

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City Clerk
City of South San Francisco
P.O. Box 711
South San Francisco, CA 94083

(Space Above This Line Reserved For Recorder's Use)

This instrument is exempt from recording fees pursuant to Government Code section 27383. Documentary Transfer Tax is \$0.00 (exempt per Revenue & Taxation Code section 11922, Transfer to Municipality).

**DEVELOPMENT AGREEMENT
BY AND BETWEEN**

CITY OF SOUTH SAN FRANCISCO

AND

US TERMINAL COURT OWNER, LLC

(101 INFINITE PROJECT)

AND

US 131 TERMINAL COURT OWNER, LLC

(131 INFINITE PROJECT)

SOUTH SAN FRANCISCO, CALIFORNIA

**ADOPTED BY ORDINANCE NO. [REDACTED]
OF THE CITY OF SOUTH SAN FRANCISCO CITY COUNCIL**

Effective Date: [REDACTED]

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE 1 DEFINITIONS	4
ARTICLE 2 EFFECTIVE DATE AND TERM	8
ARTICLE 3 OBLIGATIONS OF DEVELOPER	8
ARTICLE 4 OBLIGATIONS OF CITY	15
ARTICLE 5 COOPERATION – IMPLEMENTATION.....	16
ARTICLE 6 STANDARDS, LAWS AND PROCEDURES GOVERNING THE PROJECT.....	17
ARTICLE 7 AMENDMENT.....	22
ARTICLE 8 ASSIGNMENT AND TRANSFER.....	24
ARTICLE 9 COOPERATION IN THE EVENT OF LEGAL CHALLENGE	25
ARTICLE 10 DEFAULT; REMEDIES; TERMINATION	26
ARTICLE 11 MISCELLANEOUS	30
Exhibit A.1 – Description and Diagram of 101 Property	
Exhibit A.2 - Description and Diagram of 131 Property	
Exhibit B.1- List of 101 Project Approvals as of Effective Date	
Exhibit B.2 – List of 131 Project Approvals as of Effective Date	
Exhibit C.1 – City Fees, Exactions, and Payments for 101 Project and 131 Project	
Exhibit C.2 – Community Benefit Calculations	
Exhibit D.1 – Sustainability Features for 101 Project	
Exhibit D.2 – Sustainability Features for 131 Project	
Exhibit E – Applicable Laws	
Exhibit F – Form of [Partial] Assignment and Assumption Agreement	
Exhibit G – Form of DA Annual Review Report [to be added in execution version]	

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (“**Agreement**”) is entered into as of the Effective Date by and between US Terminal Court Owner, LLC, a Delaware limited liability company (“**101 Developer**”), US 131 Terminal Court Owner, LLC, a Delaware limited liability company (“**131 Developer**”), and the City of South San Francisco, a municipal corporation (“**City**”), pursuant to California Government Code (“**Government Code**”) sections 65864 *et seq.* 101 Developer and 131 Developer are individually “**Developer**” and collectively “**Developers**.” Developers and City are sometimes collectively referred to herein as, individually “**Party**” and, collectively, “**Parties**.”

RECITALS

A. To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California enacted California Government Code sections 65864 *et seq.*, which authorizes City to enter into an agreement with any person having a legal or equitable interest in real property for the development of such property.

B. Pursuant to Government Code section 65865, City has adopted procedures and requirements for the consideration of development agreements (South San Francisco Municipal Code (“**SSFMC**”) Chapter 19.60). This Agreement has been processed, considered, and executed in accordance with such procedures and requirements.

C. The 101 Developer owns fee title to and proposes to redevelop the approximately 8.69-acre real property depicted and legally described on **Exhibit A.1** (“**101 Property**”) with the Infinite 101 Project, which would include demolition of approximately a small vehicle garage and pay booth, totaling approximately 6,000 gross square feet (“**gsf**”) to allow construction of approximately 697,000 gsf of research-and-development (“**R&D**”) uses and amenities within two new buildings, parking garage, surface parking and related infrastructure and landscaping all as further defined in the 101 Project Approvals (defined in Recital K, below) (the “**101 Project**”).

D. The 131 Developer proposes to redevelop the 17.67-acre real property depicted and legally described on **Exhibit A.2** (“**131 Property**”) with the Infinite 131 Project, which would include demolition of approximately 126,750 gsf of industrial and operational uses that are currently occupied by the Golden Gate Produce Terminal, along with approximately 116,572 gsf of open-air structures (e.g., loading docks, trash compactor areas) to allow construction of approximately 1.7 million gsf of R&D uses and amenities within new buildings, parking garages surface parking and related infrastructure and landscaping all as further defined in the 131 Project Approvals (defined in Recital N, below) (the “**131 Project**”). The 131 Property is owned by Golden Gate Produce Terminal Ltd., a California limited partnership (“**131 Property Owner**”) subject to that certain Agreement to Enter Ground Lease dated May 04, 2022, by and between the Property Owner and Developer and as disclosed by a Memorandum of Agreement to Enter into Ground Lease recorded May 05, 2022 as Instrument No. 2022-037779 of Official Records (“**131 Ground Lease Option**”). In this Agreement, the 101 Property and 131 Property are, collectively, “**Properties**,” the 101 Project and 131 Project are, collectively, “**Projects**,” and the 101 Project Approvals and 131 Project Approvals are, collectively, “**Project Approvals**.”

E. The terms and conditions of this Agreement have undergone extensive review by Developers and City and have been found to be fair, just, and reasonable.

F. The City believes that the best interests of the citizens of the City of South San Francisco and the public health, safety, and welfare will be served by entering into this Agreement.

G. This Agreement and the Projects are consistent with the Shape SSF 2040 General Plan Update, as amended as described in Recital N for the 131 Project (“**General Plan**”), the Lindenville Specific Plan adopted September 2023 by Resolution No. 149-2023, as amended as described in Recital N for the 131 Project (“**Specific Plan**”) and the South San Francisco Municipal Code (“**SSFMC**”).

H. Development (as defined in Article 1 of this Agreement) of the Properties with the Projects in accordance with the terms of this Agreement will provide substantial benefits to and will further important policies and goals of City. This Agreement will, among other things, benefit the City by (1) advancing the City’s economic development goals of enhancing the competitiveness of the local economy and maintaining a strong and diverse revenue and job base, (2) creating state-of-the art commercial campus developments to advance General Plan objectives for the area, (3) supporting the City’s achievement of goals related to its climate action plan (“**Climate Action Plan**”) through incorporation of environmentally sensitive design and equipment, energy conservation features, water conservation measures, and other sustainability features, (5) generating construction-related benefits, including employment, economic and fiscal benefits related to new construction, (6) providing substantial community benefits, and (7) generating fiscal benefits and substantial infrastructure improvements to the City and San Mateo County due to community benefits, taxes and other revenue sources from operations.

I. In exchange for the benefits to City described in the preceding Recital, together with the other public benefits that will result from the Development of the Projects, Developers will receive by this Agreement assurance that each may proceed with their respective Project in accordance with Applicable Law (as defined in Article 1 of this Agreement), and therefore each desires to enter into this Agreement.

J. This Agreement will eliminate uncertainty in planning and budgeting and provide for the orderly Development of the Projects to allow construction over time in response to market cycles, facilitate progressive installation of necessary improvements, provide for public services appropriate to the Development of the Projects, and generally serve the purposes for which development agreements under section 65864, *et seq.* of the California Government Code are intended.

K. On September 21, 2023, following a duly noticed public hearing, the City of South San Francisco Planning Commission (“**Planning Commission**”) approved the following entitlements for the 101 Project (File No. P22-0124), subject to applicable conditions of approval for the 101 Project (“**101 COAs**”):

- CEQA Guidelines Section 15183 Consistency Checklist (“**101 15183 Consistency Checklist**”) and Mitigation Monitoring and Reporting Program for the 101 Project (“**101 MMRP**”).

- Design Review (DR22-0038) (“**101 Design Review**”), and
- Transportation Demand Management Plan (TDM22-0008) (“**101 TDM Plan**”)

The entitlements for the 101 Project described in this Recital J, and listed on **Exhibit B.1**, are collectively referred to herein as the “**101 Project Approvals**.”

L. On [DATE], following a duly noticed public hearing, the Planning Commission recommended that the City Council approve this Agreement and adopt the Resolutions and Ordinances described in Recitals M through O for the Projects.

M. On [DATE], after a duly noticed public hearing, by Resolution [REDACTED], the City Council certified the Project Environmental Impact Report (SCH# 2023110023) for the 131 Project (“**131 EIR**”) in accordance with the California Environmental Quality Act (Public Resources Code §§ 2100 *et seq.* (“**CEQA**”) and the CEQA Guidelines (California Code of Regulations, Title 14, §§ 15000 *et seq.*). The 131 EIR analyzed the potential environmental impacts of development of the 131 Project. Concurrent with its certification of the 131 EIR, and by the same resolution, the City Council duly adopted CEQA findings of fact, a Statement of Overriding Considerations, and a Mitigation Monitoring and Reporting Program for the 131 Project (“**131 MMRP**”). The Statement of Overriding Considerations carefully considered each of the 131 Project’s significant and unavoidable impacts identified in the 131 EIR and determined that each such impact is acceptable in light of the 131 Project’s economic, legal, social, technological and other benefits. The 131 MMRP identifies all mitigation measures identified in the 131 EIR a program for monitoring or reporting on the implementation of such mitigation measures for the 131 Project.

N. On [DATE], after a duly noticed public hearing, the City Council duly adopted the following resolution and introduced the following ordinances granting certain land use entitlements for Development of the 131 Project, subject to applicable conditions of approval (“**131 COAs**”):

- General Plan Amendment, Resolution No. [REDACTED] (“**131 GPA**”)
- Specific Plan Amendment, Resolution No. [REDACTED] (“**131 SPA**”)
- Rezoning to Planned Development, Ordinance No. [REDACTED] (“**131 Rezoning**”)
- Site Plan and Architectural Review, Resolution No. [REDACTED] (“**131 Arch Review**”)
- Transportation Demand Management (“**TDM**”) Plan, Resolution No. [REDACTED] (“**131 TDM Plan**”).

The entitlements described in this Recital N, and listed on **Exhibit B.2**, are collectively referred to herein as the “**131 Project Approvals**.”

O. In addition, on [DATE], after a duly noticed public hearing, the City Council duly adopted the following resolution and introduced the following ordinance granting certain land use entitlements for Development of the Projects:

- Vesting Tentative Map Resolution No. [REDACTED] for the Properties (“VTM”), and
- Ordinance No. [REDACTED] introducing, approving and authorizing the execution of this Agreement.

P. The Projects have been designed to fulfill the Development vision of the Project Approvals consistent with the City’s land use policies and regulations, and to secure Developers ability to achieve the Development potential of the Properties at an appropriate level of growth.

Q. In thereafter adopting Ordinance No. [REDACTED] (the “**Enabling Ordinance**”) on [DATE], the City Council found that this Agreement is consistent with the General Plan, Specific Plan and Title 20 of the SSFMC and has followed all necessary proceedings in accordance with the City’s rules and regulations for the approval of this Agreement. The Enabling Ordinance was effective thirty (30) days later on [DATE].

AGREEMENT

NOW, THEREFORE, the Parties, pursuant to the authority contained in Government Code sections 65864 through 65869.5 and Chapter 19.60 of the South San Francisco Municipal Code in effect on the Effective Date and in consideration of the mutual covenants and agreements contained herein, agree as follows:

ARTICLE 1 DEFINITIONS

“**Administrative Agreement Amendment**” shall have that meaning set forth in Section 7.2 of this Agreement.

“**Administrative Project Amendment**” shall have that meaning set forth in Section 7.1 of this Agreement.

“**Affiliate**” shall have that meaning set forth in Section 8.1 of this Agreement.

“**Agreement**” shall mean this Development Agreement.

“**Applicable Law**” shall have that meaning set forth in Section 6.3 of this Agreement.

“**CEQA**” shall have that meaning set forth in Recital M of this Agreement.

“**Childcare Space**” shall have that meaning set forth in Section 3.3(a)(1) of this Agreement.

“**City**” shall mean the City of South San Francisco.

“**City Council**” shall mean the City of South San Francisco City Council.

“**City Law**” shall have that meaning set forth in Section 6.5 of this Agreement.

“**Control**,” “controlled,” and “controlling” shall have that meaning set forth in Section 8.1 of this Agreement.

“**Direct Community Benefits**” shall have that meaning set forth in Section 3.3 of this Agreement.

“**Default**” shall have that meaning set forth in Section 10.1 of this Agreement.

“**Deficiencies**” shall have that meaning set forth in Section 9.2 of this Agreement.

“**Developer**” and/or “**Developers**” shall have the meanings in the introductory paragraph.

“**Development**” or “**Develop**” shall mean the division or subdivision of land into one or more parcels; the construction, reconstruction, conversion, structural alteration, relocation, improvement, maintenance, or enlargement of any structure; any excavation, fill, grading, landfill, or land disturbance; the construction of specified road, path, trail, transportation, water, sewer, electric, communications, and wastewater infrastructure directly related to the Project whether located within or outside the Project Site; the installation of landscaping and other facilities and improvements necessary or appropriate for the Project; and any use or extension of the use of land.

