy required under Section 1, above, shall expressly provide, and an endorsement shall be submitted to the City, that:
 - 2.1 *Additional Insureds.* Except as to Architects and/or Engineers professional liability insurance and Workers Compensation, the City of San Diego and its respective elected officials, officers, employees, agents, and representatives shall be named as additional insureds.
 - 2.1.1 **Commercial General Liability.** The policy or policies must be endorsed to include as an Insured the City of San Diego and its respective elected officials, officers, employees, agents, and representatives. The coverage for Projects for which the Engineer’s Estimate is one million dollars (\$1,000,000) or more shall include liability arising out of: (i) Ongoing operations performed by you or on your behalf, (ii) Your products, (iii) Your work, including but not limited to your completed operations performed by you or on your behalf, or (iv) premises owned, leased, controlled, or used by you; the coverage for Projects for which the Engineer’s Estimate is less than one million dollars (\$1,000,000) shall include liability arising out of: (i) Ongoing operations performed by you or on your behalf, (ii) Your products, or (iii) premises owned, leased, controlled, or used by you; Except that in connection with, collateral to, or affecting any construction contract to which the provisions of subdivision (b) of Section 2782 of the California Civil Code apply, these endorsements shall not provide any duty of indemnity coverage for the active negligence of the City of San Diego and its respective elected officials, officers, employees, agents, and representatives in any case where an agreement to indemnify the City of San Diego and its respective elected officials, officers, employees, agents, and representatives would be invalid under subdivision (b) of Section 2782 of the California Civil Code. In any case where a claim or loss encompasses the negligence of the Insured and the active negligence of the City of San Diego and its respective elected officials, officers, employees, agents, and representatives that is not covered because of California Insurance Code Section 11580.04, the insurer's obligation to the City of San Diego and its respective elected officials, officers, employees, agents, and representatives shall be limited to obligations permitted by California Insurance Code Section 11580.04.
 - 2.1.2 **Commercial Automobile Liability Insurance.** Unless the policy or policies of Commercial Auto Liability Insurance are written on an ISO form CA 00 01 12 90 or a later version of this form or equivalent form providing coverage at least as broad, the policy or policies must be endorsed to include as an Insured the City of San Diego and its respective elected officials, officers, employees, agents, and representatives, with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Developer; except that in connection with, collateral to, or affecting any construction contract to which the provisions of subdivision (b) of Section 2782 of the California Civil Code apply, this endorsement shall not provide any duty of indemnity coverage for the active negligence of the City of San Diego and its respective elected officials, officers, employees, agents, and representatives in any case where an agreement to indemnify the City of San Diego and its respective elected officials, officers, employees, agents, and

representatives would be invalid under subdivision (b) of Section 2782 of the California Civil Code. In any case where a claim or loss encompasses the negligence of the Insured and the active negligence of the City of San Diego and its respective elected officials, officers, employees, agents, and representatives that is not covered because of California Insurance Code Section 11580.04, the insurer's obligation to the City of San Diego and its respective elected officials, officers, employees, agents, and representatives shall be limited to obligations permitted by California Insurance Code Section 11580.04.

- 2.2 *Primary and Non-Contributory.* The policies are primary and non-contributing to any insurance or self-insurance that may be carried by the City of San Diego, its elected officials, officers, employees, agents, and representatives with respect to operations, including the completed operations if appropriate, of the Named Insured. Any insurance maintained by the City of San Diego and its elected officials, officers, employees, agents, and representatives shall be in excess of Developer's insurance and shall not contribute to it.
- 2.3 *Project General Aggregate Limit.* The CGL policy or policies must be endorsed to provide a Designated Construction Project General Aggregate Limit that will apply only to the work performed under this Agreement. Claims payments not arising from the work shall not reduce the Designated Construction Project General Aggregate Limit. The Designated Construction Project General Aggregate Limit shall be in addition to the aggregate limit provided for the products-completed operations hazard.
- 2.4 *Written Notice.* Except as provided for under California law, the policies cannot be canceled, non-renewed or materially changed except after thirty (30) calendar days prior written notice by Developer to the City by certified mail, as reflected in an endorsement which shall be submitted to the City, except for non-payment of premium, in which case ten (10) calendar days notice shall be provided.
- 2.5 The words "will endeavor" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents, or representatives" shall be deleted from all certificates.

