

RECORDING REQUESTED BY
CLERK OF THE BOARD OF SUPERVISORS
OF THE CITY AND COUNTY OF SAN FRANCISCO

(Exempt from Recording Fees
Pursuant to Government Code
Section 27383)

AND WHEN RECORDED MAIL TO:

Angela Calvillo
Clerk of the Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

DEVELOPMENT AGREEMENT

BY AND BETWEEN

THE CITY AND COUNTY OF SAN FRANCISCO

AND CALIFORNIA BARREL COMPANY LLC

FOR PROPERTY GENERALLY BOUND BY 23RD STREET TO THE SOUTH, ILLINOIS
STREET TO THE WEST, 22ND STREET TO THE NORTH, AND THE SAN FRANCISCO
BAY TO THE EAST

Block 4175, Lot 002; Block 4232, Lot 006; Block 4175, Lot 017; a portion of Block 4175, Lot
018; Block 4232, Lot 006; and non-assessed Port and City and County of San Francisco
properties

TABLE OF CONTENTS

	Page
ARTICLE 1 DEFINITIONS.....	4
ARTICLE 2 EFFECTIVE DATE; TERM.....	15
Section 2.1 Effective Date	15
Section 2.2 Term.....	15
ARTICLE 3 GENERAL RIGHTS AND OBLIGATIONS	15
Section 3.1 Development of the Project	15
Section 3.2 Development Process.....	16
Section 3.3 Approval of Subdivision Maps	17
Section 3.4 Design Review and Objective Requirements	18
Section 3.5 Design Review of Parks and Open Spaces within Power Station Park System	18
Section 3.6 Construction of Public Improvements and Privately-Owned Community Improvements	18
Section 3.7 Contracting for Public Improvements.....	20
Section 3.8 Community Financing District and Finance Plan... Error! Bookmark not defined.	
Section 3.9 Maintenance and Operation of Privately-Owned Community Improvements	20
Section 3.10 Non-City Regulatory Approvals for Public Improvements.....	21
Section 3.11 Continuing City Obligations	21
Section 3.12 Public Financing	22
Section 3.13 PG&E Sub-Area.....	22
Section 3.14 Workforce	22
Section 3.15 Public Power	23
Section 3.16 Utility Yard	23
ARTICLE 4 PUBLIC BENEFITS; DEVELOPER OBLIGATIONS AND CONDITIONS TO DEVELOPER’S PERFORMANCE.....	24
Section 4.1 Community Benefits Exceed Those Required by Existing Ordinances and Regulations	24
Section 4.2 Associated Community Benefits.....	24
Section 4.3 Conditions to Performance of Associated Community Benefits	25
Section 4.4 No Additional CEQA Review or General Plan Consistency Findings Required.....	25
Section 4.5 Compliance with CEQA Mitigation Measures.....	26
Section 4.6 Sidewalks and Streets	26
Section 4.7 Nondiscrimination.....	27
Section 4.8 City Cost Recovery.....	27
Section 4.9 Prevailing Wages and Working Conditions.....	28
Section 4.10 Indemnification of City.....	28
ARTICLE 5 VESTING AND CITY OBLIGATIONS.....	29

TABLE OF CONTENTS
(continued)

	Page
Section 5.1 Vested Rights	29
Section 5.2 Existing Standards	30
Section 5.3 Waiver of Subdivision and Public Works Codes.....	30
Section 5.4 Criteria for Later Approvals.....	30
Section 5.5 Building Code Compliance.....	31
Section 5.6 Denial of a Later Approval	31
Section 5.7 New City Laws	31
Section 5.8 Impact Fees and Exactions.....	34
Section 5.9 Changes in Federal or State Laws.....	34
Section 5.10 No Action to Impede Approvals.....	36
Section 5.11 Estoppel Certificates	36
Section 5.12 Existing, Continuing Uses and Interim Uses	36
Section 5.13 Costa-Hawkins Rental Housing Act.....	36
Section 5.14 Taxes.....	37
ARTICLE 6 NO DEVELOPMENT OBLIGATION.....	37
Section 6.1 No Development Obligation.....	37
Section 6.2 Real Estate Transfers	38
ARTICLE 7 MUTUAL OBLIGATIONS.....	39
Section 7.1 Notice of Completion or Termination.....	39
Section 7.2 General Cooperation	39
Section 7.3 Permits to Enter City Property.....	41
Section 7.4 Other Necessary Acts.....	41
Section 7.5 Mills Act	41
ARTICLE 8 PERIODIC REVIEW OF DEVELOPER’S COMPLIANCE.....	41
Section 8.1 Annual Review.....	41
Section 8.2 Review Procedure	42
ARTICLE 9 ENFORCEMENT OF AGREEMENT; DEFAULT; REMEDIES.....	43
Section 9.1 Enforcement.....	43
Section 9.2 Meet and Confer Process; Non-Binding Mediation.....	43
Section 9.3 Default.....	43
Section 9.4 Remedies.....	44
Section 9.5 Time Limits; Waiver; Remedies Cumulative	46
Section 9.6 Attorneys’ Fees	46
ARTICLE 10 FINANCING; RIGHTS OF MORTGAGEES.....	47
Section 10.1 Developer’s Right to Mortgage	47
Section 10.2 Mortgagee Not Obligated to Construct.....	47
Section 10.3 Copy of Notice of Default and Notice of Failure to Cure to Mortgagee	47
Section 10.4 Mortgagee’s Option to Cure Defaults.....	47

TABLE OF CONTENTS
(continued)

	Page
Section 10.5 Mortgagee’s Obligations with Respect to the Project Site	48
Section 10.6 No Impairment of Mortgage	48
Section 10.7 Cooperation.....	48
Section 10.8 Multiple Mortgages.....	49
Section 10.9 Cured Defaults	49
ARTICLE 11 AMENDMENT; TERMINATION; EXTENSION OF TERM.....	49
Section 11.1 Amendment.....	49
Section 11.2 Termination on Mutual Consent	49
Section 11.3 Early Termination Rights.....	50
Section 11.4 . Developer shall, upon thirty (30) days’ prior notice to the City, have the right, in its sole and absolute discretion, to terminate this Agreement in its entirety at any time prior to the date Developer Commences Construction on any portion of the Project Site.	50
Section 11.5 Termination and Vesting.....	50
Section 11.6 Amendment Exemptions.....	50
Section 11.7 Extension Due to Legal Action or Referendum.....	50
Section 11.8 PG&E Sub-Area.....	51
ARTICLE 12 TRANSFER OR ASSIGNMENT; RELEASE; CONSTRUCTIVE NOTICE	51
Section 12.1 Permitted Transfer of this Agreement.....	51
Section 12.2 Multiple Developers.....	52
Section 12.3 Notice of Transfer	52
Section 12.4 Release of Liability	52
Section 12.5 Responsibility for Performance	53
Section 12.6 Constructive Notice	53
Section 12.7 Rights of Developer	53
ARTICLE 13 REPRESENTATIONS AND WARRANTIES.....	54
Section 13.1 Developer Representations and Warranties	54
Section 13.2 No Bankruptcy	54
ARTICLE 14 MISCELLANEOUS PROVISIONS.....	54
Section 14.1 Entire Agreement.....	54
Section 14.2 Incorporation of Exhibits	54
Section 14.3 Binding Covenants; Run with the Land.....	55
Section 14.4 Applicable Law and Venue.....	55
Section 14.5 Construction of Agreement.....	55
Section 14.6 Project Is a Private Undertaking; No Joint Venture or Partnership	56
Section 14.7 Recordation	56
Section 14.8 Survival	56
Section 14.9 Signature in Counterparts	56

TABLE OF CONTENTS
(continued)

	Page
Section 14.10 Notices	56
Section 14.11 Limitations on Actions.....	57
Section 14.12 Severability	58
Section 14.13 MacBride Principles.....	58
Section 14.14 Tropical Hardwood and Virgin Redwood.....	58
Section 14.15 Sunshine.....	58
Section 14.16 Conflict of Interest	58
Section 14.17 Notification of Limitations on Contributions	59
Section 14.18 Non-Liability of City Officials and Others	59
Section 14.19 Non-Liability of Developer Officers and Others	59
Section 14.20 Time	59
Section 14.21 Approvals and Consents	59
Section 14.22 Extensions of Time	60
Section 14.23 Effect on Other Party’s Obligation	60
Section 14.24 Use of Public Improvements Before Acceptance	60
Section 14.25 Boundary Adjustments.....	60
Section 14.26 Correction of Technical Errors	60

DRAFT

EXHIBITS

- A. Project Site Legal Descriptions
 - A-1 Developer Property Legal Description
 - A-2 PG&E Sub-Area Legal Description
 - A-3 Port Open Space Legal Description
 - A-4 Port 23rd St. Property Legal Description
 - A-5 Port Bay Property Legal Description
 - A-6 Port Craig Lane Property Legal Description
 - A-7 City Sub-Area Legal Description
- B. List of Initial Approvals
- C. Financing Plan
- D. Housing Plan
- E. Design for Development
- F. Workforce Agreement
- G. Infrastructure Plan
- H. Map of Stormwater Treatment Controls
- I. Transportation Plan
- J. MMRP
- K. [Reserved]
- L. Privately-Owned Community Improvements
 - L-1 Map of Privately-Owned Community Improvements
 - L-2 Regulations Regarding Access to and Maintenance of Certain Privately-Owned Community Improvements
 - L-3 Potrero Power Station Privately Owned Public Open Spaces Rules & Regulations

- M. Phasing Plan and Phasing Diagram
 - M-1 Phasing Plan
 - M-2 Phasing Diagram
- N. Map of Public Improvements
- O. Development Phase Application Procedures and Requirements
- P. Applicable Impact Fees and Exactions
- Q. Map Showing Streets to be Dedicated to City
- R. Text of Chapter 56 as of the Reference Date
- S. Form of Grant Deed
- T. Form of Quitclaim Deed
- U. Form of Notice of Termination
- V. Form of Notice of Completion
- W. Form of Permit to Enter
- X. Form of Assignment and Assumption Agreement
- Y. List of Required Exceptions to Subdivision Regulations to Implement Infrastructure Plan
- Z. City and Port Implementation of Later Approvals

**DEVELOPMENT AGREEMENT
BY AND BETWEEN
THE CITY AND COUNTY OF SAN FRANCISCO
AND CALIFORNIA BARREL COMPANY LLC**

This DEVELOPMENT AGREEMENT (this “**Agreement**”), dated for reference purposes only as of _____, 2019 (the “**Reference Date**”), is made by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (the “**City**”), acting by and through its Planning Department, and CALIFORNIA BARREL COMPANY LLC, a Delaware limited liability company (“**Developer**”), pursuant to the authority of Section 65864 *et seq.* of the California Government Code and Chapter 56 of the Administrative Code. The City and Developer are also sometimes referred to individually as a “**Party**” and together as the “**Parties**”. Capitalized terms not defined when introduced have the meanings given in Article 1.

RECITALS

This Agreement is made with reference to the following facts as of the Reference Date:

A. Developer owns approximately 21.0 acres of developed and undeveloped land located in the City that is generally bound by 22nd Street to the north, the San Francisco Bay to the east, 23rd Street to the south and Illinois Street to the west, as more particularly described on Exhibit A-1 (the “**Developer Property**”). Existing structures on the Developer Property consist primarily of vacant buildings and facilities associated with the former power station use of the Developer Property.

B. Pacific Gas & Electric Company, a California corporation (“**PG&E**”), owns approximately 4.8 acres of land located in the City that is adjacent to the Developer Property, as more particularly described on Exhibit A-2 (the “**PG&E Sub-Area**”).

C. The City, through the Port of San Francisco (the “**Port**”), owns approximately 2.9 acres of land located in the City that is comprised of the following three noncontiguous sites in the vicinity of the Developer Property (collectively, the “**Port Sub-Area**”): (i) approximately 1.5 acres of land located between the Developer Property and the San Francisco Bay, as more particularly described on Exhibit A-3 (the “**Port Open Space**”); (ii) approximately 1.3 acres of land located along 23rd Street between the Developer Property and Illinois Street, as more particularly described on Exhibit A-4 (the “**Port 23rd St. Property**”); and (iii) less than 0.1 acres of land located near the northeast corner of the Developer Property and adjacent to the San Francisco Bay, as more particularly described on Exhibit A-5 (the “**Port Bay Property**”). The Port also owns approximately 0.25 acres of land adjacent to the northern border of the Developer Property, as more particularly described on Exhibit A-6 (the “**Port Craig Lane Property**”), which is subject to a Development Agreement between the City and master developer of the adjacent Pier 70 project (“**Pier 70 Developer**”), a Disposition and Development Agreement between the Port and Pier 70 Developer, and a Master Lease between the Port and the Pier 70 Developer. Developer and the Port intend to on or about the Reference Date enter into a ground lease (the “**Port Lease**”) for the Port Open Space and the Port Bay Property in order to allow Developer to occupy and develop the Port Open Space and the Port Bay Property and include the same in the Waterfront Park (as defined below). The Port 23rd St. Property will be subject to a license allowing Developer to construct

Public Improvements, as more particularly described therein. Subject to the satisfaction of certain conditions precedent described in the [*Ground Lease between the San Francisco Port Commission and the California Barrel Company LLC*], the Port Craig Lane Property will be subject to a reciprocal easement agreement allowing Developer to construct and maintain certain street improvements and Infrastructure, as more particularly described therein.

D. The City also owns less than 0.1 acres of land located in the City that is between the Developer Property and the Port 23rd Street Property, as more particularly described on Exhibit A-7 (the “**City Sub-Area**” and, collectively with the Developer Property, the Port Sub-Area and, subject to Section 3.14, the PG&E Sub-Area, the “**Project Site**”).

E. Developer proposes a multi-phased, mixed-use development on the Project Site that will include a new publicly accessible network of improved parkland and open space and a mixed-use urban neighborhood, including up to approximately 2,600 dwelling units, approximately 1.5 million square feet of office and life science uses, as well as accessory parking, retail, PDR, and child care and community facility uses, as more particularly set forth in the Approvals (collectively and as fully defined in Article 1, the “**Project**”).

F. The Project is anticipated to generate an annual average of approximately 230 construction jobs during construction and, upon completion, approximately 5,431 net new permanent on-site jobs, and an approximately \$27 million annual increase in general fund revenues to the City.

G. In order 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 adopted Government Code Section 65864 *et seq.* (the “**Development Agreement Statute**”), which authorizes the City to enter into a development agreement with any person having a legal or equitable interest in real property regarding the development of such property. Pursuant to Government Code Section 65865, the City adopted Chapter 56 of the Administrative Code (“**Chapter 56**”) establishing procedures and requirements for entering into a development agreement pursuant to the Development Agreement Statute. The Parties are entering into this Agreement in accordance with the Development Agreement Statute and Chapter 56.

H. In addition to significant housing, jobs, and economic benefits to the City from the Project, the City has determined that as a result of the development of the Project in accordance with this Agreement additional clear benefits to the public will accrue that could not be obtained through application of existing City ordinances, regulations, and policies. Major additional public benefits to the City from the development of the Project under this Agreement include: (i) affordable housing contributions in amounts that exceed the amounts required pursuant to existing City ordinances, regulations and policies and that are intended to constitute thirty percent (30%) of the total number of housing units for the Project; (ii) workforce obligations, including significant training, employment and economic development opportunities, related to the development and operation of the Project; (iii) construction and maintenance of publicly accessible open space, totaling approximately 6.9 acres, including (a) a series of contiguous, integrated waterfront parks, including extension of the Blue Greenway and Bay Trail and creation of a 3.6-acre “**Waterfront Park**”, for the benefit of the “Dogpatch” neighborhood community in the City and the residents of the City and the State of California at large, (b) a 1.2-acre central green space in the interior of

the Project Site (“**Power Station Park**”), (c) a 0.7-acre plaza type open space (“**Louisiana Paseo**”) and (d) a publicly accessible soccer field (the “**Soccer Field**” and, collectively with Waterfront Park, Power Station Park and Louisiana Paseo, the “**Power Station Park System**”); (iv) delivery of child care spaces totaling not less than 12,000 gross square feet; (v) a community facility no smaller than 25,000 square feet, (vi) sea level rise improvements as part of the development of the Project; and (vii) a design of the Project prioritizing and promoting travel by walking, biking and transit for new residents, tenants, employees and visitors.

I. The City has entered into this Agreement with the understanding that the Project will rely on revenues from the office buildings proposed by the Project to finance the Associated Community Benefits provided hereunder, including the affordable housing requirements of this Agreement. Accordingly, if any requested Prop M Allocation is delayed, delivery of the Associated Community Benefits and other market rate improvements would also likely be delayed.

J. It is the intent of the Parties that all acts referred to in this Agreement shall be accomplished in a way as to fully comply with the California Environmental Quality Act (California Public Resources Code Section 21000 *et seq.*) (“**CEQA**”), the CEQA Guidelines (Title 14, California Code of Regulations, Section 15000 *et seq.*), (the “**CEQA Guidelines**”), the Development Agreement Statute, Chapter 56, the Planning Code, the Enacting Ordinance and all other Laws in effect as of the Effective Date. This Agreement does not limit the City’s obligation to comply with applicable environmental Laws, including CEQA, before taking any discretionary action regarding the Project, or Developer’s obligation to comply with all Laws in connection with the development of the Project.

K. On [____], 2019, the Planning Commission (i) certified the Final Environmental Impact Report prepared for the Project (the “**FEIR**”) and the CEQA findings for the Project (the “**CEQA Findings**”) and (ii) adopted the Mitigation Measures. The FEIR, the CEQA Findings and the Mitigation Measures comply with CEQA, the CEQA Guidelines, and Chapter 31 of the Administrative Code. The FEIR thoroughly analyzes the Project and Project alternatives, and the Mitigation Measures were designed to mitigate significant impacts to the extent they are susceptible to feasible mitigation. The information in the FEIR and the CEQA Findings has been considered by the City in connection with approval of this Agreement.

L. On [____], 2019, the Planning Commission held a public hearing on the Project. Following the public hearing, the Planning Commission adopted the CEQA Findings and determined among other things that the FEIR thoroughly analyzes the Project, that the Mitigation Measures are designed to mitigate significant impacts to the extent they are susceptible to a feasible mitigation, and that the Project and this Agreement will, as a whole, and taken in their entirety, continue to be consistent with the objectives, policies, general land uses and programs specified in the General Plan, as amended, and the policies set forth in Section 101.1 of the Planning Code (such determinations, collectively, the “**General Plan Consistency Findings**”).

M. On [____], 2019, the Planning Commission held a public hearing on this Agreement and the Project, duly noticed and conducted under the Development Agreement Statute and Chapter 56. Following the public hearing, the Planning Commission approved this Agreement and made a final recommendation to the Board of Supervisors on this Agreement, the Project and the General Plan Consistency Findings.

N. On [____], 2019, the Board of Supervisors, having received the Planning Commission’s final recommendation, held a public hearing on this Agreement pursuant to the Development Agreement Statute and Chapter 56. Following the public hearing, the Board of Supervisors made the CEQA Findings required by CEQA and approved this Agreement, incorporating by reference the General Plan Consistency Findings.

O. On [____], 2019, the Board of Supervisors adopted Ordinance Nos. [____], amending the Planning Code, Zoning Map, and General Plan, and Ordinance No. [____], approving this Agreement (File No. [____]) and authorizing the Planning Director to execute this Agreement on behalf of the City (the “**Enacting Ordinance**”). The Enacting Ordinance became effective and operative on [____], 2019.

NOW, THEREFORE, in consideration of the foregoing and the promises and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

ARTICLE 1 DEFINITIONS

In addition to the definitions set forth in the above preamble paragraph, Recitals and elsewhere in this Agreement, the following definitions shall apply to this Agreement:

“**Additional Community Facilities**” is defined in the Financing Plan.

“**Adequate Security**” is defined in Section 3.6.

“**Administrative Code**” means the San Francisco Administrative Code.

“**Affiliate**” means, with respect to any Person, any other Person directly or indirectly Controlling, Controlled by or under Common Control with such Person.

“**Agreement**” means this Development Agreement and the Exhibits that have been expressly incorporated herein.

“**AMI**” is defined in the Housing Plan.

“**Annual Review Date**” is defined in Section 8.1.

“**Applicable Impact Fees and Exactions**” is defined in Section 5.8.2.

“**Applicable Standards**” is defined in Section 5.2.

“**Approvals**” means, individually or collectively as the context requires, the Initial Approvals and the Later Approvals in effect on the date of determination.

“**Assignment and Assumption Agreement**” is defined in Section 12.3.

“**Associated Community Benefit**” is defined in Section 4.1.

“**Better Streets Plan**” means the Better Streets Plan, adopted by the Board of Supervisors in Ordinance No. 310-10 and further implemented by the Board of Supervisors in Ordinance No. 309-10.

“**BMR Units**” means the Inclusionary Units (as defined in the Housing Plan).

“**Board of Supervisors**” means the Board of Supervisors of the City and County of San Francisco.

“**Building**” or “**Buildings**” means each new or rehabilitated building that is constructed by Developer on the Project Site under this Agreement.

“**Business Day**” means a day other than a Saturday, Sunday or holiday recognized by the City.

“**CC&Rs**” is defined in Section 3.10.

“**CEQA**” is defined in Recital J.

“**CEQA Findings**” is defined in Recital K.

“**CEQA Guidelines**” is defined in Recital J.

“**CFD**” is defined in the Financing Plan.

“**CFD Act**” is defined in the Financing Plan.

“**Chapter 56**” is defined in Recital G. The text of Chapter 56 as of the Reference Date is attached hereto as Exhibit R. The Enacting Ordinance contains express waivers and amendments to Chapter 56 consistent with this Agreement. Chapter 56, as amended by the Enacting Ordinance, constitutes Existing Standards under this Agreement that shall prevail over any conflicting amendments to Chapter 56 unless Developer elects otherwise under Section 5.7.3.

“**City**” means, as the context requires, (i) the City, as defined in the preamble, or (ii) the territorial limits of the foregoing.

“**City Agency**” or “**City Agencies**” means, individually or collectively as the context requires, all City departments, agencies, boards, commissions, and bureaus, including those that execute or consent to this Agreement, or are controlled by persons or commissions that have executed or consented to this Agreement, that have subdivision or other permit, entitlement or approval authority or jurisdiction over development of the Project, or any improvement located on or off the Project Site, including the City Administrator, Planning Department, MOHCD, RPD, Port, SFPUC, OEWD, SFMTA, Public Works, SFFD, and DBI.