“**Development Fees**” shall have that meaning set forth in Section 3.2 of this Agreement.

“**Effective Date**” shall have that meaning set forth in the Section 2.1 of this Agreement.

“**Enabling Ordinance**” shall have that meaning set forth in Recital Q of this Agreement.

“**Force Majeure Delay**” shall have that meaning set forth in Section 10.3 of this Agreement.

“**GDP**” shall have that meaning set forth in Section 10.3 of this Agreement.

“**General Plan**” shall have that meaning set forth in Recital G of this Agreement.

“**Government Code**” shall have the meaning set forth in the introductory paragraph.

“**gsf**” shall have that meaning set forth in Recital C of this Agreement.

“**Initial Leasing Period**” shall have that meaning set forth in Section **Error! Reference source not found.** of this Agreement.

“**Judgment**” shall have that meaning set forth in Section 9.2 of this Agreement.

“**Legal Challenge**” shall have that meaning set forth in Section 9.1 of this Agreement.

“**Marketing and Leasing Efforts**” shall have that meaning set forth in Section **Error! Reference source not found.** of this Agreement.

“Monetary Contribution” shall have that meaning set forth in Section 3.4(a).

“Mortgage” shall have that meaning set forth in Section 11.10 of this Agreement.

“Mortgagee” shall mean the beneficiary of any Mortgage.

“Notice of Force Majeure Delay” shall have that meaning set forth in Section 10.3 of this Agreement.

“Party” and/or **“Parties”** shall have the meaning set forth in the introductory paragraph.

“Periodic Review” shall have that meaning set forth in Section 10.5 of this Agreement.

“Planning Commission” shall mean the Planning Commission of the City of South San Francisco.

“Processing Fees” shall have that meaning set forth in Section 3.2 of this Agreement.

“Project” or **“Projects”** are defined in Recital D and shall mean, as applicable, the Development on a Property as contemplated by the Project Approvals and, as, when, and if they are issued, the Subsequent Approvals, including, without limitation, the permitted uses, density and intensity of uses, and maximum size and height of buildings specified in the Project Approvals and Subsequent Approvals may be further defined or modified pursuant to the provisions of this Agreement.

“Project Approvals” shall have that meaning set forth in Recital D of this Agreement.

“Property” or **“Properties”** shall have that meaning set forth in Recital D of this Agreement.

“R&D” shall have that meaning set forth in Recital C of this Agreement.

“Severe Economic Recession” shall have that meaning set forth in Section 10.3 of this Agreement.

“Specific Plan” shall have that meaning set forth in Recital G of this Agreement.

“SSFMC” shall have the meaning set forth in Recital B of this Agreement.

“Subsequent Approvals” shall mean those certain other land use approvals, entitlements, and permits other than the Project Approvals that are necessary or desirable for the Project, as applicable. In particular, for example and without limitation, the Parties contemplate that a Developer may, at its election, seek approvals for the following: amendments of the Project Approvals; improvement agreements; grading permits; demolition permits; building permits; lot line adjustments; sewer, water, and utility connection permits; certificates of occupancy; further subdivision map approvals; parcel map approvals; resubdivisions; zoning and rezoning approvals; conditional use permits; minor use permits; sign permits; any subsequent approvals required by other state or federal entities for Development and implementation of their Project that are sought

or agreed to in writing by a Developer; and any amendments to, or repealing of, any of the foregoing.

“**Term**” shall have that meaning set forth in Section 2.2 of this Agreement.

“**VTM**” shall have that meaning set forth in Recital O of this Agreement.

“**101 15183 Consistency Checklist**” shall have that meaning set forth in Recital K of this Agreement.

“**101 Design Review**” shall have that meaning set forth in Recital K of this Agreement.

“**101 Developer**” shall mean US Terminal Court Owner, LLC, a Delaware limited liability company.

“**101 MMRP**” shall have that meaning set forth in Recital K of this Agreement.

“**101 Project**” shall have the meaning set forth in Recital C of this Agreement.

“**101 Project Approvals**” shall have that meaning set forth in Recital K of this Agreement.

“**101 Property**” shall have the meaning set forth in Recital C of this Agreement.

“**101 TDM Plan**” shall have that meaning set forth in Recital K of this Agreement.

“**131 Arch Review**” shall have the meaning set forth in Recital N of this Agreement.

“**131 COAs**” shall have the meaning set forth in Recital N of this Agreement.

“**131 Developer**” shall mean US 131 Terminal Court Owner, LLC, a Delaware limited liability company.

“**131 Developer Bikeway Contribution**” shall have the meaning set forth in Section 3.4(b) of this Agreement.

“**131 EIR**” shall have that meaning set forth in Recital M of this Agreement.

“**131 GPA**” shall have the meaning set forth in Recital N of this Agreement.

“**131 Ground Lease Option**” shall have that meaning set forth in Recital D of this Agreement.

“**131 Project**” shall have that meaning set forth in Recital D of this Agreement.

“**131 Project Approvals.**” shall have that meaning set forth in Recital N of this Agreement.

“**131 Property**” shall have that meaning set forth in Recital D of this Agreement.

“**131 Property Owner**” shall have that meaning set forth in Recital D of this Agreement.

“**131 MMRP**” shall have that meaning set forth in Recital M of this Agreement.

“**131 Rezoning**” shall have the meaning set forth in Recital N of this Agreement.

“**131 SPA**” shall have the meaning set forth in Recital N of this Agreement.

“**131 TDM Plan**” shall have the meaning set forth in Recital N of this Agreement.

To the extent that any defined terms contained in this Agreement are not defined above, then such terms shall have the meaning otherwise ascribed to them elsewhere in this Agreement, or if not in this Agreement, then by controlling law, including the SSFMC.

ARTICLE 2

EFFECTIVE DATE AND TERM

2.1 Effective Date. This Agreement is effective as of the date of the Enabling Ordinance defined in Recital Q is effective (“**Effective Date**”) and the Effective Date shall be inserted on the cover page prior to recordation.

2.2 Term. The term of this Agreement shall commence upon the Effective Date and continue (unless this Agreement is otherwise terminated or extended as provided in this Agreement) until twelve (12) years plus one (1) day after the Effective Date (“**Term**”), as such Term may be extended by Force Majeure Delay pursuant to Section 10.3, or mutual, written agreement of the Parties pursuant to Section 7.2(b). At Developers’ discretion and upon written notice to the City, the Developers may extend the Term of this Agreement for five (5) additional years (“**Extension Term**”) if Developers have obtained a temporary certificate of occupancy for a minimum of seven hundred thousand (700,000) gsf of the proposed buildings approved in connection with the 101 Project or 131 Project within seven years of the Effective Date.

ARTICLE 3

OBLIGATIONS OF DEVELOPER

3.1 Obligations of Developers Generally; No Joint and Several Liability. The Parties acknowledge and agree that City’s agreement to perform and abide by the covenants and obligations of City set forth in this Agreement is a material consideration for each Developer’s agreement to perform and abide by its long-term covenants and obligations, as set forth herein. The Parties acknowledge that many of each Developer’s long-term obligations set forth in this Agreement are in addition to each Developer’s agreement to perform all the applicable mitigation measures required by CEQA. Failure by a Developer to make any of the payments or provide the community benefits called for in this Article 3 applicable to such Developer’s Project at the times and in the amounts specified shall constitute a default by such Developer subject to the provisions of Article 10 of this Agreement. Each Developer is responsible only for that Developer’s Project and Property, and therefore, the Developers are not jointly and severally liable for the obligations of the other Developer and there shall be no cross defaults under this Agreement.

3.2 City Processing and Development Fees.

(a) Processing Fees. Developer shall pay those processing, building permit, inspection and plan checking fees and charges required by City for processing applications and requests for Subsequent Approvals for such Developer's Project ("**Processing Fees**") under the applicable regulations in effect at the time such applications and requests are submitted to City.

(b) Development Fees. Consistent with the terms of the Agreement, City shall have the right to impose only such categories of development fees ("**Development Fees**") as had been adopted by City and in effect as of the date the VTM application was determined to be complete (August 28, 2025, as set forth in Exhibit C.1. No new development impact fees beyond those listed in Exhibit C.1 shall apply to the Project for the Term of this Agreement. The Development Fees shall be paid at the rates in effect at the time of payment. Development Fees shall be paid at the time set forth in Exhibit C.1 except as otherwise provided in Article 3 of this Agreement. This Section 3.2(b) shall not prohibit City from imposing on a Developer any fee or obligation that is imposed by a regional agency or the State of California in accordance with state or federal obligations and required to be implemented by City, unless and to the extent that such obligation permits the City to not apply such fee or obligation to projects that are subject to vesting pursuant to a VTM or development agreement.

3.3 Community Benefits. In connection with the construction of the Projects, the Developer shall do the following, as applicable to each Developer's Project and all as set forth in this Section 3.3. The obligations contained in this Section 3.3 and subsequent Section 3.4 establish a monetary value for several direct Project commitments that are consistent with the City's priorities for the Community Benefits Program (the "**Direct Community Benefits**") and apply these toward the total value due to the City pursuant to the Community Benefits Program. The Direct Community Benefits specified in this Section 3.3 satisfy such Developer's obligations pursuant to SSFMC Section 20.395.003.A.2(c)(2) requiring that developers enter into Community Benefits Agreements in exchange for FAR increases between 1.0 and 2.5. For purposes of this Agreement, if the specified conditions set forth in this Agreement are met, the City shall apply the value of the following Direct Community Benefits as credits against the estimated Community Benefits Fee that would otherwise be due pursuant to SSFMC Section 20.395.003 , with a total credit value of Twenty-Three Million Dollars (\$23,000,000). The Parties agree that to assist with administration and tracking of the Direct Community Benefits that apply as a credit against otherwise applicable Community Benefit Fees, the Community Benefit Fee calculation and rate shall occur and be fixed at the rate in effect at issuance of building permit but be owed (if any amount is owing based on Direct Community Benefits satisfied at the time) at final certificate of occupancy for each building and only applicable after each Project as exceeded a Floor Area Ratio of 1.0. The intent of the Parties is to reduce the administrative burden on the City to track credits or issue refunds and to minimize the obligation of the Developers to pay Community Benefit Fees that would otherwise be satisfied by compliance with this Agreement. As part of the DA Annual Review process the Parties will meet and confer to assess this process and make reasonable adjustments. To assist with this process, Exhibit C.2 provides information and illustrations for the calculation of Community Benefit Fees and Direct Community Benefits value credits for each Project, in a phased development scenario.

(a) Childcare Space. The 131 Developer shall do the following with respect to the provision of childcare facilities within the 131 Project:

- (1) Child Care Provider and Childcare Space Design and Construction. 131 Developer shall comply with the Marketing and Leasing Efforts (defined in (2) below) to endeavor to secure a childcare provider to occupy and operate the Childcare Space (defined below) in accordance with the requirements of this Section. Any agreement with a childcare provider shall include the terms and conditions outlined in this Section as applicable. If the 131 Developer is successful in securing a childcare provider, then the 131 Developer will design and construct an approximately four thousand fifty (4,050) to ten thousand (10,000) leasable gsf of leasable space suitable for the operation of a childcare facility to serve both the on-site employer(s) and the public with commercially typical tenant improvements (“**Childcare Space**”) in the location identified in the 131 Project Approvals prior to the issuance of a certificate of occupancy for the fourth (4th) building within the Project. The Childcare Space shall have the capacity to provide care for a minimum of fifty-five (55) children. The Childcare Space will prioritize at least twenty-five percent (25%) of total enrollment annually to residents of the City. If 131 Developer complies with the terms of this Section, the City will consider approximately Four Million Dollars (\$4,000,000) of the cost of such Day Care Center and resident enrollment priority as a credit against the otherwise applicable Community Benefits Fee. Alternatively, prior to when the Childcare Space is required pursuant to this Section 3.3(a)(1), Developer may elect to instead make a payment of \$4,000,000 (“**Childcare Space Payment**”) adjusted by the percentage increase in the CPI calculated from the month of the Effective Date through the month prior to the day the Childcare Space Payment is paid. If paid, the Developer shall receive a credit in the amount of actual payment (as adjust by CPI) as a Direct Community Benefit and a credit against the otherwise applicable Community Benefits Fee.
- (2) Childcare Space Marketing Efforts. The City and 131 Developer acknowledge and agree that the intent is that the Childcare Space will be used for a childcare purposes. The 131 Developer will make good faith efforts to market and lease the Childcare Space to a qualified childcare operator (“**Marketing and Leasing Efforts**”) and will provide the City regular updates (not less than quarterly) on these Marketing and Leasing Efforts until a lease is entered into with a tenant. 131 Developer shall offer the Childcare Space for a minimum twelve (12) year term at an initial triple net rent rate that does not exceed a fair market rent rate consistent with this Agreement. 131 Developer will promptly notify City when a tenant providing childcare services has executed a lease of the Childcare Space. If the 131 Developer does not elect to pay the Childcare Space Payment as provided in Section 3.3(a)(1), above, this Section 3.3(a)(2) shall survive termination of this Agreement

through the Initial Leasing Period. If the 131 Developer elects to pay the Childcare Space Payment, this Section 3.3(a)(2) shall have no further force or effect.