ORDINANCE NUMBER O- 21236 (NEW SERIES)

DATE OF FINAL PASSAGE SEP 22 2020

AN ORDINANCE OF THE COUNCIL OF THE CITY OF
SAN DIEGO AUTHORIZING A REIMBURSEMENT
AGREEMENT FOR THE DESIGN AND CONSTRUCTION OF
PROJECTS T-3.1A, T-4B, T-3.1B, T-5.2, P-6, AND U-3 IN THE
TORREY HIGHLANDS AND RANCHO PEÑASQUITOS
COMMUNITY PLAN AREAS.

WHEREAS, on May 22, 2018, by San Diego Resolution No. R-311776, the Council of the City of San Diego (City Council) granted Planned Development Permit No. 1266871, Site Development Permit No. 1266883, and Conditional Use Permit No. 1266871 to Sea Breeze 56, LLC, a Delaware limited liability company (Developer), for development of the Merge 56 project in the Torrey Highlands and Rancho Peñasquitos Community Plan Areas (Development); and

WHEREAS, effective November 27, 2012, by San Diego Resolution No. R-307857, the City Council adopted the Torrey Highlands Public Facilities Financing Plan for Fiscal Year 2013, on file in the Office of the City Clerk as Document No. RR-3307857 (Torrey Highlands Financing Plan), and effective January 2, 2014, by San Diego Resolution No. R-308686, the City Council adopted the Rancho Peñasquitos Public Facilities Financing Plan for Fiscal Year 2014, on file in the Office of the City Clerk as Document No. RR-308686 (Rancho Peñasquitos Financing Plan), which identifies the following projects: Torrey Highlands Project T-3.1A and Rancho Peñasquitos Project T-4B, Camino Del Sur South; Torrey Highlands Project T-3.1B, Camino Del Sur North; Torrey Highlands Project T-5.2, portions of Carmel Mountain Road South; Torrey Highlands P-6, Torrey Highlands Trails; and Torrey Highlands Project U-3, 16" Water Mains (Projects); and

WHEREAS, the City of San Diego (City) and Developer desire to enter into a Reimbursement Agreement for the design and construction of the Projects (Reimbursement Agreement); and

WHEREAS, the cost of the Projects is estimated to be \$37,660,000, which exceeds the amounts budgeted in the Torrey Highlands and Rancho Peñasquitos Financing Plans; and

WHEREAS, amendments to the Torrey Highlands and Rancho Peñasquitos Financing Plans are necessary to reflect the new estimated design and construction costs of the Projects, which are being taken forward to City Council for approval as a companion resolution to this ordinance; and

WHEREAS, an interfund loan is necessary to provide funding for the construction of Camino Del Sur road from the Torrey Highlands community to the Rancho Peñasquitos community and will be repaid in five (5) years at the latest published annualized rate of the City's Pooled Investment Fund consistent with California Government Code section 66006(b)(1)(G); and

WHEREAS, under Charter section 99, no contract, agreement or obligation extending for a period of more than five years may be authorized except by ordinance approved by a two-thirds majority vote of the City Council; NOW, THEREFORE,

BE IT ORDAINED, by the Council of the City of San Diego, as follows:

Section 1. The Reimbursement Agreement, a copy of which is on file in the Office of the City Clerk as Document No. OO- 21236, is approved.

Section 2. The Chief Financial Officer, as delegated, is authorized to appropriate and expend an amount not to exceed \$29,760,496 from Fund No. 400094, Restricted Torrey Highlands Facilities Benefit Assessment; \$7,106,304 from Fund No. 400083, Restricted Rancho

Peñasquitos Facilities Benefit Assessment; and 793,200 from Fund No. 400096, West Pac Contrib Torrey High, in accordance with the amendments to the Torrey Highlands Financing Plan and Rancho Peñasquitos Financing Plan, Reimbursement Agreement, and contingent on certification by the Chief Financial Officer that funds necessary for expenditure are available.