“**City Attorney’s Office**” means the Office of the City Attorney of the City and County of San Francisco.

“City Costs” means the actual and reasonable costs incurred by a City Agency in preparing, adopting or amending this Agreement and in performing its obligations under this Agreement, as determined on a reasonable and customary time and materials basis, including reasonable attorneys’ fees and costs but excluding work, hearings, costs or other activities contemplated or covered by Processing Fees; provided, however, City Costs do not include any fees or costs incurred by a City Agency in connection with a City Default or which are payable by the City under Section 9.6 when Developer is the prevailing party.

“City Parties” is defined in Section 4.10.

“City Report” is defined in Section 8.2.2.

“City Sub-Area” is defined in Recital D as of the Reference Date and following any conveyance of real property in the Project Site by or to the City as contemplated hereby (including any dedication to the City) means the real property in the Project Site owned by the City as of the date of determination.

“City-Wide” means all real property within the City, excluding any real property that is not subject to City regulation because it is owned or controlled by the United States or by the State of California.

“Commence Construction” or any reasonable variation thereof means (i) with respect to any Building or any other improvement (other than Infrastructure or Parks and Open Spaces), the start of substantial physical construction of such Building’s foundation, and (ii) with respect to Infrastructure or Parks and Open Spaces, the later to occur of (a) the issuance of site or building permits for such Infrastructure or Parks and Open Spaces and (b) the start of substantial physical construction of such Infrastructure or Parks and Open Spaces, as applicable, in accordance with a Public Improvement Agreement (if applicable).

“Complete” and any variation thereof means, as applicable, that: (i) a specified scope of work has been substantially completed in accordance with the City-approved plans and specifications for such scope of work; (ii) with respect to Privately-Owned Community Improvements, the City Agencies or the Non-City Responsible Agencies with jurisdiction over any required permits for such Privately-Owned Community Improvements have issued all final approvals required for the contemplated use; (iii) with respect to any Public Improvement, the City Engineer determines the Public Improvement has been completed to his or her satisfaction, the scope of work is ready for its intended use and the Public Improvement has been completed in accordance with the Subdivision Code and any applicable Public Improvement Agreement; and (iv) with respect to any Building, a temporary certificate of occupancy (or its equivalent) has been issued.

“Continuing Obligation” is defined in Section 3.12.

“Contractor” is defined in Section 3.7.

“Control” means, with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the day to day management, policies or activities of such Person, whether through ownership of voting securities, by contract or otherwise (excluding

limited partner or non-managing member approval rights). “Controlled”, “Controlling” and “Common Control” have correlative meanings.

“**Costa-Hawkins Act**” is defined in Section 5.13.1.

“**Default**” is defined in Section 9.5.

“**Design for Development**” means the Design for Development attached as Exhibit E.

“**Design Review Application**” is defined in Section 3.4.

“**Developer**” is defined in the preamble or means (i) any Transferee to the extent set forth in an Assignment and Assumption Agreement and (ii) a Person that obtains title to any Foreclosed Property as a result of foreclosure proceedings or conveyance or other action in lieu thereof or other remedial action but only as to such Foreclosed Property and only to the extent that such Person has specifically assumed Developer’s obligations in accordance with the terms hereof.

“**Developer Property**” is defined in Recital A as of the Reference Date and following any conveyance of real property in the Project Site by or to Developer as contemplated hereby (including any dedication to the City) means the real property in the Project Site owned by Developer as of the date of determination.

“**Development Agreement Statute**” is defined in Recital G and means only the Development Agreement Statute that is in effect as of the Effective Date.

“**Development Considerations**” means general market conditions, the local housing, office and retail markets, capital markets, general market acceptability, market absorption and demand, availability of financing, interest rates, local tax burdens, access to capital, competition and other similar factors.

“**Development Parcel**” means a parcel within the Project Site on which a Building will be constructed or rehabilitated, as set forth in a Subdivision Map.

“**Development Phase**” is defined in Section 3.2.1.

“**Development Phase Application**” is defined in Section 3.2.1.

“**Director of Property**” means the Director of the City’s Department of Real Estate.

“**Effective Date**” is defined in Section 2.1.

“**Elections Code**” means the San Francisco Municipal Elections Code.

“**Enacting Ordinance**” is defined in Recital O.

“**Existing Standards**” is defined in Section 5.2.

“Existing Uses” means all existing lawful uses of the existing buildings and improvements (including pre-existing, non-conforming uses under the Planning Code) on the Project Site (and the PG&E Sub-Area) as of the Reference Date.

“Feasibility Study” is defined in Section 3.16.

“Federal” means of or pertaining to the United States of America.

“Federal or State Law Exception” is defined in Section 5.9.1.

“FEIR” is defined in Recital K.

“Finally Granted” means, with respect to each Approval, that (i) any and all applicable appeal periods for the filing of any administrative or judicial appeal challenging the issuance or effectiveness of such Approval shall have expired and no such appeal shall have been filed (or if such an administrative or judicial appeal is filed, such Approval (including its compliance with CEQA) shall have been upheld by a final decision in each such appeal with only those changes approved by the Parties, and a final judgment, order or ruling upholding such Approval shall have been entered and (ii) if a referendum petition relating to this Agreement is timely and duly circulated and filed and certified as valid and the City holds an election, the election results on the ballot measure are certified by the Board of Supervisors in the manner provided by the Elections Code reflecting the final defeat or rejection of the referendum.

“Financing Plan” means the plan attached as Exhibit C.

“First Certificate of Occupancy” means, with respect to each Building, the first certificate of occupancy (such as a temporary certificate of occupancy) issued by DBI for a portion of such Building that contains residential units or leasable commercial space. A First Certificate of Occupancy shall not mean a certificate of occupancy issued solely for a portion of a residential or commercial Building dedicated to a sales office or other marketing office for residential units or leasable commercial space.

“Foreclosed Property” is defined in Section 10.2.

“General Plan” means the San Francisco General Plan.

“General Plan Consistency Findings” is defined in Recital L.

“Gross Floor Area” has the meaning set forth in the Project SUD as of the Effective Date.

“Housing Plan” means the housing plan attached as Exhibit D.

“Impact Fees and Exactions” means any fees, contributions, special taxes, exactions, impositions and dedications charged by the City or any City Agency, whether as of the Reference Date or at any time thereafter during the Term, including transportation and transit fees, child care fee or in-lieu fees, housing (including affordable housing) fees, dedications or reservation requirements, and obligations for on-or off-site improvements. Impact Fees and Exactions shall not include the Mitigation Measures, Processing Fees, taxes, special assessments, school district

fees, SFPUC Capacity Charges and any fees, taxes, assessments impositions imposed by Non-City Agencies, all of which shall be due and payable by Developer as and when due in accordance with Laws.

“Infrastructure” means the infrastructure to be constructed by Developer as described in the Infrastructure Plan.

“Infrastructure Plan” means the infrastructure plan attached as Exhibit G.

“Initial Approvals” means the City approvals and entitlements as of the Reference Date as listed on Exhibit B.

“Initial Impact Fee Period” means the period commencing on the Effective Date and continuing for twenty (20) years thereafter; provided that the Initial Impact Fee Period shall be extended for each day of a Litigation Extension.

“Later Approvals” means any land use approvals, entitlements or permits from the City or any City Agency that are approved by the City after the Reference Date and are necessary or advisable for the implementation of the Project or any portion thereof, including all approvals required under the Project SUD or as otherwise set forth in the Municipal Code, Design Review Applications or Development Phase Applications, demolition permits, grading permits, site permits, building permits, sewer and water connection permits, major and minor encroachment permits, sidewalk modification legislation, street improvement permits, permits to alter, certificates of occupancy, transit stop relocation permits, street dedication approvals and ordinances, public utility easement vacation approvals and ordinances, public improvement agreements, subdivision maps, improvement plans, lot mergers, lot line adjustments and re-subdivisions and any amendment to the foregoing or to any Initial Approval, in any case that are sought by Developer and issued by the City in accordance with this Agreement.

“Law(s)” means, individually or collectively as the context requires, the Constitution and laws of the United States, the Constitution and laws of the State, the laws of the City, any codes, statutes, rules, regulations, or executive mandates under any of the foregoing, and any State or Federal court decision (including any order, injunction or writ) with respect to any of the foregoing, in each case to the extent applicable to the matter presented. For the avoidance of doubt, the laws of the City applicable under the Plan Documents shall be the Existing Standards, as the same may be amended or updated in accordance with permitted New City Laws as set forth in Section 5.6.

“Law Adverse to Developer” is defined in Section 5.9.4.

“Law Adverse to the City” is defined in Section 5.9.4.

“Litigation Extension” is defined in Section 11.6.

“Losses” is defined in Section 4.10.

“Louisiana Paseo” is defined in Recital H.

“**Maintained Facilities**” means those facilities set forth on the Maintenance Matrix attached as Exhibit A to the Financing Plan.

“**Maintenance Matrix**” is defined in the Financing Plan.

“**Major Encroachment Permit**” is defined in Section 786 of the San Francisco Public Works Code.

“**Management Association**” is defined in Section 12.1.

“**Material Change**” means any modification to this Agreement or change or update to the Project that: (i) would materially alter the rights, benefits or obligations of the City or Developer under this Agreement; (ii) is not consistent with the Project SUD; (iii) extends the Term; (iv) changes the permitted uses of the Project Site; (v) reduces Associated Community Benefits; (vi) increases the maximum height, density, bulk or size of the Project (except to the extent permitted under the Project SUD); (vii) increases parking ratios; or (viii) reduces the Applicable Impact Fees and Exactions.

“**Mayor’s Directive**” means that certain Executive Directive 17-02, issued by Mayor Edwin M. Lee on September 27, 2017.

“**Mitigation Measures**” means the mitigation measures (as defined by CEQA) applicable to the Project as set forth in the MMRP or, to the extent approved by the City and Developer, that are necessary to mitigate adverse environmental impacts identified through the CEQA process as part of a Later Approval.

“**MMRP**” means that certain mitigation monitoring and reporting program attached as Exhibit J.

“**MOHCD**” means the Mayor’s Office of Housing and Community Development of the City.

“**Mortgage**” means a mortgage, deed of trust, or other lien (direct or indirect) on all or part of the Project or the Project Site to secure an obligation made by the applicable Person (including the right to receive payments or other amounts due under the Financing Plan or other revenue emanating from the Project and/or the Project Site).

“**Mortgagee**” means (i) any mortgagee or beneficiary under a Mortgage (for the avoidance of doubt, including any mezzanine lender to any Person with a direct or indirect interest in Developer) and (ii) a Person that obtains title to any Foreclosed Property as a result of foreclosure proceedings or conveyance or other action in lieu thereof or other remedial action but only to the extent that such Person has not specifically assumed Developer’s obligations in accordance with the terms hereof.

“**Municipal Code**” means the San Francisco Municipal Code.

“**New City Laws**” is defined in Section 5.7.

“**Non-City Agency**” means a Federal, State or local governmental agency that is not a City Agency.

“**Non-City Regulatory Approval**” is defined in Section 3.11.

“**Non-City Responsible Agencies**” is defined in Section 3.11.

“**Objective Requirements**” is defined in Section 3.4.

“**OEWD**” means the San Francisco Office of Economic and Workforce Development.

“**Official Records**” means the official real estate records of the City and County of San Francisco, as maintained by the City’s Assessor-Recorder’s Office.

“**OLSE**” is defined in Section 4.9.

“**Ongoing Maintenance Services**” is defined in the Financing Plan.

“**Parks and Open Spaces**” means all of the publicly-accessible open spaces developed in accordance with the Design for Development.

“**Party**” and “**Parties**” are defined in the preamble.

“**Person**” means any natural person or a corporation, partnership, trust, limited liability company, limited liability partnership or other entity.

“**PG&E**” is defined in Recital B, together with its successor(s).

“**PG&E Affected Area**” is defined in Section 11.8.

“**PG&E Sub-Area**” is defined in Recital B.

“**Phasing Diagram**” means the phasing diagram attached as part of Exhibit M-2.

“**Phasing Goals**” is defined in Section 3.2.5.

“**Phasing Plan**” means the phasing plan attached as part of Exhibit M-1.

“**Plan Documents**” means, individually or collectively as the context requires, the Land Use Plan, Infrastructure Plan, Phasing Plan, Housing Plan, Financing Plan, Design for Development, TDM Plan, and this Agreement.

“**Planning Code**” means the San Francisco Planning Code.

“**Planning Commission**” means the Planning Commission of the City and County of San Francisco.

“**Planning Department**” means the Planning Department of the City and County of San Francisco acting through the Planning Director.

“Planning Director” means the Director of the Planning Department or his or her designee.

“Port” is defined in Recital C.

“Port 23rd Street Property” is defined in Recital C.

“Port Bay Property” is defined in Recital C.

“Port Craig Lane Property” is defined in Recital C.

“Port Lease” is defined in Recital C.

“Port Open Space” is defined in Recital C.

“Port Sub-Area” is defined in Recital C as of the Reference Date and following any conveyance of real property in the Project Site by or to the Port as contemplated hereby means the real property in the Project Site owned by the Port as of the date of determination.

“Power Station Park” is defined in Recital H.

“Power Station Park System” is defined in Recital H.

“Privately-Owned Community Improvements” means those facilities and services that are privately-owned and privately-maintained, at no cost to the City (other than any public financing set forth in the Financing Plan), for the public benefit and not dedicated to the City, including any Infrastructure that is not a Public Improvement. The Privately-Owned Community Improvements are shown generally on Exhibit L-1 and further described in the Design for Development. Privately-Owned Community Improvements include certain pedestrian paths, alleys (such as Craig Lane) storm drainage facilities, open spaces, SFMTA Employee Restroom, Muni Bus Shelter, and community or recreation facilities to be built on land owned by Developer, or on land owned by the City if the Privately-Owned Community Improvements thereon are subject to an encroachment permit or other permit allowing their installation on such land.

“Processing Fees” means the standard fee that is not an Impact Fee or Exaction imposed by the City upon the submission of an application for a permit or approval in accordance with City practice on a City-Wide basis and in accordance with this Agreement.

“Project” means the mixed-use development project as generally described in Recital E and as further described in this Agreement, the other Plan Documents, and the Approvals, including the Associated Community Benefits.

“Project Site” is defined in Recital C.

“Project Special Taxes” is defined in the Financing Plan.

“Project SUD” means Planning Code Section 249.[], as adopted by the Board of Supervisors in Ordinance No. [], as the same may have been amended as of the date of determination as permitted hereunder.

“Prop M Allocation” means the approval of “Prop M” office allocation (pursuant to Planning Code section 321 *et seq.* or successor provision) for the Project.

“Proportionality Requirement” is defined in Section 3.2.4.

“Public Health and Safety Exception” is defined in Section 5.9.1.

“Public Improvements” means the facilities, both on- and off-site, to be improved, constructed and dedicated by Developer and, upon Completion in accordance with this Agreement, accepted by the City. Public Improvements include the streets within the Project Site shown on Exhibit N, and all Infrastructure and public utilities within such streets (such as electricity, water and sewer lines but excluding any non-municipal utilities), including sidewalks, landscaping, bicycle lanes, bus boarding island, street furniture, and paths and intersection improvements (such as curbs, medians, signaling, traffic controls devices, signage, and striping). The Public Improvements also include the SFPUC Infrastructure, and the SFMTA Infrastructure. The Public Improvements do not include Privately-Owned Community Improvements or, if any, privately owned facilities or improvements in the public right of way.

“Public Improvement Agreement” means an agreement between the City and Developer for the completion of required Public Improvements.

“Public Works” means the San Francisco Department of Public Works.

“Public Works Director” means the Director of Public Works.

“Qualified Project Costs” is defined in the Financing Plan.

“Soccer Field” is defined in Recital H.

“RPD” means the City’s Recreation and Park Department.

“Services Special Taxes” is defined in the Financing Plan.

“SFMTA” means the San Francisco Municipal Transportation Agency.

“SFMTA Infrastructure” means the Public Improvements that the SFMTA will own or operate, and maintain following Completion and Board of Supervisors acceptance, as identified in the Infrastructure Plan.

“SFPUC” means the San Francisco Public Utilities Commission.

“SFPUC Capacity Charges” means all water and sewer capacity and connection fees and charges payable to the SFPUC, as and when due in accordance with applicable City requirements and this Agreement.

“**SFPUC Infrastructure**” means the Public Improvements that the SFPUC will own and operate following Completion and Board of Supervisors acceptance, as identified in the Infrastructure Plan.

“**State**” means the State of California.

“**Subdivision Code**” means the San Francisco Subdivision Code and Subdivision Regulations.

“**Subdivision Map**” means any map that Developer submits for the Project Site under the Subdivision Map Act and the Subdivision Code, which may include tentative or vesting tentative subdivision maps, final or vesting final subdivision maps and any tentative or final parcel map, or transfer map, including phased final maps to the extent authorized under an approved tentative subdivision map.

“**Subdivision Map Act**” means the California Subdivision Map Act, California Government Code §§ 66410 *et seq.*

“**Subdivision Regulations**” means subdivision regulations applicable to the Project Site adopted by Public Works from time to time in accordance with this Agreement, including exceptions granted by the Public Works Director in accordance therewith.

“**Subsequent Impact Fee Period**” means the period commencing upon the expiration of the Initial Impact Fee Period and continuing until the expiration of the Term (for the avoidance of doubt, as extended by a Litigation Extension (if any)).

“**Transportation Plan**” is attached as Exhibit I.

“**Term**” is defined in Section 2.2.

“**Third-Party Challenge**” means any administrative, legal or equitable action or proceeding instituted by any Person other than the City, any City Agency or Developer against the City or any City Agency challenging the validity or performance of any provision of this Agreement, the Project, the Approvals, the adoption or certification of the FEIR or other actions taken pursuant to CEQA, or other approvals required under Law to construct the Project, any action taken by the City or Developer in furtherance of this Agreement, or any combination of the foregoing relating to the Project or any portion thereof.

“**Transfer**” is defined in Section 12.1 and in all events excludes (i) a transfer of ownership or membership interests in Developer or any Transferee, (ii) grants of easement or of occupancy rights for existing or completed Buildings or other improvements (including space leases in Buildings), and (iii) the placement of a Mortgage on all or any portion of the Project Site.

“**Transferable Infrastructure**” means, with respect to each Development Parcel, items of Infrastructure that may consist of (i) final, primarily behind the curb, right-of-way improvements, including sidewalks, light fixtures, street furniture, landscaping, and driveway cuts, for such Development Parcel and/or (ii) utility laterals built within such Development Parcel or to connect such Development Parcel to the adjacent right of way.

“**Transferee**” is defined in Section 12.1.

“**Transferred Property**” is defined in Section 12.1.

“**Utility Infrastructure**” means Public Improvements for utility systems that serve the Project Site, including subsurface systems for power, stormwater, sewer, domestic water, recycled water, and AWSS, and above-ground utility facilities, such as streetlights, stormwater controls and switchgears. Utility Infrastructure excludes (a) telecommunications infrastructure, (b) any privately owned utility improvements, and (c) streets and sidewalks.

“**Utility Yard**” means a service yard for a public utility or public use of a similar character.

“**Vertical Improvement**” means a Building or other improvement to be developed under this Agreement that is not Parks and Open Space or Infrastructure.

“**Vested Elements**” is defined in Section 5.1.

“**Waterfront Park**” is defined in Recital H.

“**Workforce Agreement**” means the Workforce Agreement attached as Exhibit F.

ARTICLE 2 EFFECTIVE DATE; TERM

Section 2.1 Effective Date. This Agreement shall take effect upon the later to occur of (i) the full execution and delivery of this Agreement by the Parties and (ii) the date the Enacting Ordinance is effective and operative (“**Effective Date**”).

Section 2.2 Term. The term of this Agreement shall commence upon the Effective Date and shall continue in full force and effect for thirty (30) years thereafter (the “**Term**”), unless earlier terminated as provided herein, provided that the Term shall be extended for each day of a Litigation Extension. The term of any conditional use permit, any tentative Subdivision Map, any subsequent subdivision map and any other Approval shall be for the longer of (x) the Term (as it relates to the applicable parcel) or (y) the term otherwise allowed under the Subdivision Map Act, conditional use/planned unit development approval or other Approval, as applicable.

ARTICLE 3 GENERAL RIGHTS AND OBLIGATIONS

Section 3.1 Development of the Project. Developer shall have the vested right to develop the Project in accordance with and subject to the provisions of this Agreement, including upon issuance of the Later Approvals, and the City shall consider and process all Later Approvals in accordance with and subject to this Agreement. The Parties acknowledge that Developer (i) as of the Reference Date has obtained all approvals from the City required to Commence Construction of the Project, other than any required Later Approvals, and (ii) may proceed in accordance with this Agreement with the construction and, upon completion, use and occupancy of the Project as a matter of right, subject to the issuance of any required Later Approvals and any required Non-City Regulatory Approvals as set forth in this Agreement. By granting the Approvals, the City has made

a policy decision that the Project is in the best interest of the City and promotes the public health, safety and general welfare. Accordingly, the City in granting the Approvals and vesting them through this Agreement is limiting its future discretion with respect to the Project. Consequently, the City shall not use its discretionary authority in considering any application for a Later Approval or in connection with any other matter related to the Project to change the policy decisions reflected by the Approvals and this Agreement or otherwise to prevent or to delay development of the Project. The City acknowledges and agrees that the development of the Project as contemplated under this Agreement is a priority project for which the City shall act as expeditiously as is reasonably feasible to review and process any applications and approvals in connection therewith.

Section 3.2 Development Process.

3.2.1 Phases. The Parties anticipate that the Project will be developed in phases described in the Phasing Plan (each, a “**Development Phase**” and collectively, the “**Development Phases**”) in the manner described in this Section 3.2. The Parties acknowledge that Developer cannot guarantee the exact timing in which Development Phases will be constructed and whether particular elements of the Project will be constructed at all. Such decisions depend on numerous factors that are not within the control of Developer or the City, including the Development Considerations. Developer shall have the right to develop the Project in Development Phases in such order and time as determined by Developer in the exercise of its sole and subjective business judgment, but subject to the requirements of this Agreement with respect to Associated Community Benefits. Prior to the commencement of each Development Phase, Developer shall submit to the Planning Department an application (each, a “**Development Phase Application**”) in accordance with the procedures and requirements set forth in Exhibit O.