(b) Point of Sale for Project Construction. Pursuant to the authority granted by the California Department of Tax and Fee Administration (CDTFA) allowing construction contractors with contracts valued at \$5 million or more to obtain a sub-permit enabling contractors to designate the jurisdiction of the jobsite as the point of sale for sales tax allocation, each Developer agrees, to the extent allowed by law, to, prior to issuance of building permit on such Developer's Property, require all persons and entities providing materials to be used in connection with the construction and development of, or incorporated into, the applicable Project, including by way of illustration but not limitation, bulk lumber, concrete, structural steel, roof trusses and other pre-fabricated building components, to obtain such a sub-permit and allocate sales tax directly to the City ensuring that the City will collect a larger share of local sales/use tax for the Project than it would otherwise receive without this designation. Each Developer shall instruct its general contractor(s) to, and shall cause such general contractor(s) to instruct its/their subcontractors to, cooperate with City or City's consultant to ensure the local sales/use tax derived from construction of the Developer's Project is allocated to City to the fullest extent possible and to the extent allowed by law. This Section 3.3 shall not apply to tenants who perform their own tenant improvement work. To assist City or City's consultant in its efforts to ensure that such local sales/use tax is so allocated to City, each Developer shall on an annual basis, or as frequently as quarterly upon City's or City's consultant request, provide City or City's consultant with such information as shall be reasonably requested by City or City's consultant regarding subcontractors working on the Developer's Project with contracts in excess of the amount set forth above, including a description of all applicable work and materials and the dollar value of such subcontracts, and, if applicable, evidence of their designation, such as approvals or applications for the direct payment permit, of City as the place of use of such work and materials. City or City's consultant may use such information to contact each subcontractor who may qualify for local allocation of use taxes to City. The City's sole and exclusive remedy for any failure of any general contractor(s) or subcontractor(s) to allocate sales and use tax revenues as provided herein or to comply with this Section 3.3(b) will be specific performance. The City estimates a credit of Six Million Dollar (\$6,000,000) of sales tax revenue generated for full buildout of both the 101 Project and the 131 Projects as a Direct Community Benefit in accordance with this Section 3.3(b). After a total of Six Million Dollars (\$6,000,000) has been generated to the benefit of the City, the Developer(s) and City will continue to track and record the amounts generated and any amount over Six Million Dollars (\$6,000,000) and such additional amounts shall be creditable against the Community Benefit Fee that would otherwise be due under: (i) the Childcare Space Payment in Section 3.3(a)(1), (ii) any amounts due under Section 3.3(c) (if any) related to the all-electric buildings, and/or (iii) any increase in amount of the Community Benefit Fee over \$20 per square foot for any Floor Area Ratio over 1.0 on either Project. The Parties will meet and confer to determine the most efficient and effective method to document and track this sales tax revenue generated and make reasonable and good faith modifications if necessary over time to allow for accurate tracking and reduce the administrative burden on the City. If within six (6) months of the issuance of the final certificate of occupancy for either the 101 Project or the 131 Project, it is determined that, the sales tax allocation to the City resulting from the point of sale designation pursuant to this Section from construction derived less than Two Million Dollars (\$2,000,000) for the 101 Project at full build out or Four Million Dollars (\$4,000,000) for the 131 Project at full

build out, then each Developer shall immediately pay their respective difference between the amount of the allocation and the amount used for the Direct Community Benefit under this Section for their respective Project. To the extent the actual proceeds under this Section exceed the City's estimate for either Project, such excess shall inure to the benefit of the other Project. .

(c) All Electric Buildings. Each Developer has committed to constructing one hundred percent (100%) electric buildings, furthering the City's Climate Action Plan goals by avoiding use of natural gas. The City will consider approximately fifty percent (50%) of the added upfront cost of this commitment for all square footage proposed in the Project Approvals, or Twelve Million Dollars (\$12,000,000) total, allocated in the amount of Three Million Four Hundred and Eighty Thousand Dollars (\$3,480,000) to the 101 Project and Eight Million Five Hundred and Twenty Thousand Dollars (\$8,520,000) to the 131 Project, as a Direct Community Benefit toward mitigating the impacts of sea level rise. If during the Term, electric building construction becomes a statutory or regulatory requirement under the California Building Code or other equivalent building code applicable to the Project, then Developers shall not receive any credit for electric construction for any future buildings and shall pay five dollars (\$5) per square foot Community Benefits Fee for any new square footage proposed for development under the Project Approvals, which shall be adjusted by the percentage increase in the Consumer Price Index for the San Francisco-Oakland-Hayward ("CPI") calculated from the month of the Effective Date through the month prior to the day of payment. Such Community Benefits Fee shall be paid at issuance of certificate of occupancy for any buildings that are constructed under the Project Approvals after the effective date of the applicable legal requirement mandating all electric construction.

3.4 Other Developer Commitments.

(a) Monetary Contribution. In exchange for the City's commitments, Project Approvals, and concessions provided for in this Agreement, each Developer shall pay the City an additional monetary contribution for each respective project in the total amount of Three Million Dollars (\$3,000,000) ("**Monetary Contribution**"), which shall be paid in the amounts and at the times listed below ("**Monetary Contribution Payments**"). The City, in its sole discretion, may allocate and spend the Monetary Contribution for any authorized governmental purpose.

- (i) Upon the first (1st) anniversary of the Effective Date, the 101 Developer shall make a payment of One Hundred and Fifty Thousand (\$350,000) for the 101 Project and the 131 Developer shall make a payment of Three Hundred and Fifty for the 131 Project (\$650,000) towards the total Monetary Contribution (the "**Initial Monetary Contribution Payment**"); and
- (ii) Upon the third (3rd) anniversary of the Effective Date, the 101 Developer shall make a payment of One Hundred and Fifty Thousand (\$350,000) for the 101 Project and the 131 Developer shall make a payment of Three Hundred and Fifty for the 131 Project (\$650,000) towards the total Monetary Contribution (the "**Second Monetary Contribution Payment**"); and

- (iii) Upon the fifth (5th) anniversary of the Effective Date, the 101 Developer shall make an additional payment of One Hundred and Fifty Thousand (\$350,000) for the 101 Project and the 131 Developer shall make an additional payment of Three Hundred and Fifty (\$650,000) for the 131 Project towards the total Monetary Contribution (the “**Third Monetary Contribution Payment**”).
- (iv) In lieu of paying the Third Monetary Contribution Payment as of the fifth (5th) anniversary date, each Developer may elect to provide written notice to the City of its desire to terminate this Agreement as to each Developer’s respective project.
- (v) For any Monetary Contribution Payment made by each Developer, each Developer shall provide written confirmation of payment to the City which identifies the obligation and the portion of the Monetary Contribution that is being paid.
- (vi) The obligation to satisfy the Monetary Contribution, or the right to receive credit for prior completion of the Monetary Contribution, or any portion thereof, may be assigned in connection with any assignment and assumption of rights under Article 8 of this Agreement.
- (vii) If a Developer does not provide any Monetary Contribution Payment when due for such Developer’s respective project, City will provide notice to such Developer of their failure to pay and afford an opportunity for such Developer to cure by submitting payment within ten (10) business days from receipt of such notice. Failure by the City to provide such notice shall not be deemed as a waiver of the requirement to make any Monetary Contribution Payment.
- (viii) Once paid, no Monetary Contribution Payment is refundable in the event either Developer do not pursue development of their respective project or elects to terminate this Agreement as of the fifth (5th) anniversary of the Effective Date as to their respective property or as to the 131 Developer pursuant to Section 11.13.

(b) Transportation and Circulation Improvements. Within the earlier of (i) construction of one million two hundred fifty thousand (1.25) gsf of the development within either or both the 101 Project and/or 131 Project or (ii) ten (10) years of the Effective Date if any amount of development has occurred on 131 Project, the 131 Developer shall improve public access and connectivity around the 131 Property by constructing, at its sole cost and expense, a Class IV Bikeway as described in Mitigation Measure TRANS-1 subsection (3) of the 131 EIR (“**Bikeway**”). The City will consider a maximum of One Million Dollars (\$1,000,000) of the cost

of such Bikeway as a Direct Community Benefit for the 131 Project. If, during the Term of this Agreement, City elects, in its sole and absolute discretion, to construct the Bikeway prior to Developer's commencement of construction of the Bikeway, then Developer shall contribute One Million Dollars (\$1,000,000) towards the cost of City's construction of the Bikeway ("**131 Developer Bikeway Contribution**"). Developer shall make the 131 Developer Bikeway Contribution with the later of: (i) thirty (30) days of the City's filing of a notice of completion for the Bikeway project or (ii) or ten (10) years from the Effective Date of this Agreement and any amount of development has occurred on the 131 Project. For the purposes of clarity, if the 131 Developer does not develop any part of the 131 Project by the time this Agreement terminates, the 131 Developer has no affirmative obligation to either build or fund the Bikeway.

(c) Transportation Demand Management Plan. Each Developer shall implement the TDM Plan approved by the City applicable to such Developer's Project to reduce the Project-related single occupancy vehicle trips and to encourage the use of public transit and alternate modes of transportation. Each TDM Plan is designed to ensure that a minimum of fifty percent (50%) of mode shift from single occupancy vehicle trips shall be achieved and maintained, and shall be implemented through one or more individual TDM plans. Each Developer shall comply with all annual reporting obligations associated with the TDM Plan as outlined in SSFMC § 20.400.006.

(d) Public Open Space. 131 Developer and 101 Developer shall each provide publicly accessible open space as part of the 131 Project and 101 Project, respectively, substantially in the size and in the locations provided in the 131 Project Approvals and 101 Project Approvals, and improved with active and passive recreation amenities, as provided in the 131 Project Approvals and 101 Project Approvals, respectively. Nothing in this Agreement shall prohibit the 101 Developer and the 131 Developer from each enacting reasonable rules and regulations for the usage of such open space on the 101 Project and 131 Project, respectively, including regulations related to hours of operation, security, and conduct within such open space. The City and each Developer will meet and confer in good faith to review requests to accommodate specific security needs, specialized employee amenities and/or exclusive tenant use areas or times that are requested for the tenant's commercially reasonable business needs while ensuring appropriate public access with respect to such Developer's project.

(e) Sustainability Commitments. Each Developer shall implement the sustainability features identified in the applicable Project Approvals. For ease of reference only, a list of these sustainability features for the 101 Project and 131 Project are attached as **Exhibit D.1** and **Exhibit D.2**, respectively.

(f) Mitigation Measures. Each Developer shall comply with the mitigation measures identified and approved in accordance with CEQA or other law as identified and as set forth in the applicable MMRP for each Developer's Project.

(g) Utility Relocation and Replacement. Each Developer, each at its sole cost, shall be responsible for all on-site work to relocate and upgrade required utilities and infrastructure required by such Developer's Project Approvals. As each phase of utilities infrastructure is built, it is anticipated that the constructed public infrastructure will be dedicated to and accepted by the City, as set forth in the Project Approvals.

ARTICLE 4

OBLIGATIONS OF CITY

4.1 Obligations of City Generally The Parties acknowledge and agree that each Developer's agreement to perform and abide by its covenants and obligations set forth in this Agreement, including each Developer's decision to site their Project in the City, is a material consideration for City's agreement to perform and abide by the long-term covenants and obligations of City, as set forth herein.

4.2 Protection of Vested Rights City acknowledges that the vested rights provided to each Developer by this Agreement might prevent some City Law from applying to the Projects or prevailing over all or any part of this Agreement. City further acknowledges that each Developer's vested rights to Development of each Developer's Property include the rights provided by the Project Approvals or the Subsequent Approvals, as applicable, which may not be diminished by the enactment or adoption of City Law, except as provided in this Agreement. City shall cooperate with each Developer and shall consider undertaking actions mutually agreed by the applicable Parties as necessary to ensure that this Agreement remains in full force and effect.

4.3 Availability of Public Services To the maximum extent permitted by law and consistent with its authority, City shall reasonably assist each Developer in reserving such capacity for sewer and water services as may be necessary to serve such Developer's Project.

4.4 Developer's Right to Temporary Uses and Right to Rebuild City agrees that, during the Term of this Agreement, each Developer may use their respective property for temporary uses prior to full build-out, including but not limited to commercial parking uses, approved by the Planning Director, which approval shall not be unreasonably delayed, withheld or conditioned, and shall have the right to renovate or rebuild all or any part of such Developer's Project should it become necessary due to damage or destruction, or if any buildings become functionally outdated, within Developer's sole discretion. Any such renovation or rebuilding shall be subject to the square footage and height limitations vested by this Agreement, and shall comply with the Project Approvals, the building codes existing at the time of such rebuilding or reconstruction, and the requirements of CEQA.