Section 3. The Chief Financial Officer, upon advice from the administering department, is authorized to transfer excess funds, if any, to the appropriate reserves.

Section 4. The Chief Financing Officer, as delegated, is authorized to appropriate and expend an interfund loan in the amount not to exceed \$7,106,304 from the Restricted Rancho Peñasquitos Facilities Benefit Assessment Fund No. 400083 to the Restricted Torrey Highlands Facilities Benefit Assessment Fund No. 400094, with the interest rate and repayment term fixed at the time of loan execution.

Section 5. That a full reading of this Ordinance is dispensed with prior to passage, a written copy having been made available to the Council and the public prior to the day of its passage.

Section 6. That this Ordinance shall take effect and be in force on the thirtieth day from and after its final passage.

APPROVED: MARA W. ELLIOTT, City Attorney

By /s/ Katherine A. Malcolm
Katherine A. Malcolm
Deputy City Attorney

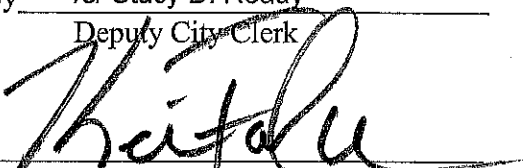
KAM:soc
07/23/2020
Or.Dept: Facilities Financing
Doc. No.: 2430554

I hereby certify that the foregoing Ordinance was passed by the Council of the City of San Diego, at this meeting of 09/15/2020.

ELIZABETH S. MALAND
City Clerk

By /s/ Stacy D. Ready
Deputy City Clerk

Approved: 9/21/2020
(date)


KEVIN L. FAULCONER, Mayor

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on SEP 15 2020, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Barbara Bry	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jennifer Campbell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Ward	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Monica Montgomery	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mark Kersey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Cate	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scott Sherman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vivian Moreno	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Georgette Gómez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage SEP 22 2020.

AUTHENTICATED BY:

KEVIN L. FAULCONER
Mayor of The City of San Diego, California.

(Seal)

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By *City Clerk*, Deputy

I HEREBY CERTIFY that the foregoing ordinance was not finally passed until twelve calendar days had elapsed between the day of its introduction and the day of its final passage, to wit, on

AUG 04 2020, and on SEP 22 2020.

I FURTHER CERTIFY that said ordinance was read in full prior to passage or that such reading was dispensed with by a vote of five members of the Council, and that a written copy of the ordinance was made available to each member of the Council and the public prior to the day of its passage.

(Seal)

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By *City Clerk*, Deputy

Office of the City Clerk, San Diego, California
Ordinance Number O- 21236

Passed by the Council of The City of San Diego on September 15, 2020, by the following vote:

YEAS: **BRY, CAMPBELL, WARD, MONTGOMERY, KERSEY, CATE, SHERMAN,
MORENO & GÓMEZ.**

NAYS: **NONE.**

NOT PRESENT: **NONE.**

RECUSED: **NONE.**

AUTHENTICATED BY:

KEVIN L. FAULCONER

Mayor of The City of San Diego, California

ELIZABETH S. MALAND

City Clerk of The City of San Diego, California

(Seal)

By: **Stacy D. Ready**, Deputy

I HEREBY CERTIFY that the above and foregoing is a full, true, and correct copy of ORDINANCE NO. **O-21236** (New Series) of The City of San Diego, California.

I FURTHER CERTIFY that said ordinance was not finally passed until twelve calendar days had elapsed between the day of its introduction and the day of its final passage, to wit, on **August 4, 2020**, and on **September 22, 2020**.

I FURTHER CERTIFY that said ordinance was read in full prior to passage or that such reading was dispensed with by a vote of five members of the Council, and that a written copy of the ordinance was made available to each member of the Council and the public prior to the day of its passage.

ELIZABETH S. MALAND

City Clerk of The City of San Diego, California

(SEAL)

By: , Deputy