3.2.2 Boundaries. The proposed boundaries of each Development Phase, based on Developer’s best knowledge at the time of approval of this Agreement, are generally shown in the Phasing Plan. Final boundaries of each Development Phase will be established by the approval by the City, through the Planning Department, of the Development Phase Application with respect to such Development Phase. The boundaries of all parcels within each Development Phase will be established through Subdivision Maps.

3.2.3 Associated Public Benefits. Because the Project will be built out over a number of years, the amount and timing of the Associated Community Benefits, including the Public Improvements, Privately Owned Community Improvements (including the Parks and Open Spaces), and affordable housing, are allocated by Development Phase in accordance with the Plan Documents, including the Phasing Plan, as more particularly described in Sections 4.1 - 4.3. The scope and timing of Infrastructure that is associated with specific parcels or Buildings shall be reviewed and approved by the City through the Subdivision Map approval process consistent with the Applicable Standards. As more particularly described in Sections 4.1 - 4.3, requirements of the Associated Community Benefits related to affordable housing, workforce requirements, and transportation demand management shall be delivered as set forth in the Housing Plan, Workforce Agreement and TDM Plan, respectively.

3.2.4 Proportionality Requirement. The development of the Project as provided in this Agreement and the other Plan Documents has been carefully structured to meet (and the City acknowledges and agrees that development of the Project as provided herein does meet) the

requirement that Associated Community Benefits, including Public Improvements, Privately Owned Community Improvements (including the Parks and Open Spaces), and affordable housing, be provided proportionately with the development of market-rate housing and commercial-office and laboratory uses taking into account the Project as a whole (the “**Proportionality Requirement**”).

3.2.5 Changes to Phasing. The Parties agree that many factors, including the Development Considerations, will determine the rate at which various residential and commercial uses within the Project can be developed and absorbed. Developer may request changes to the Phasing Plan at any time, including changes to the proposed boundaries of a Development Phase, the order of Development Phases and/or the Development Phases and/or Buildings to which Associated Community Benefits are tied, by submitting a written request to the Planning Director with a statement explaining the reasons for the proposed changes. The Planning Director shall consider only the following (collectively, the “**Phasing Goals**”) when considering Developer’s request for changes to the Phasing Plan:

- Rational Development. Associated Community Benefits should be developed in an orderly manner and consistent with the Plan Documents. Finished portions of the Project should be generally contiguous or adjacent to a completed street.
- Appropriate Development. Horizontal development should be timed to coordinate with the needs of vertical development. Completed Infrastructure must provide continuous reliable access and utilities to then-existing visitors, residents, and businesses.
- Market Timing. The boundaries and mix of uses within the Development Phase should be designed to minimize unsold inventory of Development Parcels.
- Flexibility. Flexibility to respond to market conditions, cost and availability of financing and economic feasibility should be provided.
- Proportionality. If the change would delay the production of Associated Community Benefits or reallocate Associated Community Benefits due to a change in the proposed boundaries of development parcels, the Project should continue to meet the Proportionality Requirement.

3.2.6 City Approval. In considering whether to approve Developer’s requested changes, the Planning Director shall consider only whether the changes are consistent with all of the Phasing Goals. The Planning Director shall approve such change if, after consulting with all affected City Agencies and the City Attorney, he or she reasonably determines that the modified Phasing Plan meets all of the Phasing Goals. Any material change to the Phasing Plan that does not meet all of the Phasing Goals, as reasonably determined by the Planning Director, requires the approval of the Planning Commission after consultation with the affected City Agencies.

Section 3.3 Approval of Subdivision Maps. Developer shall obtain a tentative subdivision map and enter into a Public Improvement Agreement, or otherwise satisfy the applicable requirements of the Subdivision Code before commencing construction of any Infrastructure or Building within a Development Phase. The Parties shall agree on a form of Public Improvement Agreement and Major Encroachment Permit within six (6) months following the Reference Date. Developer is not required to obtain one Subdivision Map for the entire Project Site. Developer may obtain multiple Subdivision Maps (one or more for each Development Phase) or obtain one Subdivision Map for the entire Project Site, as desired.

Section 3.4 Design Review and Objective Requirements. The Approvals and the Plan Documents are intended to ensure that the urban, architectural and landscape design of the Buildings, the Public Improvements and the public realm at the Project Site will be of high quality and appropriate scale, include sufficient open space and promote the public health, safety and general welfare. The design review procedures applicable to all Buildings and Privately-Owned Community Improvements shall be as set forth in the Project SUD. Design review procedures applicable to Parks and Open Spaces shall be as set forth in Section 3.5. The City shall review and approve, disapprove, or approve with recommended modifications any design review application under the Project SUD (a “**Design Review Application**”) in accordance with the requirements of this Agreement and the procedures specified in the Project SUD. Notwithstanding anything to the contrary in this Agreement, the City may exercise its reasonable discretion in approving the aspects of a Design Review Application that relate to the qualitative or subjective requirements of the Design for Development, including the choice of building materials and fenestration. In considering a Design Review Application and any Later Approval for those aspects of a proposed Building or Privately-Owned Community Improvement that meet the quantitative or objective requirements of the Project SUD, Design for Development and the other Plan Documents (the “**Objective Requirements**”), including the Building’s proposed height, bulk, setbacks, streetwalls, location and size of uses and amount of open space and parking, the City acknowledges and agrees that (i) it has exercised its discretion in approving the Project SUD and the Plan Documents and (ii) any proposed Design Review Application or Later Approval that meets the Objective Requirements shall not be rejected by the City based on elements that conform to or are consistent with the Objective Requirements, so long as the proposed Building or Privately-Owned Community Improvements meets the San Francisco Building Codes as set forth in Section 5.4.

Section 3.5 Design Review of Parks and Open Spaces within Power Station Park System. Before the City may issue any construction permit for any Parks and Open Spaces located within the Power Station Park System, (i) the Planning Department shall have first approved a Design Review Application for the schematic design and construction documents for the applicable Parks and Open Spaces in accordance with the Project SUD, to the extent located on the Developer Property, and (ii) the Port and/or other applicable Non-City Responsible Agencies and City Agencies shall have first issued all Later Approvals for the Parks and Open Spaces required under Exhibit Z, to the extent located on the Port Sub-Area.

Section 3.6 Construction of Public Improvements and Privately-Owned Community Improvements. Developer shall undertake the design, development, and installation of the Public Improvements and Privately-Owned Community Improvements at no cost to City (other than the public financing set forth in the Financing Plan). Public Improvements shall be designed and constructed, and shall contain those improvements and facilities, as reasonably required by the applicable City Agency that is to accept, and in some cases operate and maintain, the Public Improvement in keeping with the then-current City-Wide standards and requirements of the City Agency as if it were to design and construct the Public Improvement on its own at that time, subject to Section 5.7.1, or as otherwise approved by Public Works or the applicable City Agency in accordance with this Agreement and the Subdivision Code. Without limiting the foregoing, Developer shall complete all Public Improvements and Privately-Owned Community Improvements in accordance with the applicable Plan Documents, and in a good and diligent manner, without material defects, in accordance with City-approved construction documents. As and when required under the Subdivision Map Act, Developer shall enter into a Public Improvement

Agreement with Public Works, and provide adequate security consistent with the Subdivision Code and the applicable Public Improvement Agreement (which may include bonds, letters of credit, or other security satisfactory to the City and meeting the requirements of the Subdivision Code (“Adequate Security”).

3.6.1 Regulatory Approvals. Developer shall obtain all necessary permits and approvals (including approval of all design and construction plans) from any responsible agencies having jurisdiction over each Public Improvement and Privately-Owned Community Improvement. Without limiting the foregoing, Developer shall obtain all necessary permits and approvals: (i) from the SFMTA approval all of the plans and specifications for Public Improvements that are under SFMTA jurisdiction as provided in the SFMTA Consent, (ii) from the SFPUC approval of the plans and specifications for the SFPUC Infrastructure as provided in the SFPUC Consent and (iii) from Public Works approval of the plans and specifications for all streets and sidewalks and improvements in the public rights of way. In deciding whether to approve, conditionally approve, or deny any such matter, each City Agency is subject to the requirements of the Plan Documents, including Section 3.6 and Sections 5.2-5.6.

3.6.2 Timing for Completion of Public Improvements and Privately-Owned Community Improvements. All Public Improvements that are required to serve a Building (as identified in the Infrastructure Plan and Phasing Plan) must be completed and accepted by the Board of Supervisors on or before issuance of the First Certificate of Occupancy for that Building; provided, however, that upon Developer’s request, the City shall allow the issuance of the First Certificate of Occupancy for a Building prior to acceptance of the required Public Improvements if (i) the applicable Public Improvements have been Completed and (ii) Developer and the City have entered into an agreement reasonably acceptable to the Public Works Director (with respect to Public Improvements within Public Works jurisdiction) and SFPUC General Manager (with respect to Public Improvements within SFPUC jurisdiction) governing the use of and liability for the applicable Public Improvements until accepted by the Board of Supervisors. The Parties agree to work in good faith to enter into such agreements as may be needed to ensure that City’s process for acceptance of Public Improvements does not delay the issuance of certificates of occupancy when the Infrastructure is Completed and ready for its intended use. Subject to Section 4.2, Privately-Owned Community Improvements (including certain Parks and Open Spaces) expressly identified in the Phasing Plan must be Completed in accordance with the times for Completion set forth in the Phasing Plan. Developer acknowledges and agrees that upon the occurrence of certain conditions, the City may decide not to issue certificates of occupancy, as more particularly described in Section 9.4.5.

3.6.3 Timing for Satisfaction of BMR Requirements. Any requirement to construct BMR Units or otherwise satisfy Developer’s obligations under the Housing Plan is triggered when Developer Commences Construction on the residential Building to which the obligation is tied, as more particularly described in the Housing Plan.

3.6.4 Dedication and Acceptance of Public Improvements. Developer shall provide the City with an offer of dedication for all Public Improvements, with fee title to public right of way (or an easement, if acceptable to the City), within the Development Phase in accordance with the Subdivision Code, the applicable Public Improvement Agreement and Subdivision Map conditions of approval. At any time after Completion of Public Improvements,

Developer shall make a written request to the City to initiate acceptance of such Public Improvements in accordance with the Subdivision Code, the Public Improvement Agreement, and this Agreement. With any such request, Developer shall satisfy all prerequisites and conditions to acceptance consistent herewith, including any required materials associated with the request. Following Developer's submittal of all required materials, each applicable City Agency having jurisdiction shall diligently and expeditiously process the acceptance request in accordance herewith and introduce complete acceptance packages to the Board of Supervisors.

Section 3.7 Contracting for Public Improvements. In connection with construction of the Public Improvements, Developer shall engage a contractor that is duly licensed in the State and qualified to complete the work (the "**Contractor**"). The Contractor shall contract directly with Developer pursuant to an agreement to be entered into by Developer and the Contractor, which shall: (i) be a guaranteed maximum price contract; (ii) require contractor to maintain bonds and insurance for the benefit of Developer and the City in accordance with the Subdivision Code; (iii) require the Contractor to obtain and maintain customary insurance, including workers compensation in statutory amounts, employer's liability, general liability, and builders all-risk; (iv) release the City from any and all claims relating to the construction, including to mechanics liens and stop notices; (v) subject to the rights of any Mortgagee that forecloses on the property, include the City as a third party beneficiary with all rights to rely on the work, receive the benefit of all warranties, and prospectively assume Developer's obligations and enforce the terms and conditions of the Construction Contract as if the City were an original party thereto; and (vi) require that the City be included as a third party beneficiary with all rights to rely on the work product, receive the benefit of all warranties and covenants, and prospectively assume Contractor's rights in the event of any termination of the Construction Contract, relative to all work performed by the Project's architect and engineer.

Section 3.8 The Maintenance and Operation of Public Improvements by Developer and Successors. Ongoing Maintenance Services of the Maintained Facilities will be paid by Services Special Taxes from the CFD in accordance with the Financing Plan. Parties shall comply with the Finance Plan attached hereto as Exhibit C.

Section 3.9 Maintenance and Operation of Privately-Owned Community Improvements. Developer, a Management Association, or a subsequent operator, as applicable, shall operate and maintain in good and workmanlike condition, and otherwise in accordance with all Laws and any applicable permits, at no cost to the City, all Privately-Owned Community Improvements, which shall be maintained as Maintained Facilities under the Financing Plan. At a minimum, certain Privately-Owned Community Improvements shall be maintained and operated in accordance with the requirements of Exhibit L-2 and for SMTA Employee Restroom in Exhibit I. In order to ensure that all such Privately-Owned Community Improvements are maintained as required, Developer shall record a declaration of covenants, conditions and restrictions in a form approved by the Planning Director and Port Director (after consultation with the City Attorney) ("**CC&Rs**") against the Development Parcels, including any sites that are intended for dedication to the City, that requires Developer or a Management Association, as applicable, to maintain and repair such Privately-Owned Community Improvements in perpetuity, with appropriate fees or revenue to perform such obligations. The CC&Rs shall require Developer or a Management Association, as applicable, to maintain, repair and operate any Improvements located within the Port Open Space and the Port Bay Property pursuant to the Port Lease. The CC&Rs may be recorded

against Development Parcels in phases, but in each instance before Completion of the Buildings thereon. Notwithstanding anything to the contrary contained in any Management Association governing document, Developer shall make commercially reasonable efforts to enforce the maintenance and repair obligations of the Management Association during the Term. The CC&Rs shall expressly provide (i) the City with the right to enforce the public access, operational standards, and maintenance and repair provisions of the CC&Rs applicable to the Privately-Owned Community Improvements and (ii) the Port with the right to enforce the maintenance and repair provisions of the CC&Rs applicable to the Port open Space and Port Bay Property.

Section 3.10 Non-City Regulatory Approvals for Public Improvements. The Parties acknowledge that certain Public Improvements and Privately-Owned Community Improvements, most particularly the proposed outfall of stormwater from the Project Site to the Bay and in -water construction, including for the proposed dock, require the approval of one or more Non-City Agencies with jurisdiction (“**Non-City Responsible Agencies**”). The Non-City Responsible Agencies may disapprove installation of such Public Improvements or Privately-Owned Community Improvements in accordance with Laws, making such installation impossible. The City shall cooperate with reasonable requests by Developer to obtain permits, agreements, or entitlements from Non-City Responsible Agencies for each such improvement, and as may be necessary or desirable to effectuate and implement development of the Project in accordance with the Approvals (each, a “**Non-City Regulatory Approval**”). The City’s commitment to Developer under this Section 3.11 is subject to the following conditions and covenants:

(a) Throughout the permit process for any Non-City Regulatory Approval, Developer shall consult and coordinate with each affected City Agency in Developer’s efforts to obtain the Non-City Regulatory Approval, and each such City Agency shall cooperate reasonably with Developer in Developer’s efforts to obtain the Non-City Regulatory Approval;

(b) Developer shall not agree to conditions or restrictions in any Non-City Regulatory Approval that could reasonably be expected to create (i) any obligations on the part of any City Agency, unless such City Agency agrees to assume such obligations at the time of acceptance of the Public Improvements, or (ii) any restrictions on City-owned property (or property to be owned by the City under this Agreement), excluding any existing or proposed easements for PG&E facilities, unless the City, including each affected City Agency, has previously approved the restrictions in writing, which approval may be given or withheld in its reasonable discretion; and

(c) Developer shall bear all costs associated with applying for, obtaining and complying with any necessary Non-City Regulatory Approval and any and all conditions or restrictions imposed as part of a Non-City Regulatory Approval, subject to Section 3.13. Developer shall pay or otherwise discharge any fines, penalties or corrective actions imposed as a result of Developer’s failure to comply with any Non-City Regulatory Approval.

Section 3.11 Continuing City Obligations. Certain Non-City Regulatory Approvals may include conditions that require special maintenance or other obligations that continue after the City accepts the dedication of Public Improvements (each, a “**Continuing Obligation**”). Standard

maintenance of Public Improvements, in keeping with City's existing practices, shall not be deemed a Continuing Obligation. Developer must notify all affected City Agencies in writing and include a clear description of any Continuing Obligation, and each affected City Agency must approve the Continuing Obligation in writing in its reasonable discretion before Developer agrees to the Non-City Regulatory Approval that includes the Continuing Obligation. Upon the City's acceptance of any Public Improvement that has a Continuing Obligation that was approved by the City as set forth above, the City shall assume the Continuing Obligation and notify the Non-City Responsible Agency that gave the applicable Non-City Regulatory Approval of this fact. Notwithstanding the foregoing and for purposes of clarity, no City Agency, including the Port, will accept a Continuing Obligation that applies to private land.

Section 3.12 Public Financing.

3.12.1 Financing Districts. Developer and City may agree to form a CFD under the CFD Act. Any and all costs incurred by the City in forming a CFD shall be City Costs. The terms and conditions of any CFD must be consistent with the specifications in the Financing Plan; provided, however that the CFD must be established before the sale of any parcel within the Project. Developer shall not, at any time, contest, protest, or otherwise challenge the formation of the CFDs or the issuance of additional bonds or other financing secured by Project Special Taxes, or the application of bond proceeds or Project Special Taxes. Once established, Developer shall not institute, or cooperate in any manner with, proceedings to repeal or reduce the Project Special Taxes. The provisions of this Section 3.13 shall survive the expiration of this Agreement, and Developer shall include the requirements of this Section 3.13.1 in the CC&Rs (or, if the CC&Rs have not yet been created and recorded, in the sale documents for any sale of all or part of the Project Site).

3.12.2 Limitation on New Districts. The City shall not form any new financing or assessment district over any portion of the Project Site unless the new district applies to similarly-situated property City-Wide or Developer gives its prior written consent to or requests the proceedings.

3.12.3 Permitted Assessments. Nothing in this Agreement limits the City's ability to impose new or increased taxes or special assessments, any equivalent or substitute tax or assessment, or assessments for the benefit of business improvement districts or community benefit districts formed by a vote of the affected property owners.

Section 3.13 PG&E Sub-Area. Notwithstanding anything to the contrary herein, the PG&E Sub-Area, as shown in Exhibit A-2, is not subject to the terms of this Agreement unless and until PG&E or a subsequent fee owner of the PG&E Sub-Area executes a joinder to this Agreement substantially in the form attached hereto related to the PG&E Sub-Area or a portion thereof, in which case such Person shall be "Developer" hereunder with respect to the PG&E Sub-Area or such portion and the PG&E Sub-Area or such portion shall constitute "Developer Property" applicable to such Person.

Section 3.14 Workforce. Developer shall require project sponsors, contractors, consultants, subcontractors, and subconsultants, as applicable, to undertake workforce development

activities in both the construction and end use phases of the Project in accordance with the Workforce Agreement, all to the extent required thereunder.

Section 3.15 Public Power. Within sixty (60) days after the Effective Date, Developer will provide the SFPUC with all Project information the SFPUC requires to determine the feasibility of providing electric service to the Project Site (the “**Feasibility Study**”). The SFPUC will complete the Feasibility Study within six (6) months after the date that Developer provides to the SFPUC all Project information needed to complete the Feasibility Study. SFPUC and Developer shall comply with Chapter 99 of the Administrative Code and Section 8B.121 of the City Charter. Any SFPUC power will be provided under the SFPUC’s Rules and Regulations Governing Electric Service and at rates that are comparable to rates in San Francisco for comparable service from other providers. This Section 3.16 restates the current requirements of Municipal Code and the City’s Charter and does not otherwise amend or waive any existing requirements of the Municipal Code or City Charter.

Section 3.16 Utility Yard. If the Person that is Developer of a Development Phase (i.e., the “horizontal developer” of such Development Phase) reasonably determines that a portion of such Development Phase is required (and will be used) for a Utility Yard, then such Developer may notify the City thereof in writing. Effective as of the date that is thirty (30) days after the delivery of such notice this Agreement shall terminate with respect to such portion (and, for the avoidance of doubt, such portion shall not be part of the Project Site hereunder).

Section 3.17 Fair Share. Upon determination by the SFPUC and the Developer of the scope and cost of needed improvements to accommodate the additional flows from the Project to a future relocated 20th Street Pump Station, the Developer shall pay its fair share for improvements required to provide adequate sewer capacity within the area of the Project and to serve the Project as determined by the SFPUC. The contribution shall be in proportion to the wastewater flows from the Project relative to the total design capacity of the upgraded pump station.

Section 3.18. Waiver of State Density Bonus Law; and Similar State and Local Laws Allowing Additional Residential and/or Non-Residential Density and modifications to development requirements. The parties acknowledge that various state and local laws, including but not limited to the State Density Bonus Law (California Government Code § 65915 et seq), the Affordable Housing Bonus Program (Planning Code section 206 et seq.), and Planning Code Sections 207, as they may be amended from time to time, generally allow additional residential and/or non-residential density and modifications to development requirements for residential or mixed-use developments in exchange for the inclusion of a percentage of on-site below market rate units, or the dedication of land suitable for the construction of on-site affordable housing units. By entering into this Agreement, and adopting the Project SUD, Zoning Map amendments, and the Design for Development, the City is allowing significantly more development than what is allowed under the existing zoning and more that what would be allowed under existing zoning in conjunction with the State Density Bonus Law, AHBP or any other state or local development bonus program; likewise, the developer is providing on-site affordable housing in amount greater than required to receive such bonuses, as set forth in the Housing Plan.

By entering into this Agreement, Developer is voluntarily and intentionally waiving its ability to use the State Density Bonus program, the Affordable Housing Bonus Program, Planning

Code sections 207, as they may be amended from time to time, or any other process or mechanism allowed under state or local law now or in the future to increase, modify, expand or change the amount of and design for development, both residential and non-residential, on the site from the Project as described in and regulated by the DA, Project SUD, Zoning Map amendments, and Design for Development. Developer is agreeing to pursue development on the site solely within the regulatory framework of the Project SUD, Zoning Map amendments, and the Design for Development, with the understanding that the only allowed modifications, exceptions and variances to the Project are those pursuant to the parameters and processes explicitly established in the Project SUD for such modifications and changes, approvable at the sole discretion of the City. City would not be entering into this DA and approving this Project, including the Project SUD, Zoning Map amendments, and Vesting, were the Developer to be able to use any other development bonus in conjunction therewith, and have negotiated the public benefits, including affordable housing and other DA provisions, based on the specific land use program and project design as established in the Project SUD, Zoning Map amendments, and Design for Development as adopted, inclusive of the modification processes allowed therein and any amendments to the Project SUD and Design for Development as may be approved in the future by the City.