4.5 Project Coordination and Expedited Processing City shall perform those obligations of City set forth in this Agreement, which the City acknowledges are essential for each Developer to perform its obligations in Article 3, as applicable. City and each Developer shall use good faith and diligent efforts to communicate, cooperate and coordinate during Development of each Project. In addition, upon Developers' payment of applicable expedited processing costs and/or fees, the City agrees to provide an expedited plan check process for the approval of each Project's improvement and building plans consistent with its existing practices for expedited plan checks. City will use reasonable efforts to provide such plan checks within three (3) weeks of a Developer's submittal that meets the requirements of Section 5.2. City acknowledges that the City's timely processing of Subsequent Approvals and plan checks is essential to the successful and complete Development of each Project.

4.6 Estoppel Certificates Each Developer may at any time, and from time to time, deliver to City notice requesting that City certify to such Developer, a potential transferee pursuant

to Article 8, a potential lender to Developer, or a Mortgagee in writing: (i) that this Agreement is in full force and effect and creates binding obligations on the City and requesting Developer; (ii) that this Agreement has not been amended or modified, or if so amended or modified, identifying such amendments or modifications; (iii) that the requesting Developer is not in Default in the performance of its obligations under this Agreement, or if in Default, identifying the nature, extent and status of any such Default; and (iv) the findings of the City with respect to the most recent Periodic Review performed pursuant to Section 10.5 of this Agreement as to the requesting Developer. The City Manager or his or her designee, acting on behalf of City, shall execute and return such certificate within thirty (30) calendar days after receipt of the request.

ARTICLE 5

COOPERATION – IMPLEMENTATION

5.1 Processing Application for Subsequent Approvals By approving the Project Approvals, City has made a final policy decision that each Project is in the best interests of the public health, safety and general welfare of the City. Accordingly, in considering any application for a Subsequent Approval, to the maximum extent permitted by law, City shall not use its discretionary authority to revisit, frustrate, or change the policy decisions or material terms reflected by the Project Approvals, or otherwise to prevent or delay Development of either Project. Instead, the Subsequent Approvals shall be deemed to be tools to implement those final policy decisions.

5.2 Submittals By Developer Developers each acknowledges that City cannot process Subsequent Approvals until each Developer submits applications and processes them in a complete and timely manner. Each Developer, as it submits applications for Subsequent Approvals, shall use its best efforts to (i) provide to City any and all documents, applications, plans, and other information necessary for City to carry out its obligations hereunder; and (ii) cause Developer's planners, engineers, and all other consultants to provide responses to City requests for necessary documents, applications, plans and other necessary required materials as set forth in the Applicable Law in a timely and good faith manner appropriate to the context.

5.3 Timely Processing By City Upon submission by a Developer of all appropriate applications and processing fees for any Subsequent Approval, City shall, to the maximum extent permitted by law, promptly and diligently commence and complete all steps necessary to act on the Subsequent Approval application including, without limitation: (i) providing at the submitting Developer's expense and subject to the submitting Developer's request and prior approval, reasonable overtime staff assistance and/or staff consultants for planning and processing of each Subsequent Approval application; (ii) if legally required, providing notice and holding public hearings; and (iii) acting on any such Subsequent Approval application. City shall ensure that adequate staff is available, and shall authorize overtime staff assistance as may be necessary, to timely process any such Subsequent Approval application.

5.4 Other Government Permits At each Developer's sole discretion and in accordance with each Developer's construction schedule, each Developer shall apply for such other permits and approvals as may be required by other governmental or quasi-governmental entities in connection with the Development of, or the provision of services to, such applying Developer's Project. City, at the applying Developer's expense, shall cooperate with the applying

Developer in its efforts to obtain such permits and approvals and shall, from time to time, at the request of the applying Developer, use its reasonable efforts to assist the applying Developer to ensure the timely availability of such permits and approvals.

5.5 Assessment Districts or Other Funding Mechanisms

(a) Existing Fees. As set forth in Section 3.2, above, the Parties understand and agree that as of the Effective Date the fees, exactions, and payments listed in **Exhibit C.1** are the only City fees and exactions that apply to each Project, as applicable.

(b) Application of Fees Imposed by Outside Agencies. City agrees to exempt each Developer from any and all fees, including but not limited to, development impact fees, which other public agencies request City to impose at City's discretion on each Project and/or Property after the Effective Date through the expiration of the Term. Notwithstanding the previous sentence, in the event that another public agency requests that City impose a fee, including a development impact fee on all new development and land use projects on a citywide (applicable Plan Area-wide) basis, then any such fee duly adopted by City shall apply to the Projects, unless such request permits the City to exempt projects that are subject to vesting pursuant to a VTM or development agreement. This Section 5.5(b) shall not prohibit City from imposing on Developer any fee or obligation that is imposed by a regional agency in accordance with state or federal obligations implemented by City in cooperation with such regional agency, or that is imposed by the State of California, unless such fee or obligation permits the City to exempt projects that are subject to vesting pursuant to a VTM or development agreement.

ARTICLE 6

STANDARDS, LAWS AND PROCEDURES GOVERNING THE PROJECT

6.1 Vested Right to Develop Each Developer shall have a vested right to Development of their Project on their Property, as applicable, in accordance with the terms and conditions of this Agreement, the Project Approvals, the Subsequent Approvals (as, when, and if they are issued), and Applicable Law, provided, however, that this Agreement shall not supersede, diminish, or impinge upon vested rights secured pursuant to other Applicable Laws, including without limitation, vested rights secured in connection with a vesting tentative subdivision map pursuant to the California Subdivision Map Act (Gov't. Code §§ 66410 *et seq.*). Nothing in this section shall be deemed to eliminate or diminish the requirement of each Developer to obtain any required Subsequent Approvals, or to eliminate or diminish each Developer's right to have its applications for any Subsequent Approval timely processed by City in accordance with this Agreement and Applicable Law.

6.2 Permitted Uses Vested by This Agreement The vested permitted uses of each Project Site; the vested density and intensity of use of Property; the vested maximum height, bulk, and size of proposed buildings; vested provisions for reservation or dedication of land for public purposes and the location of public improvements; the general location of public utilities; and other vested terms and conditions of Development applicable to each Project, shall be as set forth in the vested applicable Project Approvals and, as and when they are issued (but not in limitation of any right to Development as set forth in the Project Approvals) the vested Subsequent Approvals. The vested permitted uses for each Project shall include those uses listed as "permitted" in the

applicable Project Approvals, as they may be amended from time to time in accordance with this Agreement.

6.3 Applicable Law The rules, regulations, official policies, standards and specifications applicable to each Project (the “**Applicable Law**”) shall be those set forth in this Agreement and the applicable Project Approvals, and, with respect to matters not addressed by this Agreement or the applicable Project Approvals, those rules, regulations, official policies, standards and specifications (including City ordinances and resolutions) governing permitted uses, building locations, timing of construction, densities, design, heights, and fees in force and effect on the Effective Date of this Agreement. A list of Applicable Law is provided in **Exhibit F**.

6.4 Uniform Codes City may apply to the Project Site, at any time during the Term, then current Uniform Building, Mechanical, Plumbing, Electrical, and Fire Code and other uniform construction codes, and City’s then current design and construction standards for road and storm drain facilities, provided any such uniform code or standard has been adopted and uniformly applied by City on a citywide basis and provided that no such code or standard is adopted for the purpose of preventing or otherwise limiting Development of all or any part of the Project.

6.5 No Conflicting Enactments Each Developer’s vested right to Development of such Developer’s Project, as applicable, shall not be diminished by City approval (whether by action of the City Council or by initiative, referendum or other means) of any ordinance, resolution, rule, regulation, or standard, that has legal force and affect (each individually, a “**City Law**”) that is in conflict with Applicable Law or this Agreement or that reduces the rights or assurances provided by this Agreement. Without limiting the generality of the foregoing, any City Law shall be deemed to conflict with Applicable Law or this Agreement or reduce the Development rights provided hereby if it would accomplish any of the following results, either by specific reference to each Project or as part of a general enactment which applies to or affects each Project:

(a) Change any land use designation or permitted use of either Project or Property, as applicable;

(b) Prevent the availability of public utilities, services, or facilities, or any privileges or rights to public utilities, services, or facilities (for example, water rights, water connections or sewage capacity rights, sewer connections, etc.) for either Project, as applicable, provided that such Developer has complied with all applicable requirements for receiving or using public utilities, services, or facilities;

(c) Prevent the location of buildings, structures, grading, or other improvements of either Project, as applicable, in a manner that is materially inconsistent with or materially more restrictive than the limitations included in the Project Approvals or the Subsequent Approvals (as and when they are issued);

(d) Limit or control the rate, timing, phasing, or sequencing of the Development of all or any part of either Project, as applicable, in any manner;

(e) Result in a Developer having to substantially delay Development of their Project or require the issuance of additional permits or approvals by City other than those required by Applicable Law;

(f) Establish, enact, or impose against either Project or Property any fees, liens or other similar monetary obligations (including generating demolition permit fees, encroachment permit and grading permit fees) other than those specifically permitted by this Agreement or other connection fees imposed by third party utilities;

(g) Impose against either Project any condition, dedication or other exaction not specifically authorized by Applicable Law; or

(h) Limit the processing or procuring of applications and approvals of Subsequent Approvals for either Project.

6.6 Initiatives and Referenda; Other City Actions Related to Project

(a) If any City Law is enacted or imposed by initiative or referendum, or by the City Council directly or indirectly in connection with any proposed initiative or referendum, which City Law would conflict with Applicable Law or this Agreement or reduce the Development rights provided by this Agreement, such Law shall only apply to either Project to the extent it would not diminish Developer's vested rights to Development of either Project.

(b) Except as authorized in Section 6.10, without limiting the generality of any of the foregoing, no moratorium or other limitation (whether relating to the rate, timing, phasing or sequencing of Development) affecting subdivision maps, building permits or other entitlements to use that are approved or to be approved, issued or granted by the City shall diminish either Developer's vested rights to Development of such Developer's Project.

(c) To the maximum extent permitted by law, City shall cooperate with each Developer and shall undertake such actions as may be necessary to ensure this Agreement remains in full force and effect.

(d) Each Developer reserves the right to challenge in court any City Law that would reduce the Development rights provided by this Agreement as to its Project or Property, as applicable.

6.7 New Taxes. Any subsequently enacted City-wide taxes shall apply to each Project provided that the application of such taxes to the Property is prospective. Other than agreeing that neither Developer has a vested right against such new taxes, Developer does not waive its right to challenge the legality of any such taxes under the controlling law then in place.

6.8 Assessments. Nothing herein shall be construed to relieve either Property from assessments levied against it by City pursuant to any statutory procedure for the assessment of property to pay for infrastructure and/or services which benefit the Property. This Section 6.8 does not does not waive either Developer's right to challenge the legality of any such assessments, except as provided herein.

6.9 Vote on Future Taxes, Assessments, and Fees. In the event that any assessment, fee or charge which is applicable to either Property is subject to Article XIIC or XIID of the California Constitution and Developer does not return its ballot, Developer agrees, on behalf of

itself and its successors, that City may count Developer's ballot as affirmatively voting in favor of such tax, assessment, fee or charge.

6.10 Environmental Review and Mitigation The City and the 131 Developer acknowledge and agree that the 131 EIR and 131 MMRP were intended to be used in connection with each of the 131 Project Approvals and Subsequent Approvals needed for the 131 Project. Consistent with the CEQA policies and requirements, City agrees to use the 131 EIR and 131 MMRP in connection with the processing of any Subsequent Approval to the maximum extent allowed by law and not to impose on the 131 Project any mitigation measures other than those specifically imposed by the 131 EIR and 131 MMRP, or specifically required by CEQA or other Applicable Law, except as provided for in this Section 6.10. The City and 101 Developer acknowledge and agree that the 101 15183 Consistency Checklist and 101 MMRP were intended to be used in connection with each of the 101 Project Approvals and Subsequent Approvals needed for the 101 Project. Consistent with the CEQA policies and requirements, City agrees to use the 101 EIR and 101 MMRP in connection with the processing of any Subsequent Approval to the maximum extent allowed by law and not to impose on the 101 Project any mitigation measures other than those specifically imposed by the 101 15183 Consistency Checklist and 101 MMRP, or specifically required by CEQA or other Applicable Law, except as provided for in this Section 6.10. Without limitation of the foregoing, the Parties acknowledge that Subsequent Approvals may be eligible for one or more statutory or categorical exemptions under CEQA. The Parties agree that this Agreement shall not limit or expand the operation or scope of CEQA, including Public Resources Code section 21166 and California Code of Regulations, title 14, section 15162, with respect to City's consideration of any Subsequent Approval. Consistent with CEQA, a future, additional CEQA document may be prepared for any Subsequent Approval only to the extent required by Public Resources Code section 21166 and California Code of Regulations, title 14, section 15162, unless otherwise requested in writing by a Developer. Each Developer specifically acknowledges and agrees that, under Public Resources Code section 21166 and California Code of Regulations, title 14, section 15162, City as lead agency is responsible and retains sole discretion to determine whether an additional CEQA document must be prepared, which discretion City agrees it shall not exercise unreasonably or delay.

6.11 Future Legislative Actions

(a) In the event that, following the Effective Date, City revises, modifies, updates, or amends the land use designation(s) of the General Plan, that are applicable to either Property, or the zoning designation(s) applicable to either Property and in effect on the Effective Date, such updates or amendments shall not diminish either Developer's vested rights to Development of their Project on their Property, but no provision of this Agreement shall limit either Developer's right to apply for any land use entitlement(s) for their Property, as applicable, that are consistent with, or authorized by, such update(s) or amendment(s). Each Developer acknowledges, however, that the amended or updated policies identified in the immediately preceding sentence might include requirements for permitted development that would be in addition to any obligations of such Developer under this Agreement, and that those additional requirements would apply to each Developer if such Developer applies for any land use entitlement(s) for their Property that are consistent with, or authorized by, any revision, modification, update, or amendment contemplated by this Section 6.11. No provision of this Agreement shall limit or restrain in any way either Developer's full participation in any and all

public processes undertaken by City that are in any way related to revisions, modifications, amendments, or updates to the General Plan or the City of South San Francisco Municipal Code. Notwithstanding the foregoing, in the event that future legislative actions increase the allowable density or development capacities on either Property, any future development application seeking to utilize such increased density or capacity shall not be allowed to utilize any increased parking ratio authorized by this Agreement by-right.

(b) Each Developer also acknowledges that, if it applies for any land use entitlement(s) for their Property that are consistent with, or authorized by, any revision, modification, update, or amendment contemplated by this Agreement, and that would allow development of the subject Property in a manner that is inconsistent with, or not authorized by, the applicable Project Approvals, then City may be required to conduct additional CEQA review with respect to such application in accordance with Section 6.10 of this Agreement, and, if such application is finally approved by City and becomes effective, such approval shall automatically be vested under this Agreement only to the extent such approval is consistent with, or authorized by, the applicable Project Approvals.

(c) City agrees that, if either Developer applies for any land use entitlement(s) for their Property that are inconsistent with, or not authorized by, the applicable Project Approvals, then:

- (i) such event shall not be a basis for amending or revisiting the terms of the Agreement, unless such Developer also applies for an amendment of this Agreement pursuant to subsection (b) of Section 7.2(b) of this Agreement (*i.e.*, a non-Administrative Agreement Amendment), and shall not be a basis for imposing new exactions, mitigation requirements, conditions of approval, or any other requirement of, or precondition to, such Developer's exercise of its Development rights vested under this Agreement for such Developer's Project; and

(d) the only exactions, mitigation requirements, or conditions of approval City may impose on such land use entitlement shall be limited to those exactions, mitigation requirements, or conditions of approval authorized under federal, state, or local laws in effect at the time such application is deemed complete, and shall only be imposed with respect to those uses, densities, intensities, and other Development standards applicable to the subject parcel(s) that are inconsistent with, or not authorized by, the Project Approvals, as applicable.

6.12 Life of Subdivision Maps, Development Approvals, and Permits The term of any subdivision map or any other map, permit, rezoning, or other land use entitlement approved as a Project Approval or Subsequent Approval shall automatically be extended for the longer of the Term (including any extensions) or the term otherwise applicable to such Project Approval or Subsequent Approval if this Agreement is no longer in effect. The Term of this Agreement and the term of any subdivision map or other Project Approval or Subsequent Approval shall not include any period of time during which a Development moratorium (including, but not limited to, a water or sewer moratorium or water and sewer moratorium) or the actions of other public agencies that regulate land use, Development or the provision of services to the land, prevents,

prohibits or delays the construction of the Project or a lawsuit involving any such Development approvals or permits is pending.

6.13 State and Federal Law As provided in Government Code section 65869.5, this Agreement shall not preclude the application to either Project of changes in laws, regulations, plans or policies, to the extent that such changes are specifically mandated and required by changes in state or federal laws or regulations. Not in limitation of the foregoing, nothing in this Agreement shall preclude City from imposing on either Developer any fee specifically mandated and required by state or federal laws and regulations (except as provided in Section 5.5(b)). In the event of any changes required by state or federal laws or regulations, the affected Developer and City shall meet and confer in good faith to determine what, if any, modifications to this Agreement and/or the Project Approvals would allow the affected Project and City to comply with such state or federal law or regulation while preserving to the maximum extent feasible the spirit and intent of the Parties in this Agreement and the affected Project Approvals.

6.14 Timing and Review of Project Construction and Completion Except as expressly provided in the Project Approvals, each Developer shall have the vested right to Development of their Project in such order, at such rate and at such times as such Developer deems appropriate in the exercise of their sole business judgment. In particular, and not in any limitation of any of the foregoing, since the California Supreme Court held in *Pardee Construction Co. v. City of Camarillo*, 37 Cal.3d 465 (1984), that the failure of the parties therein to consider, and expressly provide for, the timing of Development resulted in a later-adopted initiative restricting the timing of Development to prevail over such Parties' agreement, it is the desire of the Parties hereto to avoid that result. The Parties acknowledge that, except as otherwise provided for in the Project Approvals, each Developer shall have the vested right to Development of their Project on their Property in such order and at such rate and at such times as each Developer deems appropriate in the exercise of their business judgment. Nothing in this Agreement shall create any obligation for either Developer to complete development of their Project, or any portion thereof, but if and when either Developer commenced construction such Developer must comply with any requirements of the Project Approvals, including Subsequent Project Approvals.

ARTICLE 7 **AMENDMENT**

7.1 Project Amendments To the extent permitted by state and federal law, any Project Approval or Subsequent Approval may, from time to time, be amended or modified in the following manner:

(a) **Administrative Project Amendments.** Upon the written request of either Developer for an amendment or modification to such Developer's Project Approvals or Subsequent Approvals, City's Chief Planner or his/her designee shall determine: (i) whether the requested amendment or modification is minor when considered in light of the Developer's Project as a whole; and (ii) whether the requested amendment or modification is consistent with this Agreement and Applicable Law. If the Chief Planner or his/her designee finds that the proposed amendment or modification is minor, consistent with this Agreement and Applicable Law, and will result in no new significant impacts not addressed and mitigated pursuant to Section 6.10, the amendment shall be determined to be an "**Administrative Project Amendment**" and the Chief

Planner or his/her designee may, except to the extent otherwise required by law, approve the Administrative Project Amendment without notice and public hearing. Without limiting the generality of the foregoing, lot line adjustments, minor alterations in vehicle circulation patterns or vehicle access points, location of parking stalls on the site, number of required parking stalls if City development standards allow, substitutions of comparable landscaping for any landscaping shown on any final development plan or landscape plan, variations in the location of structures that do not substantially alter the design concepts of the Project, location or installation of utilities and other infrastructure connections or facilities that do not substantially alter the design concepts of the Project, and minor adjustments to the Property diagram or legal description shall be treated as Administrative Project Amendments. Any requested amendment seeking modification of or deviation from the performance or development standards contained in the Municipal Code and which would otherwise require a discretionary approval by the City Council, Planning Commission, or other formal approval body shall not be treated as an Administrative Project Amendment.

(b) Non-Administrative Project Amendments. Any request by a Developer for an amendment or modification to their Project Approvals or Subsequent Approvals which is determined not to be an Administrative Project Amendment as set forth above shall be subject to review, consideration and action pursuant to the Applicable Law and this Agreement.

(c) Project Amendment Exemptions. Except as may be required by Section 7.2 (b), no amendment of a Project Approval or Subsequent Approval, or a Subsequent Approval shall require an amendment to this Agreement. Instead, any such matter automatically shall be deemed to be incorporated into the Project and vested under this Agreement.

7.2 Amendment of this Agreement This Agreement may be amended from time to time, in whole or in part, by mutual written consent of the City and requesting Developer hereto or their successors in interest as to such requesting Developer's respective project only, as follows:

(a) Administrative Agreement Amendments. Any amendment to this Development Agreement which does not substantially affect (i) the Term of this Agreement, (ii) permitted uses of a Property, (iii) provisions for the reservation or dedication of land, (iv) conditions, terms, restrictions, or requirements for subsequent discretionary actions, (v) the density or intensity of use of the affected Property or the maximum height or size of proposed buildings, (vi) monetary contributions by the requesting Developer, (vii) rights or benefits to Assignee(s), or obligations of the requesting Developer that directly affect any Assignee interests, without written consent of Assignee(s), or (viii) cancellation, in whole or part of this Agreement, shall be considered an "Administrative Agreement Amendment" and shall not, except to the extent otherwise required by law, require notice or public hearing before the City and requesting Developer may execute an amendment hereto. Administrative Agreement Amendments may be approved by the City Manager or, in the reasonable discretion of the City Manager, the City Manager may refer any proposed Administrative Agreement Amendment to the City Council for consideration and approval or denial.

(b) Other Agreement Amendments. Any amendment to this Agreement other than an Administrative Agreement Amendment shall be subject to mutual voluntary agreement by the requesting and/or affected Developer and recommendation by the Planning Commission (by

advisory resolution) and approval by the City Council (by ordinance) following a duly noticed public hearing before the Planning Commission and City Council, consistent with Government Code sections 65867 and 65867.5.

(c) City Costs and Expenses for Processing Amendments to Separate Projects.

In the event that either Developer seeks an amendment to this Agreement to separate the rights and obligations applicable to the 131 Project or the 101 Project under this Agreement into two or more agreements, the Developer requesting such amendment shall reimburse the City for all City costs and expenses associated with such amendment to this Agreement, including the cost of staff and City Attorney time.

ARTICLE 8

ASSIGNMENT AND TRANSFER

8.1 Assignment and Transfer

(a) Either Developer may separately transfer or assign all or any portion of its interests, rights, or obligations under the Agreement and related Project Approvals to third parties acquiring an interest or estate in the transferred Property or any portions thereof including, without limitation, purchasers or lessees of lots, parcels, or facilities. Prior to any such transfer or assignment, the transferring Developer will seek City's prior written consent thereof, which consent will not be unreasonably withheld or delayed. City may refuse to give consent only if, in light of the proposed transferee's reputation and financial resources, such transferee would not, in City's reasonable opinion, be able to perform the obligations proposed to be assumed by such transferee. To assist the City Manager in determining whether to provide consent to a transfer or assignment, the City Manager may request from the transferee (directly or through the requesting Developer) reasonable documentation of transferee's understanding of, ability to, and financial capacity, and plan to perform the obligations proposed to be assumed by transferee, including without limitation obligations specifically identified in this Agreement, including all applicable Project Approvals. Such determination will be made by the City Manager and will be appealable by the transferring Developer to the City Council. For any transfer of all or any portion of their Property, the transferring Developer and assignee shall enter into an assignment and assumption agreement in substantially the form set forth in **Exhibit F**. Such assignment and assumption agreement shall clearly allocate the rights and obligations of the transferring Developer and the non-transferring Developer, as applicable. In the event that either Developer seeks to transfer or assign the 131 Project or the 101 Project separately and such transfer or assignment requires the separation of the rights and obligations under this Agreement, the transferring Developer shall reimburse the City for all City costs and expenses associated with such separate transfer and any associated amendments to this Agreement, including the cost of staff and City Attorney time.

(b) Notwithstanding any other provision of this Agreement to the contrary, each of following Transfers are permitted and shall not require City consent under this Section 8.1:

- (i) Any transfer for financing purposes to secure the funds necessary for construction and/or permanent financing of a Project, including but not limited to any foreclosure, deed of trust, deed-in-lieu of

foreclosure, or other similar conveyance or transfer in connection therewith;

- (ii) An assignment of this Agreement to an Affiliate of the transferring Developer;
- (iii) Transfers of common area to a property owners association;
- (iv) Dedications and grants of easements and rights of way required in accordance with the Project Approvals; or
- (v) Any leasing activity.

For the purposes of this Section 8.1, “**Affiliate**” means an entity or person that is directly or indirectly controlling, controlled by, or under common control or management of or with the transferring Developer. For the purposes of this definition, “**control**” means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of an entity or a person, whether through the ownership of voting securities, by contract, or otherwise, and the terms “**controlling**” and “**controlled**” have the meanings correlative to the foregoing.

ARTICLE 9

COOPERATION IN THE EVENT OF LEGAL CHALLENGE

9.1 Cooperation In the event of any administrative, legal, or equitable action or other proceeding instituted by any person not a party to the Agreement challenging the validity of any provision of the Agreement, or any Project Approval or Subsequent Approval (“**Legal Challenge**”), the Parties will cooperate in defending such action or proceeding. City shall promptly (within five business days) notify Developer of any such Legal Challenge against City. If City fails promptly to notify Developer of any Legal Challenge against City or if City fails to cooperate in the defense, Developer will not thereafter be responsible for City’s defense. The Parties will use best efforts to select mutually agreeable legal counsel to defend such Legal Challenge, and Developer will pay compensation for such legal counsel (including City Attorney time and overhead for the defense of such action), but will exclude other City staff overhead costs and normal day-to-day business expenses incurred by City. Developer’s obligation to pay for legal counsel will extend to attorneys’ fees incurred on appeal. In the event City and Developer are unable to select mutually agreeable legal counsel to defend such Legal Challenge, each party may select its own legal counsel and Developer will pay its and City’s attorneys’ fees and costs. Developer shall reimburse City for all reasonable court costs and attorneys’ fees expended by City in defense of any such Legal Challenge or payable to any prevailing plaintiff/petitioner.