ARTICLE 4 PUBLIC BENEFITS; DEVELOPER OBLIGATIONS AND CONDITIONS TO DEVELOPER'S PERFORMANCE

Section 4.1 Community Benefits Exceed Those Required by Existing Ordinances and Regulations. The Parties acknowledge and agree that the development of the Project in accordance with this Agreement provides a number of public benefits to the City beyond those achievable through Laws in effect on the Reference Date, including the Associated Community Benefits. The City acknowledges and agrees that a number of the Associated Community Benefits would not be otherwise achievable without the express agreement of Developer under this Agreement. Developer acknowledges and agrees that, as a result of the benefits to Developer under this Agreement, Developer has received good and valuable consideration for its provision of the Associated Community Benefits, and that the City would not be willing to enter into this Agreement without the Associated Community Benefits. Each component of the Public Improvements and the Privately-Owned Community Improvements (including the Parks and Open Spaces) and the affordable housing under the Housing Plan (each, an “**Associated Community Benefit**”) is tied to the construction of a specific Development Phase and/or Building under the Phasing Plan and the Housing Plan (and references herein to being “tied” to a Development Phase or Building shall be as set forth in such Plan Documents). The timing for delivery of the Associated Community Benefits shall be as set forth in the Phasing Plan.

Section 4.2 Associated Community Benefits. As part of its development of the Project hereunder, Developer shall provide the Associated Community Benefits identified in the following attachments to this Agreement as and to the extent required hereunder and thereunder:

- (a) the Infrastructure Plan (including all of the Public Improvements and all of the Privately-Owned Community Improvements);
- (b) the Phasing Plan;

- (c) the Housing Plan;
- (d) the Transportation Plan; and
- (e) the Design for Development; and,
- (f) the Workforce Agreement.

Section 4.3 Conditions to Performance of Associated Community Benefits. Except to the extent expressly stated otherwise in an applicable Plan Document, Developer's obligation to perform each Associated Community Benefit is expressly conditioned upon each and all of the following conditions precedent:

- (a) The Development Phase Approval to which the Associated Community Benefit is tied (or of which the applicable Building is a part) shall have been Finally Granted;
- (b) Developer shall have obtained all Later Approvals required to Commence Construction of the applicable Development Phase and/or Building to which the Associated Community Benefit is tied, and such Later Approvals shall have been Finally Granted, except to the extent that such Later Approvals have not been obtained or Finally Granted due to the failure of Developer to timely initiate and then diligently and in good faith pursue such Later Approvals; and
- (c) Developer shall have Commenced Construction of the Development Phase and/or Building to which the Associated Community Benefit is tied.

Section 4.4 No Additional CEQA Review or General Plan Consistency Findings Required. The Parties acknowledge that: (i) the FEIR complies with CEQA and that the Project is consistent with the General Plan; and (ii) the FEIR and the MMRP are intended to be used in connection with each of the Later Approvals to the extent appropriate and permitted under Law. The City shall rely on the FEIR, to the greatest extent possible in accordance with Laws, in all future discretionary actions related to the Project; provided, however, nothing in this Agreement shall limit the discretion of the City to conduct additional environmental review in connection with any Later Approvals to the extent that such additional environmental review is required by Laws, including CEQA, or the ability of the City to impose conditions on any discretionary actions relating to a Material Change, including conditions determined by the City to be necessary to mitigate adverse environmental impacts of the Material Change. The Parties further acknowledge that:

- (a) the FEIR contains a thorough analysis of the Project and possible alternatives;
- (b) the Mitigation Measures have been adopted to eliminate or reduce to an acceptable level certain adverse environmental impacts of the Project;
- (c) the Board of Supervisors adopted the CEQA Findings, including a statement of overriding considerations, in connection with the Approvals, pursuant to CEQA Guidelines Section 15093, for those significant impacts that could not be mitigated

to a less than significant level. Accordingly, the City does not intend to conduct any further environmental review or mitigation under CEQA for any aspect of the Project vested under this Agreement; and

(d) the General Plan Consistency Findings are intended to support all Later Approvals that are consistent with the Initial Approvals. To the maximum extent feasible, the Planning Department shall rely exclusively on the General Plan Consistency Findings when processing and reviewing all Later Approvals, including schematic review under the Project SUD, proposed Subdivision Maps and any other actions related to the Project requiring General Plan determinations; provided that Developer acknowledges that the General Plan Consistency Findings do not limit the City's discretion in connection with any Later Approval that requires new or revised General Plan consistency findings because of amendments to any Initial Approval or Material Changes or that is analyzed in the context of a future General Plan amendment that is a non-conflicting New City Law.

Section 4.5 Compliance with CEQA Mitigation Measures. Developer shall comply with all Mitigation Measures except for any Mitigation Measures that are expressly identified as the responsibility of a different Person. Without limiting the foregoing, Developer shall be responsible for compliance with all Mitigation Measures identified in the MMRP as the responsibility of the "project sponsor" but not for Mitigation Measures identified in the MMRP as the obligation of the "City." To the extent necessary, Developer shall incorporate the applicable requirements of the MMRP into any sale of all or part of the Project Site to any Transferee.

Section 4.6 Sidewalks and Streets. By entering into this Agreement, the City has reviewed and approved the general right of way configurations with respect to location and relationship of major elements, including curbs, bicycle facilities, parking, loading areas, and landscaping, as set forth in the Infrastructure Plan and the Design for Development, as consistent with the City's central policy objective to ensure street safety for all users while maintaining adequate clearances, including for public utilities and fire apparatus vehicles. Nothing in the Section limits the SFPUC's and/or Public Works's right to object to the width of any right of way if, after receiving detailed design documents and/or construction documents, the SFPUC or Public Works determines that the required infrastructure cannot be installed to Applicable Standards in the proposed right of way. No City Agency with jurisdiction may object to a Later Approval based upon the proposed right of way configuration, unless such objection is based upon the applicable City Agency's reserved authority to review engineering design or other authority under State law. In the case of such objection, then within ten (10) business days of the objection being raised (whether raised formally or informally), representatives from Developer, Public Works, the Planning Department and the objecting City Agency shall meet and confer in good faith to attempt to find a mutually satisfactory resolution to the objection. If the matter is not resolved within twenty (20) days following the objection, then the Planning Director shall notify the Clerk of the Board of Supervisors and the members of the Board of Supervisors' Land Use and Transportation Committee. The City Agencies and Developer agree to act in good faith to resolve the matter quickly and in a manner that does not conflict with the Applicable Standards. For purposes of this Section, "engineering design" means professional engineering work as set forth in the Professional Engineers Act, California Business and Professions Code sections 6700 *et seq.*

Section 4.7 Nondiscrimination. In the performance of this Agreement, Developer agrees not to discriminate against any employee, City employee working with Developer's contractor or subcontractor, applicant for employment with such contractor or subcontractor, or against any person seeking accommodations, advantages, facilities, privileges, services or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

Section 4.8 City Cost Recovery.

4.8.1 Developer shall timely pay to the City all Applicable Impact Fees and Exactions as set forth in Section 5.8.

4.8.2 Developer shall timely pay to the City all Processing Fees applicable to the processing or review of applications for (and issuing) the Approvals, as more particularly described in Section 5.8.3.

4.8.3 Developer shall pay to the City all City Costs incurred in connection with the drafting and negotiation of this Agreement, processing and issuing any Later Approvals or administering this Agreement, within sixty (60) days following receipt of a written invoice complying with Section 4.8.4 from the City.

4.8.4 OEWD shall provide Developer on a quarterly basis (or such alternative period as agreed to by the Parties) a reasonably detailed statement showing City Costs incurred by OEWD, the City Agencies, and the City Attorney's Office, including the hourly rates for each City staff member at that time, the total number of hours spent by each City staff member during the invoice period, any additional costs incurred by the City Agencies and a non-privileged description of the work completed (provided, for the City Attorney's Office, the billing statement will be reviewed and approved by OEWD but the cover invoice forwarded to Developer will not include a description of the work). OEWD will use reasonable efforts to provide an accounting of time and City Costs from the City Attorney's Office and each City Agency in each invoice; provided, however, if OEWD is unable to provide an accounting from one or more of the City Agencies, then OEWD may send an invoice to Developer that does not include the charges of such City Agencies without losing any right to include such charges in a future or supplemental invoice but subject to the twelve (12) month deadline set forth below in this Section 4.8.4. Developer's obligation to pay the City Costs incurred prior to the date of termination shall survive the termination of this Agreement. Developer shall have no obligation to reimburse the City for any City Cost that is not invoiced to Developer within twelve (12) months from the date the City Cost was incurred. The City shall maintain records, in reasonable detail, with respect to any City Costs and, upon written request of Developer and to the extent not confidential, shall make such records available for inspection by Developer. If Developer in good faith disputes any portion of an invoice, then within sixty (60) days following Developer's receipt of the invoice, Developer shall provide notice of the amount disputed and the reason for the dispute, and the Parties shall use good faith efforts to reconcile the dispute as soon as practicable. Developer shall have no right to

withhold the disputed amount. If any dispute is not resolved within ninety (90) days following Developer's notice to the City of the dispute, Developer may pursue all remedies at law or in equity to recover the disputed amount.

4.8.5 For the avoidance of doubt, if Developer is more than one Person (e.g., if a Transfer has occurred following the Reference Date), then each Person that is Developer shall be responsible only for City Costs applicable to such Developer and shall not be responsible for City Costs applicable to any other Person that is Developer and City Costs invoiced to any Person that is Developer shall be made without duplication.

Section 4.9 Prevailing Wages and Working Conditions. Certain contracts for work at the Project Site may be public works contracts if paid for in whole or part out of public funds, as the terms "public work" and "paid for in whole or part out of public funds" are defined in and subject to exclusions and further conditions under California Labor Code sections 1720–1720.6. In connection with the Project, Developer shall comply with all California public works requirements as and to the extent required by State Law. In addition, Developer agrees that all workers performing labor in the construction of public works (including the Public Improvements) under this Agreement will be (i) paid not less than the Prevailing Rate of Wages as defined in Administrative Code section 6.22 and established under Administrative Code section 6.22(e), (ii) provided the same hours, working conditions, and benefits as in each case are provided for similar work performed in the City in Administrative Code section 6.22(f) and (iii) employ apprentices in accordance with Administrative Code Section 23.61. Any contractor or subcontractor constructing Public Improvements must make certified payroll records and other records required under Administrative Code section 6.22(e)(6) available for inspection and examination by the City with respect to all workers performing covered labor. The City's Office of Labor Standards Enforcement ("OLSE") enforces applicable labor Laws on behalf of the City, and OLSE shall be the lead agency responsible for ensuring that prevailing wages are paid and other payroll requirements are met in connection with the work, all to the extent required hereunder and as more particularly described in the Workforce Agreement.

Section 4.10 Indemnification of City. Developer shall indemnify, reimburse, and hold harmless the City and its officers, agents and employees (collectively, the "City Parties") from and, if requested, shall defend them against any and all loss, cost, damage, injury, liability, and claims (collectively, "Losses") arising or resulting directly or indirectly from any third party claim against any City Party arising from: (i) a Default by Developer under this Agreement; (ii) Developer's failure to comply with any Approval or Non-City Regulatory Approval; (iii) the failure of any improvements constructed pursuant to the Approvals to comply with any Applicable Standards, including Existing Standards; (iv) any accident, bodily injury, death, personal injury, or loss of or damage to property occurring on the Project Site (or the public right of way adjacent to the Project Site) in connection with the construction by Developer or its agents or contractors of any improvements pursuant to the Approvals or this Agreement; (v) a Third-Party Challenge; (vi) any dispute between Developer, on the one hand, and its contractors or subcontractors, on the other hand, relating to the construction of any part of the Project; and (vii) any dispute between or among any Person that is Developer or between any Person that is Developer and any subsequent owner of any of the Project Site in any case relating to any assignment of this Agreement or the obligations that run with the land, or any dispute between any Person that is Developer or any other Person relating to which Person is responsible for performing certain obligations under this Agreement; in

any case: (a) (except as provided below) regardless of the negligence of and regardless of whether liability without fault is imposed or sought to be imposed on the City or any of the City Parties; and (b) except to the extent that (x) any of the foregoing indemnification, reimbursement, hold harmless and defense obligations is void or otherwise unenforceable under applicable Law, (y) any such Loss is the result of the negligence or willful misconduct of any of the City Parties, or (z) any such Loss is related to any Public Improvements (the indemnification obligations of which are as provided in the Public Improvement Agreement(s) as executed by the City and Developer). The foregoing indemnity shall include, without limitation, reasonable attorneys' fees and costs and the City's reasonable cost of investigating any such claims against the City or the City Parties. All indemnifications set forth in this Section 4.10 shall survive until the expiration of the applicable statute of limitation or statute of repose. The indemnity requirements of the Public Improvement Agreements shall not conflict with the foregoing.

4.10.1 Multiple Developers. For the avoidance of doubt, if Developer is more than one Person (e.g., if a Transfer has occurred following the Reference Date), then each Person that is Developer shall be responsible only for the indemnification, reimbursement, hold harmless or defense obligations applicable to such Developer and shall not be responsible for the indemnification, reimbursement, hold harmless or defense obligations applicable to any other Person that is Developer.

4.10.2 Indemnification Procedures. In the event of any action or proceeding subject to indemnification, reimbursement, hold harmless or defense under this Agreement, the Parties shall cooperate in defending against such action or proceeding. The City shall promptly notify Developer of any such action or proceeding instituted against the City. Developer shall assist and cooperate with the City at Developer's own expense in connection with any such action or proceeding. The City Attorney's Office may use its own legal staff or outside counsel in connection with defense of such action or proceeding, at the City Attorney's sole discretion. Developer shall reimburse the City for its actual costs incurred in defense of the action or proceeding, including the time and expenses of the City Attorney's Office (at the non-discounted rates then charged by the City Attorney's Office) and any consultants; provided, however, (i) Developer shall have the right to receive monthly invoices for all such costs, and (ii) in the event of any Third-Party Challenge, Developer may elect to terminate this Agreement by written notice thereof to the City, and the Parties will thereafter seek to have the Third-Party Challenge dismissed. Developer shall have no obligation to reimburse any City costs incurred after the date of dismissal. The filing of any third party action or proceeding shall not delay or stop the development, processing, or construction of the Project or the issuance of Later Approvals unless the third party obtains a court order preventing the activity.

ARTICLE 5 VESTING AND CITY OBLIGATIONS

Section 5.1 Vested Rights. By the Approvals, the City has made a policy decision that the Project, as described in and as may be modified in accordance with the Approvals, is in the best interests of the City and promotes the public health, safety and general welfare. Developer shall have the vested right to develop the Project as set forth in this Agreement, including with the following vested elements: the locations and numbers of Buildings proposed, Infrastructure, land uses and parcelization, height and bulk limits, including the maximum density, intensity and gross

square footages, permitted uses, provisions for open space, vehicular access and parking (collectively, the “**Vested Elements**”); provided the Existing Uses on the Project Site shall also be included as Vested Elements). The Vested Elements are subject to and shall be governed by Applicable Standards. The expiration of any building permit or Approval shall not limit the Vested Elements, and Developer shall have the right to seek and obtain subsequent building permits or approvals, including Later Approvals, at any time during the Term, any of which shall be governed by Applicable Standards.

Section 5.2 Existing Standards. The City shall process, consider, and review all Later Approvals in accordance with (i) the Approvals, (ii) the General Plan, (iii) the Municipal Code (including the Subdivision Code), and all other applicable City policies, rules, and regulations, as each of the foregoing is in effect on the Effective Date (collectively, “**Existing Standards**”), as the same may be amended or updated in accordance with permitted New City Laws as set forth in Section 5.7, (iv) California and federal law, as applicable, and (v) this Agreement, including the Plan Documents (collectively, “**Applicable Standards**”). The Enacting Ordinance contains express waivers and amendments to Chapter 56 consistent with this Agreement.

Section 5.3 Waiver of Subdivision and Public Works Codes. Nothing in this Agreement, including the Infrastructure Plan, constitutes an implied waiver or implied exemption of the Subdivision Code or the Public Works Code. The City acknowledges that the Project as shown in the Infrastructure Plan obviously requires certain exceptions from the Subdivision Regulations listed in Exhibit Y, some of which are required to effectuate the Better Streets Plan. The City (including Public Works) agrees to grant any waivers or exceptions listed in Exhibit Y. For any waiver or exemption not listed in Exhibit Y, Developer shall comply with the City’s existing processes to seek any necessary waivers or exemptions. The City’s failure to enforce any part of the Subdivision Code or Public Works Code shall not be deemed a waiver of its right to do so thereafter, but it shall not override the Approvals standards set forth in Sections 3.2.6, 5.2, 5.4, and 5.5.

Section 5.4 Criteria for Later Approvals. Developer shall be responsible for obtaining all Later Approvals required to Commence Construction of any Building, Infrastructure or Parks and Open Spaces before Commencing Construction thereof. The City, in granting the Approvals and vesting the Project through this Agreement, is limiting its future discretion with respect to Later Approvals to the extent that they are consistent with the Approvals and the Plan Documents. The City shall not disapprove applications for Later Approvals or require any revisions to such applications based upon an item or element that conforms to and/or is consistent with the Approvals and the Plan Documents, or impose requirements or conditions that are inconsistent or conflict with the Plan Documents or the Approvals, and shall consider all such applications in accordance with its customary practices (but subject to the requirements of this Agreement). The City may subject a Later Approval to any condition that is necessary to bring the Later Approval into compliance with the Applicable Standards. For any part of a Later Approval request that has not been previously reviewed or considered by the applicable City Agency (such as additional details or plans), the City Agency shall exercise its discretion consistent with the Applicable Standards and otherwise in accordance with City’s customary practice (but subject to the requirements of this Agreement). Nothing in this Agreement shall preclude the City from applying New City Laws for any development not within the definition of the “Project” under this Agreement.

Section 5.5 Building Code Compliance.

5.5.1 City-Wide Building Codes. Except as otherwise provided herein, when considering any application for a Later Approval, the City or the applicable City Agency shall apply the applicable provisions, requirements, rules, or regulations (including any applicable exceptions) that are contained in the San Francisco Building Codes, including the Public Works Code, Subdivision Code, Mechanical Code, Electrical Code, Green Building Code, Housing Code, Plumbing Code, Fire Code, Port Code or other uniform construction codes applicable on a City-Wide basis. And provided further, that any structures on private or non-private Port lands with the Port's jurisdiction boundary are to be permitted by other City agencies and not the Port.

5.5.2 Applicability of Utility Infrastructure Standards. Nothing in this Agreement will preclude the City Agencies from applying then-current standards and New City Laws for Utility Infrastructure for each Later Approval if: (i) the standards for Utility Infrastructure as applied, City-Wide, are compatible with, and would not require a material modification to previously approved plans for the work (e.g., changes that would involve the redesign of plans or documents that were previously approved), and (ii) the deviations are compatible with, and would not require any retrofit, material modification (including construction of new supplementary systems or improvements), removal, reconstruction or redesign of what was previously built as part of the Project. If Developer claims that the City's request for changes to design or construction documents violates the preceding sentence, it will submit to the City reasonable documentation to substantiate its claim, including bids, cost estimates, or other supporting documentation. The Parties agree to meet and confer for a period of not less than thirty (30) days to resolve any dispute regarding application of this Section. If the Parties do not agree following the meet and confer period, Developer may seek judicial relief for any City violation of the limitations imposed by this Section.

Section 5.6 Denial of a Later Approval. If the City denies any application for a Later Approval, the City must specify in writing the reasons for such denial and shall suggest modifications required for approval of the application. Any such specified modifications shall be consistent with Applicable Standards, and City staff shall approve the application if it is subsequently resubmitted for City review and corrects or mitigates, to the City's reasonable satisfaction, the stated reasons for the earlier denial in a manner that is consistent and compliant with Applicable Standards and does not include new or additional information or materials that give the City a reason to object to the application under the standards set forth in this Agreement.

Section 5.7 New City Laws. All future changes to Existing Standards and any other Laws, plans or policies adopted by the City or adopted by voter initiative after the Reference Date ("**New City Laws**") shall apply to the Project and the Project Site except to the extent they conflict with this Agreement or the Approvals. In the event of such a conflict, the terms of this Agreement and the Approvals shall prevail, subject to the terms of Section 5.9. All references to any part of the Municipal Code in this Agreement shall mean that part of the Municipal Code (including the Administrative Code) in effect on the Reference Date, with such changes and updates as are adopted from time to time, except to the extent they conflict with this Agreement or the Approvals as set forth in Section 5.7.1.

5.7.1 Conflicts. New City Laws shall be deemed to conflict with this Agreement and the Approvals if they:

- (a) limit or reduce the density or intensity of the Project, or any part thereof, or otherwise require any reduction in the square footage or number of proposed Buildings (including the number of residential dwelling units) or change the location of proposed Buildings or change or reduce other improvements from those permitted under the Approvals or the Plan Documents;
- (b) limit or reduce the height or bulk of the Project, or any part thereof, or otherwise require any reduction in the height or bulk of individual Buildings or other improvements from those permitted under the Approvals or the Plan Documents;
- (c) limit, reduce or change the amounts of parking and loading spaces or location of vehicular access, parking or loading from those permitted under the Approvals or the Plan Documents, except as provided in the Transportation Plan;
- (d) limit any land uses for the Project from those permitted under the Approvals, the Plan Documents or the Existing Uses;
- (e) limit, control or delay in more than an insignificant manner the rate, timing, phasing, or sequencing of the approval, development, or construction of all or any part of the Project, including the demolition of existing buildings at the Project Site, except as expressly set forth in this Agreement;
- (f) require the issuance of permits or approvals by the City other than those required under the Existing Standards, except for (i) permits or approvals required on a City-Wide basis that relate to construction of improvements and do not prevent construction of the applicable aspects of the Project that would be subject to such permits or approvals as and when intended by this Agreement, and (ii) permits that replace (but don't expand the scope or purpose of) existing permits;
- (g) materially limit the availability of public utilities, services or facilities, or any privileges or rights to public utilities, services, or facilities for the Project; not including the City's ability to implement water rationing standards to implement other sustainability measures, including, but not limited to, requirements for all electric power for buildings within the Project;
- (h) control commercial or residential rents or purchase prices charged within the Project or on the Project Site, except as such imposition is expressly required by this Agreement;
- (i) materially and adversely limit the processing or procuring of applications and approvals of Later Approvals that are consistent with Approvals;
- (j) increase the percentage of required affordable or BMR Units, change the AMI percentage levels for the affordable housing pricing or income eligibility, change the requirements regarding unit size, finishes, or unit type, control or limit home

owner association or common area dues or amenity charges, or increase the amount or change the configuration of required open space;

(k) impose new or modified Impact Fees and Exactions other than as permitted under 5.8;

(l) require modifications to existing or proposed Infrastructure, except to the extent not precluded under Section 5.5.2.