9.2 Reapproval

(a) If, as a result of any Legal Challenge, all or any portion of the Agreement or the Project Approvals are set aside or otherwise made ineffective by any judgment in such action or proceeding (“**Judgment**”), based on procedural, substantive or other deficiencies (“**Deficiencies**”), the City and affected Developer will use their respective best efforts to sustain and reenact or readopt the Agreement, and/or the Project Approvals, that the Deficiencies related to, as follows, unless the City and affected Developer mutually agree in writing to act otherwise:

- (i) If any Judgment requires reconsideration or consideration by City of the Agreement or any Project Approval, then City will consider or reconsider that matter in a manner consistent with the intent of the Agreement and with Applicable Law. If any such Judgment invalidates or otherwise makes ineffective all or any portion of the Agreement or Project Approval, then the City and affected Developer will cooperate and will cure any Deficiencies identified in the Judgment or upon which the Judgment is based in a manner consistent with the intent of the Agreement and with Applicable Law. City will then consider readopting or reenacting the Agreement, or the Project Approval, or any portion thereof, to which the Deficiencies related.
- (ii) Acting in a manner consistent with the intent of the Agreement includes, but is not limited to, recognizing that the Parties intend that each Developer may undertake and complete Development of their Project as described in the Agreement, and adopting such ordinances, resolutions, and other enactments as are necessary to readopt or reenact all or any portion of the Agreement or Project Approvals without contravening the Judgment.
- (iii) The Parties agree that this Section 9.2 shall constitute a separate agreement entered into concurrently, and that if any other provision of this Agreement, or the Agreement as a whole, is invalidated, rendered null, or set aside by a court of competent jurisdiction, the Parties agree to be bound by the terms of this Section 9.2, which shall survive invalidation, nullification, or setting aside.

ARTICLE 10

DEFAULT; REMEDIES; TERMINATION

10.1 Defaults Any failure by any Party to perform any provision of the Agreement, which failure continues uncured for a period of thirty (30) days following written notice of such failure from the other Party (unless such period is extended by mutual written consent), will constitute a default (“**Default**”) under the Agreement. Any notice given will specify the nature of the alleged failure and, where appropriate, the manner in which said failure satisfactorily may be cured. If the nature of the alleged failure is such that it cannot reasonably be cured within such 30-day period, then the commencement of the cure within such time period, and the diligent prosecution to completion of the cure thereafter, will be deemed to be a cure within such 30-day period. Upon the occurrence of a Default under the Agreement, the non-defaulting party may institute legal proceedings to enforce the terms of the Agreement or, in the event of a material Default, terminate the Agreement but only as to the Property that is the subject of Default. If the Default is cured, then no Default will exist and the noticing party shall take no further action.

10.2 Termination If City elects to consider terminating the Agreement due to a material Default of a Developer, then City will give a notice of intent to terminate the Agreement as to the defaulting Developer’s Property only and the matter will be scheduled for consideration and

review by the City Council at a duly noticed and conducted public hearing. Developer will have the right to offer written and oral evidence prior to or at the time of said public hearings. If the City Council determines that a material Default has occurred and is continuing, and elects to terminate the Agreement as to the defaulting Developer's Property, City will give written notice of termination of the Agreement to the defaulting Developer by certified mail and the Agreement will thereby be terminated sixty (60) days thereafter. Such termination shall not affect any non-defaulting Developer.

10.3 Enforced Delay; Extension of Time of Performance Subject to the limitations set forth below, performance by any Party hereunder shall not be deemed to be in default, and all performance and other dates specified in this Agreement (including but not limited to the Term) shall be extended, where delays are due to: war; insurrection; strikes and labor disputes; lockouts; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; terrorism; epidemics or pandemics; quarantine or shelter-in-place restrictions; freight embargoes; governmental restrictions or priority; litigation and arbitration, including court delays; legal challenges to this Agreement, the Project Approvals, Subsequent Approvals, or any other approval required for an affected Project or any initiatives or referenda regarding the same; environmental conditions that have not been previously disclosed or discovered or that could not have been discovered with reasonable diligence that delays the construction or Development of the affected Property or any portion thereof; unusually severe weather but only to the extent that such weather or its effects (including, without limitation, dry out time) result in delays that cumulatively exceed thirty (30) days for every winter season occurring after commencement of construction of the affected Project; acts or omissions of the other party; or acts or failures to act of any public or governmental agency or entity (except that acts or failures to act of City shall not excuse performance by City); moratorium; or a Severe Economic Recession (each a "**Force Majeure Delay**"). An extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if a written notice by the Party claiming such extension ("**Notice of Force Majeure Delay**") is sent to the other Parties within sixty (60) days of the commencement of the cause. If a Notice of Force Majeure Delay is sent after such sixty (60) day period, then the extension shall commence to run no sooner than sixty (60) days prior to the giving of such Notice of Force Majeure Delay. Times of performance under this Agreement may also be extended in writing by the mutual agreement of City and affected Developer. A Developer's inability or failure to obtain financing or otherwise timely satisfy shall not be deemed to be a cause outside the reasonable control of such Developer and shall not be the basis for an excused delay unless such inability, failure or delay is a direct result of a Severe Economic Recession. "**Severe Economic Recession**" means a decline in the monetary value of all finished goods and services produced in the United States, as measured by initial quarterly estimates of United States Gross Domestic Product ("**GDP**") published by the United States Department of Commerce Bureau of Economic Analysis (and not subsequent monthly revisions), lasting more than four (4) consecutive calendar quarters. Any quarter of flat or positive GDP growth shall end the period of such Severe Economic Recession.

10.4 Legal Action Any Party may institute legal action to cure, correct, or remedy any default, enforce any covenant or agreement in the Agreement, enjoin any threatened or attempted violation thereof, and enforce by specific performance or declaratory relief the obligations and rights of the Parties thereto. Except as provided in Section 10.1, the sole and exclusive remedies for any Default of the Agreement will be specific performance or declaratory relief. In any

proceeding brought to enforce the Agreement, the prevailing Party will be entitled to recover from the unsuccessful Party all costs, expenses and reasonable attorneys' fees incurred by the prevailing party in the enforcement proceeding.

10.5 Periodic Review

(a) Conducting the Periodic Review. Throughout the Term, at least once every twelve (12) months following the Effective Date of this Agreement, City shall review the extent of good-faith compliance by each Developer with the terms of this Agreement. This review ("Periodic Review") shall be conducted by the Chief Planner or his/her designee and shall be limited in scope to compliance with the terms of this Agreement pursuant to Government Code section 65865.1. At least ten (10) days prior to the Periodic Review, and in the manner prescribed in Section 11.9 of this Agreement, City shall deposit in the mail or transmit electronically to each Developer a copy of any staff report and documents to be relied upon in conducting the Periodic Review and, to the extent practical, related exhibits concerning such Developer's performance hereunder.

(b) Developer Submission of Periodic Review Report. Annually commencing one year from the Effective Date and continuing through termination of this Agreement, Developer shall submit a report to the Chief Planner stating the Developer's good faith compliance with terms of the Agreement.

(c) Good Faith Compliance Review. During the Periodic Review, the Chief Planner shall set a meeting to consider each Developer's good-faith compliance with the terms of this Agreement, as applicable. Each Developer shall be permitted an opportunity to respond to City's evaluation of such Developer's performance, either orally at the meeting or in a supplemental written statement, at such Developer's election. Such response shall be made to the Chief Planner. At the conclusion of the Periodic Review, the Chief Planner shall make written findings and determinations, on the basis of substantial evidence, as to whether or not each Developer has complied in good faith with the terms and conditions of this Agreement. The decision of the Chief Planner shall be appealable to the City Council. If the Chief Planner finds and determines that a Developer has not complied with such terms and conditions, the Chief Planner may recommend to the City Council that it terminate or modify this Agreement, as to such Developer only, by giving notice of its intention to do so, in the manner set forth in Government Code sections 65867 and 65868. The costs incurred by City in connection with the Periodic Review process described herein for each Developer shall be borne by each Developer, as applicable.

(d) Failure to Properly Conduct Periodic Review. If City fails, during any calendar year, to either: (i) conduct the Periodic Review or (ii) notify a Developer in writing of City's determination, pursuant to a Periodic Review, as to such Developer's compliance with the terms of this Agreement and such failure remains uncured as of December 31 of any year during the Term, such failure shall be conclusively deemed an approval by City of such Developer's compliance with the terms of this Agreement for the period of time since the last Periodic Review.

(e) Written Notice of Compliance. With respect to any year for which a Developer has been determined or deemed to have complied with this Agreement, City shall, within thirty (30) days following request by Developer, execute and deliver to such requesting

Developer (or to any party requested by Developer) a written “Notice of Compliance,” in recordable form, duly executed and acknowledged by City, that certifies:

- (i) The Agreement is unmodified and in full force and effect, or if there have been modifications hereto, that this Agreement is in full force and effect as modified and stating the date and nature of such modifications;
- (ii) That there are no current uncured defaults under this Agreement or specifying the dates and nature of any such default;
- (iii) Any other information reasonably requested by the requesting Developer. City’s failure to deliver to requesting Developer such a Notice of Compliance within such time shall constitute a conclusive presumption against City that this Agreement is in full force and effect without modification, except as may be represented by the requesting Developer, and that there are no uncured defaults in the performance of the requesting Developer, except as may be represented by requesting Developer. A Developer shall have the right, in such Developer’s sole discretion, to record such Notice of Compliance.

10.6 California Law This Agreement shall be construed and enforced in accordance with the laws of the State of California. Any action to enforce or interpret this Agreement shall be filed and heard in the Superior Court of San Mateo County, California.

10.7 Resolution of Disputes With regard to any dispute involving Development of the Project, the resolution of which is not provided for by this Agreement or Applicable Law, such affected Developer shall, at City’s request, meet with City and such Developer and the City representatives shall attempt in good faith to resolve any such disputes. Nothing in this Section 10.7 shall in any way be interpreted as requiring that a Developer and City and/or City’s designee reach agreement with regard to those matters being addressed, nor shall the outcome of these meetings be binding in any way on City or a Developer unless expressly agreed to by the authorized parties to such meetings.

10.8 Attorneys’ Fees In any legal action or other proceeding brought by s Party to enforce or interpret a provision of this Agreement, the prevailing party is entitled to reasonable attorneys’ fees and any other costs incurred in that proceeding in addition to any other relief to which it is entitled.

10.9 Hold Harmless Each Developer shall separately (not jointly) hold, to the fullest extent permitted by law, City and its elected and appointed officers, agents, employees, and representatives harmless from claims, costs, and liabilities for any personal injury, death, or property damage which is a result of, or alleged to be the result of, the construction of the Developer’s Project, or of obligations or of operations performed under this Agreement by the Developer or by the Developer’s contractors, subcontractors, agents or employees, whether such operations were performed by the Developer or any of the Developer’s contractors, subcontractors,

agents or employees. Nothing in this Section 10.9 shall be construed to mean that a Developer shall hold City harmless from any claims of personal injury, death or property damage arising from, or alleged to arise from, any gross negligence or willful misconduct on the part of City, its elected and appointed representatives, offices, agents and employees.

ARTICLE 11 **MISCELLANEOUS**

11.1 Incorporation of Recitals and Introductory Paragraph The Recitals contained in this Agreement, and the introductory paragraph preceding the Recitals, are hereby incorporated into this Agreement as if fully set forth herein.

11.2 No Agency It is specifically understood and agreed to by and between the Parties hereto that: (i) each subject Project is a private development; (ii) City has no interest or responsibilities for, or duty to, third parties concerning any improvements until such time, and only until such time, that City accepts the same pursuant to the provisions of this Agreement or in connection with the various Project Approvals or Subsequent Approvals; (iii) each Developer shall have full power over and exclusive control of their Project herein described, subject only to the limitations and obligations of each Developer under this Agreement, the Project Approvals, Subsequent Approvals, and Applicable Law, as applicable; and (iv) City and each Developer hereby renounce the existence of any form of agency relationship, joint venture or partnership between City and either Developer (or between the Developers) and agree that nothing contained herein or in any document executed in connection herewith shall be construed as creating any such relationship between City and each Developer (or between the Developers).

11.3 Enforceability City and each Developer agree that unless this Agreement is amended or terminated pursuant to the provisions of this Agreement, this Agreement shall be enforceable by any party hereto notwithstanding any change hereafter enacted or adopted (whether by ordinance, resolution, initiative, or any other means) in any General Plan, Specific Plan, zoning ordinance, subdivision ordinance, or any other land use ordinance or building ordinance, resolution or other rule, regulation or policy adopted by City that changes, alters or amends the rules, regulations, and policies applicable to the Development of each Property as of the Effective Date as provided by Government Code section 65866.