(m) alter the definition of Gross Floor Area.

(n) impose requirements for the historic preservation or rehabilitation of Buildings or landscapes other than those contained in the Design for Development as of the Effective Date.

5.7.2 Subdivision. Developer shall have the right, from time to time and at any time, to file Subdivision Map applications (including phased final map applications and development-specific condominium map or plan applications) with respect to some or all of the Project Site, and shall subdivide, reconfigure, or merge parcels within the Project Site as required to Complete any portion of the Project before Commencing Construction of such portion. The specific boundaries of parcels shall be set by Developer and approved by the City during the subdivision process. Nothing in this Agreement shall authorize Developer to subdivide or use any of the Project Site for purposes of sale, lease, or financing in any manner that conflicts with the Subdivision Map Act or with the Subdivision Code. Nothing in this Agreement shall prevent the City from enacting or adopting changes in the methods and procedures for processing subdivision and parcel maps so long as such changes do not conflict with the Applicable Standards.

5.7.3 Developer Election of New City Law. Developer may elect to have a New City Law that conflicts with this Agreement applied to the Project (or any portion thereof) or the Project Site (or any portion thereof) by giving the City written notice of its election to have such New City Law applied, in which case such New City Law shall be deemed to be an Existing Standard as to the Project (or portion thereof) or the Project Site (or portion thereof), as applicable, as of the date of such election; provided, however, that if the application of the New City Law would be a Material Change to the City's obligations under this Agreement, the application of the New City Law shall require the concurrence of any affected City Agencies; provided, however, that the Developer may not elect to have a New City law applied to the Project if the application of the New City Law would result in a reduction in the Associated Community Benefits.

5.7.4 Designation of Additional Inclusionary Units. Notwithstanding any other provision of the Housing Plan or this Agreement, Developer shall have the right to restrict the rental or sales price of a Residential Unit to an amount that qualifies as a below market rate unit under the Project SUD (an "**Additional BMR Unit**"), or to pay the Affordable Housing Fee as defined by Planning Code section 415 *et seq.* For purposes of clarity, any Additional BMR Units shall not be included in the calculation of the final Affordable Percentage and accordingly will be in addition to the affordable housing requirements of this Agreement. To the extent that New City Laws do not conflict with this Agreement or Developer elects to have a New City Law that conflicts with this Agreement applied to the Project, and such New City Law requires Developer

to provide a certain number of dwelling units that are restricted to certain rental amounts or sales prices or to pay the Affordable Housing Fee or another amount in order to obtain a benefit from or otherwise satisfy a condition of such New City Law (e.g., to obtain a land use entitlement or other Approval to construct all or a portion of the office or other improvements of the Project) (a “**New Proportionality Requirement**”), then Developer may elect to satisfy such New Proportionality Requirement by paying such amounts or providing additional affordable housing units than required under this Development Agreement, and, to the extent required by such New Proportionality Requirement, upon such election the New Proportionality Requirement shall be deemed a requirement of the Development Agreement.

Section 5.8 Impact Fees and Exactions.

5.8.1 Generally. The Project shall only be subject to the Processing Fees and Impact Fees and Exactions as set forth in this Section 5.8, and the City shall not impose any new Processing Fees or Impact Fees and Exactions on the Project or impose new fees or exactions for the right to develop the Project (including required contributions of land, public amenities, or services). The Parties acknowledge that the provisions contained in this Section 5.8 are intended to implement the intent of the Parties that Developer shall have the right to develop the Project pursuant to specified and known criteria and rules, and that the City shall receive the benefits which will be conferred as a result of such development without abridging the right of the City to act in accordance with its powers, duties, and obligations, except as specifically provided in this Agreement.

5.8.2 Impact Fees and Exactions. The only Impact Fees and Exactions that will apply to the Project shall be the Impact Fees and Exactions listed on Exhibit P (the “**Applicable Impacts Fees and Exactions**”), and (2) the rates of the Applicable Impact Fees and Exactions as applied shall be subject to annual escalation in accordance with the methodology currently (as of the Reference Date) provided in Planning Code Section 409, applied from the Effective Date to the date that the Applicable Impact Fee and Exaction is paid. The City shall assess Impact Fees and Exactions only against the net new Gross Floor Area for each use at the Project Site.

5.8.3 Processing Fees. Developer shall pay all Processing Fees in effect, on a City-Wide basis, at the time that Developer applies for a Later Approval for which such Processing Fee is payable in connection with the applicable part of the Project.

Section 5.9 Changes in Federal or State Laws.

5.9.1 City’s Exceptions. Notwithstanding any provision in this Agreement to the contrary, each City Agency having jurisdiction over the Project shall exercise its discretion under this Agreement in a manner that is consistent with the public health and safety and shall at all times retain its respective authority to take any action that is necessary to protect the physical health and safety of the public (the “**Public Health and Safety Exception**”) or reasonably calculated and narrowly drawn to comply with applicable changes in Federal or State Law affecting the physical environment (the “**Federal or State Law Exception**”), including the authority to condition or deny a Later Approval or to adopt a New City Law applicable to the Project so long as such condition or denial or new regulation (i)(a) is limited solely to addressing a specific and identifiable issue in each case required to protect the physical health and safety of the public, or (b) is required

to comply with such changes in Federal or State Law, and in each case not for independent discretionary policy reasons that are inconsistent with the Approvals or this Agreement, and (ii) is applicable on a City-Wide basis to the same or similarly situated uses and applied in an equitable and non-discriminatory manner. Developer retains the right to dispute any City reliance on the Public Health and Safety Exception or the Federal or State Law Exception. If the Parties are not able to reach agreement on such dispute following a reasonable meet and confer period, then Developer or City may seek judicial relief with respect to the matter.

5.9.2 Changes in Federal or State Laws. If Federal or State Laws issued, enacted, promulgated, adopted, passed, approved, made, implemented, amended or interpreted after the Reference Date have gone into effect and (i) preclude or prevent compliance with one or more provisions of the Approvals or this Agreement, or (ii) materially and adversely affect Developer's or the City's rights, benefits, or obligations under this Agreement, then such provisions of this Agreement shall be modified or suspended as may be necessary to comply with such Federal or State Law. In such event, this Agreement shall be modified only to the extent necessary or required to comply with such Law, subject to the provisions of Section 5.8.4, as applicable.

5.9.3 Changes to Development Agreement Statute. This Agreement has been entered into in reliance upon the provisions of the Development Agreement Statute. No amendment of or addition to the Development Agreement Statute that would affect the interpretation or enforceability of this Agreement, increase the obligations or diminish the rights of Developer hereunder or increase the obligations of or diminish the benefits to the City hereunder shall be applicable to this Agreement unless such amendment or addition is specifically required by Law or is mandated by a court of competent jurisdiction. If such amendment or change is permissive rather than mandatory, this Agreement shall not be affected.

5.9.4 Effect on Agreement. If any of the modifications, amendments or additions described in this Section 5.9 would materially and adversely affect the construction, development, use, operation, or occupancy of the Project as contemplated by the Approvals, or any material portion thereof, such that the Project, or the applicable portion thereof becomes economically infeasible (a "**Law Adverse to Developer**"), then Developer shall notify the City and propose amendments or solutions that would maintain the benefit of the bargain (that is this Agreement) for both Parties. If any of the modifications, amendments or additions described in this Section 5.9 would materially and adversely affect or limit the Associated Community Benefits (a "**Law Adverse to the City**"), then the City shall notify Developer and propose amendments or solutions that would maintain the benefit of the bargain (that is this Agreement) for both Parties. Upon receipt of a notice under this Section 5.9.4, the Parties agree to meet and confer in good faith for a period of not less than sixty (60) days in an attempt to resolve the issue. If the Parties cannot resolve the issue in sixty (60) days or such longer period as may be agreed to by the Parties, then the Parties shall mutually select a mediator at JAMS in San Francisco for nonbinding mediation for a period of not less than thirty (30) days. If the Parties remain unable to resolve the issue following such mediation, then either Party shall have the right to seek available remedies at law or in equity to maintain the benefit of the bargain or alternatively to terminate this Agreement if the benefit of the bargain cannot be maintained in light of the Law Adverse to Developer or Law Adverse to the City.

Section 5.10 No Action to Impede Approvals. Except and only as required under Section 5.8, the City shall take no action under this Agreement nor impose any condition on the Project that would conflict with this Agreement or the Approvals. An action taken or condition imposed shall be deemed to be in conflict with this Agreement or the Approvals if such actions or conditions result in the occurrence of one or more of the circumstances identified in Section 5.7.1.

Section 5.11 Estoppel Certificates. Developer may, at any time, and from time to time, deliver notice to the Planning Director requesting that the Planning Director certify to Developer, a potential Transferee, a Mortgagee or a potential Mortgagee, in writing that to the best of the Planning Director's knowledge: (i) this Agreement is in full force and effect and a binding obligation of the Parties; (ii) this Agreement has not been amended or modified, and if so amended or modified, identifying the amendments or modifications and stating their date and providing a copy or referring to the recording information; (iii) Developer is not in breach of the performance of its obligations under this Agreement, or if in breach, describing the nature and amount of any such breach; and (iv) the findings of the City with respect to the most recent annual review performed pursuant to Section 8.1. The Planning Director, acting on behalf of the City, shall execute and return such certificate within forty-five (45) days following receipt of the request.

Section 5.12 Existing, Continuing Uses and Interim Uses. The Parties acknowledge that the Existing Uses are lawfully authorized uses and may continue as such uses may be modified by the Project, provided that any modification thereof not a component of or contemplated by the Project is subject to Planning Code Section 178 and the applicable provisions of Article 5. Developer may install interim or temporary uses on the Project Site, which uses must be consistent with those uses allowed under the Project's zoning and the Project SUD.

Section 5.13 Costa-Hawkins Rental Housing Act.

5.13.1 Non-Applicability of Costa-Hawkins Act to BMR Units. Chapter 4.3 of the California Government Code directs public agencies to grant concessions and incentives to private developers for the production of housing for lower income households. The Costa-Hawkins Rental Housing Act, California Civil Code sections 1954.50 et seq. (the "**Costa-Hawkins Act**") and Administrative Code section 37.2(r)(5) provide for no limitations on the establishment of the initial and all subsequent rental rates for a dwelling unit that meets the definition of new construction, with exceptions, including an exception for dwelling units constructed pursuant to a contract with a public agency in consideration for a direct financial contribution or any other form of assistance specified in Chapter 4.3 of the California Government Code (section 1954.52(b)). Based upon the language of the Costa-Hawkins Act and the terms of this Agreement, the Parties agree that the Costa-Hawkins Act and section 37.2(r)(5) do not and in no way shall limit or otherwise affect the restriction of rental charges for the BMR Units. This Agreement falls within the express exception to the Costa-Hawkins Act, Section 1954.52(b) because this Agreement is a contract with a public entity in consideration for contributions and other forms of assistance specified in Chapter 4.3 (commencing with Section 65919 of Division 1 of Title 7 of the California Government Code). The City and Developer would not be willing to enter into this Agreement without the understanding and agreement that Costa-Hawkins Act provisions set forth in California Civil Code section 1954.52(a) do not apply to the BMR Units as a result of the exemption set forth in California Civil Code section 1954.52(b) for the reasons set forth in this Section 5.14.

5.13.2 General Waiver Regarding BMR Units. Developer, on behalf of itself and all of its successors and assigns of all or any portion of the Project Site, agrees not to challenge and expressly waives, now and forever, any and all rights to challenge the requirements of this Agreement related to the establishment of the BMR Units under the Costa-Hawkins Act or section 37.2(r)(5) (as they may be amended or supplanted from time to time). If and to the extent such general covenants and waivers are not enforceable under Law, the Parties acknowledge that they are important elements of the consideration for this Agreement and the Parties should not have the benefits of this Agreement without the burdens of this Agreement. Accordingly, if Developer challenges the application of this covenant and waiver, then such breach will be a Default and City shall have the right to terminate this Agreement as to the portion of the Project under the ownership or control of Developer.

5.13.3 Inclusion in All Assignment and Assumption Agreements and Recorded Restrictions. Developer shall include the provisions of Section 5.13.1 in any and all Assignment and Assumption Agreements for any portions of the Project Site that include or will include BMR Units.

Section 5.14 Taxes. Nothing in this Agreement limits the City's ability to impose new or increased taxes or special assessments, or any equivalent or substitute tax or assessment, provided (i) the City shall not institute or initiate proceedings for any new or increased special tax or special assessment for a land-secured financing district (excluding the Project Special Taxes under the CFD Act contemplated by this Agreement and excluding business improvement districts or community benefit districts formed by a vote of the affected property owners) that includes the Project Site unless the new district is City-Wide, or Developer gives its prior written consent to or requests such proceedings, (ii) Developer and the City shall not take any other action that is inconsistent with the Financing Plan without the other Party's consent, and (iii) no such tax or assessment shall be targeted or directed at the Project, including, without limitation, any tax or assessment targeted or directed solely at all or any part of the Project Site. Nothing in the foregoing prevents the City from imposing any tax or assessment against the Project Site, or any portion thereof, that is enacted in accordance with Law and applies to all similarly-situated property on a City-Wide basis.

ARTICLE 6

NO DEVELOPMENT OBLIGATION

Section 6.1 No Development Obligation. There is no requirement that Developer initiate or complete development of the Project, or that Developer do so within any period of time or in any particular order, all subject to the requirement to provide the Associated Community Benefits in accordance with this Agreement if Developer elects to Commence Construction and pursue to Completion a particular portion of the Project to which such Associated Community Benefit is tied. The development of the Project is subject to numerous factors that are not within the control of Developer or the City, including the Development Considerations. Except as expressly required by this Agreement, the City acknowledges that Developer may develop the Project in such order and at such rate and times as Developer deems appropriate within the exercise of its sole and subjective business judgment. In *Pardee Construction Co. v. City of Camarillo*, 37 Cal.3d 465 (1984), the California Supreme Court ruled that the failure of the parties therein to provide for the timing of development resulted in a later adopted initiative restricting the timing of

development and controlling the parties' agreement. It is the intent of the Parties to avoid such a result by acknowledging and providing for the timing of development of the Project in the manner set forth herein. Accordingly, the Parties agree that except for the construction phasing required by Section 3.2, the requirement to provide the Associated Community Benefits in accordance with this Agreement if Developer elects to Commence Construction and pursue to Completion a particular portion of the Project to which such Associated Community Benefit is tied, the Mitigation Measures and any express construction dates set forth in a Later Approval, (i) Developer shall have the right to develop the Project in such order and at such rate and at such times as Developer deems appropriate within the exercise of its sole and subjective business judgment, and (ii) such right is consistent with the intent, purpose and understanding of the Parties, and that without such right, Developer's development of the Project would be subject to the uncertainties sought to be avoided by the Development Agreement Statute, Chapter 56 and this Agreement; provided, however, this Affordable Housing Plan requires that Phase 1 include affordable units built on-site, either by construction of Inclusionary Units or by 100% Affordable Units located on the Project Site. Notwithstanding the foregoing, the City retains authority to reject any Developer request for temporary or interim Public Improvements or deferral of the construction of the permanent Public Improvements and can require permanent Public Improvements with each Development Phase. Additionally, there are certain obligations under the Port Lease that allow for termination of the Port Lease if certain conditions are not met.

Section 6.2 Real Estate Transfers. Developer shall transfer certain real property to the City as generally shown on Exhibit Q. The City shall also have the right to accept from Developer temporary or permanent easements, as needed, in a form approved by the applicable City Agency and the City Attorney, for utility lines to be owned by the City. In addition, upon completion of the Public Improvements on Developer-owned property that will be owned, maintained and operated by the City, Developer shall transfer fee title to the underlying real property to the City when required under the applicable Public Improvement Agreement. The City shall accept such transfers, subject to this Section 6.2. Developer shall prepare all maps and legal descriptions as required to effectuate the proposed real estate transfers subject to the approval of the Director of Property (and, where applicable, the Public Works Director), which shall not be unreasonably withheld, conditioned or delayed. Following satisfaction of all conditions to closing, including the vacation and abandonment of any public rights and the relocation of any utilities in such real property, the City shall convey any real property to Developer, by quitclaim deed in the form attached as Exhibit T and Developer shall convey any real property to the City by grant deed in the form attached as Exhibit S. Except as otherwise provided herein, Developer shall accept any City property strictly in its "as is" condition, without representation or warranty and releases the City from any liability relating to the condition of the Property. Each Party shall have the right to perform physical, title, and other customary due diligence before accepting title to transferred land and shall have the right to object to the condition of the property, including the environmental condition, in its sole discretion. It shall be a condition precedent to the City's acceptance of any real property hereunder that the City obtain title insurance, at Developer's sole cost, in form and from an issuer reasonably acceptable to the City in the amount of the fair market value of the land. Developer shall have the right, but not the obligation, to obtain title insurance for the real property that it accepts at Developer's sole cost. If the accepting Party objects to the condition of the real property, including any title exceptions, then the Parties shall meet and confer for a period of thirty (30) days, or such longer period as may be agreed to by the Parties, to try to reach a reasonable resolution. It is the Parties' intent that Developer shall pay all reasonable costs of remedying any objectionable property

condition. If the Parties are not able to reach resolution, then neither Party shall be required to complete the real property transfer. As consideration for Developer transferring fee title to the streets within the Project Site to the City, the City shall issue to Developer, free of charge, Major Encroachment Permits for any historic buildings on the Project Site that are retained by the Project and that encroach into such City-owned streets, and Major Encroachment Permits for telecommunications, greywater, non-potable water system and/or other utilities or improvements to be owned and maintained by Developer and/or any of its successors or assigns and located within such City-owned streets. For the avoidance of doubt, no Assignment and Assumption Agreement shall be required for the conveyance of any real property in the Project Site to the City and upon such conveyance this Agreement shall automatically terminate with respect to such property.

ARTICLE 7 MUTUAL OBLIGATIONS

Section 7.1 Notice of Completion or Termination. Within thirty (30) days after any termination of this Agreement in whole or in part in accordance with the terms hereof (as to all or any part of the Project Site, including in the event that a portion of the Project Site is required for Utility Services), the Parties agree to execute and deliver to one another a written statement acknowledging such termination in the form of Notice of Termination attached as Exhibit U, signed by the appropriate agents of the City and Developer, and record such instrument in the Official Records. In addition, within thirty (30) days after Developer's request, when one or more Development Phases (or any Building, Infrastructure, Parks or Open Space, Privately-Owned Community Improvements or Public Improvement within any Development Phase) and all of the Associated Community Benefits tied to such Development Phases (or component thereof) have been Completed, the City shall execute and deliver to Developer a written statement acknowledging such Completion in the form of Notice of Completion attached as Exhibit V and record such instrument in the Official Records. Following the recordation of any such instrument, the City shall provide a conformed copy thereof to Developer and any applicable Mortgagee.

Section 7.2 General Cooperation. The Parties agree to cooperate with one another and use diligent efforts to expeditiously implement the Project in accordance with the Approvals and this Agreement, and to undertake and complete all actions or proceedings reasonably necessary or appropriate to ensure that the objectives of this Agreement and the Approvals are implemented and to execute, with acknowledgment or affidavit if required, any and all documents and writings that may be necessary or proper to achieve the objectives of this Agreement and the Approvals. Except for ordinary administrative costs of the City and as otherwise expressly set forth herein, nothing in this Agreement obligates the City to spend any sums of money or incur any costs other than City Costs or costs that Developer reimburses through the payment of Processing Fees.

7.2.1 Specific Actions by the City. Except as otherwise expressly set forth herein, references to the City are, and shall be deemed, references to the City acting by and through the Planning Director (or when required by the Applicable Standards, the affected City Agencies or the Board of Supervisors). The City actions and proceedings subject to this Agreement shall be through the Planning Department (and when required by Applicable Standards, affected City Agencies or the Board of Supervisors), and shall include instituting and completing proceedings for temporary or permanent closing, occupancy, widening, modifying or changing the grades of streets and other necessary modifications of the streets, the street layout and other public or private

rights-of-way, including streetscape improvements, encroachment permits, improvement permits and any requirement to abandon, remove and relocate public utilities (and, when applicable, City utilities) as identified in the Approvals.

7.2.2 Role of Planning Department and Public Works. The Parties agree that the Planning Department will act as the City's lead agency to facilitate coordinated City review of applications for Later Approvals relating to development of the Project on the Developer Property and that Public Works will act as the City's lead agency, in coordination with the Port, and consistent with Exhibit Z, (i) to facilitate coordinated City review of applications for Later Approvals relating to improvements on the current right of way, future right of way and facility easements and (ii) for all actions subject to the Subdivision Map Act. As such, the City shall cause the Planning Department and Public Works to, as applicable: (a) work with Developer to ensure that all such applications are technically sufficient and constitute complete applications; and (b) interface with City Agency staff responsible for reviewing any application under this Agreement to ensure that City Agency review of such applications are concurrent and that the approval process is expeditious, efficient and orderly and avoids redundancies, all in accordance with this Agreement.

7.2.3 City Agencies' Processing Responsibilities.

(a) Review of Applications. Developer will submit each application for Later Approvals, including Design Review Applications (including those for Parks and Open Spaces) and applications for the design and construction of Public Improvements, to the applicable lead City Agencies. Each City Agency, including the Port, RPD, PUC, SFMTA, SFFD, Public Works and MOHCD, shall process expeditiously and with due diligence all submissions, applications and requests by Developer for Later Approvals, including all permits, approvals, agreements, plans and other actions that are necessary to implement the Project. Each City Agency shall review submissions, applications and requests made to it by Developer for consistency with the Applicable Standards, and shall use diligent efforts to coordinate with any other applicable City Agency and shall determine completeness expeditiously following (and in any event within thirty (30) days of), and shall provide all comments and make recommendations to Developer expeditiously following (and in any event within sixty (60) days of), the City Agency's receipt of the complete application. If the City Agency disapproves a submission, application or request and Developer subsequently resubmits such submission, application or request, the City Agency shall have an additional thirty (30) days for review from receipt of the resubmittal (which period shall include consultation with other City Agencies to the extent requested by the City Agency), provided that the City Agencies shall endeavor not to include any new comments or recommendations to the resubmittal except to the extent arising from matters in the resubmittal not contained in the original submission, application or request. This procedure shall continue until the City Agency approves the submission, application or request. Without limiting the foregoing, the City agrees to use good faith efforts to process all Later Approvals in accordance with the time limits set forth in the Mayor's Directive.

(b) Requirements for Processing Applications. In considering any application, the City Agencies (i) shall not impose requirements or conditions that are

inconsistent or conflict with the Plan Documents or the terms and conditions of any of the Approvals, and (ii) shall not disapprove such application or require any revisions to such application based upon an item or element that conforms to and/or is consistent with the Plan Documents and the Approvals. Any City Agency denial of an application shall include a statement of the reasons for such denial. Developer will work collaboratively with the City Agencies to ensure that such application is discussed as early in the review process as possible and that Developer and the City Agencies act in concert with respect to these matters.

Section 7.3 Permits to Enter City Property. Subject to the rights of any third party, the rights of the public and the City's reasonable agreement on the scope of the proposed work and insurance and security requirements, the City, acting through the Director of Property, the General Manager of the SFPUC, or other applicable City official, shall grant to Developer permits to enter City-owned property under their respective jurisdiction, substantially in the form attached as Exhibit V including, without limitation, provisions regarding release, waivers, and indemnification in keeping with the City's standard practices, so long as the same is consistent with Applicable Standards, and otherwise on commercially reasonable terms, in order to permit Developer to enter City-owned property as necessary to construct the Project or comply with or implement the Approvals or other requirements in this Agreement.

Section 7.4 Other Necessary Acts. Each Party shall use good faith efforts to take such further actions as may be reasonably necessary to carry out this Agreement and the Approvals in accordance with the terms of this Agreement (and subject to all Laws) in order to provide and secure to each Party the full and complete enjoyment of its rights and privileges hereunder. In their course of performance under this Agreement, the Parties shall cooperate and shall undertake such actions as may be reasonably necessary to implement the Project as contemplated by this Agreement, including such actions as may be necessary to satisfy or effectuate any applicable conditions precedent to the performance of the Associated Community Benefits.

Section 7.5 Mills Act. At Developer's request, Developer and the City agree to use good faith efforts to pursue the approval of a Mills Act contract under the California Mills Act (California Government Code, Article 12, Sections 50280 et seq., California Revenue and Taxation Code, Article 1.9, Sections 439 et seq.) for the rehabilitation of any building on the Project Site eligible for such contract under the California Mills Act. The City finds that the approval of Mills Act contracts for the rehabilitation of the Station A and Unit 3 buildings to be a critical component to the viability of the preservation of these buildings, given their dilapidated condition. So long as the term of any such Mills Act contract does not exceed twenty (20) years, the City agrees to waive any limitation under City Law regarding the tax assessment value of the building under San Francisco Administrative code 71.2(b), as well as the maximum amount of tax revenue loss that may result from any such Mills Act contract.

ARTICLE 8 PERIODIC REVIEW OF DEVELOPER'S COMPLIANCE

Section 8.1 Annual Review. Pursuant to Section 65865.1 of the Development Agreement Statute and Section 56.17 of the Administrative Code, in each case as of the Reference Date, at the beginning of the second week of each January following the Effective Date and until

the Project is Complete (or earlier expiration or termination of this Agreement in accordance herewith) (the “**Annual Review Date**”), the Planning Director shall commence a review to ascertain whether Developer has, in good faith, complied with the Agreement. The City’s failure to initiate the annual review shall not be a Default and shall not be deemed to be a waiver of any right to do so at the next Annual Review Date. The Planning Director may elect to forgo an annual review if no significant construction work occurred on the Project Site during that year, or if such review is otherwise not deemed necessary. Such election shall be provided in writing to Developer at Developer’s request.

Section 8.2 Review Procedure. In conducting annual reviews of Developer’s compliance with this Agreement as described in Section 8.1, the Planning Director shall follow the process set forth in this Section 8.2.

8.2.1 Required Information from Developer. Within sixty (60) days following request by the Planning Director, Developer shall provide a letter to the Planning Director explaining, with reasonably appropriate backup documentation, Developer’s compliance with this Agreement for the preceding year, including compliance with the requirements regarding Associated Community Benefits. The Planning Director shall post a copy of Developer’s submittals on the Planning Department’s website.

8.2.2 City Report. Within forty (40) days after Developer submits such letter, the Planning Director shall review the information submitted by Developer and all other available evidence regarding Developer’s compliance with this Agreement and shall consult with applicable City Agencies as appropriate. All such available evidence, including final staff reports, shall, upon receipt by the City, be made available as soon as possible to Developer. The Planning Director shall notify Developer in writing whether the Planning Director has determined that Developer has complied in good faith with the terms of this Agreement (the “**City Report**”) and post the City Report on the Planning Department’s website. If the Planning Director finds on the basis of substantial evidence that the Developer has not complied in good faith with the terms of this Agreement, then the City may pursue available rights and remedies in accordance with this Agreement and Chapter 56. All costs reasonably incurred by the City in accordance with this Section 8.2 shall be included in the City Costs, subject to the terms of this Agreement.

8.2.3 Effect on Multiple Developers. If Developer is more than one Person (e.g., if a Transfer has occurred following the Reference Date), then the annual review hereunder shall be conducted separately with respect to each Person that is Developer. If Developer of the Infrastructure and Parks and Open Space within a Development Phase is more than one Person, then such Persons shall jointly submit the materials required by this Article 8 and the City review process shall be bundled and proceed as one with respect to such Persons. Notwithstanding the foregoing, the Planning Commission, the Planning Director and the Board of Supervisors shall each make its determinations and take its actions separately with respect to each Developer pursuant to Chapter 56. If the Planning Commission, the Planning Director or the Board of Supervisors terminates or modifies this Agreement or takes such other actions as may be specified in Chapter 56 or this Agreement in connection with a determination that any Person that is Developer has not complied with the terms and conditions of this Agreement, such action shall be effective only as to such Person. In other words, even when the review process is bundled for more than one Person that is Developer as provided above, any action in connection with a

determination of noncompliance or Default shall be made only against the noncompliant or Defaulting Party.

8.2.4 Default. The rights and powers of the City under Section 8.2 are in addition to, and shall not limit, the rights of the City to terminate or take other action permitted under this Agreement on account of a Default by Developer.

ARTICLE 9 ENFORCEMENT OF AGREEMENT; DEFAULT; REMEDIES

Section 9.1 Enforcement; Third Party Beneficiaries. As of the Reference Date, the only Parties to this Agreement are the City and the original Developer named in the preamble. Except as expressly set forth in this Agreement (for successors, Transferees and Mortgagees), this Agreement is not intended, and shall not be construed, to benefit or be enforceable by any Person whatsoever other than Developer and the City, and there are otherwise no third-party beneficiaries to this Agreement.

Section 9.2 Meet and Confer Process; Non-Binding Mediation. Before sending a notice of default in accordance with Section 9.3, a Party shall first attempt to meet and confer with the other Party to discuss such other Party's alleged failure to perform or fulfill its obligations under this Agreement and shall permit such other Party a reasonable period, but not less than ten (10) Business Days, to respond to or cure such alleged failure. If the Parties cannot resolve the issue in ten (10) Business Days, or such longer period as may be agreed to by the Parties, then the Parties shall mutually select a mediator at JAMS in the City for nonbinding mediation for a period of not less than thirty (30) days. The meet and confer and non-binding mediation process shall not be required (i) for any failure to pay amounts due and owing under this Agreement or (ii) if a delay in sending a notice pursuant to Section 9.3 would impair, prejudice or otherwise adversely affect a Party or its rights under this Agreement. The Party asserting such failure shall request that such meeting and conference occur within three (3) Business Days following the request and if, despite the good faith efforts of the requesting Party, such meeting has not occurred within seven (7) Business Days of such request, then the requesting Party shall be deemed to have satisfied the requirements of this Section 9.2 and may proceed in accordance with the issuance of a notice of default in accordance with Section 9.3.

Section 9.3 Default. The following shall constitute a “**Default**” under this Agreement: (i) the failure to make any payment hereunder when due and such failure continues for more than sixty (60) days following delivery of notice that such payment was not made when due and demand for compliance; and (ii) the failure to perform or fulfill any other material term, provision, obligation or covenant of this Agreement when required and such failure continues for more than sixty (60) days following notice of such failure and demand for compliance. Notwithstanding the foregoing, if a failure can be cured but the cure cannot reasonably be completed within sixty (60) days, then it shall not be considered a Default if a cure is commenced within such sixty (60) day period and diligently prosecuted to completion thereafter. Any such notice given by a Party shall specify the nature of the alleged failure and, where appropriate, the manner in which such failure satisfactorily may be cured. If before the end of the applicable cure period the failure that was the subject of such notice has been cured to the reasonable satisfaction of the Party that delivered such notice, such Party shall issue a written acknowledgement to the other Party of the cure of such

failure. Notwithstanding any other provision in this Agreement to the contrary, if Developer is more than one Person (e.g., if a Transfer has occurred following the Reference Date), then (i) there shall be no cross-default between such Persons and (ii) the City shall only be deemed to have delivered notice of failure under this Section 9.3 if the City delivers such notice in accordance herewith to the Developer that the City alleges has committed such failure. Accordingly, if any Person that is Developer is a Defaulting Party, no other Person that is Developer shall automatically also be a Defaulting Party.

Section 9.4 Remedies.

9.4.1 Specific Performance. Subject to, and as limited by, the provisions of Sections 9.4.3, 9.4.4, and 9.5, in the event of a Default, the remedies available to a Party shall include specific performance of this Agreement in addition to any other remedy available at law or in equity.

9.4.2 Termination. Subject to the limitation set forth in Section 9.4.4, in the event of a Default, the non-Defaulting Party may elect to terminate this Agreement by sending a notice of termination to the Defaulting Party, which notice of termination shall describe in reasonable detail the Default. Any such termination shall be effective upon the date set forth in the notice of termination, which shall in no event be earlier than ninety (90) days following delivery of the notice. Any termination initiated by the City shall require a public hearing at the Board of Supervisors regarding such Default and proposed termination and approval thereof by the Board of Supervisors prior to the effectiveness of such termination. There are limitations on cross-defaults under this Agreement, and therefore if Developer is more than one Person (e.g., if a Transfer has occurred following the Reference Date), then any termination of this Agreement for Default will be limited to the Person that is Developer that sent or received the termination notice, together with its Affiliates (excluding any Affiliate that is Developer of a Vertical Improvement); provided, the foregoing will not limit the City's right to withhold certificates of occupancy in accordance with Section 9.4.5. The Party receiving the notice of termination may take legal action available at law or in equity if it believes the other Party's decision to terminate was not legally supportable.

9.4.3 Limited Damages. The Parties have determined that except as set forth in this Section 9.4.3, (i) monetary damages are generally inappropriate, (ii) it would be extremely difficult and impractical to fix or determine the actual damages suffered by a Party as a result of a Default hereunder and (iii) equitable remedies and remedies at law, not including damages but including specific performance and termination, are particularly appropriate remedies for enforcement of this Agreement. Consequently, Developer agrees that the City shall not be liable to Developer for damages under this Agreement, and the City agrees that Developer shall not be liable to the City for damages under this Agreement, and each covenants not to sue the other for or claim any damages under this Agreement and expressly waives its right to recover damages under this Agreement, except as follows: (a) each Party shall have the right to recover actual damages only (and not consequential, punitive, or special damages, each of which is hereby expressly waived) for the other Party's Default for failure to pay sums to such Party as and when due under this Agreement, but subject to any express conditions for such payment set forth in this Agreement, (b) to the extent a court of competent jurisdiction determines that specific performance is not an available remedy with respect to an unperformed Associated Community Benefit that

constitutes a Default, the City shall have the right to monetary damages equal to the costs that the City incurs or will incur to complete the Associated Community Benefit as determined by such court less any amounts available for collection by the City from security held by the City, (c) each Party shall have the right to recover reasonable attorneys' fees and costs as set forth in Section 9.6 and (d) the City shall have the right to recover administrative penalties or liquidated damages if and only to the extent expressly stated in an Exhibit to this Agreement or in the applicable portion of the Municipal Code incorporated into this Agreement. For purposes of the foregoing, (y) the City shall seek monetary damages only from the Defaulting Party and not from any other Developer or Mortgagee and (z) "**actual damages**" means the actual amount due and owing under this Agreement, with interest as provided by Law, together with such judgment collection activities as may be ordered by the judgment, and no additional amounts.

9.4.4 Certain Exclusive Remedies. The exclusive remedy:

(a) for a Default for the failure to Complete Public Improvements for which Construction has Commenced shall be (i) first, an action on Adequate Security to the extent still available, and (ii) thereafter, if the applicable City Agency is unable to recover upon the Adequate Security within a reasonable time (including by causing the obligor under any the Adequate Security to Commence Construction and Complete such Public Improvement), the remedies set forth in Sections 9.4.2 and 9.4.3. The City shall release any unused portion of the Adequate Security following the City's termination under Section 9.4.2; and

(b) for a Default for the failure to pay money shall be a judgment (in mediation or a competent court) to pay such money (with interest as provided by Law), together with such costs of collection as are awarded by the judge or mediator.

9.4.5 Remedy for Failure to Pay and for Failure to Complete Associated Community Benefits. The City shall not be required to process any requests for approval from Developer or take other actions with respect to Developer under this Agreement during any period in which Developer is in Default for failure to pay amounts due to the City hereunder; provided, however, if Developer has conveyed or transferred some but not all of the Project or a party takes title to Foreclosed Property constituting only a portion of the Project, and, therefore, there is more than one party that assumes obligations of "Developer" under this Agreement, then the City shall continue to process requests and take other actions as to the other portions of the Project so long as the applicable Developer as to those portions is not in Default for failure to pay amounts due to the City hereunder. The City shall have the right to withhold a certificate of occupancy: (a) from Developer of a Building if such Developer is in Default of its obligation to complete any Associated Community Benefits that are tied to such Building, (b) from Developer of any Building where such Developer is an Affiliate of any Developer of any Development Phase if such Developer is in Default of the requirements of the Housing Plan, or (c) from Developer of any Building where such Developer is an Affiliate of any Developer of a Development Phase in which the applicable Developer is in Default of its obligation to complete any Public Improvements or Privately-Owned Community Improvements tied to such Development Phase and/or a Building in such Development Phase. In addition, the City shall have the right to withhold any building or site permits or Certificates of Occupancy for Buildings from the Person that is Developer of a Development Phase (i.e., the "horizontal developer" of such Development Phase) and from its

Affiliates that are Developer of any other Development Phase (i.e., the “horizontal developer” of any other Development Phase) if the applicable Developer is in Default of the requirements of the Housing Plan or the applicable Developer is in Default of its obligation to complete any Public Improvements or Privately-Owned Community Improvements tied to any such Development Phase and/or a Building in any such Development Phase. Any such withheld certificate of occupancy or other Later Approval may be withheld only until the obligation has been satisfied or the City, in its sole discretion, determines that any applicable Developer would make significant and sufficient progress toward compliance with the applicable requirement following issuance of such certificate of occupancy or other Later Approval. Nothing herein shall limit the ability of the City to withhold a certificate of occupancy from any Building in accordance with the Applicable Standards for failure of such Building to have access or utility service required to issue such certificate of occupancy in accordance with the Applicable Standards. Each Developer acknowledges and agrees that the City and the City Parties shall have no liability for any Losses sustained by such Developer resulting from any other Developer’s failure to Complete all or any portion of the Associated Community Benefits and that any such failure may adversely impact such Developer. Nothing in the foregoing limits the City’s rights and remedies under this Agreement for Default if Developer fails to initiate a cure and diligently prosecute such cure to completion.

Section 9.5 Time Limits; Waiver; Remedies Cumulative. Failure by a Party to insist upon the strict or timely performance of any of the provisions of this Agreement by the other Party, irrespective of the length of time for which such failure continues, shall not constitute a waiver of such Party’s right to demand strict compliance by such other Party in the future. No waiver by a Party of any condition or failure of performance, including a default, shall be effective or binding upon such Party unless made in writing by such Party, and no such waiver shall be implied from any omission by a Party to take any action with respect to such failure. No express written waiver shall affect any other condition, action, or inaction or cover any other period of time other than any condition, action, or inaction and/or period of time specified in such express waiver. One or more written waivers under any provision of this Agreement shall not be deemed to be a waiver of any subsequent condition, action, or inaction or any other term or provision contained in this Agreement. Nothing in this Agreement shall limit or waive any other right or remedy available to a Party to seek injunctive relief or other expedited judicial and/or administrative relief permitted hereunder to prevent irreparable harm.

Section 9.6 Attorneys’ Fees. Should legal action be brought by Developer or the City against the other for a Default under this Agreement or to enforce any provision herein, the prevailing Party in such action shall be entitled to recover its reasonable attorneys’ fees and costs from the non-prevailing Party. For purposes of this Agreement, “**reasonable attorneys’ fees and costs**” means the reasonable fees and expenses of counsel to the applicable Party, which may include printing, duplicating and other expenses, air freight charges, hiring of experts and consultants and fees billed for law clerks, paralegals, librarians and others not admitted to the bar but performing services under the supervision of an attorney, and shall include all such reasonable fees and expenses incurred with respect to appeals, mediation, arbitrations and bankruptcy proceedings, and whether or not any action is brought with respect to the matter for which such fees and costs were incurred. For the purposes of this Section 9.6, the reasonable fees of attorneys of the City Attorney’s Office shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the

City Attorney's Office's services were rendered who practice in the City in law firms with approximately the same number of attorneys as employed by the City Attorney's Office.

ARTICLE 10 FINANCING; RIGHTS OF MORTGAGEES

Section 10.1 Developer's Right to Mortgage. Nothing in this Agreement limits the right of Developer (or any other applicable Person) to grant a Mortgage or otherwise encumber all or any portion of the Project or the Project Site for the benefit of any Mortgagee.

Section 10.2 Mortgagee Not Obligated to Construct. Notwithstanding any of the provisions of this Agreement (except as set forth in this Section 10.2 and Section 10.5), a Mortgagee, including any Mortgagee who obtains title to the Project Site or any part thereof as a result of foreclosure proceedings or conveyance or other action in lieu thereof or other remedial action (such property, the "**Foreclosed Property**"), including (i) any other Person who obtains title to the Foreclosed Property from or through such Mortgagee and (ii) any other purchaser of the Foreclosed Property at foreclosure sale, shall in no way be obligated by the provisions of this Agreement to Commence Construction of or Complete the Project or any portion thereof or to provide any form of guarantee for such Commencement of Construction or Completion. Nothing in this Section 10.2 or any other Section or provision of this Agreement shall be deemed or construed to permit or authorize any Mortgagee or any other Person to devote the Project Site or any part thereof to any uses other than uses consistent with this Agreement and the Approvals, and nothing in this Section 10.2 shall be deemed to give any Mortgagee or any other Person the right to construct any improvements under this Agreement unless and until such Person assumes in writing Developer's rights and obligations under this Agreement.

Section 10.3 Copy of Notice of Default and Notice of Failure to Cure to Mortgagee. Whenever the City shall deliver any notice or demand to Developer with respect to any breach or default by Developer in its obligations under this Agreement, the City shall at the same time forward a copy of such notice or demand to each Mortgagee having a Mortgage on any portion of the Project Site owned by Developer and/or applicable to such notice or demand who has previously made a written request to the City therefor, at the last address of such Mortgagee specified by such Mortgagee in such notice. In addition, if such breach or default remains uncured for the period permitted with respect thereto under this Agreement, the City shall deliver a notice of such failure to cure such breach or default to each such Mortgagee at such applicable address. A delay or failure by the City to provide such notice or demand required by this Section 10.3 shall extend, for the number of days until notice is given, the time allowed to the Mortgagee for cure. In accordance with Section 2924b of the California Civil Code, the City requests that a copy of any notice of default and a copy of any notice of sale under any Mortgage be mailed to the City at its address for notices under this Agreement. Any Mortgagee relying on the protections set forth in this Article 10 shall send to the City a copy of any notice of default and notice of sale. A Mortgagee may Transfer all or any part of its interest in any Mortgage without the consent of or notice to the City; provided, however, that the City shall have no obligations under this Agreement to a Mortgagee unless the City is notified of such Mortgagee.

Section 10.4 Mortgagee's Option to Cure Defaults. Before or after receiving any notice of failure to cure referred to in Section 10.3, each Mortgagee shall have the right, at its option, to

commence within the same period as the Developer to remedy or cause to be remedied any default, plus an additional period of: (i) ninety (90) days to cure a monetary default; and (ii) one hundred eighty (180) days to commence to cure a non-monetary default that is susceptible of cure by the Mortgagee without obtaining title to the applicable property provided that it thereafter diligently pursues such cure to completion. If a default is not cured within the applicable cure period, the City nonetheless shall refrain from exercising any of its remedies with respect to such default if, within the Mortgagee's applicable cure period: (a) the Mortgagee notifies the City that it intends to proceed with due diligence to foreclose the Mortgage or otherwise obtain title to the subject property; (b) the Mortgagee commences foreclosure proceedings within sixty (60) days after giving such notice, and thereafter diligently pursues such foreclosure to completion; and (c) after obtaining title, the Mortgagee diligently proceeds to cure those events of default(y) that are required to be cured by the Mortgagee and are susceptible of cure by the Mortgagee, and (z) of which the Mortgagee has been given notice by the City prior to such foreclosure. Notwithstanding the foregoing, no Mortgagee shall be required to cure any default that is personal to Developer (for example, failure to submit required information in its possession), and the completion of a foreclosure and acquisition of title to the applicable property by Mortgagee shall be deemed to cure such default. Any such Mortgagee or transferee of a Mortgagee who properly completes the improvements relating to the Project or the Project Site or applicable part thereof shall be entitled, upon written request made to the City, to confirmation by the City in writing that such improvements have been Completed in accordance herewith.