11.4 Severability If any term or provision of this Agreement, or the application of any term or provision of this Agreement to a particular situation, is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining terms and provisions of this Agreement, or the application of this Agreement to other situations, shall continue in full force and effect unless amended or modified by mutual consent of the affected Parties. Notwithstanding the foregoing, if any material provision of this Agreement, or the application of such provision to a particular situation, is held to be invalid, void or unenforceable, either City or affected Developer may (in their sole and absolute discretion) terminate this Agreement by providing written notice of such termination to the other affected Parties (but each Developer may only terminate as to their own Property and the City may only terminate as to an affected Property).

11.5 Other Necessary Acts and City Approvals Each party shall execute and deliver to the other all such other further instruments and documents as may be reasonably necessary to

carry out the Project Approvals, Subsequent Approvals and this Agreement, as applicable, and to provide and secure to the other Parties the full and complete enjoyment of their rights and privileges hereunder. Whenever a reference is made herein to an action or approval to be undertaken by City, the City Manager or his or her designee is authorized to act on behalf of City, unless specifically provided otherwise by this Agreement or Applicable Law.

11.6 Construction Each reference in this Agreement or any of the Project Approvals or Subsequent Approvals shall be deemed to refer to the Agreement, Project Approval, or Subsequent Approval as it may be amended from time to time, whether or not the particular reference refers to such possible amendment. This Agreement has been reviewed and revised by legal counsel for both City and each Developer, and no presumption or rule that ambiguities shall be construed against the drafting party shall apply to the interpretation or enforcement of this Agreement.

11.7 Other Miscellaneous Terms The singular shall include the plural; the masculine gender shall include the feminine; “shall” is mandatory; “may” is permissive. If there is more than one signer of this Agreement, the signer obligations are joint and several.

11.8 Covenants Running with the Land All of the provisions contained in this Agreement shall be binding upon the Parties and their respective heirs, successors and assigns, representatives, lessees, and all other persons acquiring all or a portion of the Properties, or any interest therein, whether by operation of law or in any manner whatsoever. All of the provisions contained in this Agreement shall be enforceable as equitable servitudes and shall constitute covenants running with the land pursuant to California law including, without limitation, Civil Code section 1468. Each covenant herein to act or refrain from acting is for the benefit of or a burden upon the Projects, as appropriate, runs with the applicable Property, and is binding upon the owner of all or a portion of the applicable Property and each successive owner during its ownership of such Property.

11.9 Notices Any notice or communication required hereunder between City or either Developer must be in writing, and may be given either personally, by email (with original forwarded by regular U.S. Mail), by registered or certified mail (return receipt requested), or by Federal Express or other similar courier promising overnight delivery. If personally delivered, a notice shall be deemed to have been given when delivered to the Party to whom it is addressed. If delivered by email, a notice shall be deemed given upon verification of receipt if received before 5:00 p.m. on a regular business day, or else on the next business day. If given by registered or certified mail, such notice or communication shall be deemed to have been given and received on the first to occur of: (i) actual receipt by any of the addressees designated below as the Party to whom notices are to be sent, or (ii) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If given by Federal Express or similar courier, a notice or communication shall be deemed to have been given and received on the date delivered as shown on a receipt issued by the courier. Such notices or communications shall be given to the Parties at their addresses set forth below:

If to City, to: City of South San Francisco
Attn: City Manager
400 Grand Avenue
South San Francisco, CA 94080
Phone: (650) 877-8500
Email: sharon.ranals@ssf.net

With a Copy to: Redwood Public Law, LLP
Attn: Sky Woodruff
409 13th Street, Suite 600
Oakland, CA 94612
Phone: (510) 282-6001
Email: sky@redwoodpubliclaw.com

If to 101 Developer, to: US TERMINAL COURT OWNER, LLC
Attn: Steve Dunn
999 Baker Way, Suite 200
San Mateo, CA 94404
Phone (650) 235-2833
Email: sdunn@steelwavelc.com

With a Copy to: Holland & Knight LLP
Attn: Tamsen Plume
560 Mission St. Suite 1900
San Francisco, CA 94105
Phone: (415) 743-6941
Email: tamsen.plume@hklaw.com

If to 131 Developer, to: US 131 TERMINAL COURT OWNER, LLC
Attn: Steve Dunn
999 Baker Way, Suite 200
San Mateo, CA 94404
Phone (650) 235-2833
Email: sdunn@steelwavelc.com

With a Copy to: Holland & Knight LLP
Attn: Tamsen Plume
560 Mission St. Suite 1900
San Francisco, CA 94105
Phone: (415) 743-6941
Email: tamsen.plume@hklaw.com

Any Party hereto may at any time, by giving ten (10) days written notice to another Party hereto, designate any other address in substitution of the address to which such notice or communication shall be given.

11.10 Mortgage Protection The Parties agree that this Agreement shall not prevent or limit a Developer, in any manner, at such Developer's sole discretion, from encumbering their Property or any portion thereof or any improvement thereon by any lien of mortgage, deed of trust, or other security device securing financing with respect to their Project or Property ("**Mortgage**"). City acknowledges that the lenders providing such financing may require, in addition to estoppel certificates as set forth in Section 4.6, certain Agreement interpretations and modifications and agrees upon request, from time to time, to meet with such requesting Developer and representatives of such lenders to negotiate in good faith any such request for interpretation or modification provided such interpretation or modification is consistent with the intent and purpose of this Agreement. Any Mortgagee of a Property shall be entitled to the following rights and privileges:

(a) Neither entering into this Agreement nor a breach of this Agreement shall defeat, render invalid, diminish, or impair the lien of any Mortgage on a Property made in good faith and for value, unless otherwise required by law.

(b) If City timely receives a request from a Mortgagee requesting a copy of any notice of Default given to a Developer under this Agreement, City shall provide a copy of that notice to the Mortgagee within ten (10) days of sending the notice of Default to such Developer or within ten (10) days of receiving a request, if a Mortgagee has not provided a request prior to the City sending a notice of Default to such Developer. The Mortgagee shall have the right, but not the obligation, to cure the Default during the remaining cure period allowed such Party under this Agreement.

(c) Any Mortgagee who comes into possession of Property, or any portion thereof, pursuant to foreclosure of the Mortgage or deed in lieu of such foreclosure, shall take such Property, or portion thereof, subject to the terms of this Agreement. Notwithstanding any provision of this Agreement to the contrary, no Mortgagee shall have an obligation or duty under this Agreement to perform any of the applicable Developer's obligations or other affirmative covenants of the applicable Developer hereunder, or to guarantee such performance; provided, however, that to the extent that any covenant to be performed by the applicable Developer is a condition precedent to the performance of a covenant by City, the performance thereof shall continue to be condition precedent to City's performance hereunder as to that Property, and further provided that any sales, transfer, or assignment by any Mortgagee in possession shall be subject to the provisions of Section 8.1 of this Agreement.

11.11 Entire Agreement, Counterparts And Exhibits This Agreement is executed in two (2) duplicate counterparts, each of which is deemed to be an original. This Agreement consists of ____ (____) [*insert in execution version*] pages, exclusive of signature pages, and ten (10) exhibits which constitute in full, the final and exclusive understanding and agreement of the Parties and supersedes all negotiations or previous agreements of the Parties with respect to all or any part of the subject matter hereof. All waivers of the provisions of this Agreement shall be in writing and signed by the appropriate authorities of City and applicable Developer. The following exhibits are attached to this Agreement and incorporated herein for all purposes:

Exhibit A.1 – Description and Diagram of 101 Property

Exhibit A.2 - Description and Diagram of 131 Property

Exhibit B.1 - List of 101 Project Approvals as of Effective Date

Exhibit B.2 – List of 131 Project Approvals as of Effective Date
Exhibit C.1 – City Fees, Exactions, and Payments for 101 Project and 131 Project
Exhibit C.2 – Community Benefits Calculations
Exhibit D.1 – Sustainability Features for 101 Project
Exhibit D.2 – Sustainability Features for 131 Project
Exhibit E – Applicable Laws
Exhibit F – Form of [Partial] Assignment and Assumption Agreement
Exhibit G – Form of DA Annual Review Report [to be added in execution]

11.12 No Third Party Beneficiaries This Agreement is intended for the benefit of the Parties hereto and their respective permitted successors and assigns, and is not for the benefit of, nor may any express or implied provision hereof be enforced by, any other person, except as otherwise set forth in Section 11.10.

11.13 Recordation Of Development Agreement; Termination in the Event Ground Lease Option Terminates; Property Owner Consent Pursuant to Government Code section 65868.5, no later than ten (10) days after City enters into this Agreement, the City Clerk shall record an executed copy of this Agreement in the Official Records of the County of San Mateo (“**Official Records**”). In the event the 131 Ground Lease Option terminates without 131 Developer entering for formal ground lease of the 131 Property, this Agreement shall terminate concurrently as to the 131 Property and 131 Developer only. If the 131 Developer exercises its right to terminate this Agreement as to the 131 Property prior to the first anniversary of this Agreement, 131 Developer shall be required to pay the City \$650,000, which represents its share of the **Initial Monetary Contribution Payment**, prior to the effective date of any such termination. At the request of the 131 Developer and/or 131 Property Owner, the City will execute and record a notice of termination with the Official Records. The 131 Property Owner is not a Party to this Agreement and is signing below for the sole purpose of acknowledging and consenting the recordation of this Agreement on the 131 Property. Any termination under this Section 11.13 as to the 131 Property shall not affect the independent rights of the 101 Developer and 101 Property.

IN WITNESS WHEREOF, this Agreement has been entered into by and between each Developer and City as of the day and year first above written.

[Signatures to follow on subsequent pages.]

**SIGNATURE PAGE FOR DEVELOPMENT AGREEMENT BY AND BETWEEN
CITY OF SOUTH SAN FRANCISCO AND US 131 TERMINAL COURT OWNER, LLC**

CITY:

**CITY OF SOUTH SAN FRANCISCO,
a California municipal corporation**

By:_____

Date:_____

Name: Sharon Ranals

Its: City Manager

ATTEST:

By:_____

City Clerk

APPROVED AS TO FORM:

By:_____

City Attorney

[Insert Notary Acknowledgment]

**SIGNATURE PAGE FOR DEVELOPMENT AGREEMENT BY AND BETWEEN
CITY OF SOUTH SAN FRANCISCO AND US TERMINAL COURT OWNER, LLC**

101 DEVELOPER:

US Terminal Court OWNER, LLC,
a Delaware limited liability company

By: US Terminal Court Venture, LLC,
a Delaware limited liability company,
as sole member

By: US Terminal Court Manager, LLC,
a Delaware limited liability company,
as Administrative Manager

By: SW Terminal GP, LLC,
a Delaware limited liability company,
as Administrative Manager

By: SW Terminal Investments, LLC
a Delaware limited liability company,
its managing member

By: SW Terminal Associates, LLC
a Delaware limited liability company,
its managing member

By: SteelWave, LLC,
a Delaware limited liability company,
its managing member

By: _____

Name: _____

Title: _____

[Insert Notary Acknowledgment]

**SIGNATURE PAGE FOR DEVELOPMENT AGREEMENT BY AND BETWEEN
CITY OF SOUTH SAN FRANCISCO AND US 131 TERMINAL COURT OWNER, LLC**

DEVELOPER:

US 131 TERMINAL COURT OWNER, LLC,
a Delaware limited liability company

By: US Terminal Court Venture, LLC,
a Delaware limited liability company,
as sole member

By: US Terminal Court Manager, LLC,
a Delaware limited liability company,
as Administrative Manager

By: SW Terminal GP, LLC,
a Delaware limited liability company,
as Administrative Manager

By: SW Terminal Investments, LLC
a Delaware limited liability company,
its managing member

By: SW Terminal Associates, LLC
a Delaware limited liability company,
its managing member

By: SteelWave, LLC,
a Delaware limited liability
company,
its managing member

By: _____
Name: _____
Title: _____

[Insert Notary Acknowledgment]

Exhibit A.1

Description and Diagram of 101 Property

(Starts on Next Page)

[Insert]

Exhibit A.2

Description and Diagram of 131 Property

(Starts on Next Page)

[Insert]

Exhibit B.1

List of 101 Project Approvals as of Effective Date

On September 21, 2023, following a duly noticed public hearing, the City of South San Francisco Planning Commission approved the following entitlements for the 101 Project (File No. P22-0124), subject to applicable conditions of approval for the 101 Project:

- CEQA Guidelines Section 15183 Consistency Checklist and Mitigation Monitoring and Reporting Program for the 101 Project.
- Design Review (DR22-0038), and
- Transportation Demand Management Plan (TDM22-0008)

Exhibit B.2

List of 131 Project Approvals as of Effective Date

[Insert in execution version]

Exhibit C.1

City Fees, Exactions, and Payments for 101 Project and 131 Project

Subject to the terms of Sections 3.2 and 5.5 of this Agreement, each Developer agrees that such Developer shall be responsible for the payment of the following fees, charges, exactions, and assessments (collectively, “City Fees”). Nothing herein shall be construed to relieve the Property from common benefit assessments or district taxes levied against it and similarly situated properties by the City pursuant to and in accordance with any statutory procedure for the assessment of property to pay for infrastructure and/or services that benefit the Property. As authorized by this Agreement, the amount paid for a particular City Fee shall be as specified below.