Section 10.5 Mortgagee's Obligations with Respect to the Project Site. Notwithstanding anything to the contrary in this Agreement, no Mortgagee shall have any obligations or other liabilities under this Agreement unless and until it acquires title to any Foreclosed Property and assumes in writing Developer's rights and obligations under this Agreement with respect to the Foreclosed Property. A Mortgagee that, by foreclosure under a Mortgage, acquires title to any Foreclosed Property and assumes in writing Developer's rights and obligations under this Agreement shall take title subject to all of the terms and conditions of this Agreement, to the extent applicable to the Foreclosed Property, including any claims for payment or performance of obligations that are due as a condition to enjoying the benefits of this Agreement and shall have all of the rights and obligations of Developer under this Agreement as to the applicable Foreclosed Property, including completion of the Associated Community Benefits tied to the Foreclosed Property. Upon the occurrence and continuation of a Default by a Mortgagee or transferee of a Mortgagee in the performance of any of the obligations to be performed by such Mortgagee or transferee pursuant to this Agreement, the City shall be afforded all its remedies for such Default as provided in this Agreement.

Section 10.6 No Impairment of Mortgage. No default by Developer under this Agreement shall invalidate or defeat the lien of any Mortgage. No foreclosure of any Mortgage or other lien shall defeat, diminish, render invalid or unenforceable or otherwise impair Developer's rights or obligations under this Agreement or constitute a default under this Agreement.

Section 10.7 Cooperation. The City shall cooperate reasonably with Developer in confirming or verifying the rights and obligations of any Mortgagee or potential Mortgagee hereunder.

Section 10.8 Multiple Mortgages. If at any time there is more than one Mortgage constituting a lien on a single portion of the Project or the Project Site or any interest therein, the lien with respect to such portion or interest of the Mortgagee prior in time to all others on that portion or interest shall be vested with the rights under this Article 10 to the exclusion of the holder of any other Mortgage with respect to such portion or interest; provided, however, that if the holder of a senior Mortgage fails to exercise the rights set forth in this Article 10, each holder of a junior Mortgage shall succeed to the rights set forth in this Article 10 only if the holders of all Mortgages senior to it have failed to exercise the rights set forth in this Article 10 and holders of junior Mortgages have provided written notice to the City under Section 10.3. No failure by the senior Mortgagee to exercise its rights under this Article 10 and no delay in the response of any Mortgagee to any notice by the City shall extend any cure period or Developer's or any Mortgagee's rights under this Article 10. For purposes of this Section 10.8, in the absence of an order of a court of competent jurisdiction that is served on the City, a title report prepared by a reputable title company licensed to do business in the State and having an office in the City, setting forth the order of priorities of the liens of Mortgages on real property may be relied upon by the City as conclusive evidence of priority.

Section 10.9 Cured Defaults. Upon the curing of any default by any Mortgagee within the time provided in this Article 10 the City's right to pursue any remedies with respect to such default shall terminate.

ARTICLE 11 AMENDMENT; TERMINATION; EXTENSION OF TERM

Section 11.1 Amendment. This Agreement may only be amended with the mutual written consent of the City and Developer (for the avoidance of doubt, if Developer is more than one Person (e.g., if a Transfer has occurred following the Reference Date), the City and any individual Person that is Developer may amend this Agreement to the extent applicable to such Developer and such Developer's Developer Property without binding any other Developer or other Developer's Developer Property); provided that any amendment to this Agreement consented to by the Person that is Developer of a Building on a Development Parcel must also be consented to by the Person that is Developer of the Development Phase that includes such Development Parcel (i.e., the "horizontal developer" of such Development Phase). Any amendment to this Agreement that does not constitute a Material Change may be agreed to by the Planning Director on behalf of the City (and, to the extent it affects any rights or obligations of a City Agency, after consultation with such City Agency). Any amendment that is a Material Change will require the approval of the Planning Director, the Planning Commission, and the Board of Supervisors (and, to the extent it affects any rights or obligations of a City Agency, after consultation with such City Agency). The determination of whether a proposed change constitutes a Material Change shall be made, on the City's behalf, by the Planning Director following consultation with the City Attorney and any affected City Agency.

Section 11.2 Termination on Mutual Consent Other than upon the expiration of the Term and except as provided in Sections 3.16, 5.9.4, 5.13.2, 6.2, 7.3, 9.4.2, and 0, this Agreement may only be terminated as to an individual Developer and the City with the mutual written consent of such Developer and the City; provided, however, that any such termination of this Agreement by (i) the Person that is Developer of a Development Phase (i.e., the "horizontal developer" of such

Development Phase) shall also require the written consent of any Person that is Developer of a Building in that Development Phase and (ii) the Person that is Developer of a Building in a Development Phase shall also require the written consent of the Person that is Developer of such Development Phase (i.e., the “horizontal developer” of such Development Phase).

Section 11.3 Early Termination Rights. Developer shall, upon thirty (30) days’ prior notice to the City, have the right, in its sole and absolute discretion, to terminate this Agreement in its entirety at any time prior to the date Developer Commences Construction on any portion of the Project Site.

Section 11.5 Termination and Vesting. Any termination under this Agreement shall concurrently effect a termination of the Approvals with respect to the terminated portion of the Project Site, except as to any Approval pertaining to any Infrastructure, Parks and Open Space, or Vertical Improvement that has Commenced Construction in reliance thereon. In the event of any termination of this Agreement by Developer resulting from a Default by the City and except to the extent prevented by such City Default, Developer’s obligation to complete the Associated Community Benefits that are tied to a Building that has Commenced Construction shall continue (and all relevant and applicable provisions of this Agreement with respect to such obligation shall be deemed to be in effect as such provisions are reasonably necessary in the construction, interpretation, or enforcement of this Agreement as to any such surviving obligations). The City’s and Developer’s respective rights and obligations under this Section 11.5 shall survive the termination of this Agreement.

Section 11.6 Amendment Exemptions. No issuance of a Later Approval or change to the Project that is permitted under the Plan Documents or any Approval shall by itself require an amendment to this Agreement. Upon issuance of any Later Approval or upon the making of any such change, such Later Approval or change shall be deemed to be incorporated automatically into the Project and vested under this Agreement (subject to any conditions set forth in such Later Approval or change). Notwithstanding the foregoing, if there is any direct conflict between the terms of this Agreement, on the one hand, and a Later Approval, on the other hand, then the Parties shall concurrently amend this Agreement (subject to all necessary approvals in accordance with this Agreement) in order to ensure the terms of this Agreement are consistent with such Later Approval. The Planning Department and each affected City Agency shall have the right to approve on behalf of the City changes and updates to the Project, including the Plan Documents, and to the Project SUD, in each keeping with the Planning Department’s and the affected City Agency’s customary practices, and any such changes and updates shall not be deemed to conflict with or require an amendment to this Agreement or the Approvals so long as they do not constitute a Material Change (and, for the avoidance of doubt, are approved by Developer to the extent required hereunder). Any such change or update to the Plan Documents shall be maintained on file with the Planning Department. If the Parties fail to amend this Agreement as set forth above when required (i.e., when there is a Material Change), then the terms of this Agreement shall prevail over any Later Approval that conflicts with this Agreement until so amended.

Section 11.7 Extension Due to Legal Action or Referendum. If any litigation is filed challenging this Agreement or an Approval having the direct or indirect effect of delaying this Agreement or any Approval (including to any CEQA determinations or any Later Approvals), including any challenge to the validity of this Agreement or any of its provisions, or if this

Agreement or an Approval is suspended pending the outcome of an electoral vote on a referendum, then the Term and all Approvals shall be extended for the number of days equal to the period starting from the commencement of the litigation or the suspension (or as to Approvals, the date of the initial grant of such Approval) to the end of such litigation or suspension (a “**Litigation Extension**”). The Parties shall document the start and end of a Litigation Extension in writing within thirty (30) days from the applicable dates.

Section 11.8 PG&E Sub-Area. The Parties acknowledge and agree that (i) the PG&E Sub-Area and the portion of the Project Site commonly known as Block 5 (collectively, the “**PG&E Affected Area**”) are not feasible to develop until PG&E determines its long-term needs and obtains all required approvals therefor, (ii) the Parties are not able to control the timeline for PG&E’s decision-making process or the receipt of the required approvals therefor and (iii) PG&E may, in its sole discretion, make development of some or all the PG&E Affected Area impossible. The foregoing facts may have the direct or indirect effect of delaying the portion of the Project proposed for the PG&E Affected Area. In light of the foregoing, the Term and all Approvals with respect to each portion of the PG&E Affected Area shall be extended for the lesser of five (5) years and the number of days between the Reference Date and the date PG&E has vacated the PG&E Sub-Area and such portion of the PG&E Affected Area is otherwise available for development hereunder (and, with respect to the PG&E Sub-Area, the PG&E Sub-Area becomes subject to this Agreement pursuant to Section 3.14).

ARTICLE 12

TRANSFER OR ASSIGNMENT; RELEASE; CONSTRUCTIVE NOTICE

Section 12.1 Permitted Transfer of this Agreement. At any time and from time to time, Developer shall have the right to convey, assign or transfer (each, a “**Transfer**”) all or any portion of its right, title and interest in and to all or part of the Project Site (the “**Transferred Property**”) to any Person (each, a “**Transferee**”) without the City’s consent, provided (i) that it contemporaneously transfers to the Transferee all of its right, title and interest under this Agreement with respect to the Transferred Property (excepting therefrom any rights or obligations retained by the transferor as set forth in the Assignment and Assumption Agreement (e.g., matters that may be assigned to the Management Association, as contemplated below)) and (ii) there shall not be more than one Person that is Developer of the Public Improvements in a Development Phase without the approval of the City (excluding the Transferable Infrastructure intended for completion with Vertical Improvements). Nothing herein or in any Approval shall limit the rights of Developer to transfer to the Transferee any or all of its right, title and interest under the Approvals to the extent related to the Transferred Property. Furthermore, any rights or obligations of Developer hereunder following Completion of the Project or any portion thereof (such as responsibility for operation and maintenance of any Parks and Open Space, responsibility for transportation demand management obligations, etc.) may be Transferred to a residential, commercial, or other management association (each, a “**Management Association**”) with the authority to levy fees or otherwise generate sufficient revenue to perform such obligations, and no such Transfer shall require the transfer of land or any other real property interests to the Management Association. The City may require, in its reasonable discretion, that any sub-Management Association be a member of the master-Management Association, to the extent permitted by the Applicable Standards. A Transferee shall be deemed “Developer” under this Agreement to the extent of the rights, interests and obligations assigned to and assumed by such Transferee under the applicable Assignment and Assumption

Agreement. Notwithstanding the foregoing, pursuant to the Housing Plan, Developer only shall have the right to transfer the affordable housing obligations under Section VII of the Affordable Housing Plan subject to the prior written consent of the City, which consent will not be unreasonably withheld, conditioned or delayed. In determining the reasonableness of any consent or failure to consent, the City shall consider whether the proposed transferee has sufficient development experience and creditworthiness to perform the obligations to be transferred. Accordingly, the City may request information and documentation from the transferee to complete such determination.

Section 12.2 Multiple Developers. Notwithstanding anything to the contrary in this Agreement, if Developer is more than one Person (e.g., if a Transfer has occurred following the Reference Date), then the obligation to perform and complete the Associated Community Benefits tied to a Development Phase and/or Building shall be either (i) the sole responsibility of the applicable Transferee (i.e., the Person that is the Developer for the Development Phase and/or Building) or (ii) the sole responsibility of its predecessor (e.g., a Person that was Developer as set forth in a Development Phase Approval and subsequently Transferred the Development Phase and/or applicable Development Parcel to such Transferee). For the avoidance of doubt, each Developer must, on its own, satisfy the requirements of the Workforce Agreement as applied to its portion of the Project. Each Person that is a Developer must coordinate with one another on the housing data tables and maps as set forth in the Housing Plan. Nothing herein shall entitle any Person that is Developer to enforce this Agreement against any other Person that is Developer.

Section 12.3 Notice of Transfer. Developer shall provide not less than ten (10) Business Days' notice to the City before any anticipated Transfer of its interests, rights and obligations under this Agreement, together with the anticipated final assignment and assumption agreement for that Transfer (the "**Assignment and Assumption Agreement**"). The Assignment and Assumption Agreement shall be in recordable form, in substantially the form attached as Exhibit X (including the indemnifications, the agreement and covenant not to challenge the enforceability of this Agreement and not to sue the City for disputes between Developer and any Transferee). Without limiting Developer's rights to its rights of Transfer as set forth herein without the City's consent, the final Assignment and Assumption Agreement for a Transfer shall be subject to the review of the Planning Director to confirm that such Assignment and Assumption Agreement meets the requirements of this Agreement (including that all applicable Associated Community Benefits have been assigned to the Transferee or retained by the transferor) and, if there are any material changes to the form attached as Exhibit X, that the Planning Director approves such changes. The Planning Director shall grant (through execution of the provided Assignment and Assumption Agreement in the space provided therefor and delivery of same to the Developer that provided same) or withhold confirmation (or approval of any such material changes) within ten (10) Business Days after the Planning Director's receipt of the Assignment and Assumption Agreement. Failure to grant or withhold such confirmation (or approval) in accordance with the foregoing within such period shall be deemed confirmation (or approval), provided that Developer shall have first provided notice of such failure and a three (3) Business Day opportunity to cure and such notice shall prominently indicate that failure to act shall be deemed to be confirmation (or approval).

Section 12.4 Release of Liability. Upon execution and delivery of any Assignment and Assumption Agreement (following the City's confirmation (or approval) or deemed confirmation (or approval) pursuant to Section 12.3), the assignor thereunder shall be automatically released from

any liability or obligation under this Agreement to the extent Transferred under the applicable Assignment and Assumption Agreement.

Section 12.5 Responsibility for Performance. The City is entitled to enforce each and every obligation assumed by each Transferee pursuant to the applicable Assignment and Assumption Agreement directly against such Transferee as if the Transferee were an original signatory to this Agreement with respect to such obligation. Accordingly, in any action by the City against a Transferee to enforce an obligation assumed by the Transferee, the Transferee shall not assert as a defense against the City's enforcement of performance of such obligation that such obligation (i) is attributable to another Developer's breach of any duty or obligation to the Transferee arising out of the Transfer or the Assignment and Assumption Agreement or any other agreement or transaction between such other Developer and the Transferee, including any obligation retained by a transferring Developer to complete affordable housing or parks within the applicable Development Phase, or (ii) relates to the period before the Transfer. The foregoing notwithstanding, the Parties acknowledge and agree that a failure to complete a Mitigation Measure, affordable housing, or certain Parks and Open Spaces may, if not completed, delay or prevent a different party's ability to start or complete a specific Building or improvement under this Agreement if and to the extent the completion of the Mitigation Measure, the affordable housing, or the completion of the Parks and Open Spaces is a condition to the other party's right to proceed, as specifically described in the Mitigation Measure, the Housing Plan and the Phasing Plan, and each Person that is Developer hereunder assumes this risk.

Section 12.6 Constructive Notice. Every Person that now or hereafter owns or acquires any right, title or interest in or to any portion of the Project Site is, and shall be, constructively deemed to have consented to every provision contained herein, whether or not any reference to this Agreement is contained in the instrument by which such Person acquires an interest in the Project Site. Every Person that now or hereafter owns or acquires any right, title, or interest in or to any portion of the Project Site and undertakes any development activities at the Project Site, is, and shall be, constructively deemed to have consented to, and is obligated by all of, the terms and conditions of this Agreement (as such terms and conditions apply to the Project Site or applicable portion thereof), whether or not any reference to this Agreement is contained in the instrument by which such Person acquires an interest in the Project Site.

Section 12.7 Rights of Developer. The provisions in this Article 12 shall not be deemed to prohibit or otherwise restrict Developer from (i) granting easements, leases, subleases, licenses or permits to facilitate the development, operation and use of the Project Site in whole or in part, (ii) encumbering the Project Site or any portion of the improvements thereon by any Mortgage, (iii) granting an occupancy leasehold interest in portions of the Project Site, (iv) entering into a joint venture agreement or similar partnership agreement to fulfill its obligations under this Agreement, (v) selling or transferring all or a portion of any interest in the Project Site pursuant to a foreclosure, the exercise of a power of sale, conveyance in lieu of foreclosure or other remedial action in connection with a Mortgage, or (vi) selling a residential unit in the Project to a member of the homebuying public, and no such action shall constitute a Transfer hereunder or require an Assignment and Assumption Agreement or any consent of the City and the transferee, beneficiary or other applicable Person under any such instrument shall not be deemed a successor to Developer or a Transferee (but, for the avoidance of doubt, will be subject to the CC&Rs and the affordability

and other restrictions contained in documents recorded against the unit as provided therein, to the extent applicable).

ARTICLE 13 REPRESENTATIONS AND WARRANTIES

Section 13.1 Developer Representations and Warranties. Developer makes the following representations and warranties to the City as of the Reference Date:

13.1.1 Interest of Developer; Due Organization and Standing. Developer is the fee owner of the Developer Property. Developer is a Delaware limited liability company, duly organized and validly existing and in good standing under the Laws of the State of Delaware. Developer has all requisite power to own the Developer Property and authority to conduct its business as presently conducted. There is no Mortgage, existing lien or encumbrance recorded against the Developer Property that, upon foreclosure or the exercise of remedies, would permit the beneficiary of the Mortgage, lien or encumbrance to eliminate or wipe out the obligations set forth in this Agreement that run with the Developer Property.

13.1.2 No Inability to Perform; Valid Execution. Developer is not a party to any other agreement that could reasonably be expected to conflict with Developer's obligations under this Agreement, and Developer has no knowledge of any inability to perform its obligations under this Agreement. The execution and delivery of this Agreement by Developer have been duly and validly authorized by all necessary action. This Agreement is a legal, valid, and binding obligation of Developer, enforceable against Developer in accordance with its terms.

Section 13.2 No Bankruptcy. Developer has neither filed nor is the subject of any filing of a petition under Federal bankruptcy Laws, any Federal or State insolvency Laws or Laws for composition of indebtedness or for the reorganization of debtors, and, to the best of Developer's knowledge, no such filing is threatened in writing.

ARTICLE 14 MISCELLANEOUS PROVISIONS

Section 14.1 Entire Agreement. This Agreement, including the preamble, Recitals and Exhibits, and the agreements between the Parties specifically referenced in this Agreement, constitutes the entire agreement between the Parties with respect to the subject matter contained herein. Prior drafts of this Agreement and changes from those drafts to the executed version of this Agreement shall not be introduced as evidence in any litigation or other dispute resolution proceeding by the Parties or any other Person, and no court or other body shall consider such drafts or changes in interpreting this Agreement. That certain Memorandum of Understanding between Developer and OEWD, dated as of May 1, 2016, is terminated as of the Effective Date and shall be of no further force and effect.

Section 14.2 Incorporation of Exhibits. Except for the Initial Approvals, which are listed in Exhibit B solely for the convenience of the Parties, each Exhibit to this Agreement is incorporated herein and made a part hereof as if set forth in full. Each reference to an Exhibit in this Agreement shall mean that Exhibit as it may be updated or amended from time to time in accordance with the terms of this Agreement.

Section 14.3 Binding Covenants; Run with the Land. Pursuant to Section 65868 of the Development Agreement Statute, from and after recordation of this Agreement in the Official Records, all of the provisions, agreements, rights, powers, standards, terms, covenants, and obligations contained in this Agreement shall be binding upon the Parties and, subject to the provisions of this Agreement, including Article 12, their respective heirs, successors (by merger, consolidation, or otherwise) and assigns and all Persons acquiring the Project Site, any lot, parcel or any portion thereof, or any interest therein, whether by sale, operation of Law or in any manner whatsoever, and shall inure to the benefit of the Parties and such heirs, successors, assigns and Persons. Subject to the provisions of this Agreement, including Article 12, all provisions of this Agreement shall be enforceable during the Term as equitable servitudes and constitute covenants and benefits running with the land pursuant to Law, including California Civil Code Section 1468.

Section 14.4 Applicable Law and Venue. This Agreement has been executed and delivered in and shall be interpreted, construed, and enforced in accordance with the Laws of the State of California. Venue for any proceeding related to this Agreement shall be solely in courts located in the City. Each Party hereby consents to the jurisdiction of the State or Federal courts located in the City. Each Party hereby expressly waives any and all rights that it may have to make any objections based on jurisdiction or venue to any suit brought to enforce this Agreement in accordance with the foregoing provisions.

Section 14.5 Construction of Agreement. The Parties have mutually negotiated the terms and conditions of this Agreement, and its terms and provisions have been reviewed and revised by legal counsel for both the City and Developer. Accordingly, no presumption or rule that ambiguities shall be construed against the drafting Party shall apply to the interpretation or enforcement of this Agreement. Therefore, each Party waives the effect of section 1654 of the California Civil Code, which interprets uncertainties in a contract against the party that drafted the contract. Language in this Agreement shall be construed as a whole and in accordance with its true meaning. Each reference in this Agreement to this Agreement, the other Plan Documents or any of the Approvals shall be deemed to refer to this Agreement, the other Plan Documents or the Approvals as amended from time to time pursuant to the provisions of this Agreement, whether or not the particular reference refers to such possible amendment. In the event of a conflict between the provisions of this Agreement and Chapter 56, the provisions of this Agreement shall govern and control. Wherever in this Agreement the context requires, references to the masculine shall be deemed to include the feminine and the neuter and vice-versa, and references to the singular shall be deemed to include the plural and vice versa. Unless otherwise specified, whenever in this Agreement, including its Exhibits, reference is made to any Recital, Article, Section, Exhibit, Schedule or defined term, the reference shall be deemed to refer to the Recital, Article, Section, Exhibit, Schedule or defined term of this Agreement. Any reference in this Agreement to a Recital, an Article or a Section includes all subsections and subparagraphs of that Recital, Article or Section. Section and other headings and the names of defined terms in this Agreement are for the purpose of convenience of reference only and are not intended to, nor shall they, modify or be used to interpret the provisions of this Agreement. Except as otherwise explicitly provided herein, the use in this Agreement of the words “including”, “such as” or words of similar import when accompanying any general term, statement or matter shall not be construed to limit such term, statement or matter to such specific terms, statements or matters. In the event of a conflict between the Recitals and the remaining provisions of this Agreement, the remaining provisions shall prevail. Statements and calculations in this Agreement beginning with the words “for example” or words

of similar import are included for the convenience of the Parties only, and in the event of a conflict between such statements or calculations and the remaining provisions of this Agreement, the remaining provisions shall prevail. Words such as “herein”, “hereinafter”, “hereof,” “hereby” and “hereunder” and the words of like import refer to this Agreement, unless the context requires otherwise. Unless the context otherwise specifically provides, the term “or” shall not be exclusive and means “or, and, or both”.

Section 14.6 Project Is a Private Undertaking; No Joint Venture or Partnership. The development proposed to be undertaken by Developer on the Project Site is a private development. Without limiting the City’s obligations to Developer hereunder, the City has no interest in, responsibility for or duty to third parties concerning any of the improvements within the Project Site. Developer shall exercise full dominion and control over the Developer Property, subject only to the limitations and obligations of the Parties contained in this Agreement. Nothing contained in this Agreement, or in any document executed in connection with this Agreement, shall be construed as creating a joint venture or partnership between the City and Developer. Neither Party is acting as the agent of the other Party in any respect hereunder. Developer is not a state or governmental actor with respect to any activity conducted by Developer hereunder. If there is more than one Person that comprises any Person that is Developer, the obligations and liabilities under this Agreement imposed on each such Person shall be joint and several (i.e., if more than one Person executes an Assignment and Assumption Agreement as Developer of Transferred Property, then the liability of such Persons shall be joint and several with respect thereto).

Section 14.7 Recordation. Pursuant to the Development Agreement Statute and Chapter 56, the Clerk of the Board of Supervisors shall have a copy of this Agreement and any amendment hereto recorded in the Official Records within ten (10) days after the Effective Date or the effective date of such amendment, as applicable, with recording fees (if any) to be borne by Developer.

Section 14.8 Survival. Following expiration of the Term, this Agreement shall be deemed terminated and of no further force and effect, except for any provision that, by its express terms, survives the expiration or termination of this Agreement. The rights and obligations under the Financing Plan or under any Acquisition Agreement (as defined in the Financing Plan), including Developer’s right to receive reimbursements, are intended to survive the expiration or termination of the Financing Plan or Acquisition Agreement, as applicable.

Section 14.9 Signature in Counterparts. This Agreement may be executed in duplicate counterpart originals, each of which is deemed to be an original, and all of which when taken together shall constitute one and the same instrument.

Section 14.10 Notices. Any notice or communication required or authorized by this Agreement (as, for example, where a Party is permitted or required to “notify” the other, but not including communications made in any meet and confer or similar oral communication contemplated hereunder) shall be in writing and may be delivered personally, by registered mail, return receipt requested, or by reputable air or ground courier service. Notice, whether given by personal delivery, registered mail or courier service, shall be deemed to have been given and received upon the actual receipt by any of the addressees designated below as the person to whom notices are to be sent. Any notice delivered by the City to the Person that is Developer of a Building on a Development Parcel, and any notice delivered by such a Developer to the City, shall be

contemporaneously delivered to the Person that is Developer of the Development Phase that includes such Development Parcel (i.e., the “horizontal developer” of such Development Phase). Any Party may at any time, upon notice to each other applicable Party, designate any other person or address in substitution of the person or address to which such notice or communication shall be given. Such notices or communications shall, subject to the foregoing, be given to the Parties at their addresses set forth below:

To the City:

San Francisco Planning Department
1650 Mission Street, Suite 400
San Francisco, California 94102
Attn: John Rahaim, Director of Planning

with a copy to:

Dennis J. Herrera, Esq.
City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, California 94102
Attn: Real Estate/Finance, Potrero Power Plant Project

To Developer:

California Barrel Company LLC
c/o Associate Capital
420 23rd Street
San Francisco, California 94107
Attn: Project Director, Potrero Power Plant Project

with a copies. to:

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

and

Paul Hastings LLP
101 California Street, 48th Floor
San Francisco, CA 94111
Attn: David Hamsher, Esq.

Section 14.11 Limitations on Actions. Pursuant to Section 56.19 of the Administrative Code, any decision of the Board of Supervisors made pursuant to Chapter 56 shall be final. Any

court action or proceeding to attack, review, set aside, void, or annul any decision by the Board of Supervisors shall be commenced within ninety (90) days after such decision is final and effective. Any court action or proceeding to attack, review, set aside, void or annul any decision by (i) the Planning Director made pursuant to Administrative Code Section 56.15(d)(3) or (ii) the Planning Commission made pursuant to Administrative Code Section 56.17(e) shall be commenced within ninety (90) days after such decision is final and effective.

Section 14.12 Severability. Except as is otherwise specifically provided for in Section 5.7, if any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of this Agreement shall continue in full force and effect, except to the extent that enforcement of the remaining provisions of this Agreement would be unreasonable or grossly inequitable under all the circumstances or would frustrate the fundamental purpose of this Agreement.

Section 14.13 MacBride Principles. The City urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in Administrative Code Section 12F.1 *et seq.* The City also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Developer acknowledges that it has read and understands the above statement of the City concerning doing business in Northern Ireland.

Section 14.14 Tropical Hardwood and Virgin Redwood. The City urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood, or virgin redwood wood product, except as expressly permitted by the application of Sections 802(b) and 803(b) of the San Francisco Environment Code.

Section 14.15 Sunshine. Developer understands and agrees that, except as otherwise provided therein, under the City's Sunshine Ordinance (Administrative Code, Chapter 67) and the California Public Records Act (California Government Code Section 250 *et seq.*), this Agreement and any and all records, information and materials submitted to the City hereunder may be public records subject to public disclosure upon request. Developer may mark or designate as confidential, or otherwise request to be kept confidential, materials that Developer submits to the City that Developer in good faith believes are or contain trade secrets or proprietary information protected from disclosure under the Sunshine Ordinance and other Laws, and the City shall maintain the confidentiality of such materials. When a City official or employee receives a request for any such materials, the City may request further evidence or explanation from Developer. Notwithstanding the foregoing, to the extent that the City determines that the information in such materials does not constitute a trade secret or proprietary or other information protected from disclosure, the City shall notify Developer of that conclusion and that such information will be released by a specified date in order to provide Developer an opportunity to obtain a court order prohibiting disclosure.

Section 14.16 Conflict of Interest. Through its execution of this Agreement, Developer acknowledges that it is familiar with the provisions of Section 15.103 of the City's Charter, Article III, Chapter 2 of the City's Campaign and Governmental Conduct Code, and Section 87100 *et seq.* and Section 1090 *et seq.* of the California Government Code, and certifies that it does not know of any facts that constitute a violation of such provisions and agrees that it will promptly thereafter notify the City if it becomes aware of any such fact during the Term.

Section 14.17 Notification of Limitations on Contributions. Through its execution of this Agreement, Developer acknowledges that it is familiar with Section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any Person that contracts with the City, whenever such transaction would require approval by a City elective officer or the board on which that City elective officer serves, from making any campaign contribution to the officer at any time from the commencement of negotiations for the contract until three (3) months after the date the contract is approved by the City elective officer or the board on which that City elective officer serves. San Francisco Ethics Commission Regulation 1.126-1 provides that negotiations are commenced when a prospective contractor first communicates with a City officer or employee about the possibility of obtaining a specific contract. This communication may occur in person, by telephone or in writing, and may be initiated by the prospective contractor or a City officer or employee. Negotiations are completed when a contract is finalized and signed by the City and the contractor. Negotiations are terminated when the City and/or the prospective contractor end the negotiation process before a final decision is made to award the contract.

Section 14.18 Non-Liability of City Officials and Others. Notwithstanding anything to the contrary in this Agreement, no individual board member, director, commissioner, officer, employee, official or agent of City or any City Agency shall be personally liable to Developer or its successors and assigns in the event of any default by the City or for any obligation under this Agreement, including any amount that may become due to Developer or its successors and assigns under this Agreement.

Section 14.19 Non-Liability of Developer Officers and Others. Notwithstanding anything to the contrary in this Agreement, no direct or indirect partner, member or shareholder of Developer or of any Affiliate of Developer nor any of its or their respective officers, directors, officials, individual board members, agents or employees (or of their successors or assigns) shall be personally liable to the City or its successors and assigns in the event of any default by Developer or for any obligation under this Agreement, including any amount that may become due to the City or its successors and assigns under this Agreement.

Section 14.20 Time. Time is of the essence with respect to each provision of this Agreement in which time is a factor. References to time shall be to the local time in the City on the applicable day. References in this Agreement to days, months and quarters shall be to calendar days, months and quarters, respectively, unless otherwise specified, provided that if the last day of any period to give notice, reply to a notice, meet a deadline or to undertake any other action occurs on a day that is not a Business Day, then the last day for giving the notice, replying to the notice, meeting the deadline or undertake the action shall be the next succeeding Business Day, or if such requirement is to give notice before a certain date, then the last day shall be the next succeeding Business Day. Where a date for performance is referred to as a month without reference to a specific day in such month, or a year without reference to a specific month in such year, then such date shall be deemed to be the last Business Day in such month or year, as applicable.

Section 14.21 Approvals and Consents. As used herein, the words "approve", "consent" and words of similar import and any variations thereof refer to the prior written consent of the applicable Party or other Person, including the approval of applications by City Agencies. Whenever any approval or consent is required or permitted to be given by a Party hereunder, it shall not be unreasonably withheld, conditioned or delayed unless the approval or consent is explicitly

stated in this Agreement to be within the “sole discretion” (or words of similar import) of such Party. The reasons for failing to grant approval or consent, or for giving a conditional approval or consent, shall be stated in reasonable detail in writing. Approval or consent by a Party to or of any act or request by the other Party shall not be deemed to waive or render unnecessary approval or consent to or of any similar or subsequent acts or requests. Unless otherwise provided in this Agreement, whenever approval, consent or any other action is required by the Planning Commission or the Board of Supervisors, the City shall upon the request of Developer submit such matter to the Planning Commission or the Board of Supervisors, whichever is applicable, at the next regularly-scheduled meeting thereof for which an agenda has not yet been finalized and for which the City can prepare and submit a staff report in keeping with the City’s standard practices. Unless otherwise provided in this Agreement, approvals, consents or other actions of the City shall be given or undertaken, as applicable, by the Planning Director.

Section 14.22 Extensions of Time.

14.22.1 The City or Developer may extend the time for the performance of any term, covenant or condition of this Agreement by a Party owing performance to the extending Party, or permit the curing of any related default, upon such terms and conditions as it determines appropriate.

14.22.2 The Parties may extend the time for performance by any of them of any term, covenant or condition of this Agreement by a written instrument signed by authorized representatives of such Parties without the execution of a formal recorded amendment to this Agreement, and any such written instrument shall have the same force and effect and impart the same notice to third-parties as a formal recorded amendment to this Agreement.

Section 14.23 Effect on Other Party’s Obligation. If Developer’s or the City’s performance is excused or the time for its performance is extended under any extension of time permitted in this Agreement, the performance of the other Party that is conditioned on such excused or extended performance is excused or extended to the same extent.

Section 14.24 Use of Public Improvements Before Acceptance. The Parties acknowledge and agree that Developer shall not be obligated to allow use of any Public Improvements by any Person, including the City or any City Agency, before the acceptance of such Public Improvements by the City. The Developer and the City may elect to use such unaccepted Public Improvements, subject to a written agreement with the City, which shall not be unreasonably withheld or conditioned.

Section 14.25 Boundary Adjustments. The Parties acknowledge that as development of the Project Site advances, the description of parcels of real property comprising the Project Site may require further refinements, which may require minor boundary adjustments between or among them. The Parties agree to cooperate in effecting any such boundary adjustments required, consistent with this Agreement.

Section 14.26 Correction of Technical Errors. If by reason of inadvertence, and contrary to the intention of Developer and the City, errors are made in this Agreement in the identification or characterization of any title exception, in a legal description or the reference to or within any

Exhibit with respect to a legal description, in the boundaries of any parcel (provided such boundary adjustments are relatively minor and do not result in a material change as determined by the City's counsel), in any map or drawing that is an Exhibit, or in the typing of this Agreement or any of its Exhibits, Developer and the City by mutual agreement may correct such error by memorandum executed by both of them and replacing the appropriate pages of this Agreement, and no such memorandum or page replacement shall be deemed an amendment of this Agreement.

Section 14.27 Dogpatch Neighborhood. City and Developer acknowledge that the Project Site is located in the Dogpatch neighborhood. Developer shall acknowledge the Project's association with the Dogpatch neighborhood in its promotional materials for the Project and may name or otherwise refer to the Project as the Dogpatch Power Station Mixed-Use Development Project in any applications for Later Approvals.

Section 14.28 Station A Vibration Monitoring. Prior to any controlled blasting, pile driving, or use of vibratory construction equipment on the Project Site, Developer shall engage a historic architect or qualified historic preservation professional and a qualified acoustical/vibration consultant or structural engineer to undertake a pre-construction survey of Station A to document Station A's condition. Based on the condition of Station A, a structural engineer or other qualified entity shall establish a maximum vibration level that shall not be exceeded during construction of the Project. The qualified consultant shall conduct regular periodic inspections of Station A throughout the duration of vibration-inducing construction when it occurs within 80 feet of the building. Should vibration levels be observed in excess of the established maximum vibration level or should damage to any part of the walls of Station A to be retained by the Project under the Design for Development, construction shall be halted and alternative construction techniques put in practice, to the extent feasible. For example, smaller, lighter equipment might be able to be used or pre-drilled piles could be substituted for driven piles, if soil conditions allow.

[Signatures on following page]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

Approved as to form:

DENNIS J. HERRERA, City Attorney

By: _____
John Rahaim
Director of Planning

By: _____
Heidi J. Gewertz, Deputy City Attorney

Approved on _____, 2019
Board of Supervisors Ordinance No. _____

Approved:

By: _____
Naomi Kelly, City Administrator

By: _____
Mohammed Nuru, Director of Public Works

DEVELOPER:

CALIFORNIA BARREL COMPANY LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

FORM OF JOINDER UNDER SECTION 3.13

RECORDING REQUESTED BY

CLERK OF THE BOARD OF SUPERVISORS

OF THE CITY AND COUNTY OF SAN FRANCISCO

(Exempt from Recording Fees
Pursuant to Government Code
Section 27383)

AND WHEN RECORDED MAIL TO:

Angela Calvillo
Clerk of the Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

JOINDER

[•], a [•] (“**Subject Owner**”), is the fee owner of the PG&E Sub-Area [or portion thereof described on Exhibit 1 hereto] (the “**Subject Property**”), and hereby joins in the Development Agreement (as amended and may be further amended from time to time in accordance with the terms thereof, the “**DA**”) to which this joinder is attached and accordingly as of the date of recordation of this joinder is “Developer” under the DA with respect to the Subject Property and the Subject Property constitutes “Developer Property” under the DA with respect to Subject Owner. Subject Owner acknowledges and agrees hereby that it is subject to and bound by the DA with respect to the Subject Property as of the date of recordation of this joinder. Subject Owner shall record this joinder in the Official Records promptly following the execution of this joinder by PG&E. Capitalized terms used but not otherwise defined in this joinder shall have the meanings ascribed to them in the DA.

[Signatures appear on following page]

SUBJECT OWNER:

[•],
a [•]

By: _____
Name: _____
Title: _____

DRAFT

CONSENT TO DEVELOPMENT AGREEMENT
San Francisco Municipal Transportation Agency

The SFMTA has reviewed the Development Agreement to which this Consent to Development Agreement (this “**SFMTA Consent**”) is attached. Except as otherwise defined in this SFMTA Consent, initially capitalized terms have the meanings given in the Development Agreement to which this SFMTA Consent is attached (as amended from time to time in accordance therewith, the “**Development Agreement**”).

By executing this SFMTA Consent, the undersigned confirms the following:

1. The SFMTA Board of Directors, after considering at a duly noticed public hearing the CEQA Findings for the Project, including the Statement of Overriding Considerations, the MMRP and the transportation-related Mitigation Measures and improvement measures, consented to and agreed to be bound by this Development Agreement as it relates to matters under SFMTA jurisdiction, and delegated to the Director of Transportation or his designee any future SFMTA approvals under this Development Agreement, subject to Applicable Laws, including the City Charter.

2. The SFMTA also agrees to the following:

(i) SFMTA will review and approve the SFMTA Infrastructure described in the Infrastructure Plan, subject to Developer satisfying SFMTA’s requirements and the transportation-related Mitigation Measures and improvement measures for design, construction, testing, performance, training, documentation, warranties and guarantees that are consistent with the Applicable Standards;

(ii) Approved Mitigation Measure [add mitigation measures here that require SFMTA approval] which [provide text of measures];

(iii) concurred with all of the transportation-related mitigation measures in the EIR;

(iv) approved the Transportation Plan (Exhibit I), including (A) payment of the Transportation Fee and directed the Director of Transportation to administer and direct the allocation and use of Transportation Fees consistent with Exhibit I; (B) the Developer’s TDM Plan, attached to Exhibit I and found that the TDM Plan meets the requirements of Mitigation Measure M-TR-5; (C) the Developer’s exclusion of the Project from the Residential Parking Permit program eligibility (D) the Developer’s provision and maintenance of an SFMTA Employee Restroom; and the (E) the Developer’s provision and maintenance of an SFMTA bus shelter.

3. The SMTA Board of Directors also authorizes SFMTA staff to take any measures reasonably necessary to assist the City in implementing the Development Agreement in accordance with SFMTA Resolution No. _____, including the Transportation Exhibit and Transportation-related mitigation measures;

By executing this SFMTA Consent, the SFMTA does not intend to in any way limit, waive or delegate the exclusive authority of the SFMTA as set forth in Article VIIIA of the City's Charter.

CITY AND COUNTY OF SAN FRANCISCO, a
municipal corporation, acting by and through the
SAN FRANCISCO MUNICIPAL
TRANSPORTATION AGENCY

By: _____

Jeffrey Tumlin, Director of Transportation

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: _____

Susan Cleveland-Knowles
Deputy City Attorney

DRAFT

CONSENT TO DEVELOPMENT AGREEMENT
San Francisco Public Utilities Commission

The Public Utilities Commission of the City and County of San Francisco (the “SFPUC”) has reviewed the Development Agreement to which this Consent to Development Agreement (this “SFPUC Consent”) is attached. Except as otherwise defined in this SFPUC Consent, initially capitalized terms have the meanings given in the Development Agreement to which this SFPUC Consent is attached (as amended from time to time in accordance therewith, the “Development Agreement”).

By executing this SFPUC Consent, the undersigned confirms that the SFPUC, after considering at a duly noticed public hearing the Development Agreement, the Infrastructure Plan, the CEQA Findings, including the Statement of Overriding Considerations and the Mitigation Monitoring and Reporting Program, and utility-related Mitigation Measures, consented to:

1. The Development Agreement as it relates to matters under SFPUC jurisdiction, including the Infrastructure Plan and the SFPUC-related Mitigation Measures.
2. Subject to Developer satisfying the SFPUC’s requirements for construction, operation and maintenance that are consistent with the Applicable Standards and the plans and specifications approved by the SFPUC in accordance with the terms of the Development Agreement, and meeting the SFPUC-related Mitigation Measures, the SFPUC’s accepting and then, subject to appropriation, operating and maintaining SFPUC-related infrastructure.
3. Delegating to the SFPUC General Manager any Later Approvals of the SFPUC under the Development Agreement.

CITY AND COUNTY OF SAN FRANCISCO, a
municipal corporation, acting by and through the
SAN FRANCISCO PUBLIC UTILITY
COMMISSION

By: _____

Harlan Kelly, General Manager

CONSENT TO DEVELOPMENT AGREEMENT
Port Commission

The Port Commission of the City and County of San Francisco (the “**Port Commission**”) has reviewed the Development Agreement to which this Consent to Development Agreement (this “**Port Consent**”) is attached. Except as otherwise defined in this Port Consent, initially capitalized terms have the meanings given in the Development Agreement to which this Port Consent is attached (as amended from time to time in accordance therewith, the “**Development Agreement**”).

By executing this Port Consent, the undersigned confirms that the Port, after considering at a duly noticed public hearing the Development Agreement and the CEQA Findings, including the Statement of Overriding Considerations and the Mitigation Monitoring and Reporting Program, consented to:

1. The Development Agreement as it relates to matters under Port jurisdiction, including the terms of Exhibit Z (City and Port Implementation of Later Approvals) and Exhibit G (Infrastructure Plan) as it relates to any Infrastructure and other Public Improvements planned for land under Port jurisdiction.
2. Developer’s Completion of the Parks and Open Spaces on land under Port jurisdiction as set forth in the Development Agreement.
3. Delegating to the Port Executive Director any Later Approvals of the Port under the Development Agreement, subject to Law, including the City’s Charter, including a Memorandum of Understanding between the Port and relevant City agencies relating to Public Improvements planned for Port land and streets, including utility placement therein, and responsibility for permitting, implementation, acceptance, maintenance and liability for such Public Improvements.

By authorizing this Port Consent, the Port Commission does not intend to in any way limit the exclusive authority of the Port Commission under Applicable Standards.

CITY AND COUNTY OF SAN FRANCISCO, a
municipal corporation, acting by and through the
SAN FRANCISCO PORT COMMISSION

By: _____

Elaine Forbes, Executive Director

**CONSENT TO DEVELOPMENT AGREEMENT
San Francisco Fire Department**

The Fire Chief and the Fire Marshall of the City and County of San Francisco have reviewed the Development Agreement to which this Consent to Development Agreement (this “**SFFD Consent**”) is attached. Except as otherwise defined in this SFFD Consent, initially capitalized terms have the meanings given in the Development Agreement to which this SFFD Consent is attached (as amended from time to time in accordance therewith, the “**Development Agreement**”). By executing this SFFD Consent, the undersigned confirm that, after review of the Infrastructure Plan and the Design for Development, together with the CEQA Findings, including the Statement of Overriding Considerations and the Mitigation Monitoring and Reporting Program, they have consented to:

1. The Development Agreement as it relates to matters under SFFD jurisdiction; and
2. Subject to Developer satisfying Developer’s obligations requirements for construction consistent with the Applicable Standards, the City’s acceptance of Infrastructure Completed by Developer.

By authorizing this SFFD Consent, the SFFD Fire Chief and Fire Marshall not intend to in any way limit the authority of the SFFD as set forth in Section 4.108 and 4.128 of the City’s Charter.

CITY AND COUNTY OF SAN FRANCISCO, a
municipal corporation, acting by and through the
SAN FRANCISCO FIRE CHIEF AND FIRE
MARSHALL

By: _____

Fire Chief

By: _____

Fire Marshall