1. **Administrative/Processing Fees.** Each Developer shall pay the applicable application, processing, administrative, legal and inspection fees and charges, as then currently adopted pursuant to City’s Master Fee Schedule and required by City for processing of land use entitlements, including without limitation, General Plan amendments, zoning changes, Precise Plans, development agreements, conditional use permits, variances, transportation demand management plans, tentative subdivision maps, parcel maps, lot line adjustments, general plan maintenance fee, demolition permits, and building permits.
2. **Development Fees.** Except as set forth in Section 3.2(b) of this Agreement, only the Development Fees in effect as of August 28, 2025 (the “Vesting Date”), as set forth in Table 1 below, shall be paid for net new square footage (after consideration of any applicable credits for replacement of existing square footage in accordance with the calculation methodology for the associated resolutions for each Development Fee as cited in Table 1 below). The Development Fees shall be paid at the rates in effect at the time of payment.

Table 1 identifies each applicable Development Fee. For reference purposes only, Table 1 also identifies the rate of each applicable Development Fee as of the Vesting Date.

Table 1: Vested Development Fees*

Applicable Development Fee	Timing for Payment	Rate as of August 28, 2025 – Office/R&D Cost per Square Foot	Rate as of August 28, 2025 – Retail Cost per Square Foot
Park and Recreation Impact Fee (SSFMC Ch. 8.67, Reso 120-2020)	Issuance of Building Permit per building	\$3.56	\$1.52

Applicable Development Fee	Timing for Payment	Rate as of August 28, 2025 – Office/R&D Cost per Square Foot	Rate as of August 28, 2025 – Retail Cost per Square Foot
Commercial Linkage Fee (SSFMC Ch. 8.69, Reso 123-2018)	Issuance of Building Permit per building	\$17.38	\$2.90
Transportation Impact Fee (SSFMC Ch. 8.73, Reso 131-2020)	Issuance of Building Permit per building	\$35.06	\$30.57
Library Impact Fee (SSFMC Ch. 8.74, Reso 121-2020)	Issuance of Building Permit per building	\$0.14	\$0.08
Public Safety Impact Fee (SSFMC 8.75)	Issuance of Building Permit per building	\$1.32	\$0.53
Public Art Requirement (SSFMC 8.76)	In-lieu fee prior to issuance of Building Permit per building.	0.5% of construction costs	0.5% of construction costs
Childcare Impact Fee (SSFMC Ch. 8.77, Reso 122-2020)	Issuance of Building Permit per building	\$1.52	\$0.82
Sewer Capacity Fee (Reso. 56-2017)	Issuance of Building Permit per building	Calculated per Reso. 56-2017	Calculated per Reso. 56-2017

* South San Francisco Unified School District Fees are not vested by this Agreement. For reference purposes only, as of the Effective Date of the Agreement, this fee is \$0.61 per square foot of Commercial/Industrial space.

Exhibit C.2

Community Benefit Calculations

(Insert in Execution Version)

Exhibit D.1

Sustainability Features for 101 Project

The 101 Project includes the following sustainability measures, as detailed in the 101 Project Approvals:

- **Design Features**
 - Primarily glass façades, thereby bringing an abundance of natural light into each building; and
 - Management of stormwater runoff using low-impact development (LID) methods, where feasible. This approach implements engineered controls to allow stormwater filtering, storage, and flood control. Bioretention basins, flow-through planters, Silva Cell units, and other site design features to manage stormwater runoff flows and reduce stormwater pollution would be located throughout the project site.
- **Transportation**
 - Pedestrian circulation improvements;
 - Bicycle parking; and
 - TDM Plan to encourage alternative forms of transportation.
- **Energy / Greenhouse Gas Emissions**
 - All electric building design;
 - On-site renewable energy in the form of rooftop photovoltaic (PV) panels;
 - a high-performance building envelope and heating, ventilation, and air-conditioning (HVAC) systems; and
 - EV charging infrastructure.
- **Waste Reduction**
 - On-site recycling and composting facilities; and
 - Construction and demolition; 100 percent of all inert solids (i.e., building materials) and 65 percent of non-inert solids (i.e., all other materials) would be recycled as required by the City under Chapter 15.60 of the City's Municipal Code.
- **Water Conservation**
 - Ultra-efficient WaterSense-labeled flush and flow fixtures; and
 - Low-water demand native and/or adapted vegetation with efficient irrigation systems.

Exhibit D.2

Sustainability Features for 131 Project

The 131 Project includes the following sustainability measures, as detailed in the 131 Project Approvals:

- **Design Features**
 - Primarily glass façades, thereby bringing an abundance of natural light into each building; and
 - Management of stormwater runoff using low-impact development (LID) methods, where feasible. This approach implements engineered controls to allow stormwater filtering, storage, and flood control. Bioretention basins, flow-through planters, Silva Cell units, and other site design features to manage stormwater runoff flows and reduce stormwater pollution would be located throughout the project site.
- **Transportation**
 - Pedestrian circulation improvements;
 - Bicycle parking; and
 - TDM Plan to encourage alternative forms of transportation.
- **Energy / Greenhouse Gas Emissions**
 - All electric building design;
 - On-site renewable energy in the form of rooftop photovoltaic (PV) panels;
 - a high-performance building envelope and heating, ventilation, and air-conditioning (HVAC) systems; and
 - EV charging infrastructure.
- **Waste Reduction**
 - On-site recycling and composting facilities; and
 - Construction and demolition; 100 percent of all inert solids (i.e., building materials) and 65 percent of non-inert solids (i.e., all other materials) would be recycled as required by the City under Chapter 15.60 of the City's Municipal Code.
- **Water Conservation**
 - Ultra-efficient WaterSense-labeled flush and flow fixtures; and
 - Low-water demand native and/or adapted vegetation with efficient irrigation systems.

Exhibit E

Applicable Laws

Each Developer shall comply with the following City regulations and provisions applicable to the Property as of the Effective Date of this Agreement (except as modified by this Agreement and the Project Approvals).

1. South San Francisco General Plan, as adopted on October 12, 2022 and as amended from time to time prior to the Effective Date.
2. Lindenville Specific Plan, as adopted on September 27, 2023 and as amended from time to time prior to the Effective Date.
3. City of South San Francisco Municipal Code, as adopted on October 26, 2022 and as amended from time to time prior to the Effective Date.
4. South San Francisco Zoning Map, as amended from time to time prior to the Effective Date.
5. City Fees as set forth in Exhibit C.

Exhibit F

Form of [Partial] Assignment and Assumption Agreement

(Starts on Next Page)

WHEN RECORDED MAIL TO:

City of South San Francisco
Attn: City Clerk
400 Grand Avenue
South San Francisco, CA 94080

Space Above for Recorder's Use
Exempt from Recording Fees per Cal. Gov.
Code § 6103

[Partial] ASSIGNMENT AND ASSUMPTION AGREEMENT

This [Partial] Assignment and Assumption Agreement ("Assignment Agreement") is entered into to be effective on _____, 202_, by and between US 131 Terminal Court Owner, LLC [*and/or US Terminal Court Owner, LLC*] ("Assignor"), and _____, a _____ ("Assignee"), and the City of South San Francisco, a municipal corporation ("City"). Assignor and Assignee are sometimes referred to herein as a "Party" and collectively as the "Parties."

RECITALS

A. Assignor and City have previously entered into that certain Development Agreement between City and Assignor dated _____, 2025, approved by the City of South San Francisco City Council by Ordinance No. _____ on _____, 2025 and recorded on _____, 2025 as Document No. _____, San Mateo County Official Records ("Development Agreement") to facilitate the development and redevelopment of that certain real property within the City of South San Francisco, California, which is legally described in Exhibit A.____ of the Development Agreement ("Property").

B. Assignor is the fee owner of the Property, and Assignor desires to convey its interest in the developable, approximately [] acre portion of the Property and more particularly described on Exhibit 1 attached hereto ("Assigned Property") to Assignee concurrently with execution of this Assignment Agreement; and Assignee desires to so acquire such interest in the Assigned Property from the Assignor.

C. The Parties desire to enter into this Assignment Agreement in order to satisfy and fulfill their respective obligations under Section 8.1 of the Development Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the above recitals and the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Assignment by Assignor. Assignor hereby assigns, transfers and grants to Assignee, and its successors and assigns, all of Assignor's rights, title and interest and obligations, duties, responsibilities, conditions and restrictions under the Development Agreement with respect

to the Assigned Property and only to the extent accruing or arising on and after the Effective Date (collectively, the “Assigned Rights and Obligations”).

2. Acknowledgement and Assumption of Obligations by Assignee. Assignee, for itself and its successor and assigns, hereby acknowledges that it has reviewed, is aware of and intends to honor its Assigned Rights and Obligations with respect to its Development of the Assigned Property pursuant to the terms of the Development Agreement, and additionally expressly and unconditionally assumes all of the Assigned Rights and Obligations. Assignee agrees, expressly for the benefit of Assignor and City, to comply with, perform, and execute all of the Assigned Rights and Obligations.

3. Release of Assignor. Assignee and City hereby fully release Assignor from all Assigned Rights and Obligations. Both Assignor and Assignee acknowledge that this Assignment Agreement is intended to fully assign all of the Assigned Rights and Obligations to Assignee, and it is expressly understood that Assignor shall continue to be obligated under the Development Agreement only with respect to those portions of the Project Site retained by Assignor.

4. Substitution of Assignor. Assignee hereinafter shall be substituted for and replace Assignor in the Development Agreement with respect to the Assigned Property. Whenever the term “Developer” appears in the Development Agreement, it shall hereinafter include Assignee with respect to the Assigned Property.

5. Development Agreement in Full Force and Effect. Except as specifically provided herein with respect to the assignment and assumption, all the terms, covenants, conditions and provisions of the Development Agreement are hereby ratified and shall remain in full force and effect.

6. Recording. Assignor shall cause this Assignment Agreement to be recorded in the Official Records of San Mateo County, California, and shall promptly provide conformed copies of the recorded Assignment Agreement to Assignee and City.

7. Successors and Assigns. All of the terms, covenants, conditions and provisions of this Assignment Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

8. Applicable Law/Venue. This Assignment Agreement shall be construed and enforced in accordance with the laws of the State of California, without reference to choice of law provisions. Any legal actions under this Assignment Agreement shall be brought only in the Superior Court of the County of San Mateo, State of California.

9. Applicable Law/Venue. This Assignment Agreement shall be construed and enforced in accordance with the laws of the State of California, without reference to choice of law provisions. Any legal actions under this Assignment Agreement shall be brought only in the Superior Court of the County of San Mateo, State of California.

10. Interpretation. All parties have been represented by counsel in the preparation and negotiation of this Assignment Agreement, and this Assignment Agreement shall be construed according to the fair meaning of its language. The rule of construction to the effect that ambiguities

are to be resolved against the drafting party shall not be employed in interpreting this Assignment Agreement. Unless the context clearly requires otherwise: (a) the plural and singular numbers shall each be deemed to include the other; (b) the masculine, feminine, and neuter genders shall each be deemed to include the others; (c) “shall,” “will,” or “agrees” are mandatory, and “may” is permissive; (d) “or” is not exclusive; and (e) “includes” and “including” are not limiting.

11. Severability. Except as otherwise provided herein, if any provision(s) of this Assignment Agreement is (are) held invalid, the remainder of this Assignment Agreement shall not be affected, except as necessarily required by the invalid provisions, and shall remain in full force and effect unless amended or modified by mutual consent of the parties.

12. Counterparts. This Assignment Agreement may be executed in one or more counterparts, each of which shall be deemed to constitute an original, but all of which, when taken together, shall constitute one and the same instrument, with the same effect as if all of the parties to this Assignment Agreement had executed the same counterpart.

13. City Consent. City is executing this Assignment Agreement for the limited purpose of consenting to the assignment and assumption and clarifying that there is privity of contract between City and Assignee with respect to the Development Agreement.

14. Effective Date. The Effective Date of this Assignment Agreement shall be the date upon which Assignee obtains fee title to the Assigned Property by duly recorded deed (“Effective Date”).

IN WITNESS WHEREOF, Assignor, Assignee and City have entered into this Assignment Agreement as of the date first written above.

ASSIGNOR:

[Insert]

By: _____
Signature of Person executing the Agreement
on behalf of Assignor

Name: _____
Title: _____

ASSIGNEE:

[INSERT NAME OF ASSIGNEE]

By: _____
Signature of Person executing the Agreement
on behalf of Assignee

Name: _____

Title: _____

CITY:

CITY OF SOUTH SAN FRANCISCO,
a Municipal Corporation

By: _____
Signature of Person executing the
Agreement on behalf of City

Name: _____

Title: _____
City Manager

Approved as to form by:

By: _____
Signature of Person executing the
Agreement on behalf of City

Name: _____

Title: _____
City Attorney